

DIRECTIONS IN AUSTRALIA'S AUTOMOTIVE INDUSTRY AN INDUSTRY REPORT 2017

This year marks a historic occasion, the end of car manufacturing in Australia and the launch of a new landmark report into the automotive industry, *Directions in Australia's Automotive Industry: An Industry Report 2017*.

This report covers all sectors of the automotive industry, from automotive repair and maintenance, to marine, bicycles and outdoor power equipment, in one whole-of-industry report.

The report provides a comprehensive insight into the automotive industry, both at a national level and across each state and territory and makes use of grass roots industry data and cutting edge analysis to predict what lies ahead for the industry in the near future and beyond.

The report is structured into five sections:

Section 1 identifies what represents Australia's automotive industry. This includes the scope, size and individual sectors that make up the fabric of the automotive industry. It accurately identifies the industry business population and its structure, the profitability of sectors, the size of the new and used vehicle markets and the key industry bodies that represent the Australian automotive industry.

Section 2 identifies exactly how important the automotive industry is. This includes an economic analysis of each automotive sector and their contribution to the Australian economy. Also included is

an analysis of the purchase and use of automotive products and services by other industries within the Australian economy, including households. The social dimension and contribution of the automotive industry is also examined, particularly in terms of urban planning and growth and skills formation within the vocational education and training system.

Section 3 describes the key trends that are impacting on the automotive industry. This includes an analysis of current business conditions and business performance in each sector; the practices and attributes separating high from low performing businesses; forecasts of the overall employment and business growth trajectory of the automotive industry over the next three years; a detailed analysis of skill shortages by occupation – including numerical estimates of skill shortages over the next three years – and the key reasons for and impacts of skill shortages amongst businesses. Also included is new industry modelling that explores the relationship between new vehicle sales and the growth in house prices. The modelling is used to supply annual sales forecasts for new vehicles over the next three years or more, based on the growth rate in house prices. Additionally, key trends in automotive technology, patterns of car ownership and use are examined, along with insights into the level of disruption expected for automotive businesses over the next few years through the uptake of electric, connected and autonomous vehicles.

Section 4 evaluates current and future challenges facing the automotive industry and its sectors, and discusses possible solutions for these. At a macro level, challenges surrounding industry recognition within government; skill shortages; vocational education and training; business resources and the transition to electric and autonomous vehicles are discussed. At a micro/sector level, access to technical repair information; insurance company power; parallel imports and the Franchise Code of Conduct, are some of the issues further explored within the report.

Section 5 provides snapshots and analysis of the automotive industry for each state and territory, including a breakdown of skill shortages and other issues unique to each jurisdiction. Also provided is data on the uptake of automotive training by apprentices and trainees and the key challenges surrounding the hiring of apprentices, and the quality of training delivered through the vocational education and training system.

To secure a copy of *Directions in Australia's Automotive Industry: An Industry Report 2017*, contact your state or territory Motor Trade Association/Automobile Chamber of Commerce.

Hardcopies of *Directions in Australia's Automotive Industry: An Industry Report 2017* can be ordered from vacc.com.au