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$1.3b Cost of policies to car industry

Utes may cost between $8,000 and $10,000 more under Julie Anne Genter's proposals

The Motor Industry Association has calculated a fuel-economy standard will lead to 'massive market distortions' and sales drops

Government proposals to penalise cars imported into this country based on their fuel efficiency could cost the new-vehicle industry upwards of $1.3 billion.

That's one of the price bills that the Motor Industry Association (MIA) has calculated the clean car standard will come in at, as one of two clean car policies tabled by Julie Anne Genter, Associate Minister for Transport.

The MIA is among industry organisations critical of the supply-side mechanism, and its concerns centre on the modelling and costs.

The proposed fuel-economy standard is so bad, the association believes, that it should be canned in its current form while the government develops one in consultation with the industry, along the lines of a system used in Europe – if one is needed at all.

David Crawford, chief executive officer of the MIA, warns Genter's proposals will create "massive market distortions leading to drops in sales". He adds distributors may even withdraw certain models, including small cars, from New Zealand, while one marque may have to pull out altogether.

And the structure of the standard – with eight weight bandings, and lumping light commercials with cars and SUVs – will add between $8,000 and $10,000 to the sticker prices of utes.

The MIA describes the weight-banded approach as "unworkable, unfair and poorly constructed", adding this is "the most challenging to resolve".

Crawford believes the policies put forward by Genter would simply amount to a tax on vehicles without achieving anywhere near the reduction in greenhouse gas (GHG) emissions being targeted.

The MIA, along with representatives of VIA (the Imported Motor Vehicle Industry Association), the Motor Trade Association (MTA) and AA, met with Genter and Ministry of Transport (MoT) officials

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GUEST EDITORIAL

Policies will affect how dealers work

The Motor Trade Association is calling for clean car proposals to be carefully implemented

The MTA has voiced similar concerns to those raised by MIA, VIA, and AA on the clean car proposals, and has been part of the industry-government conversation.

The immediate debate has centred on calculating CO2-emissions standards for new and used imports, but the proposed clean car standard asks for too much too soon. The MTA has also urged the proposed exemption for private imports be dropped – climate change will affect us all, so no one should be able to skirt future rules.

But what about car yards? We're keeping effects on traders front and centre with officials. There will be a range of new compliance requirements, and dealers will need adequate time and information to prepare.

The most obvious impact comes from the clean car discount, or "feebate", which will be administered at first registration of the vehicle after the importer has paid a penalty or received a credit for its CO2-emissions profile, assessed at entry.

Registered traders will be responsible for paying any fee to the administrator, possibly the NZTA, and customers will have to apply for rebates.

Even in this basic situation, dealers will need to know the level of fees or rebates due, how and when to pay, where buyers must go to claim rebates, and what information customers will need to provide, such as the vehicle offer and sale agreement, consumer information notice (CIN) and proof of registration.

GREIG EPPS
Advocacy and strategy manager, MTA

This is in addition to the trader displaying a new CIN showing the car's CO2 profile, import duty or credit accrued when imported, and the fee or rebate the customer faces.

The MTA has previously called for the vehicle fuel-efficiency label to be folded into a revised CIN and we'll continue to push for a reduction in the amount of window furniture traders must display.

It is possible that, differing from current rules, revised CINs would need to be displayed on new cars so consumers get all relevant emissions and feebate information on a single, uniform template.

The CIN will show the offer price, along with the consumer's rebate or fee and import penalty or credit. How will such disclosure affect traders when negotiating with clients who take in a trade or cash to the transaction?

There are many unanswered questions about how consumers might use the rebate. Will it be available to traders as a deposit? Will finance companies agree to cover the fee? Will finance providers require the rebate to be used to reduce the loan amount? Will it even incentivise a change in behaviour?

And we haven't even touched on educating consumers and traders, and regulatory enforcement. The devil will be in the details and the MTA will seek to exorcise irrelevant compliance requirements from any final scheme.

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in Wellington on September 19 after lodging formal submissions as part of the consultation process.

They also made their views known before the meeting in a joint letter, which called for an industry working group to be set up to work with the government on proposals that will succeed in New Zealand.

It was hoped in some quarters that Genter would agree for the proposed schemes to be restarted from scratch.

Instead, "workshops" have been taking place to provide clarity, to discuss and refine proposed policy points on the clean car standard and clean car discount.

The latter, also known as a feebate scheme, would see buyers of high-emitting vehicles penalised at the point of first registration in New Zealand.

There is some support in the automotive industry for such demand-side action to reduce emissions from the light-vehicle fleet, but the clean car standard has been given an unequivocal thumbs-down.

Jargon-buster

Julie Anne Genter, Associate Minister for Transport, unveiled her clean car policies on July 9. In essence, they form a two-pronged attack to reduce CO2 emissions from our light-vehicle fleet.

On the supply side, there's the clean car standard. It aims to limit what vehicles cross the border by penalising importers of high-emitters. It's also known as the fuel-economy standard. It's what the automotive industry is basically up in arms about.

Then there is the clean car discount on the demand side. It's known better as a feebate scheme. Consumers would pay fees on high-emitting vehicles when first registered in New Zealand – or get discounts on greener models.

The MIA has shared its modelling for the fuel-economy standard with the minister, other political parties and trade associations "to facilitate discussion focused on facts, not opinions" based on its projected fiscal impacts.

Essentially, the standard would reward importers of low-emitting vehicles and charge high-emitters when they cross the border.

The MIA has examined several scenarios using a 2019 sales-weighted annual market profile based on the government's modelling, which divides the light fleet into eight weight bands. These scenarios are:

- The level of accumulated fees based on the proposals would be about $1.3b. That's the net effect of the credits and penalties if carbon-dioxide (CO2) reductions track at business-as-usual rates.
- That figure would drop to about $667 million if the automotive industry can achieve best-rate CO2 reductions.

The lower cost would require an increasing rate of model swap from internal-combustion engine vehicles to those with more electrification, such as hybrids, plug-in electric hybrids and battery electric vehicles (EVs).

The extent to which CO2-emission cuts have to be achieved for light vehicles just to reach a neutral credit or penalty position is about 27 per cent in six years, predicts the MIA – or "three times the rate of current year-on-year improvement".

And Crawford's verdict on that? Such a reduction over six years "is not possible".

STRONG OPPOSITION

While there is some support for the clean car discount, the clean car standard is copping serious flak from industry organisations.

The MoT is basing both proposals on what's known as the COVEC model, which uses prices elasticities. This methodology looks at the combined effects of the standard and discount, and then factors in the net effect.

Based on this modelling, the MIA believes demand-side policies, such as a feebate scheme, are more effective than those on the supply side that aim to limit what models are imported in the first place.

"The clean car standard in the discussion document is unworkable in its entirety and the MIA doesn't support it," says Crawford.

He adds issues with the fuel-economy standard, as it stands, include the timeline being short and needing to be extended to cover two new-vehicle model cycles – that's to say, set out to 2030.

Crawford describes the target rate at "far too ambitious" because no country has achieved anywhere near the rate of CO2 reduction from its fleet as required by the government's plan.

"The penalty rate is too high and severe. It should start low and ramp up over time. Penalties under the clean car standard should be the same for both the new and used-vehicle sector, whereas the discount should not."

He adds the weight bandings into which vehicles would fall are "manifestly unfair because no distributor other than those that retail only EVs would gain credits".

The clean car standard will be particularly severe on new small vehicles, "which will be among the first to be dropped by distributors".

This is because small cars are more price sensitive than medium to large vehicles. If a marque believes its model will attract a penalty, then it will have to cost that charge into the sticker price.

For example, if a $3,500 charge is imposed on a $25,000 car, "that's a significant penalty".

Other issues raised by the MIA on the clean car standard include it should incorporate "super credits" as an incentive to supply ultra-low emission models, and the proposal treats new and used as the same, "so it incentivises fewer new cleaner ▶

Proportion of new models attracting clean car-standard penalties

	MICRO CARS	SMALL CARS	LIGHT CARS	MEDIUM CARS	LARGE CARS	SMALL CHEAP SUVs	MEDIUM SUVs	PEOPLE MOVERS	LARGE SUVs	LARGE EXPENSIVE SUVs	UTES 4x2	UTES 4x4	ALL VEHICLES
2022	0%	13%	25%	36%	81%	59%	47%	39%	68%	30%	70%	79%	53%
2023	86%	34%	49%	44%	84%	88%	78%	100%	82%	61%	100%	92%	77%
2024	100%	74%	69%	60%	94%	94%	88%	100%	99%	85%	100%	100%	90%
2025	100%	83%	95%	79%	96%	96%	91%	100%	100%	95%	100%	100%	95%

The Motor Industry Association has shared its data with other automotive organisations. These include the AA, which has carried out a projection on 1,768 new car models. It has calculated only 166 of them would not attract a penalty fee when they cross the border under the government's proposed clean car standard by 2025. Source: MIA/AA

cars and older, dirty vehicles".

Then there are issues lumping all light vehicles, including utes and vans, into one target.

"No OECD member has found a method that can combine these without serious flaws," says Crawford. "The issue is different fuel use, fuel types and fuel-consumption design criteria affecting emissions differently, so practical reduction rates vary as well as CO2g/km start points.

"It makes no sense for unique policy positions of this nature to be so different from our supplying countries without a clear rationale for a market of our size."

MIX OF ACTION NEEDED

To reduce CO2 emissions by more than they are currently, New Zealand's car industry will need policies to incentivise a faster rate of change, and the MIA is urging the government to develop a policy mix on reducing GHG emissions from transport.

"These should at least cover in-fleet incentives targeted at owners to move to the safest and cleanest vehicles within their budgets, improving fuel quality and better use of tax incentives," says Crawford.

"There are no policies that make it easy to scrap vehicles, and our charging network needs significant upgrades to ensure those purchasing EVs can top them up.

"Reliance on old used imports isn't the answer to safer, cleaner vehicles. We recommend that – in addition to the standards-based approach – an age limit is set of eight years of age from the date of first registration anywhere in the world."

The MIA notes the rate of CO2 reductions from new cars has been good in New Zealand by averaging about 1.9 per cent year on year, which isn't far off Europe's.

"The rate of emissions reduction from light commercials is slower at around 1.1 per cent," says Crawford. "This is due to the worldwide lag of transition to light EVs, part-driven by longer product cycles and Australasia taking Asia-Pacific products.

"Local demand for vehicles with higher load, more utility and multi-tasking capability has led to balancing performance with emissions and consumption needs. They are still cleaner, and more efficient and effective too.

"The rise in the volumes of one-tonne utes has been for a number of reasons. It's largely due to use in the commercial sector by trades and farmers.

"While cars and SUVs are worldwide vehicle types, utes aren't. They are last in-line for technologies as manufacturers concentrate on low-emission cars, SUVs and vans. This means there's unlikely to be any low-emission alternatives for this sector for some time to come."

Kiwis prefer automatics over manuals, and petrol over diesel, for cars, so it's not a matter of noting a different model exists in other markets and questioning why we can't have it here.

"There's an implied accusation in the discussion document that distributors are deliberately supplying less fuel-efficient vehicles to this market," says Crawford. "This isn't true. Vehicles supplied, albeit with higher emissions profiles compared to other countries, are a direct function of what consumers buy. Supply is demand-led."

The MIA's key findings into the fuel-economy standard include vehicle prices ballooning. At worst, it could force several distributors to cease trading in New Zealand.

