

# QAR

## Quarterly Automotive Report

Issue 6 | Q2 2025

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**PicklesCars**



# Key insights

## Battery confidence goes public

Pickles becomes the first in Australia to publish used EV battery health scores – a major step toward transparency that's expected to boost buyer confidence and trade participation.

## Used EV sales triple year-on-year

Used EV volumes tripled in FY2025 compared to FY2024. May set a new monthly record, with battery EV sales 55 per cent above the previous high – signalling a major shift in buyer appetite.

## Private buyers prioritise value and trust

Pickles' latest buyer survey reveals that value for money, a broad vehicle range, and brand trust are driving a steady rise in private auction participation.

## Salvage EV sales spike in Queensland

Salvage EV sales rose by more than 200 per cent nationally year-on-year, with Queensland emerging as a hotbed for battery repurposing and second-life applications.

## Used market holds firm – despite June softening

Q2 defied seasonal trends, with strong demand across most of the quarter before a softer June. EV prices and volumes remained stable as buyers stayed active despite economic uncertainty.

## LCT reforms could reshape fleet strategies

Pickles modelling shows Luxury Car Tax (LCT) changes could accelerate EV adoption and fleet turnover – but calls for a phased approach to avoid resale shocks.

## Pickles

### Who we are

Pickles is Australia's leading used asset marketplace and largest auction group. Since 1964, we have been unlocking value for sellers while providing powerful purchasing experiences for buyers. Our auctions offer the biggest range of used items including motor vehicles, industrial, mining, oil & gas, agricultural, salvage, recreational assets, general goods, and more.

### Where we are going

At Pickles, we're dedicated to shaping the future. Our vision is to be the first choice for anyone when buying and selling used assets in our market. Our purpose is to power trusted marketplaces where everybody wins. Our mission is to win customers for life by making their experience awesome.





# Q2 2025 market summary

## Strong demand defies seasonal patterns

Traditionally, the used vehicle market softens quickly after Easter and remains subdued through to the end of June. But Q2 2025 defied that pattern, with strong demand across internal combustion engine (ICE), hybrid, and electric vehicles (EVs) through April and May.

While much of the market softened in June, the Datium Insights Used Car Price Index fell just six per cent for the quarter – a modest dip for what is typically a challenging period. Prices remain above pre-COVID forecasts, with trade and end-user buyers staying active despite strong new car sales and broader economic uncertainty.

Demand for used vehicles was supported by:

- Ongoing cost-of-living pressures
- Supply challenges in the new car market
- Low consumer confidence
- Global instability surrounding tariffs and trade

“While the broader economic signals remain mixed, buyer confidence in used vehicles particularly late-model and well-maintained assets – has held strong.”



– **Fraser Ronald**  
Chief Commercial Officer

While OEMs offered end-of-financial-year incentives, there was minimal impact on used vehicle dynamics.

### Used car price index vs. prediction by quarter



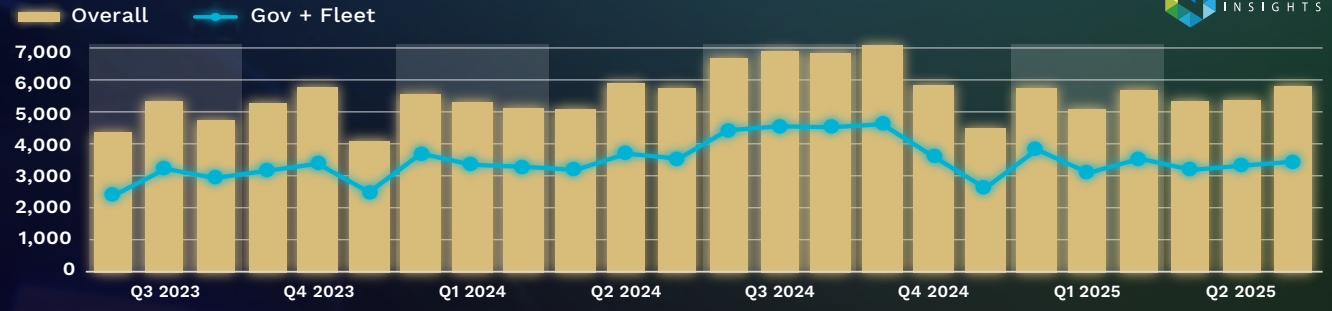
## Volume and stock stability

Used vehicle sales volumes dipped slightly year-on-year, off the back of elevated fleet turnover in Q2 2024. However, Q2 2025 volumes were broadly in line with Q1, signalling continued stability in both supply and demand.

