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30 Years of Insight.
Built for the Road Ahead.

Celebrating the moments that mattered to the automotive industry from the past 30 years.

ProfitFocus™

Thank you

As we mark the 30-year milestone of Deloitte's ProfitFocus platform, we want to take a moment to express our heartfelt thanks to everyone in the Australian automotive industry. This journey has been nothing short of extraordinary, and we are privileged to have witnessed, supported and learned alongside you every step of the way.

During the past three decades, the industry has faced challenges, embraced change and celebrated countless milestone achievements. From periods of rapid growth to times of disruption and uncertainty, dealers, manufacturers and industry leaders have consistently demonstrated resilience, ingenuity and commitment.

We continue to be inspired by the dedication of the people behind every dealership, every team and every operation – people who put their customers, their teams and their communities at the centre of everything they do, every single day.

At Deloitte, we feel honoured to have been part of this journey. Across our leaders and teams – past and present – we have sought to support and contribute wherever we could, whether through insights, operational and strategic guidance, benchmarking, or simply standing alongside you during challenging moments.

This partnership has been a privilege and a responsibility, and one we continue to take incredibly seriously. The success of our business is directly tied to the success of your business – and we are committed to that symbiotic success.

Thank you for the collaboration, the trust and the shared pursuit of excellence. As we celebrate these past 30 years, we are genuinely excited about what lies ahead. We look forward to continuing this journey together, learning, adapting and supporting the industry and its people for the next 30 years and beyond.

Thank you for letting us be part of your story.

With gratitude,



Lee Peters

Lee Peters

Managing Partner

Deloitte Motor Industry Services

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Executive summary

During the past three decades, the Australian automotive industry has experienced profound transformation. The journey has been defined by innovation, challenge, resilience and adaptation – a story of an industry that is both tough and remarkably human.

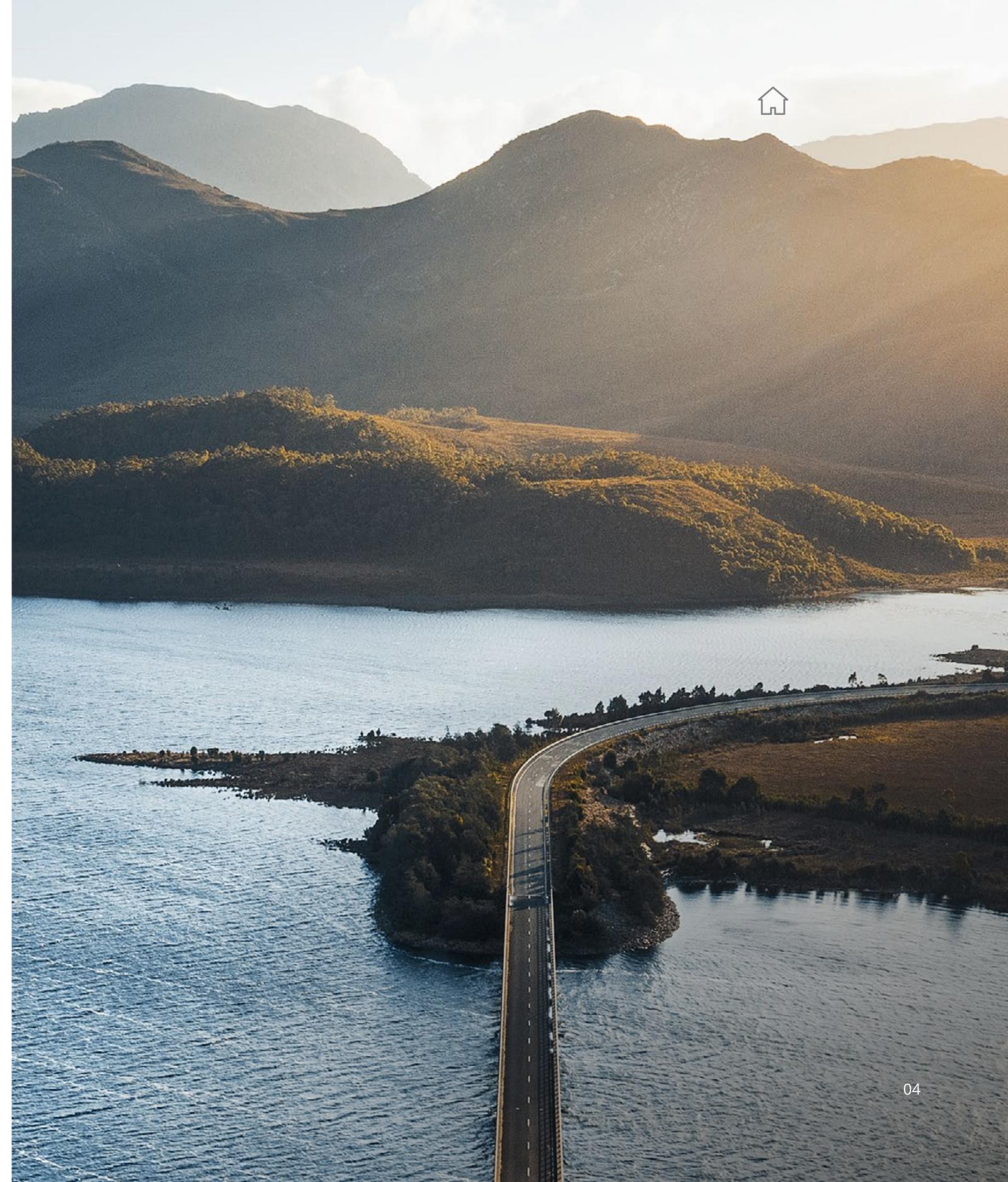
As we mark the 30-year milestone of Deloitte's ProfitFocus platform, we reflect not just on the evolution of a tool, but on the evolution of an industry whose people, ideas and collective determination have shaped the landscape we see today.

From the early days of structured financial reporting to the complex, data-driven landscape of modern dealerships, the story of the past 30 years is one of learning, adaptation and continual improvement.

ProfitFocus has served as a lens through which these changes can be observed, understood and benchmarked. More than a platform, it has been a shared language of performance, enabling dealers, manufacturers and industry leaders to align around what works, to strive toward operational excellence and to navigate uncertainty with confidence.

The industry has seen moments of stability and turbulence, growth and contraction, and innovation and disruption. From the launch of ProfitFocus itself, which brought together thousands of dealerships to measure and understand their performance, to the adoption of global safety standards, tariff reforms and structural consolidation, each turning point has tested the ingenuity and resilience of those involved. The global financial crisis (GFC), the COVID-19 pandemic and more recent supply chain disruptions illustrate the capacity of dealers and manufacturers to respond swiftly, decisively and collaboratively – often achieving remarkable outcomes under immense pressure.

Equally, moments of innovation and opportunity have driven the industry forward. The rise of electrification, connected vehicles, evolving retail models and digital lead generation reflect a sector that constantly reinvents itself. Australian dealers have not merely followed global trends – they have often been early adopters, testing new technologies, embracing emerging consumer behaviours and demonstrating that leadership is forged in the pursuit of excellence.





In the midst of all this change, one constant has been the human element. This is an industry built on relationships, trust and personal commitment. Dealer principals, general managers, sales teams, technicians and all involved have shown extraordinary dedication, adaptability and passion. They have navigated peaks and troughs, weathered financial and operational pressures and embraced change while maintaining a focus on people – their teams, their customers and their communities. It is this human-centred approach that has underpinned the industry's resilience and sustained success.

Looking at the past 30 years, several themes stand out, however 'resilience' is at the core. Dealers and manufacturers have repeatedly demonstrated that while challenges are inevitable, they can be overcome with focus, discipline and collaboration. Adaptation has defined progress, whether through regulatory shifts, technological advances, or evolving consumer preferences. This symbiotic relationship between the dealer community and original equipment manufacturers (OEMs) has been central to unlock this.

And finally, the continued pursuit of 'benchmark' performance remains central – those who have consistently applied best-practice principles continue to succeed, even in the most challenging conditions.

The industry today stands at a critical inflection point. Structural pressures, the acceleration of electrification, technology-driven disruption and evolving consumer expectations are reshaping what success looks like.

Dispersion of performance is higher than ever, yet benchmark dealers continue to show that disciplined execution and relentless focus on operational excellence drive results.

While the future will demand agility and innovation, the lessons of the past 30 years provide guidance: an industry is only as strong as the people who drive it, and success comes from learning, adapting and striving for excellence every single day.

Through all of these changes, ProfitFocus and our team have had the privilege of analysing and narrating the industry's journey. By capturing the data, highlighting the trends and sharing the insights, we have sought to illuminate the moments that matter and provide a lens through which the industry can understand itself.

These insights tell a story not only of growth, challenge and transformation, but of a uniquely human industry that has never stopped striving for excellence.

As we look forward, the narrative remains dynamic. There are opportunities, challenges and many more 'moments' yet to come. But if the past 30 years have taught us anything, it is that while the Australian automotive industry is tough, its people are tougher.

Resilience, focus and a commitment to the pursuit of benchmark performance will continue to define its future – just as they have defined its past.



Thirty Years, One Story... in Focus

The evolving heartbeat of the
Australian automotive industry

For more than 30 years, the Australian automotive industry has been in a constant state of motion. Markets have expanded and contracted. Brands have arrived, merged, transformed and departed. Regulation has tightened. Technology has accelerated. Consumer expectations have shifted – sometimes gradually, sometimes overnight. Yet through every cycle, disruption and reset, one truth has remained remarkably consistent – this industry is resilient, and the people within it are even more resilient.

ProfitFocus was born out of a simple but powerful belief – that data leads to insight, and insight leads to better decisions. When the program was established, the ambition was not to produce reports for reports' sake, but to give dealers and industry stakeholders clarity – to help them understand how their businesses are truly performing, how they compared to their context, and where real and tangible opportunities existed. As one of our founding partners reflected, "We didn't start ProfitFocus to tell dealers how they were going. We started it so they could see it for themselves – and do something about it."

Three decades on, that belief has proven enduring.

Our focus on the automotive industry, and particularly the dealership sector, began in the compliance space, supporting privately owned and operated dealerships with their audit and tax compliance work. This started as far back as the 1960's with some very prominent dealers of the day, who starting setting the tone for what operational excellence looked like, even some 60+ years ago.

Through the evolution of our 'Motor Industry Services' business, during the days of Forge, Horwath, and now Deloitte, a signed audit report or tax return by our industry specialist partners became the most bankable signature in the market.

However, our business was never built on simply counting the profit, but was always based more on supporting dealers make more profit. As this partnership with the market evolved, we focused more on supporting dealers drive their own profitability, and it was from this focus that eventually gave rise to the ProfitFocus concept and platform.

Through the lens of ProfitFocus, we have had the privilege of observing the Australian automotive industry as a living and breathing system – one shaped by external forces, yes, but ultimately defined by human behaviour, discipline and leadership. The data has not only tracked performance; it has told a story. A story of peaks and troughs, of pressure and reinvention, and of a persistent gap between the average and the exceptional... the 'benchmark'.