It would be overly punitive on those importing small vehicles that perform well-below current industry-average CO2 emission levels, and will lead to market distortions between new-vehicle distributors – let alone between new and used importers.

Crawford says it also incentivises used-vehicle importers to adopt an agent model whereby agents never own vehicles, but merely facilitate purchases for New Zealanders from overseas sellers.

The MIA adds the clean car standard, as proposed, also:

- Fails to recognise long model-run cycles, overseas requirements for low-emission vehicles and that no marque makes products unique to this country.
- Fails to recognise models available overseas can't be immediately imported due to testing, verification and homologation processes required to ensure each sold in New Zealand has the right equipment for our market.

Two guiding principles moving forward should be "sensible grouping of vehicles with unique targets for each group", and for a standard to be "integrated with other policies".

Industry warnings over policies

A likely effect of a government proposal to place levies on cars when they cross the border is for the quality of imports to drop as the market adjusts to meet price demands.

VIA (the Imported Motor Vehicle Industry Association) says its sector has identified a "sweet spot" for cars coming into New Zealand.

The average free on-board price for used imports from Japan is about $8,500, which ties in with what Kiwis can afford.

"When the exchange rate changes favourably, better quality vehicles are imported and vice-versa," says David Vinsen, VIA's chief executive. "Similarly, government policy that makes it more expensive to import cars doesn't change what consumers can afford."

That's one of the issues VIA says will be a "likely primary effect" of the clean car standard proposed by Julie Anne Genter, Associate Minister for Transport. It would run alongside a feebate scheme in a bid to reduce greenhouse gas (GHG) emissions from the light-vehicle fleet.

However, VIA warns the government that importers would need to bring in poorer quality cars to meet the pricing sweet spot – such as those with higher kilometres, in rougher condition and perhaps even accident grade.

The association says another serious flaw with the fuel-economy standard is that private importers will be exempt, which will encourage a "business direct to consumer" model that bypasses New Zealand consumer law.

"We want to discourage such a model to ensure purchases continue to be have the benefit of protections afforded by the Consumer Guarantees Act," says Vinsen.

The association notes a significant number of cars already on our roads are poorly maintained, inefficient or unfit for purpose – a concern Genter's proposals "totally ignores".

"The bulk of GHGs caused by road transport come from four million vehicles in the fleet, not the 300,000 that come into it each year," says Vinsen. "Unless and until we deal with what we already have on our roads, we will only be tinkering around the edges of the problem.

"The proposals attempt to incentivise change in individual behaviours through pricing signals. This minimises political risk by removing responsibility from the public to the private domain."

Vinsen says the final phase of electronic stability control – for the crash-avoidance system to be installed in all imports from March 2020 – will reduce the need for the standard as proposed because the rule will mean newer, and likely more fuel-efficient, cars being imported anyway.

He points out other programmes are being developed that may militate against achieving the aim of a more efficient fleet.

"The proposal sends out mixed messages about vehicle safety and fuel efficiency. These aims will be compatible in many cases, but in others they will be mutually exclusive. For example, a larger vehicle laden with features may be thirstier than a small fuel-efficient car, which by definition would almost certainly be less safe."

As for the cost-benefit and social-impact analyses for the clean car proposals, they are "unconvincing and, at times, disingenuous".

VIA notes the Ministry of Transport (MoT) has admitted it has little information on the Japanese market, vehicles in its fleet or what vehicles would be available by 2021 – even though cars from Japan make up more than half of those imported annually.

"The goal shouldn't be to choke the motor-vehicle industry as much as possible," says Vinsen. "The goal should be to ensure it, alongside every other industry, does its fair part to help New Zealand meet long-term GHG emissions targets."

'CHEATING' IS A PROBLEM

The AA says there are significant issues with relying on how manufacturers report the fuel efficiency of their vehicles – both for the clean car standard and operating the feebate proposal.

"The problem in a word is cheating," says Mark Stockdale, principal adviser – regulations. "A simple Google search for fuel-efficiency test cheating returns stories about Ford, Mitsubishi, Volkswagen, Suzuki, Subaru and Mazda.

"The main problem is that it's cheaper for manufacturers to cheat tests than meet standards, and tests for fuel economy are relatively simple to manipulate. This area is fraught with difficulty."

The AA says the MoT is well-aware the International Council on Clean Transportation has compared claimed fuel efficiency with real-world figures and found a steady increase in discrepancies as standards have tightened – from nine to 42 per cent.

"We believe there are more fruitful opportunities for meeting our 2030 Paris Agreement obligations through a serious pursuit of second-generation biofuel technology," adds Stockdale.

"As drafted, the proposed policies run a considerable risk of low-policy effectiveness based on current settings. This means high costs, low achievement of carbon abatement and significant equity issues."

The AA has calculated the clean car policies would at best make a one per cent reduction in transport emissions by 2025, but more likely would merely increase taxes on Kiwis dependent on their cars.

"We believe this is not inherent to such ▶

Stacking up the costs

The clean car standard and discount, as outlined in the government's discussion document, could disrupt the industry on a scale not seen, perhaps, since the vehicle emissions rule.

For example, small cars in weight-band one of the standard, according to MIA modelling, are likely to be disadvantaged in the market, such as Suzuki's Baleno and Swift.

The proposals rank diesels better for fuel efficiency than petrol variants in like-for-like models. For instance, Ford Mondeo diesels would go from an existing price premium of $1,500 to a substantial $8,832 discount.

The MTA, using the MIA's data, says some models may attract penalties under the standard, but rebates under the discount. These include the Ford Everest, Holden Spark, Honda Jazz, and some Nissan Navara and Volkswagen Golf models.

schemes, but reflects the fact this scheme has been designed without significant input from the $5 billion-a-year vehicle importation industry," says Stockdale.

"Because all the information is held by the government, it's unclear whether these issues are significant or being swept under the carpet to meet political objectives."

On the way forward, the association doesn't believe that measures of the scope proposed by Genter can meet government expectations for the design of regulatory systems without more analysis, co-operation and consideration.

It is, therefore, urging the government to extend the waiver on electric vehicles (EVs) from attracting road-user charges. "Given the original intention was to reach 64,000 EVs by 2021 and projections show the likely total by 2021 will be 32,000, an extension to 2025 will not have any significant effect on the National Land Transport Fund."

The AA also wants the MoT to withdraw from stated levels of discounts and penalties alluded to in its discussion document to allow the market to return to normal over the next two years, so sales of EVs and utes aren't disrupted or magnified by anticipation of government subsidies and penalties.

MAJOR STOCK ISSUES

The Motor Trade Association (MTA) is so concerned with the clean car policies that it has made a counter-proposal in its submission to the MoT – essentially a modified implementation of Genter's feebate idea.

"The proposals seek to implement two distinct policies, which have caused confusion in public discussions," says Greig Epps, advocacy and strategy manager. "Indeed, media commentary has focused on the feebate and less on the emissions standard policy, which will have – arguably – the greatest impact on our industry.

"There's no logic or justification for two programmes because there will be too many potential perverse, contradictory outcomes to their dual implementation."

Instead, the MTA has submitted alternative options in order of priority. The first is a significantly revised and simpler clean car standard, renamed along the lines of the "CO2 emissions entry standard". In effect, its less-hurried introduction would be a "hybrid" of the government's two schemes, but drawing on elements from both.

This would see incentives and penalties applied at the border, and consumers properly educated and informed of the emissions profile of potential purchases.

The MTA's other suggestion is to proceed with a modified feebate scheme, but scrap the fuel-economy standard. A key aspect is that it will be enforced at the border – not at the time of the retail transaction as has been proposed.

When it comes to the proposed clean car standard, Epps says: "Its rate of change is too quick and the consequences of getting it wrong will be catastrophic for many importers and the economy – massive cost increases for potentially minimal gain if EVs aren't price-competitive and available in volumes to meet potential demand.

"The administration and costs required to comply will be significant, while the rate of change in CO2 settings will be too much for the industry to accommodate. Forecasting will be impossible with significant potential stock imbalances."

As for proposed feebates, the MTA finds it difficult to forecast what the market will look like by 2021. However, extending 2018/19 new-vehicle registration figures across the proposals indicates $73 million in discounts versus $175m in fees, which it contends isn't a "largely balanced" outcome.

Scammers sting car dealers

The Motor Trade Association (MTA) is warning the industry needs to be on high alert after businesses have lost hundreds of thousands of dollars in a sophisticated scam.

The criminals moved their target area from Waikato to the South Island last month and the MTA is aware of at least half a dozen of its members being hit. It is now liaising with victims and the authorities.

The scam was first exposed by Autofile Online on September 13 after Darryn Caufliеld, managing director of Auto66 in Hamilton, spoke about how car dealers, including his company, have been ripped off.

Tony Everett, the MTA's sector manager – dealers, says: "The scammers have been posing as sellers acting on behalf of sick relatives with rates that seem too good to be true. They have changed their identities and have exposed dealers' willingness to do things on the fly.

"They were operating in the South Island last month after working around Hamilton. We advise traders to be on their guard for anything weird with potential transactions. Delay deals and do proper research on vehicles, and contact the police if you have suspicions."

Luke Eastell, a mediation adviser with the MTA, has been working with dealers targeted by the scam. Explaining how it operates, he says: "Imagine you, a relative or friend has a car or boat for sale on Trade Me. You get contacted by an individual from 'Gregory Wholesale Vehicles' based in Wellington.

"A price is negotiated and you are requested to email personal details, copies of your driver's licence, addresses, contact numbers and bank-account details, so the sale document can be completed and sent for sign-off.

"You believe you've negotiated a sale to a dealer. If you ring to see when the transaction will be completed, you're fed a credible delaying tactic, but receive no further communication.

"In the meantime, your stolen identify is forwarded to credible dealerships and the vehicle is offered for sale – often to several at the same time – and they have been provided with your details and documents.

"Traders do background checks on you and the car to be satisfied you're a private citizen, but they aren't communicating with you because your identity has been stolen. These scammers still have your personal and account details, which could come under attack in the future.

Tony Everett, of the MTA

"So apart from dealers who have been scammed, your identity is in the hands of these criminals. Victims want this group stopped, but recognise they won't get their money back."

Caulfield has contacted the police about the scam, and suspects it may be an "inside job".

"They're going about it the right way to drag money out of dealers," he told Autofile. "They're targeting the right kind of traders with certain vehicles. I think the con is run by people who have worked in the industry because it's too professional. They have a good understanding of how dealers buy stock from private sellers.

"When the legitimate dealer asks the scammer, who is pretending to be the actual owner, for details, everything about the owner and car stacks up. When they go to pick it up, they realise they've been ripped off. The money's gone and the dealer doesn't have a car.

"Dealers pay into a Kiwi account, but the money gets transferred overseas pretty quickly. This scam could be huge and I think more dealers will get burnt."

"We're aware of a scam targeting dealers," says George Hiotakis, head of trust and safety at Trade Me. "We've been in touch with all our dealers to make them aware and warn them to be vigilant. Our team has put measures in place and is working with the police.

"This sort of scam is rare and the vast majority of trades on-site go off without a hitch. The golden rule is if a deal seems too good to be true, then it probably is. We urge anyone who sees something that worries them to get in touch. There's a 'community watch' button on every listing that can be used to alert us to anything that doesn't seem quite right."

