

2019-20 Industry Snapshot: Motor Vehicle Dismantling and Used Parts Wholesaling in Australia (Source: IBISworld)

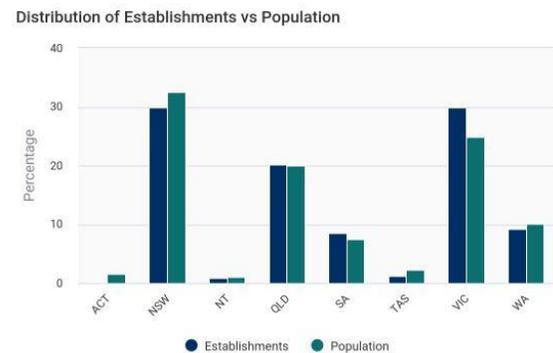
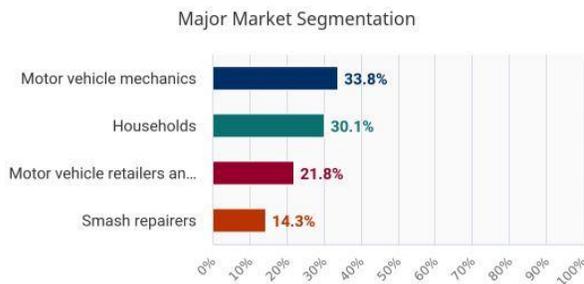
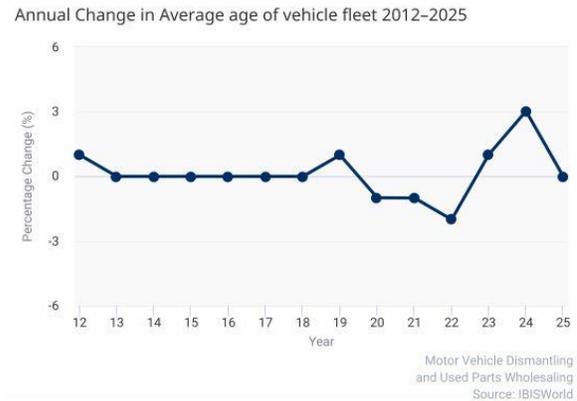
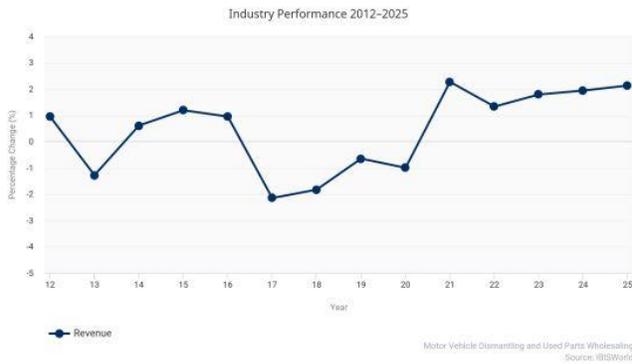


Industry Definition

Operators in the industry are primarily involved in dismantling motor vehicles or motorcycles and wholesaling the used parts obtained in the dismantling process. Industry operators commonly operate from fixed premises but may also wholesale used motor vehicle parts online. This industry snapshot does not include purely online wholesalers (Youren, M. IBISworld, Jul 2019).

Total Revenue 2020: +\$999.1m	Annual Growth 2015-20: -0.9%	Annual Growth 2020-25: +1.9%
Profit Margin 2020: -10.8%	Wages as a share of Revenue: -19.6%	Number of Businesses: +2.6%

(Youren, M. IBISWorld, Jul 2019).



2020 INDUSTRY REVENUE
\$999.1m
 Motor Vehicle Dismantling and Used Parts Wholesaling
 Source: IBISWorld

Youren, M. IBISWorld, Jul 2019).

Industry Summary

- Due to the relative young age of Australia’s automotive fleet and the extended lifespan, reliability and performance of modern vehicles, demand for used parts has stalled somewhat.
- New safety technology that reduces the number of accidents has also reduced the likelihood of accidents which has weakened demand for smash repairers and used parts (also as a cheaper substitute for new parts).
- A rising Australian dollar made new motor vehicles more affordable which lead to less older vehicles on Australian roads. The number of consumers choosing to recycle their vehicles has increased during this period and discretionary income growth has limited demand for used vehicle parts as it has increased the affordability of new parts.
- As a result, industry revenue is forecast to decline over the five years through 2019-20 to reach \$999.1 million, at an annualised rate of 0.9%.
- Industry revenue is expected to reach \$1.1 billion in 2024-25 with an annualized growth of 1.9%.
- Due to a growing Australian car fleet, demand for motor vehicle dismantling and used parts wholesaling is projected not to be effected by increasing new car sales. This is partly due to increased dismantling activities.
- Competition within the sector will remain strong.

Source: Youren, M (July 2019). IBISWorld industry report F3505: Motor Vehicle Dismantling and Used Parts Wholesaling in Australia.

