



2019-20 Industry Snapshot: Passenger Car Rental and Hiring in Australia (Source: IBISworld)

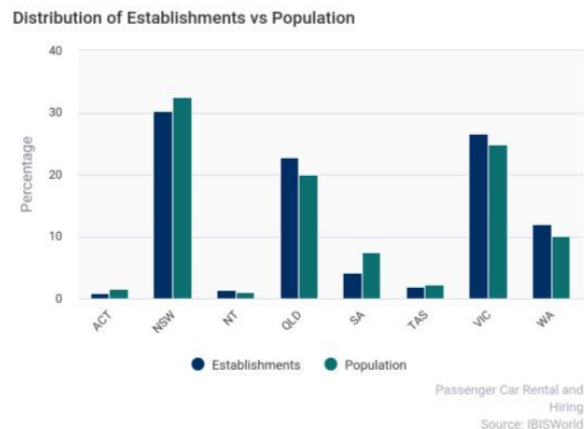
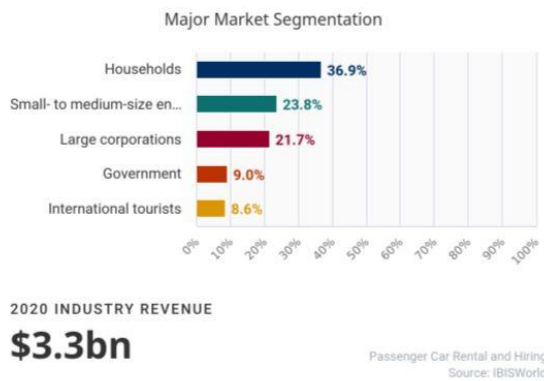
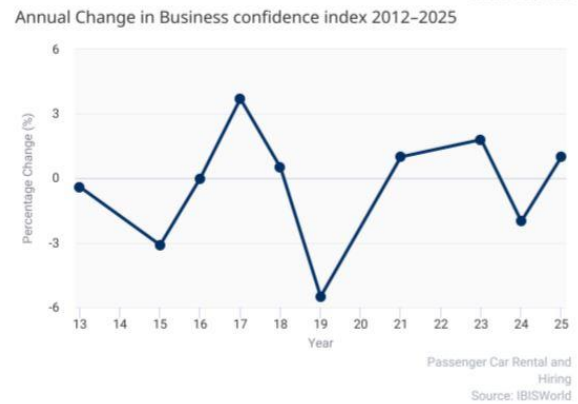
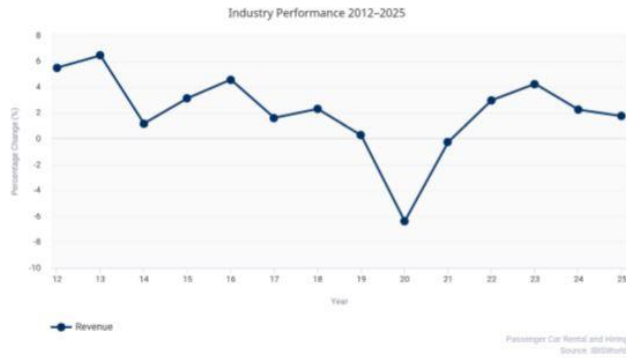


Industry Definition

Passenger car rental and hiring firms' principle activities are leasing, hiring or renting out passenger cars (sedans, hatchbacks, station wagons, SUVs and minibuses) without drivers. This industry summary does not include car leasing firms (Yeoh, Y.H. IBISworld, Apr 2020).

Total revenue 2020: -\$3.3bn	Annual growth 2015-2020: +0.4%	Annual growth 2020-25: +2.2%
Profit margin 2020: -14.3%	Wages as a share of revenue 2020: -16.4%	Number of businesses 2015-20: +3%

(Yeoh, Y.H. IBISworld, Apr 2020)



2020 INDUSTRY REVENUE
\$3.3bn

(Yeoh, Y.H. IBISWorld, Apr 2020)

Industry Summary

- Although the passenger car rental and hiring industry has recorded modest growth over the past five years, it has been buoyed by increased numbers of international tourists to Australia and increased domestic tourism activity which was aided by the weaker Australian dollar.
- Industry revenue increased at a compound annual rate of 0.4% over the five years through 2019-20, to reach \$3.3 billion (which includes an anticipated decline of 6.4% this year due to the impact of COVID-19 related travel restrictions).
- Prior to the outbreak of COVID-19, the industry benefitted from increasing numbers of tourists from China and the subcontinent.
- Although international tourism has increased strongly over the past five years, increasing price-based competition (influenced by price comparison websites) has partially offset some of the benefits to industry operators.
- Travel restrictions are likely to negatively affect industry operators as firms rely on domestic and international travelers. This has encouraged residents to take domestic holidays rather than travelling overseas.
- Due to the services provided by the industry, new trends such as ride sharing are expected to alter the industry's structure and slow revenue growth.
- Industry revenue is forecast to increase at a compound annual rate of 2.2% over the five years through 2024-25, to reach \$3.6 billion.

Source: Yeoh, Y.H (April 2020). IBISWorld industry report L6611: Passenger Car Rental and Hiring in Australia