Driven by passion for industry

Shifting New Zealand's focus onto vehicle safety is one of the AA's major achievements during her 20-year career with it, says Stella Stocks.

When she started with the association in 1999, there were no testing stations for warrant and certificate of fitness inspections – and it was her job to introduce them.

"The process for entry compliance had just started, so we took that from operating at a smaller number of sites that we owned and operated out to a third-party model to develop greater coverage," explains Stocks, who is retiring at the end of the year.

"Our initial automotive service model was limited to fixed-price servicing, so that was also expanded out to all services for motorists, including repairs.

"Vehicle safety also wasn't a part of the national psyche at the time, so that was something we focused on as well, and ensuring that we were a trusted spokesperson on that subject.

"We also introduced mobile vehicle inspections, which I guess speaks to the fact that what we did was put consumers at the centre of what we were offering. We wanted to make it as easy as possible for people to access the services they needed."

As well as stepping down as the AA's general manager of motoring services, Stocks will be relinquishing her positions as a council and board member of ANCAP, and on the Vehicle Safety Research Group run in conjunction with Monash University, Melbourne.

"The impact that a good vehicle can have when you're in a crash versus a bad vehicle is incredible, so it's always been about making sure we get that story out there so at least people understand," she told Autofile. "If they do, then they can hopefully make good decisions.

"I do think people are more aware now if you look at the information manufacturers and distributors put out on cars. They quote the ANCAP rating. Ten years ago, you would never have seen it, but it's now on everything they do."

"I love solving problems and love things that challenge my brain – fixing things, such as when there's a problem with a car. You diagnose what it is and repair it. That's real satisfaction" – Stella Stocks

Stocks' role means she's also responsible for the AA Auto Centre Network, which encompasses 36 outlets across New Zealand. It provides one-stop shops for motorists' vehicle and servicing repair needs. She's also a director of AA Auto Glass Ltd and AA Battery Service Ltd.

When asked how she has fitted all of this into her day job, she smiles: "I think it's normal early on in your career to work hard to get ahead, but over the past few years I've tried to ensure that I achieve good work-life balance."

One of the highlights of the automotive calendar since 2004 has been New Zealand Car of the Year Awards with its lavish ceremony in Auckland. Last year was the awards' first incarnation under the AA Driven banner and they received widespread acclaim.

Although Stocks may have been a leading light in their success over the years, she's quick to point out they are such a success because of the massive team effort that goes on behind the scenes.

"It's an opportunity to celebrate success in the industry. I think it's also an opportunity for the AA to recognise the importance of the industry and what it provides for consumers is vital information about new cars."

Stocks isn't one to sing her own praises. And she tries, mostly successfully, to avoid the media spotlight when it comes to personal matters.

However, she's certainly proud of what she, her teams and the AA have achieved over the past two decades.

But how did she start out? Originally from Birkenhead near Liverpool, Stocks was the UK's first fully qualified female automotive engineer. She achieved this with the highest qualifications possible.

"I remember the day I made the decision to go into the motor-vehicle industry," she recalls. "I had a place at university, but I knew I didn't want to go.

"I was walking to school with my mates and said to them, 'I'm going to be a mechanic'. They were like, 'yeah right'. Then I said, 'no, I am going to be a mechanic because it's what I want to do'. And that was it.

"I love solving problems and love things that challenge my brain – fixing things, such as when there's a problem with a car. You diagnose what it is and repair it. That's real satisfaction."

While there are now more women working in all sectors of the industry than when Stocks entered it, it's still male-dominated.

"It has been challenging at times, but for any women thinking of going into this industry I would say it's important to follow your dreams and passion.

"Reflecting on my career, I would also say you need to identify people who are truly going to support you.

"When I first went into the automotive industry it was seen as reasonably jaw-dropping at the time, but my parents supported me because it was what I wanted to do.

"Then I worked for a manager who was a big advocate for me, which helped. And without the support of my husband, Larry, I couldn't have achieved what I have."

Stocks has worked in the industry her entire life. Her career in the UK included working for Fiat Lancia as a technical adviser and then as an instructor, training the two marques' dealer, technical,

The NZ Car of the Year in 2018 was the A-Class. Pictured with Stella Stocks are then general manager of Mercedes-Benz, Ben Giffin, holding the trophy, and Greg Cassidy, of NZME

Stocks is passionate about car safety, and being a council and board member of ANCAP, which crash-tests vehicles

service staff and management.

After moving to New Zealand with her Kiwi husband in 1981, she worked for Subaru NZ as a technical adviser before becoming its national service manager.

This was followed with 12 years at Nissan NZ – first as national service manager, and then general manager for after-sales service and customer satisfaction. At the same time, Stocks studied at the University of Auckland and graduated with a diploma in business.

Next was the AA, where she started as national manager before being promoted to general manager of motoring services.

Along the way, many challenges have faced the AA, "but we always looked at them as opportunities and we worked hard to help support Kiwis navigate changes when they come along".

Her current boss, chief executive officer Brian Gibbons, says: "Stella has had a ground-breaking career in the industry. She has an extensive list of her achievements at the AA in terms of vital services she's been instrumental in developing and overseeing. We would like to acknowledge and thank her for the legacy she leaves behind."

As for Stocks, she's grateful for the fantastic relationships she has developed across the industry.

"I've enjoyed my two decades with the AA, and I look forward to seeing the continued growth and development of work already completed in motoring services. I'll still be following what goes on in the industry. If there's anything I can do to help it, then I will because I just love it."

IN BRIEF

Call for legislation to be properly enforced

The Financial Services Federation (FSF) says the government can do more to target predatory lenders tainting the sector.

Kris Faafoi, Minister of Commerce and Consumer Affairs, has released further proposals to protect borrowers, including a 0.8 per cent per-day cap on interest and fees.

"This cap equates to an effective finance rate of 292 per cent per annum, which is still high-cost lending in anyone's terms," says Lyn McMorran, the FSF's executive director.

"This isn't the market our members operate in, but we want to ensure reforms make a targeted difference when harm is being done and will be enforced to stamp out dodgy lenders."

The FSF believes parameters for payday lending need to be defined by law with providers on the Financial Services Providers Register to aid enforcement.

Further proposals include mobile traders having to check credit is suitable and affordable for customers, and help them make informed decisions before signing up.

The FSF adds extra legislation will make no difference unless properly enforced by a sufficiently resourced Commerce Commission.

Marque to change its branding – and sex

About 70,000 logos at some 10,000 Volkswagen dealerships and service partners in 154 countries will be changed in what the marque says is one of the largest brand revamps in automotive history.

The company describes its new logo as "more modern and clearer", while its design is two-dimensional for flexible use in digital applications.

It will be illuminated on vehicles and at brand locations, but there will be no architectural changes to dealerships' interiors.

To date, Volkswagen's logo has been blue and white, but a new lighter tone of blue, above right, allows for colour variants.

The changes will be rolled out first in Europe. The rest of the world follows in 2020 with New Zealand in February.

Volkswagen is now a different sex, as well. For several decades, it has used a male voice to present its vehicles and in advertising. The marque says it will "now become female".

Concerns over yen appreciation and tax hike

The Japan Automobile Manufacturers' Association (JAMA) wants the government to bolster the industry's competitiveness over the mid to long term by tackling taxes and deregulation.

Chairman Akio Toyoda made the call following the reshuffle of the prime minister's cabinet on September 11.

"Uncertainty surrounding our industry remains due to factors including recent yen appreciation and the impending consumption-tax hike," says Toyoda.

"Among JAMA members, a sense of crisis has emerged that it will become increasingly difficult for our industry to protect employment if the domestic market and production continue to shrink."

Finance company faces court action

The Commerce Commission has filed high-court proceedings against UDC Finance Ltd for allegedly charging unreasonable default fees.

It claims the company offered consumer loans of $10,000 or more over one to five-year terms, typically secured against assets such as vehicles.

The regulator alleges its dishonour fees and late-payment fees were unreasonable in that they exceeded the company's reasonable costs and estimate of losses.

The dishonour fee was levied by UDC if a scheduled payment was missed and it charged the late-payment fee if the customer failed to make payment seven days after it was due.

The commission alleges each fee exceeded UDC's costs and estimated losses associated with a missed payment or with a seven-day default respectively.

The late-payment fee was calculated by including recovery costs UDC didn't actually incur until much later, if at all, says the regulator.

The dishonour fees alleged to be unreasonable were charged between June 2015 and September 2016. The late-payment fees alleged to be unreasonable were first charged in June 2015.

The commission is seeking a declaration that UDC breached the Credit Contracts and Consumer Finance Act (CCCFA) by charging unreasonable fees and is seeking orders for affected borrowers to be compensated.

As for UDC, it is considering the notice of civil proceedings and is assessing its options.

"For some time, UDC has been working with the commission to explain how UDC determines the reasonableness of its dishonour and late-payment fees under the CCCFA", says Wayne Percival, chief executive officer.

"The proceeding doesn't challenge the categories of costs UDC has sought to recover in its late-payment fees. Instead, the issue relates to the way in which UDC averages costs across borrowers and whether separate averages should be calculated by reference to differing periods of default.

"Following a long and open dialogue, the commission is now looking to the courts for a declaration on the matter."

Percival says the finance company believes its fees fairly and reasonably recover underlying costs it incurs, and the law allows it to charge them on the basis it does.

He adds: "UDC will continue to engage with the commission to see whether we can reach an agreement that resolves this issue.

"UDC takes its compliance with any legislation seriously, and followed a robust process in setting fees – including dishonour and late-payment fees – to ensure they are fair and reasonable."

Percival says the company regularly reviews its charges to ensure compliance with the CCCFA and this review process has seen UDC reduce a number of its fees.

The Commerce Commission and UDC will not be making further comment as the case is before the courts.

This matter and several others follow a supreme-court ruling in 2016 in favour of the commission in the Sportzone-MTF case.

The court held that credit fees can cover only costs "closely related" to loan transactions.

It found the CCCFA "indicates a transaction-specific approach" to setting fees. "It is not permissible to take all operating costs [or virtually all] and allocate them to one fee or the other.

"The consequence is many costs incurred by a credit provider will not be referable to particular transactions and will have to be recovered in the interest rate."

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Returns on electric car investment

Many purchasers of electric vehicles (EVs) are attracted by their low running costs. Others are put off by their high sticker prices.

If we just consider financial return on investment and think long term, who has made smarter choices – the early adopters or EV naysayers?

It comes down to four main interlinked unknowns. How long will an EV's body last compared to an equivalent-sized vehicle with an internal combustion engine (ICE)? How often will electric cars' batteries have to be replaced? What will each new battery cost? And what will the resale value of an EV be compared to an ICE if you decide to on-sell before each is scrapped?

Most people predict EVs will remain usable for a lot longer than their ICE cousins – some pundits are claiming a Tesla will be effective for more than two million kilometres.

In truth, we can't be sure how long new EV technology will last. We're going to need another 20 years to find out if the EVangelists are correct.

Their confidence comes from the relative simplicity of electric motors. Each has less than 100 moving parts compared to more than 1,000 in a combustion engine, so fewer things to break in an EV.

Electric motors don't get as hot and vibrate less than ICEs, so there's less rubbing between parts and less need for lubrication. Just think of your freezer – it should go and go for years without your attention.

Henrik Moller, co-founder, Flip The Fleet

Nissan Leafs may be a worst-case scenario for EV-battery limitations. They have early technology and so are less efficient.