Profitability Has Always Been Uneven

One of the most consistent insights across 30 years of ProfitFocus data is that profitability has never been evenly distributed. Even in the early years – when market structures were simpler and competition less intense – the difference between the average dealer and the benchmark was already evident.



In those early days, the average dealership typically generated bottom-line returns of about 1% - 1.5% (net profit as a percentage of sales), while benchmark dealers – the average of the top 30% of the ProfitFocus database – consistently delivered returns north of 3% bottom-line, or double that of the average dealer. That gap was not accidental, nor was it cyclical. It was structural.

This insight became foundational to how we worked with the industry. It reinforced a core principle that still holds true today – benchmark performance is not an outcome of market conditions alone; it is the result of choices, behaviours and execution. Markets move, but benchmarks persist.

The Pursuit of Benchmark Performance

Across decades, one of the most striking patterns in the data is the stickiness of benchmark performance. High-performing dealers do not simply appear at the top during boom periods and disappear in downturns. They show up, consistently, through cycles.

ProfitFocus has repeatedly shown that while overall industry profitability rises and falls, benchmark dealers tend to outperform in every environment. During periods of market expansion, they scale profitably. During contractions, they protect margins, manage costs and preserve cash. Over time, the compounding effect of these behaviours becomes profound.

This insight shaped what we refer to as ‘the pursuit of benchmark performance’ – not as an abstract aspiration, but as a practical discipline. It is why our Benchmark Booklets have sat on dealership desks for decades, why our Academy of Excellence certificates hang proudly on dealership walls, and why many of the best front-line managers understand their numbers as deeply as their senior leaders. These artefacts became symbols of something bigger – a shared language of performance.

Volume Has Never Guaranteed Profit

Another enduring lesson from 30 years of data is deceptively simple – volume alone has never guaranteed profitability.

There have been periods when volume surged – driven by product cycles, incentive structures, or broader economic tailwinds. Yet time and again, ProfitFocus data has shown that volume growth without discipline often diluted returns. In contrast, benchmark dealers demonstrated an ability to grow sustainably, balancing throughput with margin, cost control and operational efficiency.

This insight became particularly clear during periods of intense competition and oversupply, where industry volumes were high, but profitability was under pressure. In these moments, the data consistently revealed that dealers with strong used-vehicle operations, disciplined expense management and mature finance and after-sales strategies materially outperformed their peers – even when potentially selling fewer units.

Behaviour Matters More Than Markets

Perhaps the most important lesson from three decades of ProfitFocus is this – the biggest swings in performance come from behaviour, not markets.

Market conditions matter, but they do not determine outcomes. ProfitFocus has shown that when faced with the same external environment, dealers respond very differently. Some retreat. Some react. Others lean in – adjusting pricing discipline, tightening processes, investing in capability and doubling-down on the customer experience (and, ultimately, customer retention).

This behavioural divergence explains why dispersion widens during periods of stress. It is also why crises, while painful, often accelerate change, rather than create it.

Crisis as an Accelerator, Not a Creator

The global financial crisis (GFC) of 2008 was one of the first true stress tests captured in the ProfitFocus data. While the shock was sharp, the rebound was equally telling. Dealers adapted quickly – reducing costs, sharpening focus and realigning the structure of their businesses. Within a relatively short period, profitability recovered and, in many cases, strengthened.

More than a decade later, COVID-19 delivered an even more profound disruption. Yet once again, the data told a story of resilience. Despite unprecedented uncertainty, supply disruption and operational constraints, dealership profitability reached levels previously thought unattainable.

During the pandemic, in particular, average dealership returns increased to 4.5% (net profit as a percentage of sales), while benchmark dealers achieved returns of more than 6.5%. Importantly, this was not driven by volume alone. It reflected improved margin discipline and a renewed focus on the total value chain.

Crisis did not create these behaviours – it revealed them.

The Discipline Dividend

Regulatory change has also left a clear fingerprint on the ProfitFocus data. The tightening of finance regulation in 2016 materially disrupted dealership income streams, particularly within the finance and insurance department. Penetration rates declined, processes became more complex and compliance costs increased.

Again, however, benchmark dealers adapted. The difference was not appetite – it was about process, training, governance and execution.

This period reinforced another enduring truth – fanatical discipline pays dividends. Process matters. Measurement matters. Consistency matters.



From Transactions to Lifetime Value

During the past 30 years, the way dealerships generate profit has evolved dramatically. Early models were heavily dependent on new-vehicle gross margins. This eventually gave way to volume-driven strategies, followed by a sharper focus on used vehicles, finance departments and, ultimately, after-sales. The after-sales departments, Service and Parts, are now paramount to unlock the cycle of business sustainability, in 2026 and beyond.

More recently, ProfitFocus data has highlighted the increasing importance of customer experience, retention and repurchasing. Dealers who understand the lifetime value of a customer – and align their operating model accordingly – consistently outperform those who treat transactions in isolation.

This evolution is visible in metrics such as service retention rates, with benchmark dealers having more than 30% of their new-vehicle sales volume come from previous and current customers; welcoming back more than 90% of their new-vehicle customers for their first annual service; and now having more than 50% of their contribution to their total gross 'pool' come from the back end of their business.

Walking the Showrooms and Workshops

One of the defining features of the ProfitFocus journey has been its proximity to the real world. This has never been a desktop exercise. The insights in the data have been forged through countless hours spent walking showroom floors, wandering through workshops, sitting in dealership boardrooms and engaging with the people who make this industry work.

Linking numbers to behaviour, and data to daily decisions, has been central to translating insight into impact. It is also why ProfitFocus has resonated not just with dealer principals and CFOs, but with sales managers, service advisors and front-line teams across the country.

2026: A Critical Inflection Point

As the industry enters 2026 (and beyond), the ProfitFocus data points to a moment of profound significance. Dispersion between average and benchmark performance is now wider than at any point in the past 30 years. While some dealers (benchmark) continue to deliver returns of close to a 4% bottom-line (net profit as a percentage of sales), others (the bottom 30%) are operating below break-even, with about one in three dealerships currently in loss positions. The mathematical 'average' of these highly dispersed performance levels is an approximate 1% bottom-line (net profit as a percentage of sales).

This divergence reflects structural strain. Increased brand complexity, shifting retail models, the transition to electrification, regulatory pressure, workforce challenges and rising customer expectations are all converging. The traditional structure of the industry – thousands of dealership rooftops supporting an ever-growing number of brands – is under pressure.

Yet the data also offers optimism. Profitability is still very achievable. There is no single 'silver bullet', but the path forward is increasingly clear – disciplined execution, operational excellence, people development and a relentless focus on the fundamentals.

In this environment, becoming an employer of choice is no longer optional. Talent, culture and leadership are emerging as decisive competitive advantages. Dealers who invest in their people – who build capability, clarity and confidence – are better positioned to navigate complexity and sustain performance.

The Privilege of Storytelling

Through it all, ProfitFocus has occupied a rare and privileged position. Not as an observer on the sidelines, but as a trusted partner working alongside the industry, listening, learning and helping to translate insight into action.

The data has allowed us to narrate the story of the Australian automotive industry with evidence, humility and respect. It has shown us not just what has changed, but what has endured. It has reminded us that while markets evolve and models shift, success ultimately comes down to people, process and purpose.

As the industry looks to the next chapter, one thing is clear – the pace of change has never been faster, and it will never be this slow again. Yet if the past 30 years have taught us anything, it is that this industry will adapt, endure and continue to thrive.

And we are honoured to continue telling that story – side by side with the people who live it every day.





30

Moments

1997 – 2026

During the past 30 years, the Australian automotive industry has experienced extraordinary change – moments of challenge, innovation, disruption and achievement that have shaped the industry we know today.

In this section, we have selected 30 of the most impactful and defining moments from the past three decades – milestones that reflect how the industry has evolved, adapted and thrived.

To bring these moments to life, we have invited 30 current and former leaders from our Deloitte Motor Industry Services team to share their perspectives.

Their insights provide a unique lens on what these moments meant for the industry, and how dealers, manufacturers and other stakeholders navigated change, embraced opportunity and pursued excellence.

This collection is more than a retrospective – it is a celebration of the people, the resilience and the shared journey that have defined the Australian automotive sector.

Each moment tells a story of determination, collaboration and innovation, capturing the essence of an industry that is tough and profoundly human.

Moment #01

1997

ProfitFocus Launches

Thirty years ago, **ProfitFocus** was launched, providing the automotive industry with a single unified language of performance and a wider automotive ecosystem with data to drive the pursuit of benchmark performance.



30 Years of Insight. Built for the Road Ahead.

1997 ← → 2026

The launch of ProfitFocus represented a major step forward for the Australian automotive industry. For the first time, thousands of franchised dealerships could access consistent, consolidated financial and operational data that allowed them to compare performance, identify areas for improvement and set meaningful targets. The platform created a shared language of performance across the industry, establishing benchmarks that became the reference point for excellence.

ProfitFocus transformed how the industry understood itself. By consolidating monthly data from thousands of dealerships, the platform provided insights into trends, opportunities and risks that were previously hidden. It enabled teams to see where they stood relative to peers, to measure progress against industry benchmarks and to focus on actionable strategies to improve performance. Over time, this data-driven approach encouraged a culture of continuous improvement, with the pursuit of benchmark performance becoming a central aim for dealer groups and networks alike.

The platform's value went beyond reporting. By creating one standardised set of measures, it allowed teams across the country to speak the same performance language, share best practice and align strategies across operations. The clarity and transparency provided by ProfitFocus helped to drive better decision-making at every level, supporting sustainable growth and operational efficiency.

Since its launch, ProfitFocus has evolved alongside the industry, adapting to changing business models, regulatory requirements and market challenges. Its enduring legacy lies in its role as the industry's compass, guiding dealers, networks and teams towards higher performance, smarter decisions and a clearer understanding of what excellence looks like. The launch of ProfitFocus was not just the start of a platform – it was the beginning of a new way for the automotive industry to measure, understand and pursue performance.

The clarity and transparency provided by ProfitFocus helped to drive better decision-making at every level, supporting sustainable growth and operational efficiency.



We didn't set out to create benchmarks – we set out to create clarity. What surprised us was how quickly the industry embraced having a shared language to talk honestly about performance.

John Eastham

John Eastham

Partner

Horwath

1990 – 2005



Moment

#02

1999

Vehicle Safety Front of Mind

Vehicle safety became a key driver for consumers and manufacturers alike in this era, with ANCAP ratings shaping purchasing decisions and influencing vehicle design across the nation's automotive industry.



1997 ← ● → 2026

The late 1990s marked a turning point in how the Australian automotive industry approached safety. Vehicle safety, once a technical consideration for manufacturers, was now front of mind for consumers. The Australasian New Car Assessment Program (ANCAP) played a pivotal role, providing independent, widely recognised crash-test ratings that allowed buyers to compare safety performance across models.

As safety became a visible differentiator in the market, consumer expectations began to shift, influencing purchasing decisions and the design priorities of manufacturers. Vehicles were no longer evaluated solely on style, performance, or price – safety became a core measure of value. Higher safety ratings were now a source of competitive advantage, prompting OEMs to invest in structural design, restraint systems and emerging safety technologies.

