

AUTOMOTIVE

Aussie aftermarket sector steams ahead

Worldwide cuts in automobile production, coupled with global semi-conductor shortages, are causing delays in new vehicle releases for an Australian aftermarket sector keen to manufacture accessories. Nonetheless, some companies are still steaming ahead, and business is booming. By Carole Goldsmith.

Global sales of automobiles are projected to fall to just under 70 million units in 2021, down from a 2017 peak of almost 80 million, according to a recent report from Statista, Automotive Industry Worldwide. However, Isabel Wagner, Research Lead at Statista, forecasts that the global automotive industry will grow to just under US\$9 trillion by 2030, with new vehicle sales expected to account for about 38% of this value.

International carbon reduction initiatives such as the Paris Agreement have led to several countries enacting stricter emission controls on new vehicle models. Wagner reports that automakers are beginning to expand their business into the electric mobility sector, with one in three new cars sold expected to be driven or assisted by an electric battery by 2025. The COVID-19 crisis has caused work stoppages in the automotive and other industries globally, though many factories have recently reopened. The pandemic has also caused a shortage of semi-conductor chips for many industries, including the auto sector. The Statista report predicts that electronic systems will account for half of the total price of a new car by 2030.

The Auto Innovation Centre (AIC) is an initiative of the Australian Automotive Aftermarket Association (AAAA), with support from the Federal and State Governments. Luke Truskinger, Managing Director of the AIC, agrees with the Statista research that, with fewer vehicles being made globally and amid the semi-conductor drought, new car production is greatly delayed.

"The waiting times for new vehicles can be over 12 months," says Truskinger. "The Australian auto aftermarket sector relies heavily on having new cars available so they can manufacture products for these vehicles. We have a lot of work coming up with the release of the new Toyota LandCruiser 300 Series, expected this December. Aftermarket companies are waiting for its release to get on top of the LandCruiser's accessory market for their customers."

The AIC has purchased a LandCruiser, and upon delivery will strip it down and 3D scan it. Aftermarket companies will be able to purchase the data to help their own product development, instead of needing to purchase or gain access to a 300 Series themselves. The AIC will then assist companies to install their products to the LandCruiser for research & development (R&D).

Truskinger, who trained as a mechanical engineer and has an extensive career in automotive engineering, adds that the AIC has state-of-the-art equipment to carry out testing for stability control, brake and custom dynamic vehicle testing on newly developed aftermarket products, to Australian Design Rule (ADR) requirements.

The AIC's Victorian branch, located at the AAAA's national office in Mulgrave in Melbourne's south-east, opened in December 2019. The South Australia satellite AIC, launched in April 2021 to support SA aftermarket businesses, is conveniently located in Edinburgh Park, in Adelaide's north, near like-minded companies such as hyper-car manufacturer Brabham Automotive.

"At the Melbourne AIC, we have a fleet of vehicles on-site, plus equipment that enables us to conduct a range of product-level testing including vibration, tensile strength, hydraulic durability, and a shock dyno," explains Truskinger. "Although we focus on automotive, our equipment can be used by any industry requiring this type of testing."

Using its premium-quality scanning equipment, the AIC engineering team take 3D scans of the latest new vehicles on site, which enables aftermarket manufacturers to jump straight on to the next stage of their product development.

"As an example of how this works, we will tear down and scan a new vehicle and produce a high-quality data pack that is vital to the design of a frontal protection system," advises Truskinger.



Luke Truskinger, Managing Director of the Auto Innovation Centre (AIC).



The AIC's Victorian branch in Mulgrave, south-east Melbourne, opened in December 2019.

"If the customer is developing roof racks, towbars, service bodies, suspension systems, brakes, exhausts, or virtually any other component, we also have data packs to suit, or can generate as required."

A group of 24 Australian automotive aftermarket manufacturers and service suppliers are listed as 'AIC Champion Companies' on the AIC's website. Truskinger explains that each champion contributed to the feasibility study for the AIC as a centre for excellence for the automotive industry, showing just how much they support the industry.