Leafs have relatively limited ranges even when new, so any battery fade has more impact on their long-term usability and their batteries need replacing sooner.

Their batteries aren't protected by thermal management – they heat up when being charged and when the car is travelling, and this accelerates capacity fade.

So far, Nissan has declined to provide replacement batteries for second-hand imports and the first alternatives are estimated to cost about $15,000.

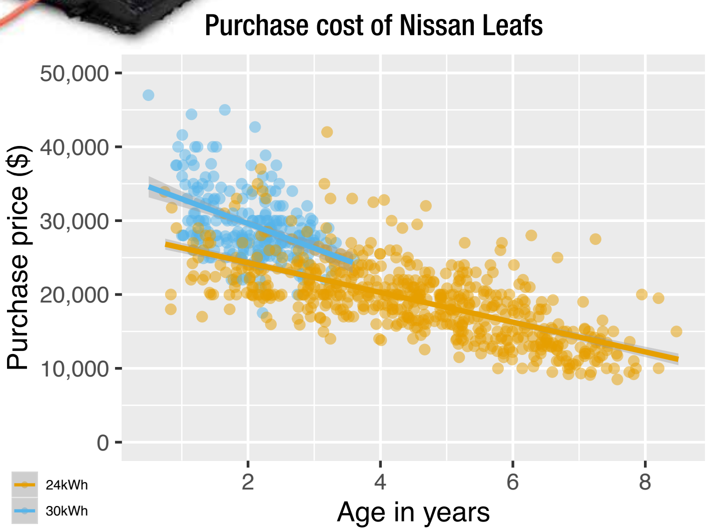
On average, Leaf batteries fade at three per cent each year, which is encouraging for return on investment.

However, there's an added complication. At some time, it's likely to reach a tipping point when they rapidly get harder to charge and can hold less energy – just like with us humans.

The oldest Leafs are now eight years old. They show no signs of greatly accelerated battery-capacity fade, but we don't know when that tipping point will arrive.

Resale values are likely to reflect a combination of sticker prices, longevity and battery concerns, but also supply and demand in the future market.

When we plot the purchase cost of Nissan Leafs monitored by Flip The Fleet over the past three years, we observe a depreciation of about $1,700 per year of age, $240 per 10,000km travelled and $570 for each 10 per cent drop in battery state of health (SoH).



Purchase costs compared to age of 827 Nissan Leafs owned by Flip The Fleet participants. A straight-line model fits the data best, and there's no evidence 30kWh and 24kWh variants depreciate at different rates

But we need to be careful with interpreting these values because age, SoH and the odometer reading are all highly correlated. All this means we can't be sure which factor drives falls in resale prices the most.

The simplest model just considers age of the car. In round terms, we reckon you should count on a $2,000 loss of value for every year a Leaf is on New Zealand roads.

The annual loss of $2,000 value from a $30,000 to $20,000 asset is way less than the 21 per cent a year linear depreciation rate allowed for by the IRD.

This disparity contributes to a splendid return on investment for a near-new Leaf by a business, especially when you consider it's likely to cost one-quarter as much as an equivalent ICE to fuel and maintain.

Demand for EVs is definitely ramping up. At some stage, a corresponding drop in resale values of ICEs will kick in, so we think favourable EV on-sell rates will continue.

So what's the bottom line? Some uncertainty remains, but the financial return from EV ownership already looks good and it's likely to get even better.

Henrik Moller is a retired sustainability scientist. Additional contributions by Dima Ivanov and Daniel Myall. Visit www.flipthefleet.org.

Live EV listings on Trade Me:

-3.0% Compared to last month

+6.0% Compared to prior year

New EV listings on Trade Me:

-25.3% Compared to last month

-2.5% Compared to prior year

EV watchlists on Trade Me:

+0.9% Compared to last month

+2.3% Compared to prior year

Power companies back minister

Mercury has welcomed proposals for clean car standards and discounts, which have been tabled by Julie Anne Genter, Associate Minister for Transport.

The energy company says independent reviews confirm the most cost-effective action to cut emissions in New Zealand is to replace fossil fuels in transport with renewable electricity.

"These proposals are positive steps, offering support and encouragement for the uptake of electric vehicles [EVs]," says Fraser Whineray, Mercury's chief executive.

He adds the government's ideas recognise 85 per cent of electricity supply is already renewable – a significant advantage when compared to many countries transitioning to electric cars.

"New Zealand has enough renewable electricity generation already consented to power the entire light-vehicle fleet," enthuses Whineray.

He adds Genter's proposals have benefits for the country's carbon emissions and advantage drivers because powering EVs with renewable power costs the equivalent of 30c per litre compared to petrol.

"[Our] research shows the majority of New Zealanders see EVs as the way forward with almost half of adults considering purchasing one in the next two years. These proposals will help buyers make the best choices."

Whineray welcomes the government's "pragmatic approach" to implementing its clean car proposals by phasing in obligations and giving flexibility to participants to manage impacts across their operations.

"We look forward to working constructively with the government and business community towards the proposed introduction of the proposals in 2021."

Vector has also welcomed Genter's ideas to encourage more Kiwis to buy EVs using price incentives.

New Zealand's largest electricity distributor says it has worked with local and central government for many years to highlight the role such companies will play in enabling EV uptake.

Andre Botha, Vector's chief networks officer, says: "Some fast EV chargers installed in homes can add the equivalent of seven houses to the grid, so we have known for some time that surging EV uptake will put unprecedented pressure on the country's networks – particularly if people arrive home after work and start charging their cars at the same time.

"With half of the country's EVs owned by Auckland residents, Vector has embraced a technology-led approach to network management and planning to prepare the city for the rise of EVs and other energy-system challenges."

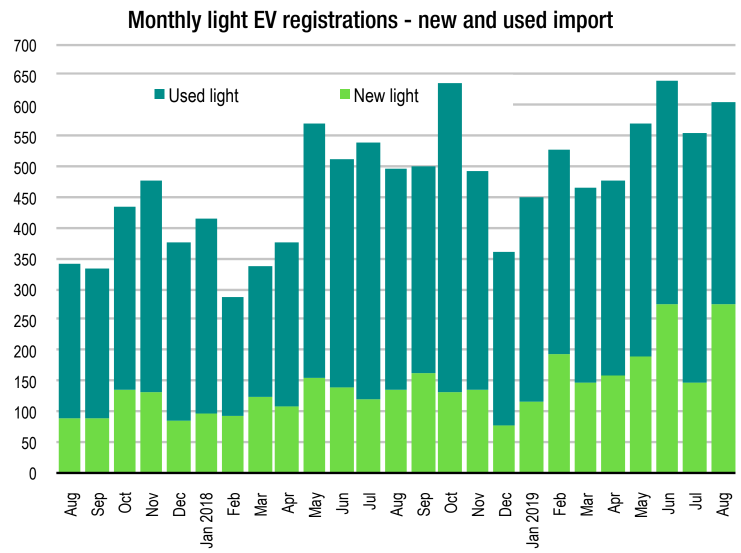
Vector is currently trialling multiple 50kW rapid EV chargers to cater for the Auckland region's growing fleet of electric cars, and to build understanding of how charging technology impacts on the network.

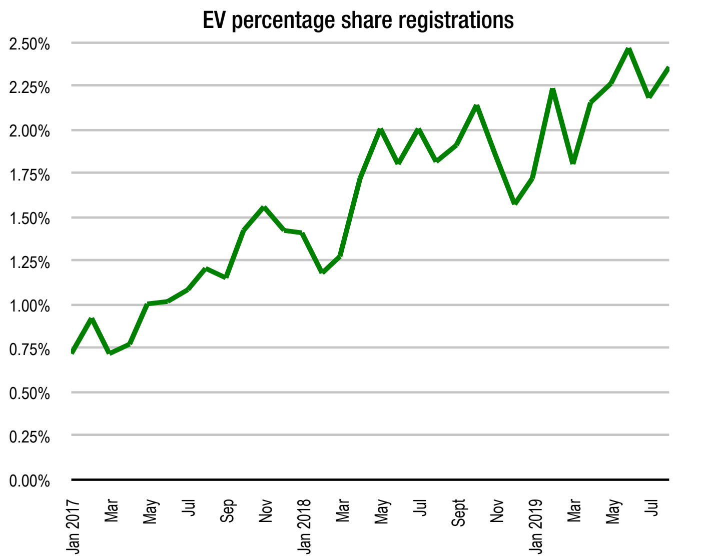
It has also invested in software-management systems to help reduce the impact residential EV chargers have on peak demand, and is exploring the potential of vehicle-to-grid and vehicle-to-home chargers.

Total EVs by region

Northland	490
Auckland	6,382
Waikato	794
Bay of Plenty	536
Hawkes Bay	246
Gisborne	53
Taranaki	218
Manawatu/Wanganui	499
Wellington	2,246
Nelson/Marlborough	564
Canterbury	2,446
West Coast	25
Otago	955
Southland	126

Source: Ministry of Transport, September 5, 2019





Source: MoT, September 5, 2019

Top 5 EV models listed on Trade Me last month:

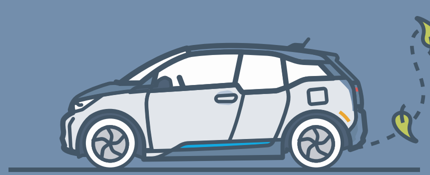
- **Nissan Leaf**
- **Hyundai IONIQ**
- **Nissan e-NV200**
- **Volkswagen e-Golf**
- **BMW i3**

Average listing price for the month:

$25k

* Figures as per the end of **September 2019**

Eye on EVs



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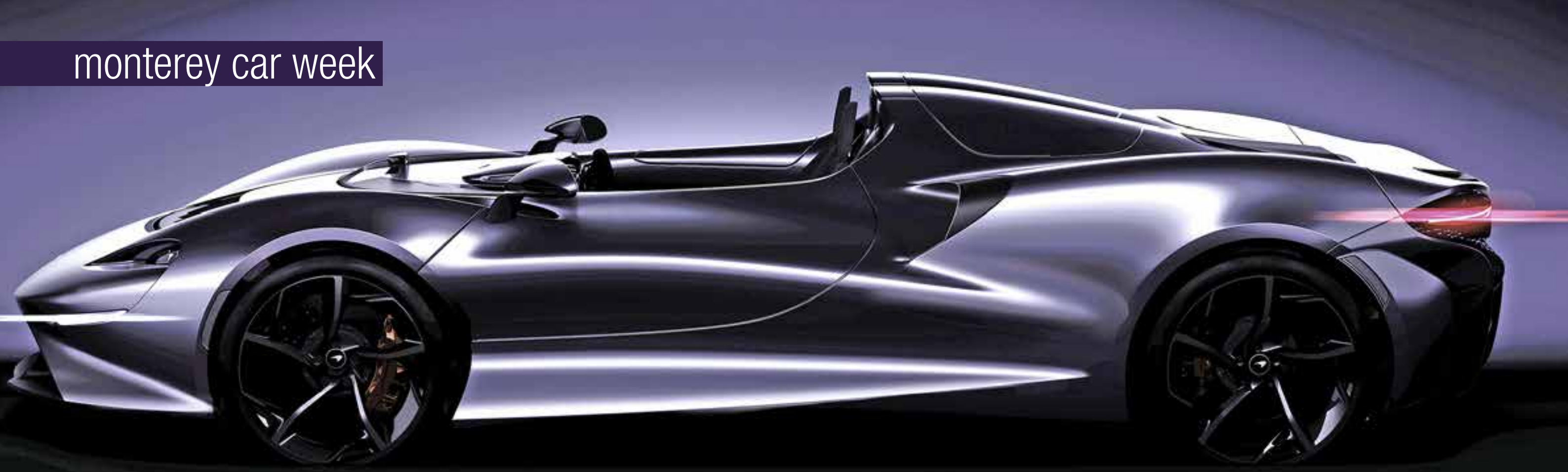


Futuristic roadster wows richlisters

Monterey Car Week is an annual pilgrimage for fans of prestige, luxury and performance vehicles from across the world.