By 1999, the Australian automotive industry had begun to embrace safety not just as a regulatory requirement, but as a strategic, consumer-focused priority.

The impact of this shift was widespread. Dealerships needed to understand and communicate the importance of safety ratings to consumers, while networks monitored how safety performance influenced sales trends. ProfitFocus data began to capture these effects indirectly, showing correlations between higher-rated vehicles and customer uptake, profitability and brand perception. Safety became an integral part of the industry's performance landscape.

Over time, vehicle safety became embedded into industry culture. Manufacturers integrated advanced safety features into standard offerings, consumer awareness of safety metrics increased, and the Australian market became one of the most safety-conscious in the world. This moment also illustrated the power of objective, transparent data in driving consumer choice and industry behaviour.

By 1999, the Australian automotive industry had begun to embrace safety not just as a regulatory requirement, but as a strategic, consumer-focused priority. The introduction of accessible, comparable crash-test data changed how vehicles were designed, sold and perceived, reinforcing the importance of benchmarks and evidence-based decision-making across the market. The vehicle safety revolution set a precedent for the industry's ongoing commitment to excellence in performance, design and customer protection.



This was the moment buyers stopped asking 'how fast?' and started asking 'how safe?'. Once that shifted, there was no going back – safety became non-negotiable.

John Flynn

John Flynn
Partner

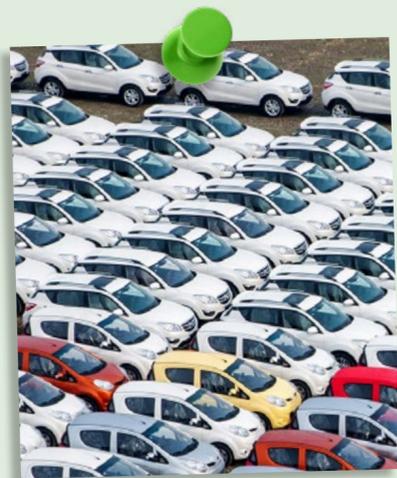
Deloitte / Horwath
1965 – 2008

Moment #03

1996 – 2000

Tariffs Reshape Industry Structure

Progressive tariff reductions increased import competition, altering the economics of local manufacturing and laying the groundwork for decades of brand proliferation across the Australian automotive market.



30 Years of Insight. Built for the Road Ahead.

1997 ← ● → 2026

The late 1990s brought a seismic shift to the Australian automotive industry: progressive tariff reductions fundamentally altered the landscape. For decades, local manufacturing had operated under protective tariffs that insulated domestic brands from international competition. As tariffs began to fall, imported vehicles became more competitive, putting pressure on local production costs, pricing strategies and profitability.

These changes had wide-reaching implications. Local manufacturers were forced to rethink operations, streamline production and explore efficiencies, while dealers faced an increasingly diverse array of imported models competing for consumer attention. The reduction in tariffs accelerated brand proliferation, introducing Australian buyers to a growing variety of makes and models, and increasing the complexity of the market.

The shift also reshaped consumer expectations. With a broader range of vehicles available, buyers gained greater choice, forcing manufacturers and dealers alike to focus more closely on differentiation, quality and performance.

ProfitFocus data began to capture the effects of these structural changes, helping networks understand the impact of import competition on dealer profitability, sales mix and operational performance.

Dealers and networks that adapted quickly were able to seize opportunities, while others faced significant challenges as market dynamics evolved.

Importantly, the tariff reductions highlighted the interconnectedness of policy, economics and industry strategy. Decisions made at the federal level had immediate and long-term consequences for manufacturing, retail and consumer behaviour. Dealers and networks that adapted quickly were able to seize opportunities, while others faced significant challenges as market dynamics evolved.

By the end of the period, the industry had undergone a transformation. The tariff-driven increase in imported vehicles set the stage for a more competitive, dynamic and globally integrated market. This era demonstrated how structural economic changes could reshape the performance landscape, influence strategic choices and create lasting benchmarks for success.

The impact of tariff reductions would reverberate across the Australian automotive sector for decades, redefining competition and opportunity in the market.



At the time, tariff reform felt gradual. In hindsight, it was a line in the sand. From that point on, competitiveness became unforgiving.

David Cowper

David Cowper
Partner

Deloitte / Horwath
1974 – 2010

Moment #04

2000

Industry Stares Down Y2K Risk

As it geared up for 2000, the industry collectively prepared for the turn of the millennium, managing the much-feared Y2K risk and ensuring continuity across systems and operations nationwide.



30 Years of Insight. Built for the Road Ahead.

1997 ← ● → 2026

As the clock approached midnight on December 31, 1999, the Australian automotive industry, like the rest of the world, faced the uncertainty of the millennium bug, also known as Y2K. This global concern stemmed from fears that computer systems reliant on two-digit date coding could fail, potentially disrupting business operations, financial reporting and dealer network systems.

For the first time, industry stakeholders – including manufacturers, dealer groups, IT teams and service providers – came together to collectively manage a systemic technological risk. This collaboration was unprecedented, requiring extensive testing, contingency planning and communication across all levels of operations. Networks monitored systems hour by hour, with teams watching the clock tick over to midnight, prepared to respond to any disruptions that might occur.

The challenge highlighted the interconnectedness of the automotive ecosystem, demonstrating how technological dependencies extended across every aspect of the industry – from sales and service to finance and logistics.

Dealers relied on IT systems for critical daily functions, while manufacturers coordinated inventory, production schedules and reporting. Ensuring continuity demanded precision, coordination and shared responsibility.

When the calendar turned, minimal disruption occurred, thanks to the collective effort, foresight and diligence of the industry. While the millennium bug did not materialise as a crisis, the event became a defining moment for operational resilience. It reinforced the importance of proactive risk management, cross-industry collaboration and the value of shared standards and processes to safeguard business continuity.

While the millennium bug did not materialise as a crisis, the event became a defining moment for operational resilience.

In retrospect, the Millennial Bug moment offered a unique opportunity to test the robustness of systems and networks, while uniting stakeholders in a common purpose. It became a reference point for how the industry could mobilise collectively in response to emerging risks, setting a precedent for future collaboration and preparedness in a rapidly evolving technological environment.



Nothing happened with Y2K – and that was the point. It showed what this industry can do when it comes together with a shared purpose and takes risk seriously.

Peter Axiom

Peter Axiom
Partner

Deloitte / Horwath
1995 – 2011

Moment

#05

2000

Academy Deepens Leadership Pool

The inaugural Academy of Excellence brought together top dealership leaders for intensive training and development, combining operational and financial insights to drive career growth and industry-wide best practice.



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1997 ← ● → 2026

The launch of Deloitte’s Academy of Excellence (AoE) in 2000 marked a pivotal moment in the development of leadership talent across the Australian automotive industry. Designed as a premium learning and development program, the academy targeted current and future Dealer Principals, General Managers, and high-potential leaders within dealerships and wider sector networks, offering them a unique opportunity to accelerate their careers while strengthening operational and financial expertise.

The program is structured as a four-day intensive course, blending practical operational learnings with financial insights, and connecting day-to-day dealership performance to broader profitability and strategic outcomes.

Participants gain a deep understanding of what operational excellence looks like in practice and how it drives business success.

From its very first cohort, the academy sought to equip top talent with the skills, frameworks and perspective needed to lead dealerships effectively in a dynamic and competitive market.

The automotive industry has always battled for its fair share of top talent from the general human capital market. Often not seen as an ‘employer of choice’, learning and development programs such as the academy go a long way to transforming this perception, and attracting and retaining top talent in this industry, which is crucial to its continued transformation.

The academy’s enduring legacy is the way it has shaped industry leaders.

During the past two decades, thousands of senior leaders have participated in the Academy of Excellence, with many describing the experience as a turning point in their careers.

Beyond individual development, the program created a network of peers across the industry who share a common language of best practice, operational insight and financial acumen. This connection has reinforced high standards and collaboration across dealership networks, helping to elevate the performance of teams nationwide.

The academy’s enduring legacy is the way it has shaped industry leaders, not only through technical and financial knowledge, but also by instilling a culture of continuous learning, operational discipline and strategic thinking. By bringing together the best minds from across the market, it has consistently delivered a transformative experience, ensuring that the pursuit of excellence continues to be a defining feature of the Australian automotive sector.



You could see it in the room – lightbulb moments everywhere. Many people walked in as operators and walked out thinking like leaders. And we were able to turbo charge careers, while elevating standards across the whole industry.

Terry Giffin

Terry Giffin
Partner

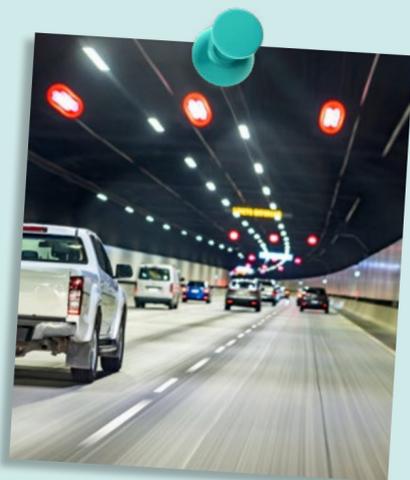
Deloitte / Horwath
2000 – 2024

Moment #06

2001

ACIS a Catalyst for Modernisation

The Automotive Competitiveness and Investment Scheme (ACIS) shifted the government's focus from protectionism to industry transition, stimulating investment, efficiency and competitiveness across the Australian automotive industry.



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1997 ← ● → 2026

The introduction of the Automotive Competitiveness and Investment Scheme (ACIS) in 2001 heralded a significant shift in government policy and the broader automotive landscape. For decades, local manufacturers had operated under a framework of protection, including via tariffs and other support mechanisms. ACIS represented a new approach, focusing on transition and investment rather than sheltering the industry from global competition.

ACIS provided financial incentives to manufacturers that invested in productivity, quality and technology, encouraging the modernisation of local operations and supporting competitiveness in an increasingly global market. By rewarding efficiency and innovation, the program helped guide manufacturers through a period of profound structural change, laying the foundation for a more sustainable and performance-focused industry.

ACIS represented a new approach, focusing on transition and investment rather than sheltering the industry from global competition.

For dealerships and networks, ACIS signalled a broader evolution. As manufacturers adjusted to new incentives and market conditions, the industry had to adapt to changes in production, model availability and supply planning. The scheme highlighted the increasing importance of understanding the financial and operational impact of policy shifts, reinforcing the value of tools such as ProfitFocus, which captured and benchmarked performance across the market.

The introduction of ACIS also demonstrated the power of policy to influence strategy. By shifting the focus from protection to investment, the government encouraged manufacturers to prioritise long-term sustainability, operational excellence and global competitiveness.

Dealers, in turn, experienced the benefits of more diverse product lines, higher-quality vehicles and improved efficiency across the supply chain.

In retrospect, ACIS was more than a transitional support scheme; it was a catalyst for modernisation. It guided the Australian automotive industry from a protective mindset towards one focused on productivity, innovation and resilience, reinforcing the role of incentives in shaping strategic decision-making. Its impact would be felt for decades, influencing investment priorities, operational practices and the competitive landscape across the sector.



