

Motor Vehicle Engine and Parts Repair and Maintenance in Australia

Key Statistics 2014-15 (IBISWorld 2015)

Revenue: **\$15,193.00 million**

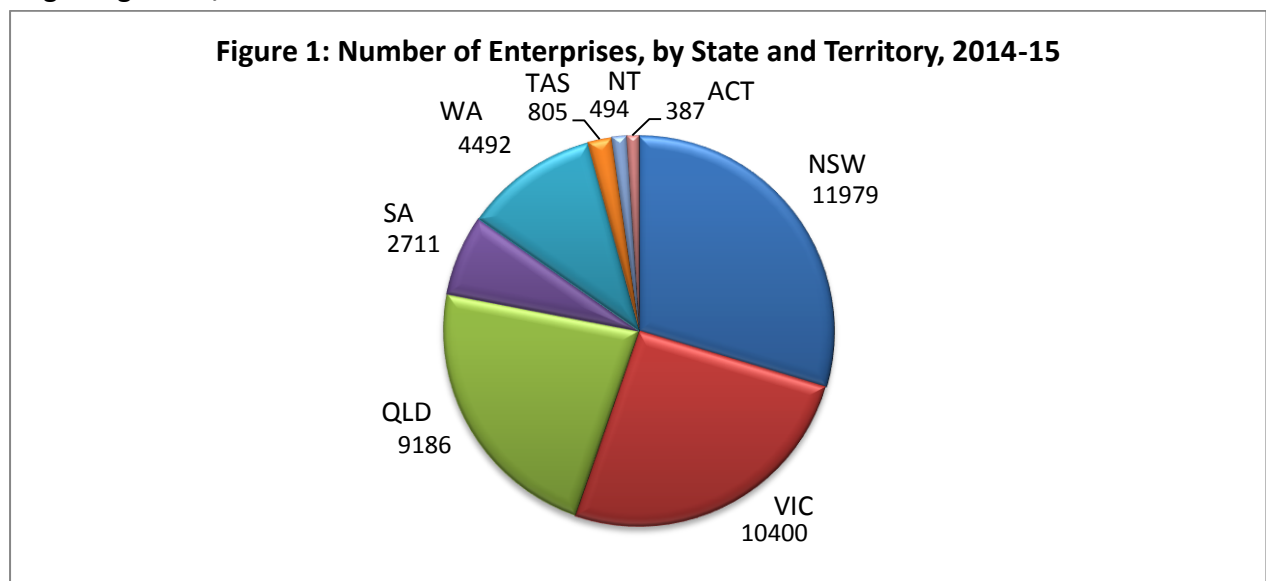
Establishments: **40,468**

Businesses: **22,276**

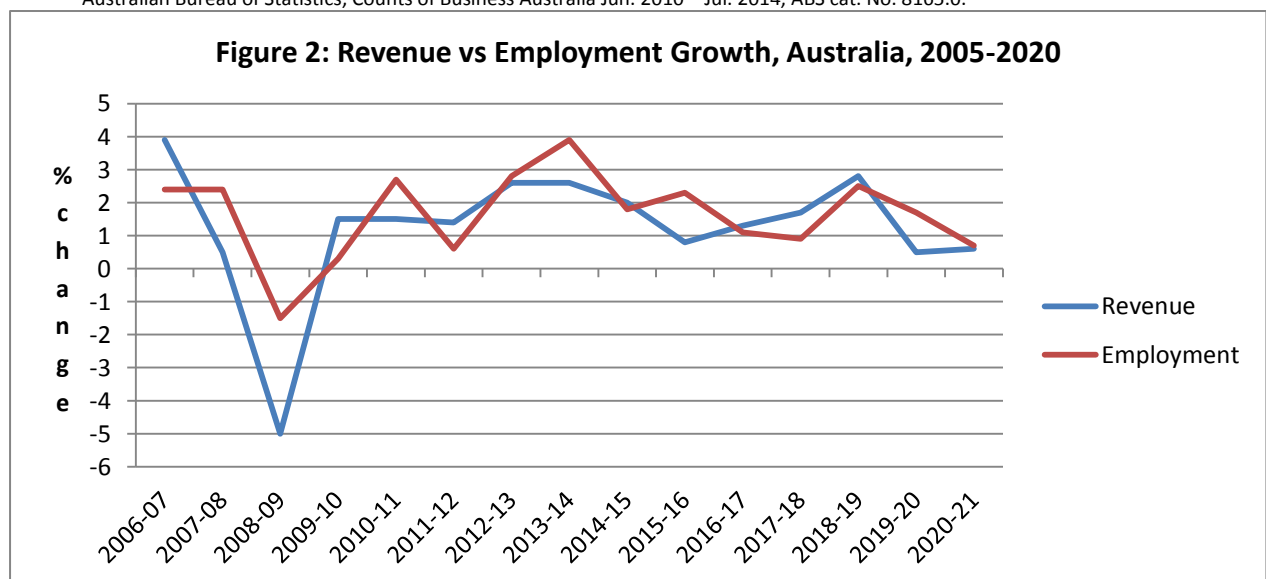
Employment: **104,908**

Avg. Employees per Establishment: **2.5**

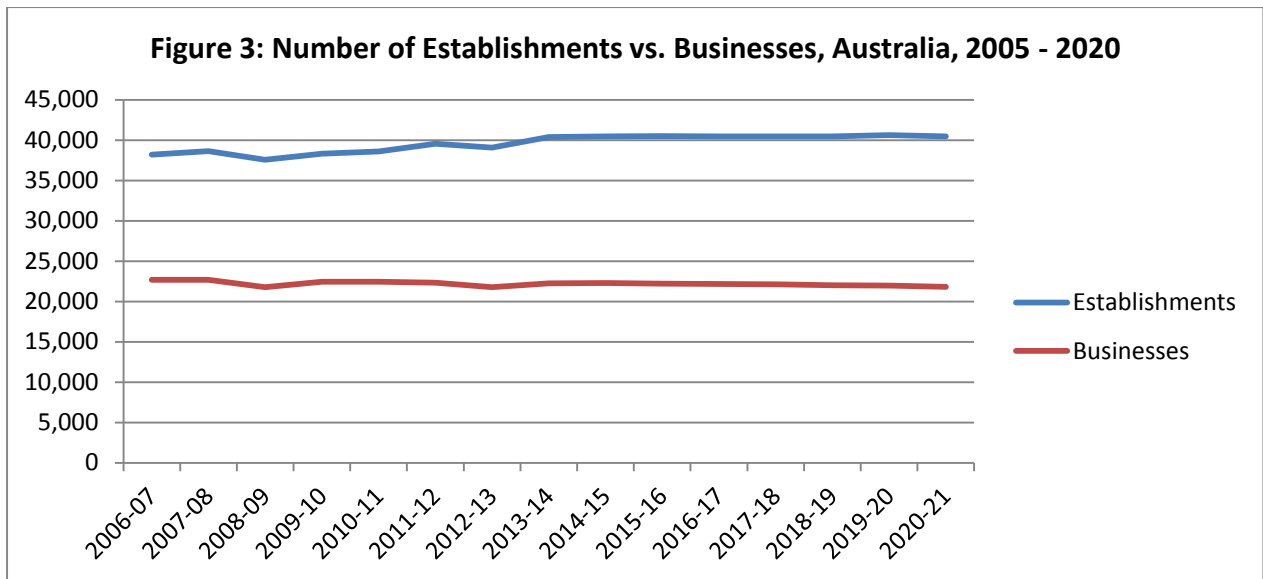
Avg. Wage: **\$56,485.70**



Source: IBISWorld, S9419 Motor Vehicle Engine and Parts Repair and Maintenance in Australia, Chia, S., July 2015.
Australian Bureau of Statistics, Counts of Business Australia Jun. 2010 – Jul. 2014, ABS cat. No. 8165.0.



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Summary

There was a downturn in the Motor Vehicle engine and parts repair and maintenance industry following the Global Financial Crisis. This was driven by consumers delaying the purchase of new vehicles and non-essential repairs until economic conditions and sentiment improved. New car sales are important as this increases the number of cars on the road and consumers are more likely spend money on repairs and servicing on new cars than they are on old cars. As economic conditions improved the industry returned to growth as new car sales increased and consumers spent money on servicing and repairs that they had put off previously.

There are now more vehicles on the road than ever before as a result of the increase in new car sales. However, with more new cars on the road the average age of those cars is getting younger, which means a decrease in high value repairs and servicing usually performed on older cars.

Given the increase in new car sales there is also increasing pressure on the motor vehicle engine and parts repair and maintenance industry from dealerships. Dealerships are in the unique position that they offer capped-price servicing and warranties at the time of purchase. They also have diagnostic equipment that is specific to the marques and models sold at a particular dealership.

Despite these challenges it is anticipated that the industry will continue to grow in the next 5 years. The Australian automotive market will remain very competitive but with more cars on the road it is forecast that demand for repairs and maintenance will continue to grow, albeit at a modest pace.