The event in California is where the super-rich blow upwards of $50 million on classics and it's inevitably one-percenters who jostle to sign purchase contracts being dangled under their noses for new models.

This year it was McLaren that got tongues wagging and bank balances checked for its, as-yet, unnamed vision of the future.

Chief executive officer Mike Flewitt revealed a design rendering of a striking roadster, above, set to make its debut in 2020 with a strictly limited production run of 399 units.

The Ultimate Series McLaren two-seater with an open cockpit will differ from the Senna's focus on being the "ultimate road-legal track car", and the Speedtail's high-speed aerodynamic efficiency and "road-focused driving pleasure".

Classical roadster proportions, elegant lines and low-profile dihedral doors reflect the vehicle's singular purpose as a thrill to drive.

While designed more for the road than track, the new model will utilise McLaren's trademark carbon-fibre construction to make it the lightest car ever produced by the marque, and it will be powered by a version of the Senna's twin-turbocharged V8 engine.

"We're consistently pushing the boundaries at McLaren Automotive to deliver the purest and most-engaging driving experience whether for road or track," says Flewitt. "This addition to the Ultimate Series will take driving pleasure to new levels."

Coming to market late next year, the new model is likely to be priced between the Senna and Speedtail, which retail from $1.4m and $4m respectively.

LEADER IN INNOVATION

The all-new Evija also made its North American debut in Monterey as the first stop on its high-profile world tour.

The first all-electric British hypercar is also the first Lotus with an electrified powertrain and its first new model since China-based automotive group Geely took control of the marque in 2017.

Being touted as a "technical tour de force", the Evija has a target output of 147kWh, and is set to be the world's most-powerful series production road vehicle.

It has been designed and engineered in the UK, and will be produced at Hethel – the home of Lotus since 1966.

With production limited to a maximum of 130 units, the Evija has been one of this year's most eagerly anticipated new cars and visitors at Monterey had a chance to see its striking design for themselves.

"The Evija is an outstanding and exceptional car," says Phil Popham, the marque's chief executive. "It has been designed and engineered to put Lotus back on the map as the innovator and technical leader that it is."

BIRTHDAY SHOWCASE

Infiniti returned to the Pebble Beach Concours d'Elegance – the charitable event that's the finale of Monterey Car Week – as the Japanese luxury brand continues to celebrate its 30th anniversary.

As a part of this milestone, the marque unveiled its Edition 30 models – a line-up of specially equipped and trimmed versions of the Q50, Q60, QX50, QX60 and QX80.

They feature exterior design touches, such as dark-chrome grille surround, fender trim and rear finisher. Similar black treatment is seen on side-view mirrors and wheels.

Infiniti's Edition 30 range

The all-electric Evija...

...and inside the Lotus supercar

The variants have claimed world-first driver-assistance technologies typically part of the ProAssist pack that Infiniti has brought to market.

These include intelligent cruise control, distance-control assist, around view monitor, back-up collision intervention and predictive forward-collision warning.

The Edition 30 line-up is expected to soon start arriving at dealerships worldwide as 2020 models.

BUILDING ELECTRIC DREAMS

BYD made its debut at Pebble Beach by showcasing its innovative battery electric vehicle (BEV) called the Tang.

The marque, whose initials stand for "build your dreams", has yet to crack the US market, but is aiming to make in-roads there and globally.

The luxury SUV's features include adaptive cruise control, automatic emergency braking, lane-departure warning, intelligent temperature control and a pedestrian-collision warning system.

From its new global design centre at its headquarters in Shenzhen, BYD has developed a "five-four-two" strategy for the Tang.

No, it's not a team formation in football. It means a 0-100kph speed of less than five seconds, having four-wheel drive and consuming no more than two litres of fuel for every 100km driven.

The Tang 600D BEV has a New European Driving Cycle range of up to 500km using an 82.8kWh battery pack. It's expected to retail from $65,500.

GRAND-TOURING SPIRIT

To wrap up Monterey Car Week, it's back to where we started at and that's with McLaren.

The company says its new GT, priced from about $327,000, will "return to the spirit of traditional grand touring with space, comfort and usability".

Complementing the exterior are bespoke satin graphite-iron brake calipers from McLaren Special Operations (MSO).

While most MSO show cars focus on the exterior, its bespoke creativity comes to life inside with stitching inspired by the geometric canopy design of the British Museum being applied to the seat backs, sun visor, door cards and armrest.

Interior materials include flux-white leather, which contains a metallic sheen, and a contrasting leather to complement the exterior colour.

The McLaren GT sports a 456kWh four-litre, twin-turbocharged V8 with a seven-speed sequential sports gearbox. The 0-100kph dash is achieved in 3.2 seconds with 0-200kph notched up in nine seconds.

A defining element is its "dynamic prowess". The bespoke suspension, steering and brakes are optimised for drive experience with responsiveness and precision, with the GT's ride comfort "setting new McLaren standards".

The McLaren GT

BYD's Tang, an electric SUV

Pricing mayhem at auction

Sotheby's was left red-faced after a blunder prevented a Nazi car designed by Ferdinand Porsche from going under the hammer at Monterey Car Week.

The much-anticipated sale of the 1939 Type 64 was thrown into chaos when the Dutch auctioneer started the bidding at $13m. But this came up as $30m on the screen due to his accent. Bidding rose to $17m, which was displayed as $70m.

The confusion led to the controversial silver coupe being pulled from the auction after expected to sell for some $20m.

The 1939 Type 64, pictured above, was one of three cars commissioned by the Nazis and built by Porsche for a race through the heart of Fascist Europe from Berlin to Rome that never eventuated.

The months that were... emissions

News about exhaust emissions seems to happen often in October editions of Autofile. Here's a look at stories from years past

OCTOBER 13, 2006: EMISSIONS-TESTING TRIAL COMPLETED

The Ministry of Transport (MoT), AA and JEVIC teamed up to ascertain the emissions of 3,000 used cars bound for New Zealand.

The trial consisted of tailpipe tests before vehicles were shipped. Those meeting the standard received an AA-JEVIC "emissions tested" window sticker with many complying with Japanese standards.

Stella Stocks, of the AA, said the association wanted to provide motorists with real information on used imports to inform buyers about their choices.

Iain McGlinchy, the MoT's principal adviser – environment, said the data would help determine the future direction of any emissions-based policy.

"Misconceptions exist as to the standard and quality of used vehicles imported," he added. "We don't want to bring in junk. We're pleased to see from preliminary results the number of vehicles that passed."

OCTOBER 20, 2006: GOVERNMENT CONFIRMS LOOK AT BAN

A seven-year age ban for used imports and a bid to cut emissions were on the cards after the government unveiled measures to improve the fleet's fuel economy to combat climate change.

"New Zealand imports all its vehicles so we have the opportunity to select the best, not the mediocre," said Judith Tizard, Associate Minister for Transport.

The government directed the MoT to work with the industry on a regulated sales-weighted fuel-economy standard for new and used stock.

The Imported Motor Vehicle Dealers' Association (IMVDA) recognised the desirability and need to upgrade the fleet, but opposed a rolling age ban on used imports "in isolation".

OCTOBER 26, 2007: NATIONAL OPPOSES EMISSIONS RULE

The opposition was standing behind calls to delay implementing exhaust-emission standards, saying it backed a slower rate of rule progression.

Maurice Williamson, transport spokesman, said National wanted to improve the fleet's emissions standards, but understood it could only be phased in over a realistic time frame.

He said: "The IMVDA advocates if the new rule is implemented, cars will become more expensive and consumers will hold on to older models for longer, and the perverse impact will be a drop in emissions standards of our fleet – not an improvement. We agree."

National supported a staggered roll-out of the rule from January 2009.

OCTOBER 17, 2008: NO REPRIEVE FOR EMISSIONS RULE

In August, the IMVDA asked the government to consider deferring the implementation of phase two of the exhaust emissions rule, which was to go into effect in February.

The first phase stopped used diesel commercials being imported and cut used petrol-vehicle imports by up to 30 per cent. It was predicted total used imports could be as low as 85,000 for 2008 – down from 132,000 in 2007.

Stage two was to come into effect in January 2009 and would limit imported petrol vehicles to those made to the Japan 00/02 standard. It was estimated this would reduce used imports to as low as 52,000 for 2009.

The IMVDA said its expected effectiveness in reducing noxious gases by improving the fleet would be compromised by a large reduction in used imports combined with a drop in older vehicles being scrapped.

OCTOBER 21, 2010: DEFERRAL OF RULE SOUGHT

The Imported Motor Vehicle Industry Association (IMVIA) presented an unsolicited submission to Stephen Joyce, Minister of Transport, on the final phase of the emissions rule.

It stated the last stage would be the most severe yet and result in job losses across the industry. It asked for the rule to be deferred for two years.

The IMVIA's chief executive, David Vinsen, said the government understood the futility of the rule. He estimated 110,000 vehicles would be imported in 2011, but when the rule came into effect that imports would drop to between 45,000 and 60,000 in 2012.

The submission stated: "Businesses involved in the industry have had to make adjustments, including retrenchment of skilled staff and closures of branches to deal with the effects of the rule, such as wildly fluctuating volumes of used imports."

Gearing up for awards

Vehicle technology will be put under the spotlight at this year's New Zealand Car of the Year Awards as the AA and Driven aim to provide fresh insights about what's on the market.

Backed by a panel of judges from around the country, 10 finalists will contend for the title at a cocktail event in December.

"This year, more electric vehicles [EVs] than ever before have been launched," says Stella Stocks, the AA's general manager of motoring services. "We believe it's important to test them and give the best advice on how they stack up.

"At the same time, the government has signalled it may slash the price of imported electric and hybrid vehicles by up to $8,000 to make green cars cheaper, which is attracting interest.

"We know New Zealanders buying more traditional vehicles want to ensure their choices are truly fuel-efficient. That will also be a consideration for the judges, alongside other variables we look at in real-world conditions."


The 2018 NZ Car of the Year was Mercedes-Benz's A-Class

Driven's editor at large and chief judge, Liz Dobson, says Kiwis will be part of the behind-the-scenes action across print, digital and video as the panel puts all entrants through their paces.

"Each contender goes through on and off-road stages, which give the judges the opportunity to score from the driver's seat," she says. "That's the only true test."

Category winners will be selected from all new vehicles available for sale in this country from October 1, 2018, to September 30.

In addition, there will be a safety award for the car with the highest ANCAP score of vehicles tested in the judging timeframe, the EV and plug-in hybrid gong and the people's choice award selected from the top 10 finalists that receive the most votes from the public via an online campaign.

Talking finance

Chris Faafoi, Minister for Commerce and Consumers Affairs, is one of the guest speakers at the Financial Services Federation's annual conference.