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The AIC has a range of state-of-the-art equipment to carry out various vehicle testing processes to assist aftermarket manufacturers.

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"The AIC is very grateful to these champions for their contribution to the initial study," he says. "And for their ongoing involvement in our centre, sharing valuable knowledge with each other and with our other customers."

Speaking on the many opportunities for manufacturers in the auto aftermarket, Truskinger advises: "During the pandemic, consumers have been spending a lot more money on accessorising their vehicles and on holidaying in Australia. Our customers are also telling us that due to long delays in imported goods, Australian-made vehicle accessories are in high demand both now, and hopefully in the future"

Allin Towbars – Business is booming

Business is booming for Adelaide manufacturer Allin Towbars – one of the Auto Innovation Centre (AIC)'s Champion Companies. Allin has achieved a 25% growth in sales in the past 12 months, and employee numbers have increased from 20 to 30 in the past five years.

Managing Director Penni Donato emphasises that 30% of the company's employees are female: "Although they are not working in trades and manufacturing at the factory, but in customer service and in administration, we are certainly open to training both male and female apprentices in fabrication and auto electrical work."

Allin supplies the automotive trade and general public with towbar design, engineering, manufacturing, supply and installations. Its employees manufacture hundreds of types of towbars, custom-built for many different vehicles. These towbars are fitted directly to the car, either at the workshop, from mobile vans, or by resellers in their workshops. The company is a one-stop shop supplying rear steps, SmartBars, Bull-Bars, electric brakes, dual-battery systems, towing mirrors plus other caravan and 4WD accessories. They are also proud stockists and installers for ARB, SmartBar and Redarc.

Allin was established in 1946, with Donato's father Ron Gynell buying the business in 1983.

"When Dad passed in 2014, there was no succession plan in place," she recalls. "Our accountant told us to either run the company ourselves or see it fold, so my three sisters and I decided to give it a go operating the business. I was the only one with a bit of management background, and even though engineering and fabrication wasn't my skill set – I worked in food technology before Allin – I took on the management role. Kimberly (Gynell) is a silent partner, while Kylie (Walden) handles accounts and Samantha (Smithson) does the online store and marketing. Our brother-in law Grant is Operations Manager for our towbar installation area."



Every towbar produced by Allin is custom-designed for the vehicle to which it will be fitted.



Allin's factory in Richmond, South Australia.

"I quickly realised that the 'blokey' culture was pretty toxic and there were many things that needed to change in the business. So I decided to take on the MBA at Adelaide University and do the job with increased management skills and knowledge. That took me four years to complete and it was a very steep learning curve."

Donato completed the MBA and a Company Directors course in 2020, and slowly but surely, a change in mindset began to emerge at Allin: "Suppliers and customers returned and we helped empower the employees to grow the business."

Donato explains how every towbar produced by Allin is custom-designed for the vehicle to which it is fitted: "Each towbar is specially designed for each model. That is why mass-produced imported products are not suitable, as there's no such thing as a universal towbar. It takes us five days to make a new design towbar for batch production, which includes design, fabrication, and ADR testing. There's also the wiring component, if the towbar's being connected to a caravan for example, to power up the fridge and other electrical parts. That's why we employ auto electricians as part of the installation team."

Allin has recently expanded its engineering services with two mechanical engineers on its team now. It is also a licensed testing facility to carry out ADR static testing, which enables Allin to do towbar load testing independently and for its customers.

The AIC has been a very valuable facility for Allin, says Donato: "We all have the same problems, such as the guys building the bull-bar at the front of the car and us building the towbar at the back. You start pulling things apart, and all of sudden, the sensors don't work and you can't get them back together. Rather than us spending a month trying to work out what the problem is, it's easy to call the lab and ask if anyone else has had this same problem. Then we can share the solution, and it's all about the aftermarket manufacturers, collaborating and sharing information."