ACIS was a turning point, moving support from protection to progress. ACIS signalled a clear message: the industry needed to transition, not be protected. It forced harder conversations, but also sharper thinking.

Mike Stibbard

Mike Stibbard

Partner

Deloitte / Horwath
1972 – 2017

Moment #07

2002

Meetings Set Benchmark for Collaboration

Through the innovative Dealer Performance Comparison Meetings, Deloitte brought together dealers to share data, collaborate and pursue benchmark best-practice operations in a uniquely open and supportive environment.



30 Years of Insight. Built for the Road Ahead.

1997 ← ● → 2026

The initiation of our Dealer Performance Comparison Meetings in 2002 marked a defining moment in the Australian automotive industry. These events saw Dealer Principals, General Managers and senior operators from competing networks come together in a structured, facilitated environment to openly review performance data and share insights.

These meetings were designed around benchmarking and collaboration, with Deloitte providing a neutral platform for data presentation and discussion. Across one or two days, participants examined KPIs, operational practices and financial performance, comparing themselves with peers and learning from one another.

The goal was not competition for competition's sake, but the pursuit of best practice and continuous improvement – for the benefit of their dealerships, teams and customers.

What made these meetings remarkable was the culture they fostered. Dealers who were typically fiercely competitive set aside their rivalries, embraced vulnerability and shared candid lessons learned. There was a spirit of mateship and collective ambition, a recognition that everyone benefits when the industry as a whole improves.

Over time, these sessions became a cornerstone of the industry's approach to operational excellence, creating networks of support and shared knowledge that strengthened performance across markets.

The legacy of the meetings goes beyond numbers and metrics. They demonstrate the power of collaboration in a competitive industry, showing that transparency, dialogue and collective problem-solving can accelerate improvement faster than isolated effort.

These meetings also reinforced the importance of data-driven decision-making, making the pursuit of benchmark performance tangible and actionable for participants.

There was a spirit of mateship and collective ambition, a recognition that everyone benefits when the industry as a whole improves.

Amazingly, one of these groups has been ongoing continuously for 35 years, led by the same facilitator, moving from one generation of dealership owner to the next (and the next). With ProfitFocus data eventually integrated into these meetings, increased levels of opportunity and insights were unlocked.

Nearly three decades on, the meetings continue to embody what is best about the Australian automotive industry – camaraderie, collective ambition and a commitment to excellence. They remain a unique forum for leadership, learning and shared success, and a moment Deloitte is proud to have helped pioneer.



It was remarkable watching competitors put the swords down. Those sessions proved that collaboration, when handled well, makes everyone stronger. They captured the very best of the industry – camaraderie, collective ambition and relentless pursuit of benchmark performance.

Scott Parker

Scott Parker
Director

Deloitte / Horwath
1999 – today

Moment #08

2005 – 2010

Trade Deregulation Accelerates Change

Free-trade agreements reduced tariffs and reshaped sourcing economics, accelerating global integration and permanently changing vehicle pricing and competition in the Australian automotive market.



30 Years of Insight. Built for the Road Ahead.

1997 ← ● → 2026

The mid-2000s delivered another significant structural shift for the Australian automotive industry, as a series of free-trade agreements (FTAs) with key manufacturing markets – including Japan and South Korea – came into effect.

These agreements progressively reduced tariffs on imported vehicles, altering long-established price dynamics and reshaping how vehicles were sourced, priced and positioned in the market.

The impact was immediate and far-reaching. Imported vehicles became more competitively priced, placing additional pressure on local manufacturing and intensifying competition across virtually every segment. For the industry, deregulation of trade accelerated global integration, connecting Australian consumers more directly with international production scale, technology and innovation.

For the industry, deregulation of trade accelerated global integration, connecting Australian consumers more directly with international production scale, technology and innovation.

As price barriers fell, competition increasingly shifted towards value, specification, quality and brand positioning. Manufacturers reassessed model line-ups, supply strategies and pricing architectures, while dealer networks adapted to changing margins, volume dynamics and customer expectations. The market became more transparent and competitive, and much more complex.

These changes reinforced the importance of data-driven decision-making. Understanding how reduced tariffs flowed through to retail pricing, profitability and performance became critical. Benchmarking helped the industry distinguish between structural margin pressure and operational opportunity, ensuring that performance discussions remained grounded in evidence rather than perception.

Over time, trade deregulation contributed to a more diverse and globally connected market, increasing consumer choice and accelerating brand proliferation. It also underscored the influence of policy and trade settings on industry economics, highlighting how external forces can rapidly reshape competitive dynamics.

Looking back, the deregulation of trade during this period was not a single event, but a multi-year transformation. It reshaped sourcing strategies, intensified competition and reinforced the need for agility, operational excellence and disciplined performance management. The industry emerged more globally connected – and permanently changed in how it competed, priced and performed.



Free trade didn't just change sourcing – it changed mindset. Australia became a true global market overnight.

Danny Rezek

Danny Rezek
Partner
Deloitte
2007 – 2024

Moment

#09

2008

GFC Puts Industry Resilience to Test

Global financial shockwaves disrupted the economy and the automotive industry in 2008, forcing rapid adaptation as dealers responded decisively and emerged more resilient from one of the most challenging periods on record.



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1997 ← ● → 2026

The global financial crisis (GFC) of 2008 resulted in one of the most severe shocks the Australian automotive industry had experienced in decades. As credit markets tightened across the world, consumer confidence fell and economic uncertainty grew. In turn, vehicle demand slowed sharply. For many dealers and networks, the period tested the very foundations of their business models.

The immediate impact was confronting. Sales volumes declined, floorplan finance became more constrained and margins came under pressure. Inventory management, cash flow discipline and cost control quickly moved from being evidence of good practice to critical survival levers. The industry was forced to respond rapidly, reassessing risk, reducing exposure and prioritising liquidity.

What followed, however, became a defining demonstration of industry resilience. Dealers moved swiftly to adjust operating models, right-size cost structures and sharpen focus on working capital and profitability.

Performance data and benchmarking played a vital role, allowing businesses to distinguish between cyclical decline and operational underperformance, and to make informed decisions under pressure.

As confidence gradually returned, the industry rebounded strongly. Dealers that had taken decisive action emerged leaner, more disciplined and better positioned for growth.

While the period was undoubtedly difficult, it became a catalyst for stronger governance, sharper operational focus and renewed emphasis on sustainable performance.

The experience reinforced the importance of financial transparency, agility and evidence-based decision-making, embedding lessons that would shape the industry's approach to risk management and performance long after the crisis had passed.

The GFC also strengthened collaboration across the ecosystem, with dealers, lenders and industry partners working closely to navigate unprecedented conditions. While the period was undoubtedly difficult, it became a catalyst for stronger governance, sharper operational focus and renewed emphasis on sustainable performance.

In hindsight, the GFC was a stress test the industry did not choose – but one that ultimately strengthened it. The ability to adapt, recover and grow in the aftermath became a lasting reminder of the sector's capacity to respond under pressure and emerge more resilient.



There was genuine fear in 2008. What stood out wasn't the downturn – it was how quickly dealers adapted and rebuilt by renewing their focus on overall productivity and Aftersales.

Stephen Timperley

Stephen Timperley

Partner

Deloitte / Horwath
2006 – today

Moment

#10

2008

Landmark Ruling Aids Dealerships

The KAP Motors and AP Eagers court cases, widely known as the 'Holdback' and 'Son of Holdback' decisions, delivered a landmark legal outcome, unlocking a \$500M 'Holdback' and 'Son of Holdback' tax refund windfall for Australia's franchised dealerships.



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In 2008, a series of pivotal legal rulings reshaped the financial landscape for Australia's franchised automotive dealerships. The KAP Motors and AP Eagers court cases, widely known as the 'Holdback' and 'Son of Holdback' decisions, clarified the tax treatment of manufacturer holdback payments and delivered a significant win for the retail sector.

The outcome enabled eligible dealerships to access substantial tax refunds, with an estimated \$500 million returned to the industry. At a time of challenging economic conditions, the ruling provided a timely financial boost, strengthening balance sheets and improving liquidity across many dealership businesses.

Beyond the immediate financial impact, the cases were significant for what they represented – the recognition of the unique commercial arrangements that underpin franchised dealership models. The decisions highlighted the importance of clarity, fairness and consistency in the interpretation of complex tax and commercial structures, reinforcing confidence in the regulatory and legal framework supporting the industry.

For many dealerships, the windfall created opportunities to reinvest in their businesses – supporting working capital, funding facility upgrades and strengthening long-term financial resilience. It also prompted a renewed focus on governance, compliance and the importance of understanding how legal and tax settings influence business performance.

The 'Holdback' and 'Son of Holdback' rulings became a defining reference point in industry history, demonstrating how legal clarity can unlock material value and positively influence confidence across the sector. They reinforced the need for dealerships to remain informed, proactive and well-advised when navigating complex regulatory environments.

In retrospect, the cases stand as a reminder that structural clarity matters. The decisions not only delivered a substantial financial benefit, but also strengthened the foundations on which franchised dealerships operate – supporting stability, reinvestment and confidence during a period of broader economic uncertainty.

At a time of challenging economic conditions, the rulings provided a timely financial boost, strengthening balance sheets and improving liquidity across many dealership businesses.



It felt like a rare moment where the industry caught its breath. Many used it wisely – to strengthen balance sheets and reset for the future.

Peter Gibson

Peter Gibson
Senior Consultant
Deloitte / Horwath
1997 – 2020

Moment

#11

2009

Digital Revolution Empowers Buyers

Online innovators transformed vehicle retailing, giving consumers digital choice and reshaping how dealers sourced demand, priced inventory and competed in the used car market.



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The emergence of online lead-generation platforms in the late 2000s led to a fundamental shift in how vehicles were bought and sold in Australia. As digitisation gathered pace, businesses such as Carsales.com.au gained traction, particularly in the used car market, changing the relationship between consumers, inventory and dealerships.

For the first time, buyers could research, compare and shortlist vehicles online before setting foot in a dealership.

Information asymmetry narrowed, transparency increased and consumer expectations evolved rapidly. Price comparison, vehicle history and availability became accessible at scale, fundamentally altering the dynamics of demand generation.

For dealerships, the rise of online lead generators represented an opportunity and potential disruption. Digital platforms became a critical source of enquiry, while competition intensified as listings sat side by side in a national marketplace. Dealers had to adapt quickly – rethinking stock acquisition, pricing strategies, lead management and conversion processes to remain competitive in an increasingly digital environment.

This shift also changed how performance was measured. Marketing effectiveness, lead quality, cost per sale and inventory turn became core metrics alongside traditional measures.

Over time, online lead generators became deeply embedded in the retail ecosystem, influencing everything from marketing budgets to customer engagement models.

Benchmarking and performance data helped the industry understand what ‘good’ looked like in a digital context, separating high-performing operators from those who were slower to adapt.

Over time, online lead generators became deeply embedded in the retail ecosystem, influencing everything from marketing budgets to customer engagement models. The used car market, in particular, became faster-moving, more transparent and more data-driven, setting new standards for responsiveness and operational discipline.