Stock on hand reduced slightly, from approximately 7,500 units in Q1 to 7,400 by quarter's end. Inbound volumes were steady across seller types, while turnover from local government, not-for-profit, and SME customers increased, typical of end-of-financial-year behaviour.



## Vehicles sold



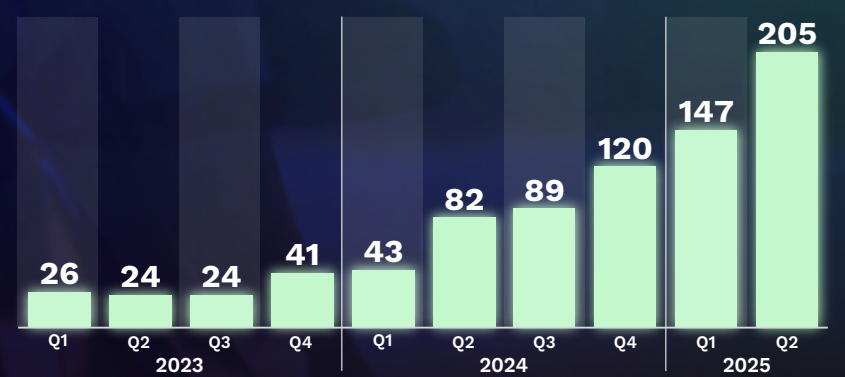
## EV market accelerates

Used EV volumes rose over 25 per cent on Q1 2025, and tripled throughout the full financial year compared to FY 2024. May was a standout month, setting a new record with approximately 80 battery electric vehicles (BEVs) sold – 55 per cent higher than the previous peak.

EV prices again remained stable for the quarter resulting in 12-months of continued price stability. Plug-in hybrids (PHEVs) also tracked closely with BEVs, recovering from a seasonal dip in December.

“This level of EV price stability is a marked shift from the volatility we saw in previous years. It’s giving trade buyers more confidence to engage – and that’s reflected in our auction results,” says Ronald.

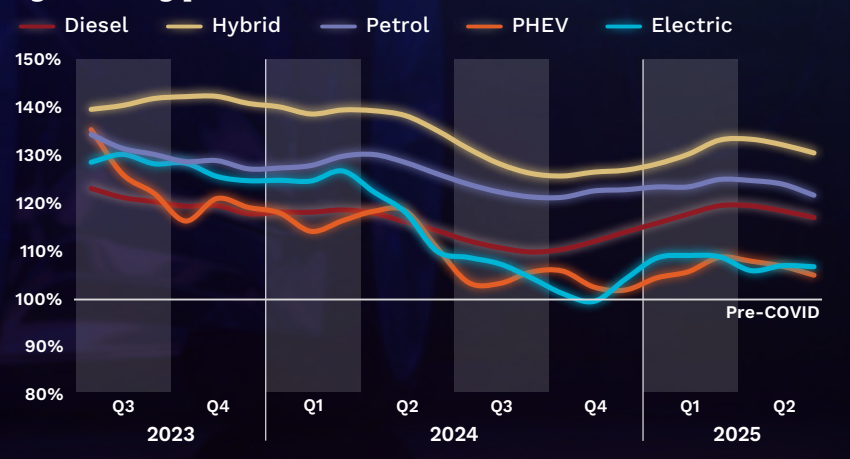
## EV assets sold



## Fuel type performance

Hybrids led all categories in the [Datium Insights Used Car Price Index](#). Diesel values, which rallied through late 2024 and early 2025, have stabilised, supported by a lift in asset quality compared to the same period last year.

