Overview of HV Manufacturing in Australia

Dr Peter Hart
Chairman, ARTSA

Australian Trailers – Mainly locally made:

Key Factors

- High level of custom design.
- Specialist design and manufacturing is needed.
- Highly innovative industry responding to liberalization of access rules.
- Mainly privately owned company suppliers.
- Intense competition

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Australian Trucks - There are four main supplier regions:

Australia, USA, Europe, Japan

Key Factors

- Reliability, longevity.
- High pulling power.
- Customization.
- Engine selection.
- Safety technologies
- Publically owned companies.
- Intense competition

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Australian Buses – Body and Chassis Usually Built Separately

Key Factors

- The compartment is usually made by a body builder.
- Many buses are built on top of European or Japanese chassis (SARN).
- Fully-built imports from China are now common.

Heavy Vehicles:

- $\geq$ 4.5 t gross rating
- Broadly in four categories
    - Prime movers
    - Rigid trucks
    - Buses
    - Trailers

Heavy Vehicles:

Two sectors

4.5 – 12 t (Medium duty, 2 axles)

$\geq$ 12t (Heavy duty, 3 and more axles)

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Heavy Vehicles:

Two sectors

4.5 – 12 t (Medium duty, 2 axles)

- Minimal OEM truck manufacturing
- Trailer manufacturing
  (e.g. equipment trailers)
- Some bus compartment building
- Substantial body building (trays & var

Heavy Vehicles:

Two sectors

4.5 – 12 t (Medium duty, 2 axles)

- Minimal OEM truck manufacturing
- Trailer manufacturing

  (e.g. equipment trailers)
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Heavy Vehicles – MD Trucks

Two sectors

4.5 – 12 t (Medium duty, 2 axles)

Heavy Vehicles – MD Trucks

4.5 – 12 t (Medium duty)

Minimal OEM truck manufacturing

Trailer manufacturing

(e.g. equipment trailers)

Some bus compartment building

Substantial body building (trays & vans)

Heavy Vehicles – HD Trucks

12 t (Heavy duty)

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Heavy Vehicles – HD Trucks

12 t (Heavy duty)

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Heavy Vehicles – HD Trucks

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Heavy Vehicles – HD Trucks

12 t (Heavy duty)

Heavy Vehicles – HD Trucks

- 16 OEM suppliers
- 4 building locally

- 58 second-stage manufacturers

Heavy Vehicles – HD Trailers

12 t (Heavy duty)

Heavy Vehicles – HD Trailers

12 t (Heavy duty)

Heavy Vehicles - Trailers

Trailer Manufacturers

- 466 with approvals
- 243 have more than one approval
- 49 with more than five approvals

World leaders

Australia is the world leader in important aspects of the heavy-duty transport industry:

1. Introduction and management of high-productivity heavy vehicles
2. Performance-Based Standards promoting local innovation.
3. Certification of vehicle monitoring equipment for fatigue management, load management and geo-fencing.
4. Regulatory reforms supporting the above.

What Does This Industry Want ?

- Recognition of successes
- Continuing reform that promotes access and benefits for innovative vehicles
- Certainty and fairness with registration / road use charges
- Engagement with tertiary institutions to promote career uptake in heavy-vehicle logistics / manufacturing
- Better recognition for experienced and safe truck drivers to promote entry
- Meaningful regulation of safety-relevant replacement parts
- Reverse the trend with the median age of the fleet.

Value of the Heavy Vehicle New Market

VALUE OF NEW REGISTRATIONS OF HEAVY PRIME MOVERS 2015-16			
Vehicle Type	Average Retail Value	Year Ending 30 Jun 2016	Total Retail Value
Regular Heavy Prime Movers	$250 k	1,796	$449,000 k
Multi Combination Heavy Prime Movers	$350 k	3,290	$1,151,500 k
Totals	**5,427**	**5,086**	**$ 1.6 B**

VALUE OF HEAVY DUTY (≥ 12t) RIGID TRUCKS, 2015-16			
Vehicle Type	Average Retail Value of chassis cab	Year Ending 30 Jun 2016	Retail Value
HD Regular Rigid Trucks	$150 k	6,010	$ 901,500 k
HD Long Combination Rigid Trucks	$250 k	718	$179,500 k
Total Rigid Chassis Cab Trucks	$ 163 k	6,728	$ 1.10 B
Body Attachment	$40 k	6,728	+$ 0.27 B
Total Retail Value			$ 1.37 B

RETAIL VALUE OF HEAVY DUTY TRAILERS (≥ 12t) in 2015-16			
Vehicle Type	Average Retail Value	Year Ending 30 Jun 2016	Market Value
Semi Trailers	$150 k	5,519	$827,850 k
Lead Trailers	$150 k	1,563	$234,450 k
Dog Trailers	$130k	935	$121,550 k
Dolly Trailers	$ 40 k	813	$32,520 k
Pig Trailers	$ 30 k	250	$ 7,500 k
Other Trailers	$ 150 k	57	$8,700 k
Total Trailers	$135 k	9,137	$1.23 B
Specialty bodies	$100 k	457 (5% of total)	$0.05B
Total Retail Value			$1.28 B

VALUE OF MEDIUM DUTY (4.5 – 12t) RIGID TRUCKS, 2015-16			
Vehicle Type	**Average Retail Value**	**Year Ending 30 Jun 2016**	**Retail Value**
American Medium Rigids	**$100 k**	**201**	**$20,100 k**
Asian Medium Rigids	**$ 100 k**	**7,036**	**$ 703,600 k**
European Medium Rigids	**$ 100 k**	**337**	**$33,700 k**
Australian Medium Rigids	**$ 100 k**	**29**	**$2,900 k**
Other Medium Rigids	**$ 100 k**	**3**	**$300 k**
Total Medium Rigid Chassis Cabs	**$ 100 k**	**7,606**	**$ 0.76 B**
Bodies	**$ 20 k**	**7,606**	**$ 0.15 B**
Total Retail Value			**$ 0.91 B**

VALUE OF LIGHT RIGID (3.5 – 4.5 t) TRUCKS, 2015-16			
Vehicle Type	**Average Commercial value**	**Year Ending 30 Jun 2016**	**Retail Value**
American Medium Rigids	$ 60 k	~ 0	0
Asian Medium Rigids	$ 60 k	5,200	$ 312,600 k
European Medium Rigids	$ 60 k	500	$ 30,000 k
Australian Medium Rigids	$ 60 k	~ 0	0
Total Medium Rigids	$ 60 k	5,700	$ 0.34 B
Bodies	$ 15 k	5,700	$ 0.09 B
Total Retail Value			**$ 0.43 B**

		Australian-manufactured value
Prime Movers:	$1.62 B	~ 0.4 x $1.62 B
Trailers:	$ 1.28 B	~ 0.9 x $1.28 B
HD Rigid Trucks	$ 1.37 B	~ 0.1 x $1.37 B
HD Rigid Bodies	$ 0.27 B	~ 0.9 x $ 0.27 B
MD Rigid Trucks	$ 0.91 B	~ 0
MD Rigid Bodies:	$ 0.15 B	~ 0.9 x $ 0.15 B
Medium Duty Trailers	$ 0.03 B	~ 0.9 x $0.033 B
Light Rigid Trucks	$ 0.34 B	~ 0
Light Rigid Bodies:	$ 0.09 B	~ 0.9 x $ 0.09 B
Total:	$ 6.1 B	~ 0

Australian annual manufacturing value add is $2.47 B

Thanks for Listening