Looking back, the rise of online lead generation was a clear digital inflection point. It signaled the start of a new era in automotive retail – one defined by transparency, speed and data – reshaping consumer behaviour and permanently changing how dealerships compete, perform and grow.



Online lead generators changed the way retail was done. This was when customers truly took control of the buying journey. Dealers had to learn fast and adapt to the new normal.

Matthew Yearsley

Matthew Yearsley

Partner

Deloitte / Horwath

2005 – 2016

Moment #12

2012

Bigger is Better for Mega-Groups

By 2012, major consolidation had created automotive 'mega-groups' such as AP Eagers and AHG, redefining scale, capability and competitive dynamics across the Australian automotive dealership landscape.



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The early 2010s were a transformative period for Australia's automotive retail sector as major dealer groups began consolidating to create unprecedented scale and capability.

The formation of 'mega-groups' such as AP Eagers and Automotive Holdings Group (AHG) reflected a strategic response to evolving market dynamics, operational complexity and the benefits of scale in an increasingly competitive industry.

Consolidation fundamentally changed the landscape. Larger dealer networks were able to leverage economies of scale, shared operational resources and different management structures.

Consolidation fundamentally changed the landscape. Larger dealer networks were able to leverage economies of scale, shared operational resources and different management structures. By combining multiple dealerships under single ownership, these groups gained enhanced purchasing power and more efficient marketing reach, along with the ability to attract and develop top talent across multiple locations.

The era of consolidation also signalled a shift in capability and strategic sophistication. Mega-groups invested in centralised operational systems, data analytics and standardised processes, raising the bar for operational excellence across the industry. Benchmarking and performance data became even more important, as dealers within large groups had access to shared insights and could track performance across multiple sites, driving continuous improvement.

For smaller independent dealerships, the rise of mega-groups created challenges while also providing some opportunities. They faced a more competitive market but also benefited indirectly from greater innovation. In some cases, smaller family groups were able to be more nimble in their approach to the market, more present on the showroom floor, and immersed deeper in the local communities.

Across the industry, however, consolidation drove a renewed focus on professionalism, governance and strategic growth, reshaping expectations for both buyers and sellers.

The formation of these large dealer networks represents a turning point in the Australian automotive sector. It illustrates how scale, capability and strategic vision can redefine competitive dynamics, improve operational efficiency and create long-term resilience. This moment also highlights the ongoing evolution of the dealer network as the industry responds to market pressures and technological change, not to mention consumer expectations.



Consolidation changed the dealership landscape. This allowed the measurement and adherence to operational excellence via benchmarking to become much more relevant, as the organisation could directly influence outcomes and leave much less to chance.

Wayne Pearson

Wayne Pearson
Partner

Deloitte / Horwath
1981 – 2012

Moment #13

2013 – 2017

End of the Road for Manufacturing

The closure of Australian automotive manufacturing marked a structural turning point, impacting regional towns and reshaping the industry's focus toward retail, service and global supply integration.



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The period from 2013 to 2017 signalled the end of Australian automotive manufacturing, a structural turning point with profound economic, social and industry implications.

Iconic plants in Adelaide, Geelong and Melbourne closed their doors, ending decades of domestic production of cars such as Commodores, Falcons and Camrys while redefining the automotive landscape.

For regional communities, the closures were deeply impactful. Manufacturing had provided employment, skills development and economic stability for generations. Its collapse required not only workforce transition but also adaptation of local economies to new realities.

The loss of domestic production shifted the industry's footprint from manufacturing hubs towards import, retail and service operations, changing the nature of engagement for dealerships and their suppliers, as well as regional economies.

For the automotive industry itself, the abandonment of local manufacturing represented a fundamental reorientation of strategy and capability. The focus moved to distribution, retailing, aftermarket services and integration with global supply chains.

Manufacturers shifted production offshore, relying on international efficiency and scale, while Australian dealers and networks adapted to sourcing vehicles globally, managing imports and meeting customer expectations in a rapidly evolving market.

The transition underscored the importance of operational and financial performance benchmarking, as dealerships and networks navigated changing supply chains, pricing structures and market dynamics. It also highlighted the resilience and adaptability of industry participants, who had to absorb structural shifts while maintaining customer focus and business performance.

This moment is remembered not only for its challenges but for the clarity it brought to the industry's new operating model. The end of manufacturing marked a definitive pivot: from domestic production to a globalised, performance-driven, retail-focused ecosystem, setting the stage for subsequent technological, digital and operational transformation.

The transition underscored the importance of operational and financial performance benchmarking, as dealerships and networks navigated changing supply chains, pricing structures and market dynamics.



The closure of Australian manufacturing was a defining moment. This was emotional, not just economic. It marked the end of an era and forced the industry to reimagine its identity.

Tom Imbesi

Tom Imbesi
Partner
Deloitte
1993 – today

Moment

#14

2015 – 2020

Shape of Things to Come for Consumers

Dramatic shifts in buyer preferences, including the rise of SUVs and utes, reshaped vehicle line-ups and emissions focus, as well as road and parking infrastructure requirements.



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The period from 2015 to 2020 ushered in a profound evolution in consumer preferences, reshaping the Australian automotive industry.

Buyers increasingly favoured sports utility vehicles (SUVs) and utes, with these segments growing to account for more than 80% of new vehicle sales. This shift drove significant changes in model offerings, dealership stock strategies and urban infrastructure planning.

Manufacturers and dealers responded by realigning vehicle line-ups to meet demand. Sedans and smaller passenger cars declined, while SUVs, crossovers and utes became the backbone of portfolios.

The shift influenced not only vehicle design but also considerations for emissions standards, safety features and urban compatibility, including parking, access and road usage.

The changes highlighted the critical need for data-driven performance management. Dealers had to anticipate market shifts, manage inventory strategically and respond to evolving consumer expectations to maintain profitability. Benchmarking performance became more complex as segments with different margins, turnover rates and service demands dominated sales.

Beyond products, this period reflected broader societal trends around lifestyle changes, family dynamics and urbanisation patterns.

The shift in customer preference demonstrates how market behaviour directly influences strategy, supply and operational priorities.

Buyers sought vehicles that combined versatility, efficiency and comfort, driving innovations in design, drive-train technology and connected services. At the same time, infrastructure planners and policymakers had to adapt to the growing prevalence of larger vehicles, ensuring roadways, parking and safety standards evolved in line with market realities.

The shift in customer preference demonstrates how market behaviour directly influences strategy, supply and operational priorities. Dealers and networks that understood these trends early were able to capitalise on growth segments, improve stock rotation and enhance customer satisfaction.

This period underscores the ongoing importance of aligning performance, data and operational insight with evolving consumer expectations. By responding to preference shifts effectively, the industry strengthened its resilience, profitability and relevance in a rapidly changing automotive landscape.



The scale and significance of the transformation of long-held preferences revealed the future of Automotive in Australia. Adaptation would be tested again many more times, but at exponentially faster speeds, paving the way for those who choose to adapt with it.

Mark Weaver

Mark Weaver

Partner

Deloitte / Horwath

2005 – 2016

Moment

#15

2015 – 2020

Smart Vehicles Enter Digital Age

A wave of advanced technology – including ADAS, connected systems and software-driven platforms – has redefined vehicles, while ride-sharing innovations have reshaped mobility and consumer expectations.



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The period from 2015 to 2020 also saw an unprecedented wave of technological innovation in the automotive sector, transforming vehicles from mechanical machines into software-driven platforms.

Advanced driver-assistance systems (ADAS), connected vehicle technologies, over-the-air (OTA) updates and integration with digital services became mainstream, fundamentally altering vehicle design, functionality and operation.

Safety, convenience and performance were redefined. ADAS features such as lane-keeping assist, adaptive cruise control and automatic emergency braking enhanced driver confidence and reduced risk.

Connected vehicle systems allowed real-time monitoring, predictive maintenance and seamless integration with mobile apps and smart infrastructure.

OTA software updates enabled manufacturers to continuously improve vehicles post-sale, extending functionality and enhancing performance. The technology also allowed them to respond to customer feedback in real time.

This era demonstrated that vehicles were no longer just hardware.

The shift also included the emergence of mobility-as-a-service, with ride-sharing and app-based platforms influencing how vehicles were used and perceived. Cars were no longer just individual assets – they became integrated components of broader mobility networks, capable of delivering shared, flexible and on-demand transportation solutions.

For dealers, this wave of technology introduced opportunity and complexity. Customer expectations evolved, requiring sales, service and support teams to understand sophisticated software systems, connectivity features and digital services. Benchmarking and operational insights extended beyond traditional performance metrics to include vehicle tech adoption, service capability and digital engagement.

This era demonstrated that vehicles were no longer just hardware – they were digital platforms requiring new expertise, new tools and a new mindset for management, service and engagement. Manufacturers, dealers and networks that embraced these changes positioned themselves as being forward-looking and capable of delivering value in an increasingly tech-centric environment.

Ultimately, the wave of new technology from 2015 to 2020 signalled a paradigm shift. It redefined what a vehicle is, how it interacts with its driver and how the industry operates. In so doing it has laid the foundation for the next era of electrification, autonomous driving and connected mobility. Whilst technology hasn't fully taken over just yet, the future is going to be fascinating.



Modern vehicles became software platforms. Cars stopped being purely mechanical. Once software entered the equation, everything – from retail to aftersales – became more complex.

Matthew Wright

Matthew Wright

Director

Deloitte

2021 – today

Moment #16

2015 – 2020

Finance Regulation Tightens Lending

Increased regulation of dealer finance aimed to protect customers from unaffordable loans, reshaping lending practices and creating new pressures on dealership finance departments and profitability.



1997 ← → 2026

In 2016, the Australian automotive industry faced heightened finance regulation as part of broader efforts to protect consumers from unsustainable lending practices. Dealers, long reliant on finance and insurance products as a critical profit centre, were now required to ensure all lending was fully compliant, transparent and affordable for customers.

The reforms, led by the Australian Securities & Investments Commission (ASIC), introduced stricter credit assessment requirements, more robust disclosure standards and enhanced oversight of dealer-lender practices. The goal was clear – prevent customers from taking on loans they could not service, safeguard their financial wellbeing and increase confidence in automotive financing.

For dealerships, the new regulations introduced significant operational and financial implications. Finance departments had to adjust processes, invest in compliance frameworks and adapt staff training to meet higher standards.

While protecting consumers, the reforms also placed pressure on a long-standing profit source, compelling dealerships to optimise margins, improve efficiency and explore alternative revenue streams.

The changes reinforced the importance of data and performance management. Dealers needed to understand how finance compliance affected overall profitability. They also had to identify areas for operational improvement and benchmark results across peer networks.

This period highlighted the need for a disciplined approach to risk, customer engagement and financial management.

Beyond the immediate impact, the tightening of finance regulation marked a broader shift in industry culture. It emphasised the balance between commercial objectives and customer protection, aligning dealerships with evolving community expectations. Those that adapted effectively were able to maintain profitability while building trust and long-term relationships with customers.

The introduction of these regulations is remembered as a pivotal moment – a regulatory inflection point that reshaped dealer finance practices. The reforms also strengthened operational discipline and reinforced the broader focus on sustainable, responsible business performance in a changing industry landscape.