He will give a progress report on the Credit Contracts Legislation Bill. Other speakers include Oliver Hartwich, executive director of the New Zealand Initiative, and Kirsten Patterson, chief executive of the Institute of Directors.

The event at the Grand Millennium, Auckland, on October 16 has the theme of "setting tomorrow's standards" with the spotlight on conduct, culture and ethics.

There will also be a gala dinner and the presentation of the Crediting Excellence Awards, with categories for new finance professional, outstanding support person, leadership, innovation and outstanding corporate citizen.

'Always on' key to modern advertising

Consumer behaviour is ever-changing and in the automotive industry it's becoming increasingly evident that, unless dealers adapt with customers' expectations, they will be left behind.

We've all heard the stats. According to Google Data, 93 per cent of car purchases today are digitally influenced. Customers are researching more and they can have as many as 130 digital touchpoints before purchasing a vehicle, report Google / Verto. All this means dealership visits have dropped from five per sale to two.

So, how should dealerships be advertising in this tough market to ensure they are reaching potential customers before their competitors do?

The answer is, to be "always on". Dealers need to shift their mindsets away from traditional marketing and ad-hoc online campaigns, and establish the key building blocks to implement an "always on" advertising strategy that continually targets customers, reaching them earlier in the purchasing cycle.

Such practices have proven to be more effective and to deliver greater bang for their buck.

IT STARTS WITH A SEARCH

When customers are considering a new vehicle, or even when they are just interested in a make of car, the first thing they are likely to do is search in a browser.

Search-engine marketing enables a business to appear at the top of search results based on the keywords typed in and by the user's geographical location.

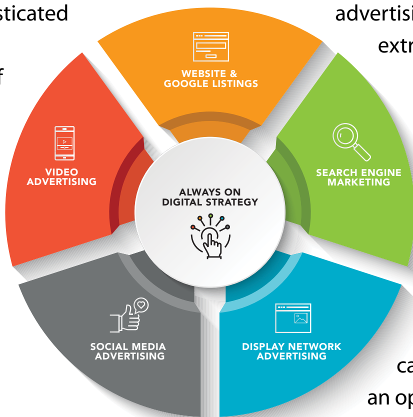
A dealership's messages and listings are vital at this stage, as are the right offer and clickable conversion points.

TODD FULLER
General manager
AdTorque Edge NZ

For example, by using a click-to-call phone number, a customer is able to easily become engaged and interact with the business.

Display network and social advertising also play an important role in getting a dealership's brand in front of potential clients, as well as retargeting those who may have shown some earlier interest.

The sophisticated targeting capabilities of big digital players, such as Google, Facebook, Microsoft and so on, allow advertisers to narrow down the audience that sees an advert. This means that only those presenting key behaviours of a good quality prospect are shown the advertisement, equating to a higher chance of conversion.



Video is also a powerful selling tool, particularly in the automotive industry, because it gives customers detailed views of vehicles from the comfort of their own computers.

From 2016-19, Google Data reported a 65 per cent increase in watch-time of test-drive videos on YouTube. It also found that 72 per cent of people attributed a portion of their car-purchasing decisions to online video, according to Auto CB.

Not only do these findings highlight the importance of dealerships producing video promotions of their vehicles, they also point to a highly engaged audience on whom paid video advertising can be extremely effective.

Programmatic video ads – such as YouTube's TrueView – run before or midstream of an online video. They can present an opportunity to convert there and then through action buttons, such as "visit a website", "schedule a test drive" or "learn more".

Their targeting capabilities are based on users' digital behaviours including searches, app downloads and video views, which, like all signal and touchpoint audience-building, makes for a highly qualified group of prospective customers who are seeing the adverts.

BE PRESENT AND VISIBLE

Today's customers are curious, demanding and impatient. They want instant gratification, which is why, when looking to purchase, one-in-three smartphone users end up buying from a brand other than the one they intended, reports Google Data.

This means that if your dealership is presented to customers at the right time and is providing the information that they want, they are highly likely to engage you rather than one of your competitors. But, the converse is also true and competitors could be taking business from you.

So how do you ensure you never miss an opportunity? The key is to be "always on".

Gone are the days of running short sale campaigns and ad-hoc promotional offers. This strategy no longer works for the modern consumer who is on the internet 24 hours a day, searching, researching, scrolling and viewing.

The only way to ensure that you never miss an opportunity is to be ever-present – always running digital advertising through a variety of channels.

The messages can be changed and audiences optimised, but never let your advertising sleep because searching never does.

Vehicles' waste on agenda

End-of-life tyres (ELTs) are back on the government's radar as one of six proposed priority products.

And the automotive industry is likely to be drawn into two others as well. One will be lithium-ion batteries, which come under the category of electrical and electronic products – collectively known as e-waste.

The third is refrigerants and other synthetic greenhouse gases (GHGs), which include hydrofluorocarbons (HFCs) used in air-conditioning units.

Other priority products being proposed are agrichemicals and their containers, farm plastics, and packaging used for beverages and single-use plastics.

Once granted priority-product status, regulated stewardship schemes would make producers responsible for them at end of life.

The government says this would ensure the costs of proper waste management are paid by producers and consumers, not communities and the environment.

If this all sounds a bit familiar when it comes to old tyres, it is. Last year, Autofile reported how organisations in the motor-vehicle industry backed reviving product stewardship for old tyres after years of research was canned.

The umbrella Tyrewise Working Group was relaunched to update its work, which is providing a framework for an industry-led scheme for ELTs

Adele Rose, chief executive of Hastings-based 3R Group, which oversees Tyrewise, says the recent announcement by Eugenie Sage, Associate Minister for the Environment, on making multiple industries accountable for the six possible priority products is long overdue.

She describes the consultation document as "most significant" in terms of making use of the Waste Management Act (WMA).

"This move by the government will strengthen and broaden work being done by ensuring there are

no free-riders in these proposed categories," says Rose.

"3R is developing stewardship programmes on behalf of stakeholders for many of these proposed priority products. Projects are already under way for ELTs, refrigerant gases, rigid food and beverage packaging, and lubricant packaging.

"Product stewardship is the cornerstone of developing a circular economy. It encourages waste to become a resource, and forces change further up the supply chain by looking at design, manufacture and material use."

For example, a stewardship scheme for ELTs could see the cost of disposing them built into purchase prices. Fees could be used to incentivise end markets, and process and collect tyres to end stockpiling, illegal dumping and landfilling.

Tyrewise, whose members include the Imported Motor Vehicle Industry Association, Motor Trade Association and Motor Industry Association, started its work in earnest in 2012 to provide a framework for ELTs.

It was presented to then-Minister for the Environment, Nick Smith, in August 2013. Instead, the government opted for an investment strategy to secure markets for old tyres.

With much support for a stewardship programme, the automotive industry criticised the ditching of the self-funding scheme after it was promoted by Amy Adams, Smith's predecessor.

The total volume of tyres – from the likes of cars, trucks and aircraft – that come to the end of their useful lives in New Zealand annually is equivalent to more than 7.75 million passenger-tyre equivalents – or about 73,700 tonnes.

Consultation on the way forward resulting from Sage's announcement will inform a framework for the co-design of regulated product stewardship schemes.

A two-stage process is proposed. The first is consultation followed by ministerial guidelines on expected scheme outcomes and attributes. Stage two involves consultation, by product group, until 2021 on proposed WMA regulations.

The ELTs scheme may include all air-filled tyres and certain solids used on motorised vehicles from cars to aircraft, and pneumatics and solids on bicycles and non-motorised equipment.

As for e-waste, there's scope for a scheme including large rechargeable batteries used in electric cars, household-scale and industrial renewable-energy power systems including, but not limited to lithium-ion batteries, and batteries from hand-held tools and devices.

As for refrigerants and synthetic GHGs, gases used for heating, cooling and air conditioning classed as ozone-depleting in the Ozone Layer Protection Act – and or synthetic GHGs under the Climate Change Response Act and products containing these gases – as well as methyl bromide, may be included in a scheme.

Bring low performers up to speed

A few years ago, I attended a talk given by Malcolm Gladwell, the Canadian journalist, author and public speaker. He highlighted his hypothesis about strong-link versus weak-link systems.

The illustration he used compared the different ways to improve the performance of sports teams, specifically basketball versus football, also known as soccer.

Gladwell showed the effects on team performance by replacing players on teams with those of varying abilities.

In basketball, a strong-link team sport, it was shown that the best gains were made by replacing the best player with an even better player.

Football, a weak-link team sport on the other hand, was shown to get the most improvement by replacing the worst players with better ones.

The explanation for this dynamic is easy to understand. Basketball is more of a one-person sport. The best player doesn't need anyone else to touch the ball to win, therefore a basketball team doesn't improve much by upgrading the weakest links.

In football, it's rare that a single player can move the ball from one end of the field to the other and score. Many players touch the ball to make a goal while the weakest links drag down the rest of the team.

That got me thinking about the best ways to improve the efficiency of our vehicle fleet – should we be focusing our efforts on improving the most-efficient or least-efficient cars?

In mulling this over, I considered performance is a measure of how successfully the vehicle does its job with minimal output on carbon dioxide (CO2).

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Similar to the sports teams, we are comparing our fleet to the fact that higher performers cost more and supply is more limited.

One of the challenges preventing the uptake of electric vehicles (EVs) – that may be the ultimate performers in this example – is the limited supply and high initial purchase prices.

> **"The best solution would be to replace the entire fleet with the best performers, but economically that isn't feasible"**

In basketball, replacing any player with a strong one can have a dramatic effect on the performance of the team. In fact, as is often seen in the NBA, adding a "superstar" to a team can dramatically improve it.

This is so much the case that the results are the same as if the previously best player on a team was replaced by that superstar. This illustrates how little effect the rest of the team has.

Football teams, on the other hand, are usually composed of a mix of great, average and bad players. Replacing the strongest players with better ones has a much smaller effect. It's more effective to improve or even replace the worst players.

For the same price of the single great player, it's possible to replace many of the bad ones with average players. In football, this has a great effect. In basketball, not so much.

Comparing this to efforts to improve the efficiency of our fleet, would we get the best results by replacing our best performers with even better performers or by replacing our worst performers with average or better performers?

It's also relevant to consider the costs. If we spend the same amount either way, how can we maximise the effect? How many of the best performers could we afford compared to average performers?

Of course, the best solution would be to replace the entire fleet with the best performers, but economically that simply isn't feasible.

Some recent government proposals include feebates and standards. But these are only targeted at the vehicles being added to the fleet, which – when on our roads – will already be in the upper end of performance.

The question then remains. Given limited economic resources, should we continue focusing on replacing the best performers with even better – and more expensive – performers? Or should we focus on replacing the poor performers in the fleet with anything that's better at a much lower price?

In other words, should we add a few strong links or minimise the number of weak links, especially considering the restraints of cost and supply?

What's needed are efforts to increase the performance of the lowest performers. This, the analogy suggests, would make a bigger dent into the problem of fleet efficiency than increasing the performance of what are already our highest performers.

Of course, this debate doesn't need to be all about the vehicles. Our measure of performance was based on minimising CO2 output.

There are other ways to do this besides adding more efficient vehicles. We can, for instance, spend resources on extra training for our poorest players. Teaching motorists to drive more efficiently might go a long way toward reducing our carbon emissions and might even make our roads safer at the same time.