## Used car price index by fuel type

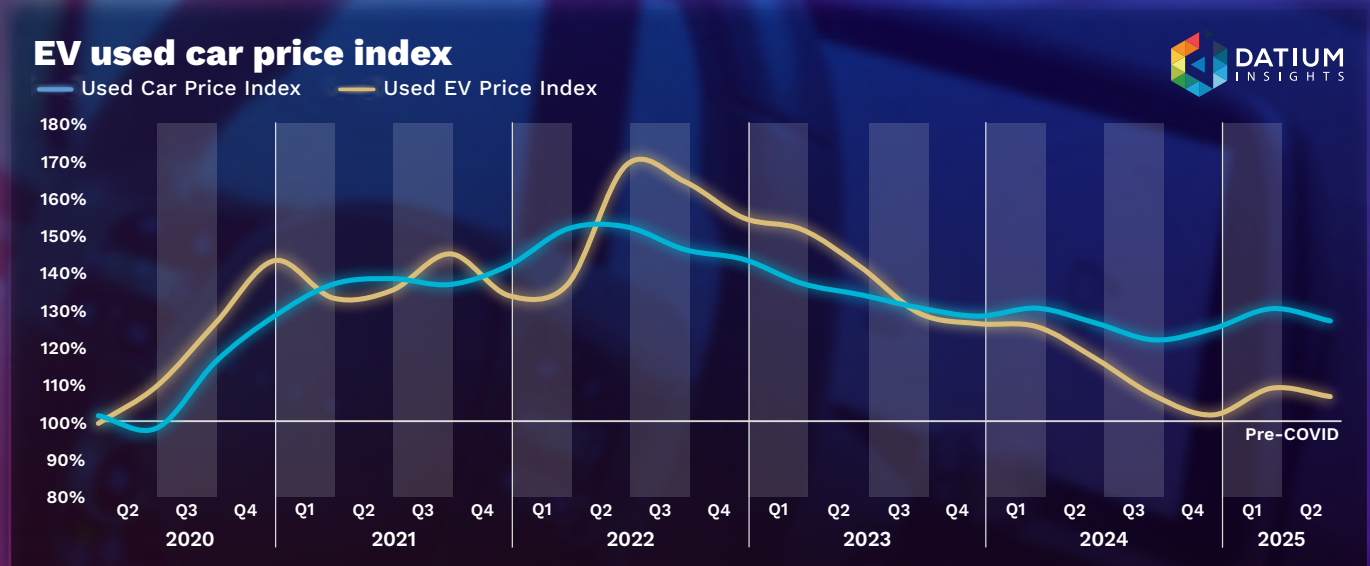




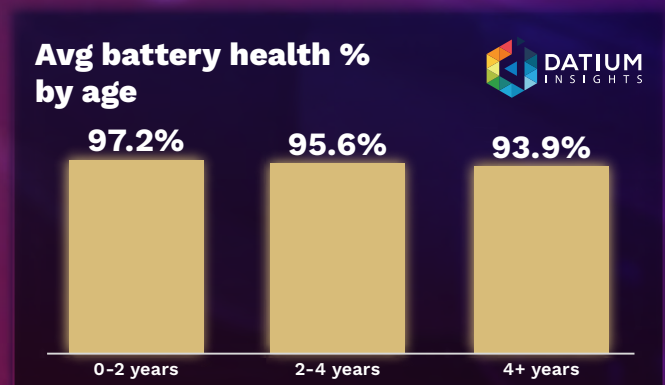
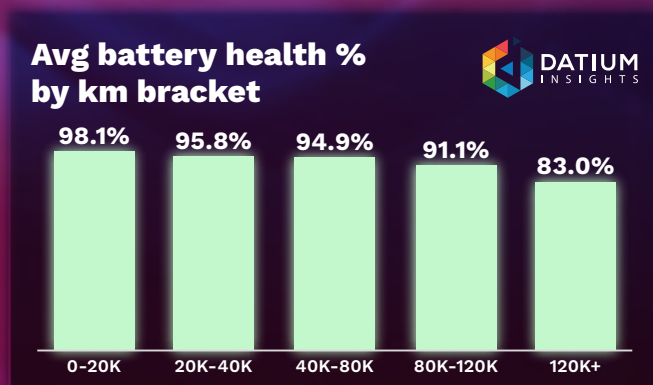
# EV buyer behaviour and battery insights

Trade buyers accounted for over 40 per cent of EV purchases in Q2, up from up from ~30 per cent in prior quarters. This shift, combined with strong interest from private buyers, helped drive price growth.