The changes reinforced the importance of data and performance management. Dealers needed to understand how finance compliance affected overall profitability.



The intent of lending reforms was right, but the impact was real. Finance departments had to lift standards while protecting already-thin margins.

Marco Kim

Marco Kim
Director

Deloitte / Horwath
2001 – 2009

Moment #17

2015 – 2020

Groups Go Big, Go Public

Multiple dealer groups listed on the ASX, signalling an era of corporatisation and increasing transparency. The trend attracted public interest in the financial and operational performance of Australia's major automotive players.



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The Australian automotive industry witnessed a wave of ASX listings among its major dealer groups leading up to 2020, including companies such as AP Eagers (APE), Autosports (ASG) and Peter Warren Automotive Holdings (PWR). This period marked a clear shift from privately held networks towards corporatised, publicly accountable businesses in a sign of the sector's growth, sophistication and strategic significance.

This period marked a clear shift from privately held networks towards corporatised, publicly accountable businesses in a sign of the sector's growth, sophistication and strategic significance.

Listing on the ASX brought new visibility and scrutiny. Financial performance, governance and operational discipline were now in the public domain, with investors, analysts and stakeholders closely monitoring metrics that were previously confidential.

This increased transparency reinforced the value of benchmarking, operational excellence and robust performance management, as publicly listed entities had to demonstrate consistent results and growth.

For the broader industry, these listings signalled the maturation and professionalisation of dealer groups. They underscored that dealerships are sophisticated enterprises capable of managing scale, complexity and investor expectations. Access to capital markets enabled expansion, acquisitions and investment in systems, technology and talent. In turn, this raised the bar even higher for competitors.

Public listings also generated heightened interest in performance data. Analysts and investors closely examined operational KPIs, sales efficiency and profit margins, creating a new layer of accountability. Dealers and networks increasingly relied on data-driven insights to guide strategy, measure progress and demonstrate value to internal and external stakeholders.

The ASX listings represent a broader industry trend toward growth and corporatisation. It has reinforced the importance of professional governance, operational discipline and sustainable performance, while also providing a clear signal that the automotive retail sector has become an attractive and credible investment proposition.

Ultimately, these listings reflected the evolution of the industry – from family-run dealerships to corporatised, accountable and growth-oriented organisations. Ultimately, this positions the sector for continued professionalism, market confidence and long-term success.



Stav loved helping her clients grow... and was fortunate enough to be involved in significant dealer groups listing on the ASX. Stav always connected with the people behind the dealership operations, and loved helping take them and their families on the growth journey.

Stavroula Papadatos

Stavroula Papadatos*

Partner

Deloitte / Horwath

1990 – 2017

* Published with the permission of Stavroula Papadatos' husband, Paul Panson, in honour of her contribution.

Moment

#18

2019

Consumer Law Empowers Buyers

New consumer protections increased legal scrutiny over vehicle quality, defects and warranties, reshaping dealer responsibilities and raising industry accountability.



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1997 ← → 2026

In 2019, Australia's automotive industry faced a heightened focus on consumer protection through the introduction of tighter enforcement of consumer guarantees under Australian Consumer Law (ACL).

These legal provisions strengthened buyers' rights in cases where vehicles exhibited defects or failed to meet expected standards, and provided pathways for compensation or remedy.

The enhanced laws emerged in a broader context of rising class actions, regulatory scrutiny, mandatory recalls and consumer advocacy, reflecting changing expectations around product quality, transparency and accountability.

Dealers, manufacturers and networks needed to reassess their warranty practices, service procedures and dispute management to ensure compliance and maintain trust.

The reforms to ACL had several immediate implications. Firstly, dealer responsibility and liability increased, requiring more rigorous documentation, training and customer engagement. Secondly, vehicle quality assurance became a central operational priority, with performance benchmarks now including metrics related to reliability, warranty claims and customer satisfaction. Thirdly, the legal environment provided incentives for the proactive management of defects and complaints, with early resolution protecting customer trust and profitability.

From a strategic perspective, the laws highlighted the importance of data-driven performance and operational insight.

From a strategic perspective, the laws highlighted the importance of data-driven performance and operational insight. Dealers and groups that tracked warranty claims, defect trends and service outcomes could better mitigate risk. At the same time, they could also demonstrate accountability while continuously improving vehicle quality and customer experience.

Beyond compliance, consumer laws underscored a broader cultural shift in the industry. Consumer expectations were rising, and dealers who embraced transparency, responsiveness and accountability strengthened their reputation and competitive advantage. Those that ignored the changing environment faced financial, operational and reputational risks.

Looking back, the enhancement of consumer laws represents a turning point in consumer protection and industry standards, reinforcing the connection between operational excellence, product quality and legal accountability.

The reforms encouraged a more disciplined, responsive and customer-focused industry, better equipped to navigate a landscape of increasing legal scrutiny and consumer empowerment.



While many dealers didn't embrace the reformed consumer guarantees, we saw it as an opportunity to sell more cars. Putting a spotlight on quality brought more people to dealerships with great reputations and away from old-school car yards.

Sam Bohner

Sam Bohner

Manager

Horwath

1998 – 2004

Moment #19

2018 – 2019

Over-Supply Strains Dealer Profitability

A troubling oversupply of vehicles by 2019 created intense margin pressure, with one in three dealerships reporting annual losses – a development that highlighted the need for disciplined inventory and performance management.



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The late 2010s presented a major operational challenge for the Australian automotive industry, as dealerships grappled with a significant oversupply of vehicles. Market dynamics, including aggressive fleet sales, extended incentives and slow-moving stock, contributed to a landscape where inventory exceeded demand.

The consequences for dealerships were immediate and material. Margins were compressed, sales cycles lengthened and working capital became tight.

By the end of 2019, more than 30% of dealership 'roof-tops' reported losses, underscoring how structural market imbalances could directly impact financial performance. Dealers were forced to reconsider stock acquisition strategies, pricing tactics and sales processes to mitigate the effects of oversupply.

This period highlighted the critical importance of performance benchmarking and operational transparency. Dealers and groups that monitored inventory turnover, margin performance and customer demand trends were better positioned to adjust stock levels and pricing strategies. Those relying solely on historical patterns or intuition were most exposed to financial strain.

This period highlighted the critical importance of performance benchmarking and operational transparency.

The challenge also reinforced the value of collaboration, data-sharing and insight-driven decision-making across networks. Understanding industry-wide trends helped dealers anticipate market shifts and optimise inventory. Just as importantly, it allowed them to maintain profitability, even in a turbulent environment. For many, the experience prompted investments in digital tools, forecasting models and more sophisticated operational planning.

Beyond individual dealer impact, the oversupply episode offered broader lessons for the industry – the importance of agility, disciplined stock management and the ability to respond quickly to market fluctuations. It also reinforced the enduring value of benchmarking performance to understand relative positioning and identify actionable improvements.

During this period, proactive dealers were using the opportunity to look beyond the traditional operational metrics, and bring in broader controllable elements such as dealership orientation, back-end absorption, used to new ratios, relative service size, human capital productivity, amongst other more extended Deloitte benchmarks.

Ultimately, the oversupply challenge was a stark reminder that even in mature markets, structural imbalances can create significant risk. Dealers who navigated the period successfully emerged leaner, more disciplined and more aware of the interplay between inventory, pricing and profitability.



This was a painful reminder that volume doesn't equal profit. Many learned – the hard way – that discipline matters most when supply is easy.

Ahmed Mahmoud

Ahmed Mahmoud
Partner
Deloitte
2017 – 2024

Moment #20

2020

The Lion Departs the Aussie Market

In 2020, Holden officially exited the Australian market, ending an era during which the brand became an icon. The departure marked a major cultural moment, reshaping the national automotive landscape and redefining the nation's emotional connection to the brand.



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The year 2020 marked the end of an era for Australian automotive manufacturing and retail, as Holden officially exited the local market. For decades, Holden had been more than a brand – it was a national icon, synonymous with Australian motoring culture, family life and innovation.

Holden's demise represented a major structural and emotional turning point. Dealers who had sold, serviced and championed the brand and its Lion badge for generations faced the challenge of transitioning their businesses, while consumers confronted the end of a deeply familiar part of their automotive heritage.

Across the nation, towns, families and enthusiasts reflected on the brand's long-standing impact, from the famous Commodore to innovative domestic engineering milestones.

The departure also had practical industry implications. Dealers had to restructure sales portfolios, manage residual stock and pivot to alternative brands. Supplier networks, service operations and aftermarket parts businesses adjusted to the changing landscape.

Holden's exit highlighted the vulnerability of local markets to global strategic decisions and underscored the importance of agility in a rapidly evolving automotive ecosystem.

Beyond operations, Holden's fall was a cultural moment for the nation, sparking widespread media attention, nostalgia and debate. It reinforced how automotive brands are more than commercial products – they are entwined with social identity, community pride and shared experiences.

For the industry, the event served as a reminder of the importance of diversification, resilience and adaptability, both for dealers and the wider supply chain. While the immediate impact was deeply felt, it also created opportunities for dealer groups to explore new brands, modernise portfolios and embrace the changing dynamics of consumer demand.

Holden's exit remains a defining moment, symbolising the end of a domestic manufacturing legacy while highlighting the broader structural and cultural shifts shaping Australian motoring.

For the industry, the event served as a reminder of the importance of diversification, resilience and adaptability, both for dealers and the wider supply chain.



Holden's exit marked the end of an iconic chapter in Australian motoring. For many, this felt personal. Holden wasn't just a brand – it was part of Australia's automotive soul.

Madelaine Byrne

Madelaine Byrne

Director

Deloitte

2014 – today

Moment

#21

2020

Pandemic Defined by Care and Humanity

The COVID-19 pandemic severely disrupted the global and Australian automotive industries, yet dealers demonstrated resilience, protecting staff and customers, while achieving remarkable operational performance under unprecedented circumstances.



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1997 ← → 2026



The COVID-19 pandemic during the early 2020s was a once-in-a-century event that upended economies, societies and industries worldwide.

In Australia, the automotive sector faced immediate disruption in the form of lockdowns, supply chain interruptions and unprecedented health and safety challenges. Dealers were forced to rethink operations, implement strict protocols and safeguard both their people and their customers.

Despite these challenges, the pandemic highlighted the resilience, adaptability and camaraderie inherent in the industry. Dealer networks mobilised rapidly to protect staff and maintain essential services while continuing to support customers.

From rigorous sanitation protocols to remote service options, click-and-collect sales and virtual consultations, the industry embraced innovative solutions to maintain business continuity. Health and safety was a constant priority.

Remarkably, many dealers emerged financially stronger. Operational discipline, a focus on performance metrics and agile decision-making, allowed the sector to achieve higher profitability than ever before, even in the midst of a global crisis. This demonstrated that robust planning, collaboration and strong leadership could transform adversity into opportunity.

From an industry perspective, COVID-19 was a turning point, accelerating trends such as digital retailing, remote customer engagement and data-driven decision-making.