No matter what we do, one thing is obvious. And that's ignoring the weakest links within our fleet will doom our team to failure.

Currently, the only deterrent is a small carbon tax on fossil fuels, a tax the Productivity Commission describes as "so low as to make the scheme ineffectual in changing firm and household behaviour". What is the purpose of this if it doesn't deter usage?

Tough new rules to stop bugs

Biosecurity New Zealand has sent a stark message to shipping companies, agents and importers that all cargo must meet stricter regulations intended to keep brown marmorated stink bugs (BMSBs) out of the country.

The Ministry for Primary Industries (MPI) has issued new rules, which require the off-shore treatment of imported vehicles, machinery and parts from 33 identified risk countries.

The measures are also in place for all sea containers from Italy during the current stink-bug season, which runs until April.

During the last BMSB season, Biosecurity NZ turned away four contaminated vessels from New Zealand waters and intercepted 151 live stink bugs at the border.

This resulted in some delays for stock arriving in this country, but disruption for franchises and used-car dealers was nowhere on the scale of February to April 2018 when the supply chain virtually came to a halt.

"The importing industry needs to be aware high-risk cargo that hasn't been treated before arrival will not be allowed to come ashore in most instances," says Paul Hallett, of Biosecurity NZ.

"The aim is to keep out a highly invasive pest that could devastate New Zealand's horticulture industry if it established here."

In the past, only non-containerised cargo from risk countries required treatment before arrival, so Biosecurity NZ is concerned some importers and shippers may be unaware of the new regulations.

"We can give advice on approved off-shore treatment providers when necessary," says Hallett.

Biosecurity NZ is working closely with industry to address any operational concerns about the changes and Hallett is optimistic the tighter rules will reduce clearance delays this stink-bug season.

"There will be a lot less treatment required on-shore, which should speed up the time it takes to get cargo released once it arrives."

Heat-treatment chambers are being used in Japan to ensure biosecurity risks, such as brown marmorated, below, and yellow-spotted stink bugs – don't hitch rides on vehicles to New Zealand

Similar to previous years, the 2019/20 season means increased surveillance and inspection of arriving vessels and cargo from countries with established stink-bug populations.

Hallett stresses: "Ultimately, if officers determine a ship is infested with bugs, it could be prevented from discharging and directed to leave New Zealand."

Malcolm Yorston, technical manager for VIA (the Imported Motor Vehicle Industry Association), says: "BMSBs can be found anywhere there's a warm spot as the weather cools down. Vehicles and machinery are known to attract them because they crawl into small, confined spaces to hibernate."

VIA reminds all of its members and the wider industry that border-inspection organisations are looking after the Kiwi market by carrying out heat treatment on vehicles and machinery imported from Japan.

There are another 32 "schedule three" countries, which are risk zones, and treatment is mandatory for all goods being exported here from those jurisdictions.

"MPI staff are busy answering inquiries from people in other industries who are unsure of the requirements of the import health standard [IHS]," says Yorston.

His advice is if you are bringing in stock from Japan, ensure agents ship it through an authorised border-inspection organisation.

"If importing from markets other than Japan that are schedule three, ensure your agents are familiar with the IHS, and all vehicles and machinery are treated by MPI and Biosecurity NZ-approved providers."

In addition to heat-treatment facilities at Japanese ports, there are also traps on ships, and fogging systems can cover individual decks if any stink bugs are found.

The extra precautions have added about $250 to the cost of importing each used car into New Zealand.

Stink bugs have yet to become established in this country, or at least biosecurity officials don't think they have.

But a report published by the NZIER in 2017 found that – under a worst-case scenario – the country's GDP losses from a major infestation could top $3.6 billion by 2038.

It says living standards could fall by up to $2.8b over two decades as employment and real wages drop, while the value of horticultural exports could plummet by $3b during 10 years and $4.2b over 20 years.

Experts say BMSBs originate from China, Korea and Taiwan where they have resided for centuries.

Meanwhile, Biosecurity NZ will soon be able to fine vessel operators that don't abide by the rules.

The new offences came into force on September 2 and allow officers to issue infringements to operators that don't provide notice of a ship's arrival.

Ships that don't respond to an official request to declare what has been done to comply with risk-management requirements will also face a fine, explains Stu Rawnsley, of Biosecurity NZ.

"Ultimately, we want masters to supply required information to us as early as possible. This is to ensure we can target our efforts at vessels that pose the greatest biosecurity risk."

The penalties for offences are $400 for an individual and $800 for a corporation.

"The fines are aimed at lower-level offending that would have required prosecution to enforce in the past," says Rawnsley. "We still have the option to prosecute if necessary.

"The infringement option gives us an additional tool to take encourage vessel operators to take their biosecurity responsibilities seriously. We're also keen to do what we can to encourage voluntary compliance."

The new penalty notices follow April's introduction of similar fines for containment and transitional facilities for actions that could allow invasive pests and diseases into New Zealand.

"We want to send a strong message about the importance of biosecurity across all vessel operators and the entire industry."

Industry movers

SEAN STEVENS has been appointed acting chief executive officer of Vehicle Inspection New Zealand (VINZ) effective until March 31, 2020. His previous position with VINZ, which he took up in August 2015, was general manager of operations and delivery.

Before joining VINZ in 2015, Stevens, pictured, was with Continental Car Services for five years – first as assistant service manager for Audi and then service manager of Peugeot.

He started his career with Ateco Automotive in 2007 as an after-sales manager before becoming a group service manager for wholesale.

"Sean will report to the VINZ board and on a day-to-day basis to me as executive director," says Gordon Shaw. "The board and I will be assisting him with the transition, and I will lead our government-relations portfolio with Sean. The recruitment of the permanent chief executive officer will start in late-January 2020."

MIKE SEXTON has been appointed as managing director for the New Zealand operations of Marque Group, the Sydney-based global automotive technology company.

He will now lead the group's operations on these shores from its offices in Auckland, Tauranga and Hamilton. They include lead management and road-to-sale platform AutoPlay, and Smart Loyalty – a bespoke trade, business-to-business and business-to-employer technology supplier.

Sexton was previously managing director of Smart Loyalty after starting out as its chief operating officer in 2016. Before that, he was general manager for the company in Australia after holding various roles across the Tasman and in this country since 2007.

He will work with Marque Group's leadership team to analyse and develop fresh ideas through innovation, and grow the organisation and its offerings to the automotive industry in New Zealand. Visit www.autofile.co.nz to find out more.

DEAN EVANS has taken on the editorship of Driven, NZME's motoring magazine.

He has extensive journalism experience having held editor roles at LCV and Truckbody & Trailer magazines. Preceding that, he was the longest-serving editor of Fast Fours & Rotaries.

As well as being deputy editor of Motor magazine and senior road-test editor on Wheels, Evans, pictured, launched his own lifestyle automotive title, Tarmac magazine, which he ran for five years.

"There isn't much Dean hasn't done in automotive marketing, having worked for Hankook Tyres Australia and Lotus Cars Australia," says Greg Cassidy, general manager of Driven.

DAVID McINTYRE is now regional director of Lotus for its Asia-Pacific region, which includes New Zealand.

The marque says it's further evidence of its ambitious plan for significant growth in global markets.

McIntyre has 25 years' luxury and performance automotive experience including working for brands such as Porsche, Aston Martin, Bentley and McLaren.

For the past 15 years he has worked in the Asia-Pacific region, including periods in South Korea and China.

TO FEATURE IN INDUSTRY MOVERS EMAIL EDITOR@AUTOFILE.CO.NZ

NZ labour market report

A raft of information released by Statistics New Zealand gives pointers to car dealers on future business opportunities and how the industry has performed in the wider context of the country's economy.

Annual net migration has been provisionally estimated at 50,900 in the year ending January 2019 compared with 52,700 in the previous reporting period.

Stats NZ says despite the drop in net migration, provisional estimates of arrivals increased for the 12 months up to and including January. That was a rise of 4,000 to 144,200.

The top source country for incoming migrants was Australia with 25,100, of which 15,200 were Kiwi citizens. China came in second with 14,700, followed by India with 12,600 and the UK on 10,200.

Provisional estimates of migrant departures climbed by 5,800 to 93,300, which means net migration for the past calendar year was down 1,800 compared with the year ending January 2018.

"Net migration continues to remain at historically high levels," says Tehseen Islam, Stats NZ's manager of population indicators. "This has been the case since 2014 with a peak in 2016."

During the same period, there were 109,800 migrant arrivals of non-New Zealand citizens and 47,800 migrant departures for a net gain of 62,000 Kiwi citizens, which bodes well for longer term business opportunities.

The first provisional estimate of net migration for the January 2019 year was 58,400, which – over the past five months – has been revised down to 50,900.

However, some users of migration data still look at the most recent provisional data. For the year ending June 2019, there are expected to be 145,300 arrivals and 95,900 departures for net migration gain of 49,400 people.

Stats NZ has also released information on the country's two-way trade with Japan, which amounted to $8.8 billion for the year ending June 2019.

Our top trading partners are China followed by Australia, the European Union and the US.

Japan is New Zealand's fifth-largest trading partner for goods and services. It's also hosting this year's rugby world cup, which is a focus for Kiwis – and car dealers are bundling up buying trips with going to matches.

In the June 2019 year, New Zealand's trade balance with Japan came in at a $347 million surplus, meaning we sold more goods and services to that country than those bought in return.

"Our top export to Japan is travel services with nearly two-thirds coming from spending by international students from Japan," says Peter Dolan, senior manager for international statistics. "In contrast, most spending from New Zealanders travelling to Japan is from holidaymakers."

Meanwhile, wholesale trade sales rose in the June 2019 quarter, reports Stats NZ, but motor vehicles and parts had the largest decrease in value of transactions with a drop of 4.1 per cent to $116m.

Geraldine Duoba, business statistics manager, says: "The fall in motor-vehicle wholesaling is reflected in the declining number of new-vehicle registrations, which have been falling since early 2018."

Finally, retail-card spending has bounced back after a five-month quiet period with most industries seeing increased card spending in August, including the automotive sector.

Consumers forked out $186m on vehicles – an increase of $7.8m or by 4.4 per cent – compared to the month before. This was the most spent via electronic card transactions in the industry this year.

The total value of card spending was up $93m, or 1.3 per cent, in August after a 0.2 per cent fall in July.

In actual terms, cardholders made 150 million transactions across all industries in August for a total spend of $7.3b.

Specialist training delivers dividends

The automotive industry is going through many changes and is highly competitive, which often makes sales targets challenging, and sometimes impossible, to achieve month after month.

While there are effective sales and marketing initiatives to achieve targets, they don't always support long-term plans.

Without strategies to cover the long term, car dealers may face added pressures and challenges ranging from unattainable sales targets to decreasing employee satisfaction, performance and retention.

Protecta Insurance has worked with a large range of motor-vehicle traders for more than 30 years, and has seen many clients with similar strengths and weaknesses.

While some weaknesses are indicative of the industry, there are many that are not and they can be prevented through long-term strategies.

In response to industry challenges, Protecta realised clients needed more from their insurance provider, so we shifted our focus from selling products to selling service and expertise. This was achieved by taking a proactive approach to helping our customers achieve targets.

Selling competitively priced products has never been a challenge for us and possibly not for other insurance providers.

We know the industry well and have been working in it for a long time. We wanted to be able to show greater value to our clients, so we were the first to diversify our business to include specialist training in finance and insurance (F&I).