Metropolitan buyers remain dominant, with over 65 per cent of EVs sold to Sydney and Melbourne customers, and 20 per cent to regional buyers. The average used EV sold was 2.5 years old with 30,000 km on the odometer.



Battery health continues to exceed expectations. Since launching Pickles' EV Battery Assurance Program in 2023, over 650 vehicles have been tested, with an average State of Health (SoH) of 96.1 per cent. EVs four or more years old typically return SoH above 93 per cent, while those with 80,000 to 120,000 km still exceed 91 per cent – reassuring data for cautious buyers.

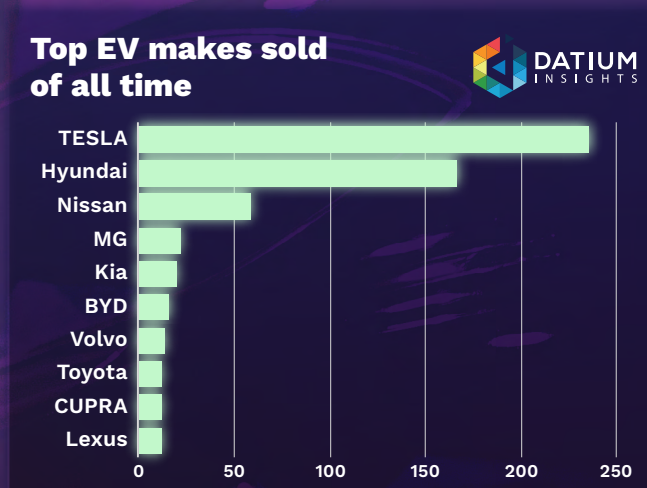
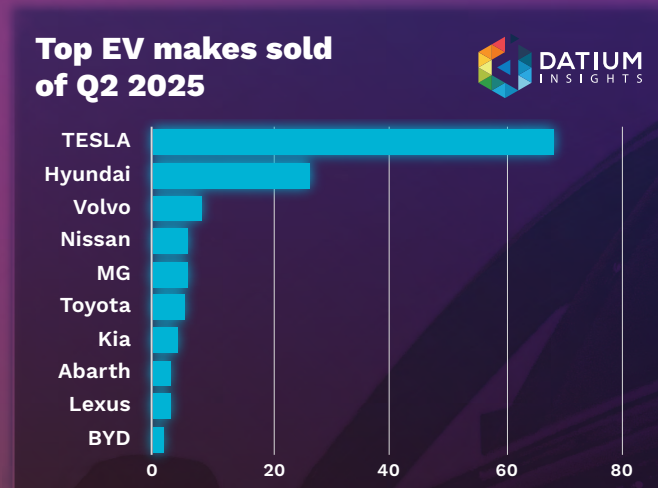




## EV brands gaining traction

Tesla remained the top-selling EV brand in Q2 2025, due to early uptake among fleet buyers. Hyundai followed closely, with MG and Nissan completing the top four.

In total, Pickles sold EVs across 32 models and more than 20 brands. Kia, BYD, and Toyota are expected to build momentum in future quarters. New brands like Zeekr, XPeng, Geely, Leapmotor, and Deepal are yet to appear but are likely on the horizon.



## Outlook for Q3 and Q4 2025

A moderate softening is forecast from July through September, with a rebound expected in Q4. This is in line with seasonal trends and broader market indicators:

- OEM discounting expected to lift to meet annual targets
- Increasing levels of new vehicle inventory
- Possible interest rate cuts improving new car affordability

While increased used supply from delayed fleet renewals could add price pressure, cost-of-living concerns are likely to keep buyers anchored in the used market – supporting continued auction activity.

“We expect the fundamentals of the used market to remain solid through the back half of 2025,” Ronald adds. “While volumes may lift and pricing adjusts in some segments, demand should remain buoyant – particularly for value-driven vehicles in strong condition.”



# Driving confidence into the future:

## Pickles launches battery health scores for used EVs

In a groundbreaking move set to transform Australia's used electric vehicle market, Pickles has become the first in the industry to publicly release Battery State of Health (SoH) scores on all tested EVs listed on [pickles.com.au](https://pickles.com.au).