The pandemic also reinforced the human dimension of the industry. Dealers acted as community anchors, protecting livelihoods, supporting vulnerable staff and maintaining essential mobility services. In doing so, the best of humanity – care, empathy and teamwork – shone through, creating a lasting legacy of trust, loyalty and shared purpose.

From an industry perspective, COVID-19 was a turning point, accelerating trends such as digital retailing, remote customer engagement and data-driven decision-making. It also reinforced the importance of resilience and agility, highlighting that people and culture are as critical to performance as financial metrics and market strategy.

Ultimately, the pandemic became a defining chapter in the industry's history – a moment of challenge, innovation and humanity, demonstrating that even in global crises, the industry can adapt and emerge stronger.



Against all expectations, the industry didn't just survive – it thrived. The ability of dealers to be agile and adapt to the changing environment while showing genuine care for people during that period won't be forgotten.

Nathan Furness

Nathan Furness

Partner

Deloitte

2004 – today

Moment

#22

2021

Silver Lining to Supply-Chain Hit

Global supply chain breakdowns, including semi-conductor shortages and pandemic-related production slowdowns, created vehicle shortages, long waiting lists and a dramatic spike in used-vehicle prices in 2021.



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The early 2020s brought unprecedented supply chain challenges to the Australian automotive industry, triggered by the lingering effects of the COVID-19 pandemic, global manufacturing slowdowns and critical shortages of components such as semi-conductors. These disruptions created a mismatch between supply and demand, dramatically reshaping dealer operations, pricing and customer engagement.

Vehicle availability became constrained across almost every segment. New car orders faced extended lead times, while used vehicle prices surged due to high demand and limited stock. Customers experienced long waiting periods, creating a unique environment where consumer patience and dealer management skills were tested to their limits.

Automotive brands globally were forced to rethink, redesign and strengthen supply chain strategies.

For dealerships, the shortages resulted in challenges and opportunities. While constrained stock limited volume sales, it also drove buyer behaviour, with less shopping for discounts and less negotiation pressure from customers. This emphasised the importance of effective inventory planning, customer communication and sales prioritisation. Dealers had to navigate a delicate balance between maximising profit and maintaining customer loyalty in a tight supply environment.

The disruption also highlighted the vulnerability and complexity of global supply chains. Manufacturing plants must slow down or pause production during such health crises, while dependencies on single-source components, particularly semi-conductors, became painfully apparent during the pandemic.

Automotive brands globally were forced to rethink, redesign and strengthen supply chain strategies, incorporating resilience, flexibility and redundancy into long-term planning.

This period reinforced the value of data-driven performance management. Dealers and networks leveraged insights from sales trends, inventory metrics and operational benchmarks to optimise outcomes despite uncertainty. Collaboration between manufacturers, distributors and dealerships became critical, ensuring that available vehicles were allocated strategically and efficiently.

Ultimately, the supply chain breakdowns have marked a turning point in global automotive operations. They highlighted the fragility of interconnected production systems and the power of strategic planning and benchmarking, as well as the importance of operational discipline in navigating extreme market conditions.

The lessons learned continue to shape how the industry approaches supply, demand and resilience in a globalised market.



Supply chain breakdowns tested the industry, but also created opportunities. Scarcity changed behaviour overnight. Suddenly, patience replaced discounting, and value replaced volume.

Daniel Morris

Daniel Morris

Director

Deloitte

2021 – today

Moment #23

2020 – 2025

Experience, Trust and the Modern Buyer

The automotive customer journey is rapidly evolving. Digital tools, brand switching and shifting expectations highlight the need for dealers to deliver trusted, human-centric experiences that blend technology with personal connection.



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While online research and digital interactions now play a major role in early-stage decision-making, the majority of automotive consumers still value the in-person experience, needing to touch, feel and test-drive vehicles. [Deloitte's Global Automotive Consumer Survey](#) (GACS) shows that dealer visits remain the most trusted research source for almost half of consumers.

Buyers are entering the market better informed than ever, equipped with comprehensive online research. Dealers that embrace this shift, providing guidance and transparency while respecting consumer autonomy, can build trust and influence decisions without relying solely on negotiation tactics.

Brand loyalty has also shifted significantly. Only half of Australian consumers bought their current vehicle from the same brand as their previous one, while 57% now intend to switch brands for the next purchase, up from around 40% only five years ago (per GACS). Trust continues to be a central theme: dealerships where consumers service their vehicle enjoy the highest confidence with consumers.

Digital tools now complement these in-person interactions. Consumers visit fewer dealerships before making a decision, using online research to explore and narrow options. Beyond transactional elements, purpose-driven factors and social responsibility are now also influencing decisions, particularly among younger buyers.

The integration of data-driven personalisation is becoming increasingly important. CRM systems and analytics allow dealerships to understand individual preferences and behaviour, tailoring marketing, service reminders and purchase recommendations in ways that strengthen engagement and loyalty.

Artificial intelligence is also emerging as a key enabler. Early insights show that AI is most effective when it amplifies – rather than replaces – the human experience, helping sales and service staff focus on building relationships, handling complex questions, and creating memorable interactions.

Buyers are entering the market better informed than ever.

Experiential retail is also reshaping the dealership landscape. Modern dealerships increasingly offer immersive environments where customers can explore vehicles, interact with technology and experience the brand in engaging ways – turning showrooms into lifestyle spaces rather than purely transactional venues.

Ultimately, loyalty is evolving. Consumers today are loyal to the experience, the people and the values represented by the business, rather than the badge alone. Organisations who blend digital and AI tools with highly personal, trust-driven interactions are best placed to deepen relationships, retain customers and succeed in a rapidly changing market.



Loyalty today follows the experience, trust and the people delivering it. Dealers who integrate technology as an enabler rather than a replacement will thrive, turning every interaction into an opportunity to earn lasting customer confidence.

Vanessa Matthijssen

Vanessa Matthijssen

Partner

Deloitte

2003 – today

Moment

#24

2020 – 2025

Industry Commits to Net-Zero Goals

Manufacturers, fleets and dealers are embracing net-zero transition plans, which in turn is reshaping vehicle road-maps, investment priorities and operational strategies to align with sustainability and climate-conscious expectations.



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From 2020 onwards, the Australian automotive industry entered a new era of sustainability, with manufacturers, fleets and dealerships increasingly publishing net-zero transition commitments. These pledges reflect global imperatives and investor expectations, along with consumer demand for lower emissions, cleaner technologies and climate-conscious business practices.

The commitments have tangible operational and strategic impacts. Manufacturers are reshaping product road-maps, accelerating electrification programs, hybrid roll-outs and low-emission vehicle development. Dealerships and fleets are adapting infrastructure, including charging networks and service capabilities, while integrating sustainability into investment and operational decisions.

These changes highlight a broader transformation of the industry's operating model. Beyond technology, net-zero commitments drive innovation in supply chains, logistics and customer engagement. Dealers are educating consumers about electric vehicles, renewable energy options and sustainable mobility solutions, while fleets are aligning procurement and life-cycle strategies with emissions targets.

The period also reflects the inter-connectedness of financial performance and sustainability. Transition planning requires capital investment, operational foresight and strategic prioritisation, all underpinned by data-driven decision-making.

Dealers and manufacturers that act early are better positioned to capture emerging market opportunities while maintaining compliance and demonstrating leadership in sustainability.

Importantly, climate commitments have cultural and reputational implications. Companies actively embracing net-zero pathways signal responsibility and future-readiness, reinforcing brand trust, customer loyalty and stakeholder confidence. The industry's focus on sustainability demonstrates how commercial and ethical objectives can align to drive long-term value.

Ultimately, the wave of climate commitments represents more than regulatory compliance – it is a strategic, cultural and operational pivot. By committing to net-zero targets, the industry is redefining itself for a low-emissions future, embedding sustainability as a core driver of product, performance and profitability.

Companies actively embracing net-zero pathways signal responsibility and future-readiness, reinforcing brand trust, customer loyalty and stakeholder confidence.



Net-zero commitments are reshaping the industry. Net zero has stopped being theoretical, becoming something boards, dealers and manufacturers have to act on – quickly.

Rob Collie

Rob Collie

Partner

Deloitte

2006 – today

Moment #25

2020 – 2025

Charging Network Speeds Up Switch

Government investment in electric vehicle charging infrastructure has accelerated, addressing range anxiety and supporting the widespread adoption of electric vehicles across urban and regional Australia.



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As electric vehicles (EVs) gained momentum from 2020 to 2025, charging infrastructure became a critical enabler of adoption. Governments recognised that consumer confidence depended on reliable and widespread charging networks, reducing the well-documented 'range anxiety' barrier that could slow the transition to low-emissions mobility.

Investment in public and private charging stations – along major highways, urban centres and regional corridors – created a networked ecosystem for EV users. Policies supporting infrastructure deployment included grants, subsidies and partnerships with energy providers, highlighting a coordinated approach between public and private sectors to support electrification.

For dealers, the expansion of charging infrastructure was strategically significant. It supported sales growth because buyers were more willing to transition to electric vehicles knowing that recharging was feasible and convenient. The move also shaped operational considerations, including dealership forecourt planning, maintenance capabilities for EVs and staff training in EV technology and customer support.

The roll-out reinforced the interdependence of technology, policy and consumer behaviour. Without accessible charging networks, adoption would have stalled; with it, governments and industry signalled their commitment to a cleaner, sustainable transport future.

Dealers that proactively leveraged infrastructure expansion could guide and educate customers, enhancing trust, confidence and long-term loyalty.

Beyond sales considerations, the EV charging network has represented a broader cultural and operational shift. Electric mobility has become increasingly mainstream, underpinned by confidence in infrastructure. Industry has also adapted its processes, services and performance metrics to account for EV-specific considerations.

This period has also highlighted the value of planning and investment, as stakeholders coordinated to ensure supply meets anticipated demand growth.

Ultimately, the charging infrastructure roll-out is a defining moment in the EV transition, with more still needing to be done. It demonstrates how government and industry collaboration can remove barriers, accelerate adoption and embed sustainable practices – all the while supporting the long-term evolution of the automotive sector.

The move also shaped operational considerations, including dealership forecourt planning, maintenance capabilities for EVs and staff training.



Infrastructure was the silent accelerator of EV adoption – removing fear, enabling scale and unlocking demand.

Margot Jackson

Margot Jackson
Director
Deloitte
2022 – today

Moment

#26

2023 – 2025

Electrification Charges Ahead

The Australian automotive industry accelerated its transition to electrified vehicles, supported by the first National EV Strategy and rising consumer adoption of sustainable mobility.



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The period from 2023 to 2025 marked a major transition towards electrification in the Australian automotive industry.

Consumers increasingly embraced electric vehicles (EVs) and hybrids, influenced by environmental awareness, incentives and improving technology. This shift was supported by the government's introduction of the first National EV Strategy, which outlined policy frameworks, infrastructure development and regulatory support for a low-emissions future.

The electrification transition represented a strategic opportunity and an operational challenge for manufacturers, dealers and fleets. Manufacturers accelerated investment in EV platforms, battery technology and local assembly considerations, while dealers adapted sales processes, service operations and customer engagement to accommodate new vehicle types. Staff training, infrastructure adaptation and digital tools became critical enablers of a smooth transition.

