



## T-MARK

Truck Market Data

### Truck Market Comment: Third Quarter, 2020

3<sup>rd</sup> October, 2020

#### **All Truck and Van sales down, as we pass through the three-quarter mark of 2020**

*Australian truck market comment pieces are issued quarterly by the Truck Industry Council (TIC)<sup>i</sup>, owner and compiler of the official T-Mark<sup>ii</sup> truck market sales database.*

As could be expected, little has changed in the Australian new truck and van market in quarter three of 2020, which has seen all sectors continue to struggle due to the ongoing effects of COVID-19. Overall the third quarter result for 2020, which saw 8,365 new truck and van sales, was down on third quarter results seen over the past four years, though still slightly ahead of sales directly following the Global Financial Crisis (GFC). Year-to date the market is tracking down 13.1 percent (-3,737 vehicles) over the same period last year with a total of 24,813 heavy vehicles sold thus far in 2020.

All segments have struggled since March this year, but none more so than the Heavy Duty truck segment that was down 18.7 percent (-577 trucks) in quarter three. Year-to-date HD trucks are now lagging 2019 sales by 21.9 percent (-2,080 trucks) with only 7,427 Heavy Duty trucks sold in Australia to the end of September. For the month of September, the news was not quite as bleak, however sales were still well down on the 2019 result, lagging September last year by 14.9 percent (-159 trucks). Just 905 Heavy trucks were delivered for the month, the worst September deliveries in four years.

The Medium Duty segment continues to follow its bigger sibling's losses, recording negative growth of 17.2 percent in quarter three 2020. By the end of September only 1,571 MD truck sales had been recorded for the quarter, down 327 vehicles over the same period in 2019. Year-to-date Medium Duty truck sales stand at only 4,836, that is down 14.8 percent for the year (-837 MD trucks). The month of September saw an even bigger fall, down 16.8 percent (-105 trucks) over September 2019. A total of just 517 Medium trucks were delivered in September.

Light Duty truck sales (those vehicles between 3,500 kg and 8,000 kg GVM) have been less effected in 2020 and quarter three saw this trend continue. The quarter saw 2,745 trucks sold, down 304 units over the third quarter 2019, that represented a fall of 10.0 percent for the period. For the year-to-date, Light Duty sales are tracking down 6.6 percent (-567 LD trucks), with a total of exactly 8,000 Light trucks delivered to the end of September. Looking at the month of September 2020 in isolation, 907 little trucks were delivered, down 8.0 percent (-79 trucks) over September 2019.

The Light Duty Van segment has been the least effected in 2020, though still down when compared to recent year's results. The month of September saw Light Duty van sales (vans with a GVM between 3,500 kg and 8,000 kg) in positive territory compared to the 2019 result. A total of 529 vans were delivered for the month, up 6.2 percent (31 vans) over September 2019. LD vans posted a total of 1,541 sales for the months of July to September, down 88 vans over the same period in 2019, that was a quarter three loss of 5.4 percent. The year-to-date result is very similar, with van sales down 5.3 percent for the year to the end of September. A total of 4,550 LD vans have been sold so far in 2020, trailing 2019 sales by 253 vans.

Tony McMullan, CEO of Truck Industry Council, the peak industry body for truck manufacturers and importers in Australia, noted the September and quarter three results were in line with expectations.

"We are now seeing the market stabilise due to the ongoing effects of COVID-19 with month-on-month sales in quarter three showing a reasonable degree of stability as we had expected. As we have seen from March onward, the Heavy and Medium Duty segments continue to take the brunt of the fall in sales. New vehicle deliveries in both Light Duty segments have been less effected and this, we believe, is a clear indication of the effectiveness of the federal government's instant asset write-off incentive of \$150,000 that has been extended to the end of 2020."

"The Truck industry Council and our members continue to promote the federal government's financial incentives, particularly to operators wishing to purchase a truck costing more than \$150,000. The COVID-19 Accelerated Depreciation incentive allows the purchaser of a truck priced over \$150,000 to claim over 50 percent of the new truck's value back at tax time." In concluding, Mr McMullan referenced the pending Federal Budget announcement, "With new trucks sales at levels reminiscent of the post Global Financial Crisis era, TIC and our members will be looking toward further financial stimulus announcements in the upcoming Federal Budget, in order to encourage trucks sales, particularly at the heavy end of the market."

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<sup>i</sup> *Truck Industry Council is the peak body representing all suppliers of on-road heavy vehicles in Australia. TIC members represent 16 truck brands currently on sale in Australia, plus four truck engine and major component brands.*

<sup>ii</sup> *T-Mark is a database that compiles all trucks (that is, non-passenger carrying vehicles with Gross Vehicle Mass above 3,500 kg) sold into the Australian market that comply with Australian Design Rules. All road registered vehicles are captured, plus most of the off-road vehicles. Monthly data reports are made available to TIC members and the media.*

<sup>1</sup> **Heavy Duty Truck Segment** is defined as cab-chassis type vehicles (both rigid and prime mover application) with  
a) Three or more axles; or  
b) Two axles, a Gross Vehicle Mass greater than 8,000 kg, AND a Gross Combined Mass of more than 39,000 kg.

<sup>1</sup> **Medium Duty Truck Segment** is defined as cab-chassis type vehicles with Gross Vehicle Mass of greater than 8,000 kg, but with a Gross Combined Mass up to and including 39,000 kg.

<sup>1</sup> **Light Duty Truck Segment** is defined as cab-chassis type vehicles with Gross Vehicle Mass of 3,501 kg to 8,000 kg inclusive.

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<sup>1</sup> **Light Duty Van Segment** is defined as enclosed van (non passenger carrying) vehicles with Gross Vehicle Mass of 3,501 kg to 8,000 kg inclusive.

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