The game-changing initiative, which will rollout starting in Sydney and Melbourne on 14 July, is the culmination of 24-months of testing, learning, and refining data through Pickles' EV Battery Assurance Program. This marks a major leap forward in trust and transparency for buyers of used EVs. Additional Pickles locations will follow as specialist testing hardware is installed nationally.

Until now, buyers have been "bidding in the dark" when it comes to EV battery condition – the most valuable and sensitive component of any electric vehicle. The introduction of SoH scores means buyers can now make confident, data-backed decisions before placing a bid.

With over 650 vehicles tested to date, the average battery SoH score across Pickles' EV fleet is an impressive 96 per cent, based on vehicles approximately 2.5 years old with 30,000km travelled.

### What buyers now receive:

- Battery State of Health scores available during the online viewing period.
- Two scores per vehicle: one from the OEM, and one from an independent source.
- A battery health certificate, which includes in-depth battery data, which provides a valuable resale tool for dealers and peace of mind for private buyers.



"Battery health is very important in an EV. It determines resale value, driving range, and long-term reliability. This move gives buyers – especially dealers – real certainty, not guesswork"

– **Brendon Green**

General Manager, Automotive Solutions





The benefits are already clear. Overseas, battery scoring has triggered a seismic shift in buyer confidence. In the UK and Europe, major auction houses have reported a surge in EV dealer participation since introducing SoH scoring, with one auction house reporting that over 1,000 dealers entered the EV market for the first time following its introduction.

Pickles expects a similar trend here in Australia, particularly as government fleets and early adopters begin to rotate their EV stock.

## **Benefits of making SoH scores public include:**

- Greater buyer confidence for both trade and private customers
- Higher volumes of interested buyers per listing
- Increased bidding activity and sale prices
- Improved auction clearance rates

“Everything we’ve done has been about removing uncertainty for our buyers,” says Green. “Battery health scores are the key to unlocking broader EV adoption, and we’re proud to lead the market in delivering that confidence.”

With demand for used EVs on the rise and Australia’s electrified fleet rapidly expanding, Pickles’ bold move sets a new benchmark for transparency, innovation, and trust in the auction industry.



# What's driving private buyers to Pickles?

*Private buyers are increasingly turning to Pickles to source their next vehicle – drawn by value, variety, and a trusted buying experience.*

In the past six months, private buyer volumes have continued to grow across our public motor vehicle auctions. To better understand what's driving this trend, Pickles surveyed recent customers who purchased a used vehicle between January and June 2025. Their responses offer a clear picture of what today's buyers want – and how Pickles is delivering.

## Values leads the way

At a time when cost-of-living pressures remain high, value for money stood out as the number one reason for choosing Pickles, with 35 per cent of respondents citing it as their primary motivation. For many families, upgrading the car is one of the most significant purchases they'll make all year, so it's no surprise that our competitively priced stock is getting noticed.

## Range and reputation

Another 26 per cent of buyers highlighted Pickles' extensive vehicle range as a deciding factor. With over 2,000 vehicles offered nationally each week – spanning SUVs, light commercials, passenger cars, prestige vehicles, and a growing number of electric vehicles – buyers benefit from a breadth of choice that's hard to beat. Our vendor network is diverse and comprehensive. It includes state and local governments, fleet providers, not-for-profits, financiers, and novated lease drivers. It means we stock almost every make and model sold in Australia.

## A trusted and easy experience

When asked what else drew them to Pickles, respondents pointed to vehicle condition, ease of bidding, and trust in the brand. Together, these factors reflect our investment in transparent online auctions and a reputation built over decades.

## How buyers are finding us

Online search remains the top discovery method, with nearly 29 per cent of respondents first hearing about Pickles via Google. Word of mouth followed closely at just over 22 per cent – reinforcing the impact of satisfied customers sharing their experience.

## Opportunities to improve

Buyers suggested several ways we could enhance the experience, with more detailed condition reports and additional vehicle photos, topping the list. Encouragingly, Pickles is already delivering on both fronts through ongoing upgrades to our online listings and vehicle assessments.