Strategically, electrification reinforced the broader shift towards sustainable, future-ready automotive practices.

Consumer behaviour also played a central role. Early adopters, motivated by sustainability, efficiency and cost-of-ownership advantages, helped create momentum in the market. Rising awareness and confidence in EVs were bolstered by improved charging infrastructure, incentives and government-backed initiatives, reducing range anxiety and supporting mainstream adoption.

The transition also highlighted the importance of data-driven insights, benchmarking and scenario planning. Dealers and networks needed to understand adoption patterns, market readiness and operational impact, while planning inventory, sales strategies and service capacity for a rapidly changing vehicle mix.

Strategically, electrification reinforced the broader shift towards sustainable, future-ready automotive practices. It required collaboration across manufacturers, dealers, governments and energy providers to deliver infrastructure, policy support and consumer education. It also signalled a permanent change in the industry's operating model, reflecting evolving expectations around emissions, mobility solutions and technology integration.

Ultimately, the electrification transition represents a defining era in Australian automotive history, laying the foundation for long-term sustainability, innovation and industry transformation. It is a tangible demonstration of how industry, government and consumers can align to deliver meaningful change.



The electrification transition is redefining the automotive landscape. This isn't a single shift – it's many transitions happening at once. Those who stay informed will be best placed.

Andrew Moore

Andrew Moore
Managing Director
Deloitte
2019 – today

Moment

#27

2023 – 2025

China Emerges as a Key Player

Emerging Chinese automotive brands have entered Australia, showcasing advanced technology and electrified power-trains in a move that positions Down Under as a key growth market and reflects global market shifts.



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The early 2020s have marked the emergence of Chinese automotive brands as influential players in the Australian market. Leveraging cutting-edge technology, advanced electrification and competitive pricing, these brands have positioned themselves as viable alternatives to traditional manufacturers, signalling a broader global shift in automotive power dynamics.

China's automotive industry, already a global powerhouse in EV production, saw Australia as a strategic market for expansion. Emerging brands entered with a customer-centric focus, offering technologically advanced vehicles, connected services and electrified platforms. Their entry challenged established dealer networks and incumbent manufacturers to adapt, innovate and reassess competitive positioning.

The arrival of Chinese brands introduced new dynamics in product expectations, technology adoption and retail strategy. Australian consumers were exposed to advanced EV features, as well as innovative digital interfaces and integrated mobility solutions – raising the bar for the entire market. For dealers, the shift required adaptation in sales, service and training to meet evolving product complexity and customer expectations.

The arrival of these brands has also reinforced the value of performance benchmarking, operational agility and market insight.

From a strategic perspective, the emergence of China as a competitive automotive power highlights the globalisation of the industry, in which innovation and investment increasingly originate outside traditional Western markets. It also underscores the growing importance of electrification, connected vehicles and digitalisation as differentiators in market share and customer engagement.

The arrival of these brands has also reinforced the value of performance benchmarking, operational agility and market insight. Established players needed to monitor the competitive landscape carefully, anticipate trends and ensure their offerings remained relevant and appealing.

Ultimately, the entry of Chinese brands represents a turning point in the Australian automotive market – we are seeing a convergence of technology, globalisation and electrification that is reshaping competition, consumer expectations and the strategic imperatives for local and international players alike.



The rise of Chinese automotive brands highlights the globalisation and technological evolution of the industry. Their entry challenges incumbents, accelerates electrification adoption and demonstrates how Australia is increasingly viewed as a strategic market for innovation and growth.

Bilal Ahmad

Bilal Ahmad

Director

Deloitte

2015 – 2023

Moment

#28

2025

NVES Shifts Gears on Emissions

In 2025, the Australian Government introduced new emissions standards, accelerating EV uptake and tightening fuel-efficiency targets in a policy directive that redefines product strategy, profitability and operational planning across OEMs and dealerships.



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The introduction of the New Vehicle Efficiency Standard (NVES) in 2025 represents a pivotal policy shift for the Australian automotive industry. Designed to accelerate the adoption of electric vehicles and improve fleet fuel efficiency, NVES signalled a new era of regulatory oversight, accountability and strategic urgency for manufacturers and dealers.

The standards imposed stricter emissions targets for new vehicles, with financial penalties for non-compliance. These fines will create direct implications for OEMs, who are required to redesign product portfolios, accelerate electrification programs and ensure compliance across their range.

High-emission models may face discontinuation or redesign, while electrified and fuel-efficient vehicles will become central to market positioning.

Dealers, in turn, faced operational impacts, as penalties may often be passed along or absorbed, influencing pricing, inventory management and sales strategy. Customers might also be indirectly affected through vehicle availability, pricing adjustments, or shifts in model options.

NVES standards are forcing a re-evaluation of brand and product strategy. High-emission models may face discontinuation or redesign, while electrified and fuel-efficient vehicles will become central to market positioning. Brands with early EV capabilities and strategic foresight could be positioned as winners, while others may face the risk of financial and competitive disadvantage.

For dealers, NVES highlights the importance of data-driven performance management. Understanding fleet compliance, product mix and margin impact becomes essential to maintain profitability and customer satisfaction. The standards also underscore the need for education and engagement, ensuring customers are informed and confident about changing vehicle technologies and policy implications.

The policy shift reflects a broader transformation of the industry – from traditional combustion-engine reliance to a future defined by electrification and sustainability. It demonstrates how regulatory intervention can act as a catalyst for structural change, compelling the industry to adapt quickly, innovate and align with national climate objectives.

Ultimately, NVES standards will influence the competitive landscape, creating opportunities for those ready to embrace change, and challenges for those slow to respond. It is a defining moment in the evolution of Australia's automotive sector, with profound operational, financial and strategic consequences.



The new emissions edict will reshape winners and losers. It's one of the most consequential policy shifts the industry has seen in decades.

John Startari

John Startari
Partner
Deloitte
2015 – 2020

Moment #29

2025

Australia Becomes Auto Science Lab

By 2025, Australia emerged as a 'pure demand market', offering a real-world test case for global automotive trends that will influence strategy, product development and adoption patterns for years to come.



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1997 ← → 2026



By 2025, Australia had earned recognition as a 'pure demand market' in the global automotive industry. This designation reflects a market where consumer demand, rather than regulatory or supply constraints, largely drives vehicle sales, product strategy and brand performance.

For global manufacturers and industry observers, Australia has become a critical real-world laboratory for understanding how vehicles, technologies and business models perform in a highly competitive, mature and responsive environment.

The characteristics of a pure demand market are distinct. Consumers are well-informed, discerning and responsive to technology, pricing and experience. Vehicles are purchased based on perceived value, innovation and performance rather than subsidies or protections. This creates an environment where market signals are immediate and unfiltered.

For manufacturers, this means Australia provides predictive insights into how new technologies, electrified vehicles and emerging retail models might succeed in other markets worldwide.

The implications for the Australian automotive industry are significant. Dealers and OEMs must remain agile, data-driven and consumer-focused. Inventory strategies, marketing campaigns and product positioning will be constantly tested against a market that reacts quickly to trends, incentives and innovation. Success will require operational excellence and deep market understanding, plus rapid adaptation.

Globally, Australia's market outcomes will offer lessons for emerging markets. Adoption patterns for electrification, connected vehicle technology and agency-based retailing should provide real-world evidence of consumer response, infrastructure readiness and profitability dynamics.

In effect, Australian dealers and manufacturers have become trail-blazers, informing strategies that influence operations, investment and policy worldwide.

The recognition of Australia as a pure demand market underscores the maturity, sophistication and influence of the nation's automotive ecosystem. It celebrates the industry's ability to operate in a highly competitive, fast-moving environment while delivering insight and inspiration for global peers.

The implications for the Australian automotive industry are significant. Dealers and OEMs must remain agile, data-driven and consumer-focused.



Australia's pure demand market offers a real-world laboratory for global automotive trends. Australia has become the perfect test case. What works here will echo far beyond our shores.

Dale McCauley

Dale McCauley
Partner

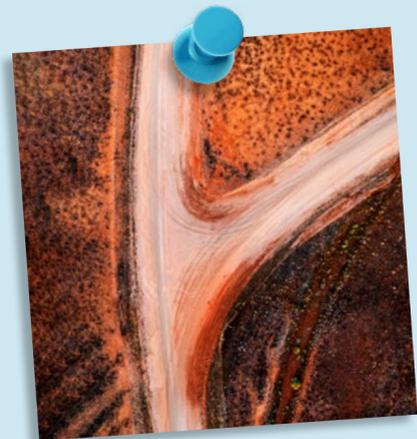
Deloitte / Horwath
1998 - today

Moment #30

2026

Immediate Critical Inflection Point

Expect 2026 to present crucial tests for the evolving Australian automotive industry. Dealer profitability is highly dispersed, structural pressures are intense and the pursuit of benchmark performance has never been more important.



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1997 ← → 2026

The year 2026 shapes as a defining inflection point for the Australian automotive industry.

Dealer profitability has never been so widely dispersed, with one in three dealers operating at a loss and the 'average' dealer posting bottom-line profits under 1% in some months. Yet benchmark dealers continue to achieve more than 4% profit as a percentage of top-line sales, proving that excellence and success remain possible, even amid unprecedented turbulence.

The structural pressures on the industry are immense. With more than 3,000 franchised dealership roof-tops and momentum towards 100 brands, the market is experiencing rapid shifts in electrification, technology, regulatory compliance and consumer expectations. This is testing the resilience of long-standing business models. The industry is at a crossroads. Some dealerships will thrive, but others will be forced to adapt or exit. What survives will be fundamentally different from today.

Amid the chaos, one thing remains constant – the human dimension of the industry. Dealers who succeed are relentless in their pursuit of best-practice operations, applying discipline, focus and rigour to every customer interaction, every transaction and every decision. Relationships, trust and leadership are the glue that hold the ecosystem together, and the people behind these businesses are the ones who navigate complexity and drive performance.

Relationships, trust and leadership are the glue that hold the ecosystem together.

This is also a moment of opportunity. By embracing a people-first approach, dealers can become employers of choice, attracting and retaining top talent, strengthening culture and future-proofing their organisations.

The pursuit of benchmark performance – financial, operational and cultural – is no longer optional. It is the critical differentiator between winners and losers in an industry being reshaped faster than ever before.

The lesson is clear. While the pace of change is relentless, profit and success are achievable, but only for those willing to act with discipline, courage and purpose. Dealers who embrace operational excellence, invest in their people and focus relentlessly on benchmark outcomes will define the industry's future.

This is a moment that reminds us why we love this industry – the passion, the personalities, the relationships and the sheer human effort behind every decision. For those ready to rise to the challenge, the next chapter of the Australian automotive industry is full of possibility, innovation and reward.



The industry has never moved this fast ever before... and will never move this slow ever again. Dealers who pursue benchmark performance relentlessly, and focus on their people and their customers, will emerge as the winners of this transformation.

Lee Peters

Lee Peters
Partner

Deloitte / Horwath
2002 – today





*The automotive industry has never moved this fast ever before...
...and will never move this slow ever again.*

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