Allin Towbars is owned and managed by four sisters (from left): Samantha Smithson, Kimberley Gynell, Kylie Walden, and Managing Director Penni Donato.



Looking forward, expansion is part of Allin's short-term strategy.

"Whether we stay here, move or expand part of the business, is all on the cards," says Donato. "We've already started to sub-let a storage place locally because we're bursting at the seams. Post-COVID, we have grown 25% thanks to the caravanning and 4WD demand, and the increase in Australian motor enthusiasts buying our Australian-made towbars and products. We are widely known as a female and family-friendly business with a fun, positive "can-do" attitude that radiates throughout the organisation."

Walkinshaw – Delivering 9,000 vehicles per year

Walkinshaw Automotive Group's Managing Director Joel Stoddart is widely known in the Australian automotive sector as the expert to go to about Holden Special Vehicles (HSVs). He's spent most of his career, spanning some 20 years, leading engineering, operations and product planning at HSV, until Holden closed its doors in 2020, and Stoddart took on his current role.

"We were making around 3,000 HSVs annually," says Stoddart. "But now we are producing around 9,000 different vehicles each year here at Walkinshaw. Most of those are left- to -right-hand-side drive conversions for our customers, including General Motors Specialty Vehicles (GMSV), and some of the most popular vehicles sell for up to \$160,000."

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Joel Stoddart, Managing Director of Walkinshaw Automotive Group.

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Walkinshaw's Clayton site consists of three buildings, comprising 6,500sqm of engineering and design facilities, and 25,000sqm of advanced manufacturing across three assembly lines.

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"We also do a performance up-fit for Volkswagen. They supply us with a complete vehicle and we transform it, enhancing the interior, wheels, tyres and suspension. Volkswagen is now co-branding with Walkinshaw with the release this year of the Volkswagen Amarok Walkinshaw W580, a four-door light commercial vehicle. That's really big for Walkinshaw, co-branding with such a well-known global company, and there's even a 'Walkinshaw Station' TV commercial by Volkswagen promoting the W580."

Racing car driver and automotive entrepreneur Tom Walkinshaw teamed up with Holden in the late 1980s to produce HSVs and so Walkinshaw Automotive Group was born. Since Tom passed away in 2010, his son Ryan and widow Martine have served as directors of the company, which remains privately owned by the family. Located in Clayton, in Melbourne's east, Walkinshaw today employs more than 700 people.

In 2018, the company purchased New Age Caravans, which has an additional 300 employees in Epping, in Melbourne's north. New Age has quickly integrated Walkinshaw's automotive expertise in engineering, design and manufacturing to introduce a new level of innovation to the recreational vehicle industry. The Walkinshaw Andretti United and Walkinshaw Racing side of the business offers the racing car industry excellence in engine development and race car restoration, as well as operating a successful Supercars team.

With a comprehensive design studio and advanced engineering facilities with a team of 65 engineers, Walkinshaw offers a wide range of advanced manufacturing services to original equipment manufacturers (OEMs). Walkinshaw's Clayton site consists of three buildings, comprising 6,500sqm of engineering and design facilities, and 25,000sqm of advanced manufacturing across three assembly lines. The company prides itself on its tear-down, production and end-of-life testing, which meet or exceed OEM quality benchmarks.

"When OEMs ask us to design a special-edition vehicle, we can do that from the design concept to a full-sized car, and work collaboratively with them to bring niche vehicles to life," advises Stoddart. **AMT**



Walkinshaw offers a wide range of advanced manufacturing services to original equipment manufacturers (OEMs).



"The future is exciting for Walkinshaw with plans for working with OEMs including electric and autonomous vehicles on the horizon. We are always looking for new opportunities and it's great to be keeping the Australian automotive industry alive."

www.autoic.com.au
www.allintowbars.com.au
www.walkinshawgroup.com