## Listening, evolving, delivering

The message from our private buyers is clear: Pickles offers great-value vehicles in a trusted and accessible environment. While there's always room to improve, we're already acting on customer feedback – enhancing condition reports and increasing the number of vehicle photos – to make the experience even better. Our continued investment in the end-user journey reflects our commitment to staying ahead in a competitive market.



# Battery boom fuels interstate demand for salvage EVs

The demand for salvage electric vehicles (EVs) continues to climb, with Q2 2025 sales up 15 per cent on the previous quarter and more than 200 per cent higher compared with FY2024. Interest remains particularly strong in Queensland, where buyers are snapping up EVs listed in other states and transporting them north for reuse or repurposing.



As previously reported in [QAR 5](#), the EV salvage buyer base is dominated by second-life battery manufacturers, vehicle exporters, traditional parts recyclers, and EV enthusiasts. This mix has created a dynamic and fast-moving market.

But where do these salvage EVs end up?

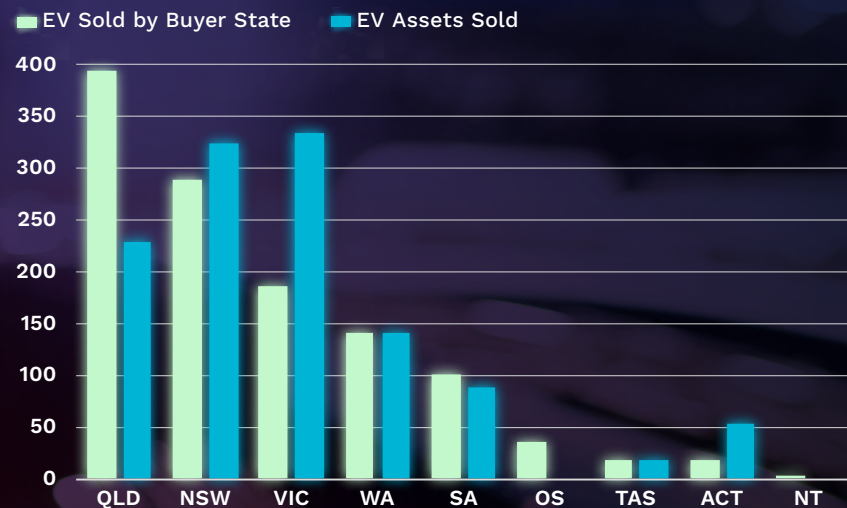
Unlike internal combustion engine (ICE) vehicles – which are typically sold and parted out close to where they're purchased – salvage EVs are increasingly moving interstate. Only 56 per cent of EVs sold in Victoria remain in the state, compared to 85 per cent of those sold in New South Wales. Queensland is the key destination, accounting for the largest share of interstate EV relocations.

This trend aligns with the Queensland Government's \$570 million Battery Industry Strategy, launched in March 2024. The program includes \$210 million to build capability across the battery value chain, support innovation, and improve standards and testing – a move that's driving up demand for EV salvage units from companies across the state. Read more: [Queensland Government announces \\$570M Battery Industry Strategy – Energy Magazine](#).

Western Australia also launched a \$50 million Local Battery Manufacturing Program and many other states offer grants for energy or 'net zero' related activities.



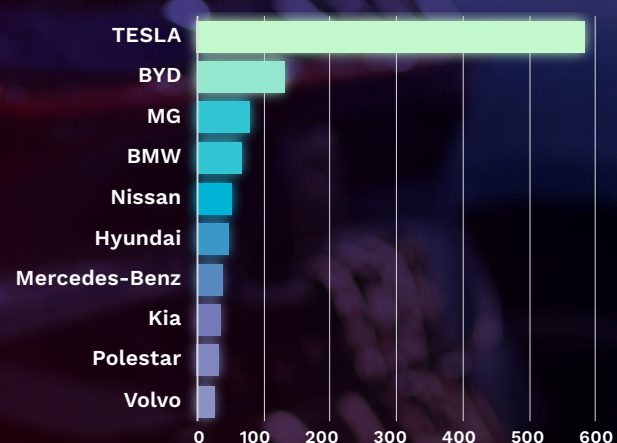
## Salvage EVs – sold state vs buyer state



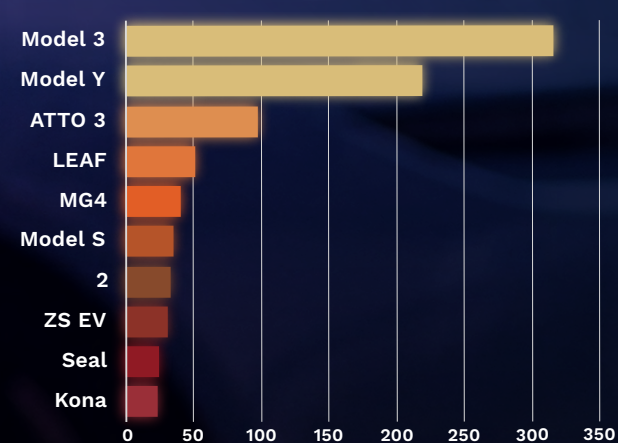
Since the beginning of 2023, Pickles has sold around 1,200 salvage EVs, with an average sale price of \$10,000 – around three times the price of an average ICE salvage. EVs entering the salvage market are also significantly newer, averaging just three years old compared to 12 years for ICE vehicles.

Tesla continues to lead EV salvage volumes, with the Model 3 and Model Y making up the majority of sales. Meanwhile, emerging brands such as BYD and MG are slowly gaining share.

## Salvage EVs sold by make



## Salvage EVs sold by model



The flow of salvage EVs across borders is more than just a logistics trend – it's a signal of where Australia's battery economy is taking root. With national reach, data-led insights, and a strong weekly supply of salvage EVs, Pickles is not just tracking the shift – we're powering it.



# Luxury Car Tax under review:

## What it could mean for fleets and resale values

Introduced in 2000, the Luxury Car Tax (LCT) imposes a 33 per cent levy on the portion of a vehicle's value above a set threshold – \$91,387 for fuel-efficient cars and \$80,567 for others in FY2024-25. While originally intended to support local manufacturing, the tax has become increasingly contentious. Recent trade negotiations with the EU and UK have pushed for its removal, although it remains unclear whether changes would apply beyond EU and UK-made vehicles.

Non-government fleet operators and novated lease drivers stand to gain significantly from LCT reform. According to Pickles General Manager – Motor Vehicles, Chris Shaw: “Removing or reducing LCT would directly lower upfront costs, improving the financial case for faster fleet turnover – particularly in the premium and electric segments. Furthermore, the inclusion of previously non-commercially viable vehicles could help diversify a fleet manager's portfolio.”

Fleet buyers typically factor in whole-of-life costs, including residual value at resale. Without the LCT, vehicles would depreciate from a lower base, helping to preserve resale value and support a three-to-four-year cycling strategy. This aligns with business objectives to reduce maintenance risks, accelerate technology adoption, raise safety standards, and meet internal emissions targets.

LCT also acts as a barrier to electrification. Many premium EVs – such as the BMW i4, Mercedes EQE, and Audi e-tron – currently exceed the LCT threshold. Removing the tax would improve affordability and accelerate the transition to lower-emission fleets, particularly for organisations with Environmental, Social, and Governance (ESG) mandates.

The potential removal of the LCT offers a clear pathway to improved cost efficiency and strategic alignment with ESG goals, particularly for fleet operators seeking to accelerate electrification, reduce whole-of-life costs, and modernise their vehicle mix.

This is a live issue and any changes may not eventuate; however, the LCT remains a relevant consideration in ongoing tax and trade discussions. A phased approach to reduction over a three-to-five-year period – rather than full and immediate removal – may help minimise disruption. Sudden removal could significantly devalue like-for-like assets and create concern among current owners.

“From where we sit, this isn't just a tax issue – it's a fleet planning one,” says Shaw. “And the businesses preparing for change now will be better positioned to lead when the shift comes.”

“Removing or reducing LCT would directly lower upfront costs, improving the financial case for faster fleet turnover – particularly in the premium and electric segments.”

– **Chris Shaw**

General Manager, Motor Vehicles





**Discover Australia's biggest range of used vehicles  
and the country's leading source of second-hand  
EVs – now with battery health scores.**

**Buying a used EV just got a whole lot clearer.**

Learn how our new battery testing certificates are building buyer confidence and  
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# Pickles

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