COLIN MARSHALL
Direct sales & marketing manager
Protecta Insurance

Protecta's F&I training is facilitated by Erin Mills. She's a qualified trainer, who also has extensive experience of working in the business manager's seat for some of Australasia's largest dealers.

Her understanding of what makes a great business manager and having a great sales team is paying dividends for Protecta's dealers.

"Clients are growing more aware of our F&I training," says Erin. "And we're finding an increasing demand from dealers to consult with them on legislative requirements, their sales capability and how we can assist."

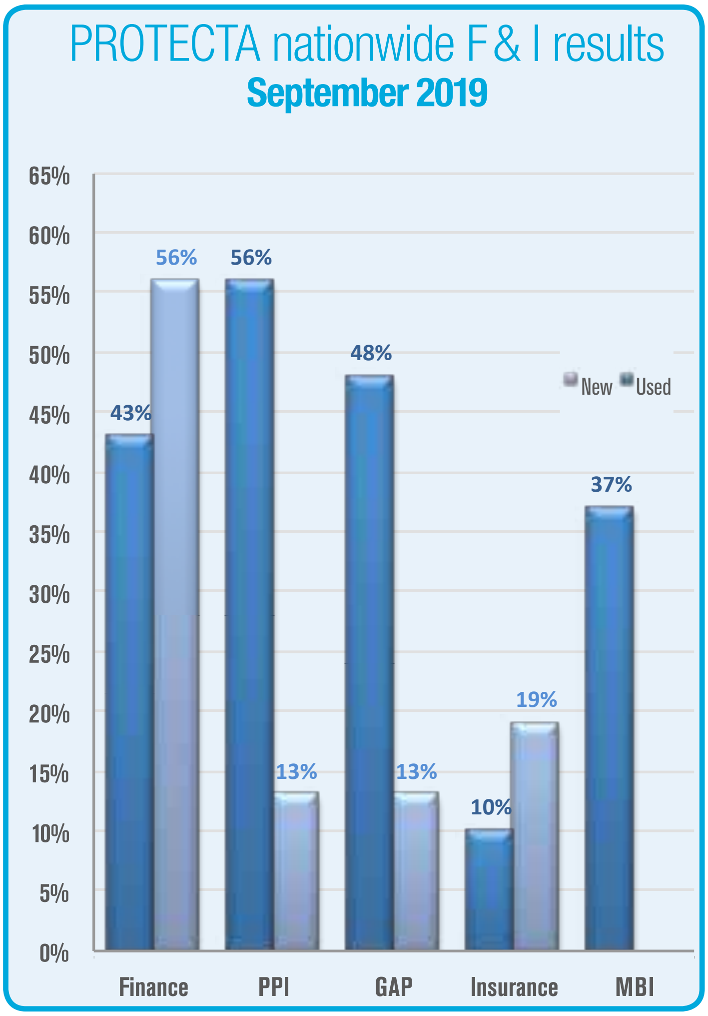
Protecta's intensive workshops benefit clients by increasing product, finance, compliance and sales knowledge, while also building individual and team confidence in a practical and interactive way.

"Critical attributes of business managers are a high degree of motivation, and the ability to build and maintain productive relationships with their teams," explains Erin.

"Sales teams and business managers need to be working in unison to optimise every sales opportunity. These are the kinds of areas our workshops also cover."

Protecta also provides a comprehensive training and account management package with Ray Meharg and Dass Pillay looking after national accounts, and six regional sales consultants looking after car traders across New Zealand.

We recommend dealers who think they may be able to strengthen their workforce, through F&I training, get in touch to see how we can assist. Just email erin.mills@protecta.co.nz or call 0800-776-832.



Leap of faith into digital world

It's no surprise Chris Knight, former managing director of MotorWeb, has forged a successful career in the motor-vehicle industry.

His father Des was a used-car dealer on New North Road in Grey Lynn, Auckland, and Knight was driving his vehicles when he was 12 before getting his driver's licence three years later.

"I spent many years as a teenager there. When dad traded a car, and if I liked it, he would let me drive it for a while. I would then clean and polish it, put it on his yard and drive something else."

Knight recalls his formative years in the industry with unabashed affection.

"There was a car park down the road from dad's yard. It was empty on the weekends, so I would take a vehicle, drive it around the car park to practise parking and reversing. I would set up road cones and drive as fast as I could, both backwards and forwards through the cones trying not to knock them over".

The born-and-bred Aucklander left Westlake Boys High School on the North Shore after year 11 to take up a mechanic's apprenticeship at Alan Clark Mitsubishi in Albany.

After four years, "some strange reason – I don't know how or why", Knight called Brisbane BMW. He said, 'I'm looking for a job and these are my qualifications'. The voice at the other end replied, 'we'll hire you, come over', just like that".

"It was a great experience. After a big storm in 1989, some 18 BMWs were damaged when the basement of the building in Fortitude Valley flooded. Insurance paid for the damaged stock, but BMW didn't want them going onto the market so they brought all the vehicles back.

"That's when I was made responsible for the full refurbishment of them so they could be sold under BMW's new-car warranty status."

About 18 months later, Knight returned to New Zealand and landed a job with Team McMillan BMW.

"I liked the marque's quality and craftsmanship. I worked for BMW for about another five years and spent a lot of time learning the technical aspects of cars, sitting many exams and getting a 'BMW passport' with my credentials in it.

> **"We went through huge adversity. We had no money, debt collectors were trying to kick the office door down and we couldn't afford the rent"**
> **– Chris Knight on the formative years of MotorWeb**

"I was one of the country's most accredited technicians. During that time, I asked for a pay rise because I was on a low hourly rate. It was refused and I could see my career in New Zealand coming to an end because I wasn't getting recognised as a skilled technician.

"I realised that I would struggle to get a good salary here, whereas in Europe technicians were well-paid – more than double what I got here."

SIDETRACKED BY SLOPES

Knight headed for the northern hemisphere in search of bigger bucks. He flew via Aspen, Colorado, but when he disembarked he ended up staying there for a couple of years instead.

"It was a party town and I skied almost every day. I got a job removing furniture, which wasn't cool. The best jobs were in hospitality because staff usually got big tips. But I needed the work as my cash reserves were running very low.

"By a stroke of luck, I ended up staying in the business owner's house. He was a great bloke and gave me the use of a near-new Jeep Renegade. He loved skiing too, so we had some great times. After the first season I went to Europe for a short time, but thought 'bugger this' and went back to Aspen."

Knight eventually returned to New Zealand and landed a position with Giltrap City Toyota.

"I was reasonably confident I could sell cars because I loved them, had loads of knowledge about them and felt comfortable talking to complete strangers.

"Closing hard deals is something I had to learn. The worst part was rejection – so many customers immediately perceived you negatively as a used-car sales person and didn't want to talk to you. Having to overcome that perception every time was a challenge and probably the hardest thing I had to do.

"Back then, as a commission-only sales person, you were only as good as your last month – and it was very competitive.

"I was reasonably successful and was top sales man most months. But some sales people weren't that good. Potential customers would walk onto the yard and leave without being sold to and I thought, 'there has to be a better way of looking after leads'."

So Knight suggested a customer induction flow to ensure each new customer got the best introduction to the company and cars on offer at all points of contact.

But the business didn't see his suggestion for what it was. And he was tired of having to hide behind cars or get into them and duck down so no-one knew he was inside to ensure he was the first sales person customers came into contact with.

"The crazy tricks you did to ensure you got to potential buyers first. That was my livelihood being commission-only. Antics behind the scenes were interesting," says Knight, who also worked for Schofield Holden for several years.

FROM 'HAIRBRAINED IDEA'

Knight eventually decided he had had enough of selling cars. He didn't really know what he was going to do next, but an industry friend had heard of an opportunity that involved cars and a thing called the internet, and suggested that he applied.

After investigating it further, he found out it was a start-up IT company. "I thought, 'well, I can always sell cars, but opportunities like this don't often come up'.

"I didn't know what the internet was back then. However, I knew a lot about vehicles and dealers. I talked to the founder who was like a mad scientist with a great idea and was well-ahead of the times. I thought, 'that's pretty cool', so I started with him in 2000."

MotorWeb finally started trading in 2001 and has gone on to become a leading vehicle-history check provider, delivering online services to the industry and public. It's a one-stop shop for dealers by providing many online services, including its vehicle-information report.

However, the company's early years were far from plain sailing and massively different to anything Knight had done before, even though it related to the automotive industry.

"The business spluttered and struggled early on. We had to rebuild the system and lay off just about all staff. The founder, myself and a technical guy stayed, and worked for years to get it going.

"We went through huge adversity. We had no money, debt collectors were trying to kick the office door down and we couldn't afford the rent. We had to beg to stay in the building we were in – we owed a lot of money to the landlord.

"We pretty much said, 'if you kick us out, we're toast' because our data connections came into the building and we couldn't get them transferred. It would have been the death nail in our coffin.

Chris Knight, left, presenting the small car award for the Fiesta to Chris Masterton, now former marketing manager of Ford NZ, at the NZ Car of the Year Awards in 2013

"The property manager found us a couple of storage rooms, pretty much in the basement, for $25 a week each. We managed to plumb our data connections into those rooms. We worked there for the next couple of years with no natural light.

"We ended up paying every cent in rent we owed. The landlord was surprised we made it, and we ended up going back upstairs to the office on the building's corner with the best views of Newmarket.

"The building manager was a good bloke and understood what we were trying to do, plus we owed the landlord tens of thousands of dollars. If he had kicked us out, he knew he would never have recovered the rent arrears, so he took a punt on us and was stoked when we made it."

Knight often questioned his decision to join MotorWeb back then, especially when he wasn't getting paid and had a young family with premature twins in hospital. It was a struggle and, at times, he thought "what have I done". The company then started to slowly gain market traction.

"Many of my contacts trusted me and said they would give our product a try. Once they worked out how cool it was, as well as saving time and money, they started chatting about it and that made taking it to other dealers easier.

"More and more traders started to get on-board and then, all of a sudden, MotorWeb was the talk of the town and dealers were coming to us. That's when we knew we had cracked it."

CASHING IN THE CHIPS

Fast-forward to 2014 when it was decided to put the company on the market. It ended up being sold to Trade Me for $19.5 million.

"Part of the deal was that I stayed on to help transition the business over. Trade Me is a great company to work for with its business culture and staff – I don't think it would be easy to find such a good environment with other big companies.

"When the company was looking to be acquired, I thought I wouldn't want to stay and when my transition time was up that I would go.

"However, Trade Me is noticeably different. If you're a people-person, you can quickly pick up on the health of the working environment.

"When my MotorWeb transition clause came to an end, I ended up staying and taking the position of sales director for Trade Me Motors."

Tinkering with first wheels to create sporty edge

Chris Knight was 18 when he bought his first significant car – a red, four-door, Ford Escort Mark II. He owned it for about 12 months.

"I was an apprentice mechanic and spent a lot of time working on the Escort's motor and honing up the head with a die grinder, honing out the ports and putting in bigger pistons, as well as a special cam and manifolds. I made it quite sporty."

Knight, who currently drives a dark-grey BMW X5, also enjoyed owning a mid-1980s Holden Commodore (VK) Royale, which he bought at auction after it had been burnt out.

"I spent a lot of money on it," he recalls. "I pulled the motor out and put in a V8. It was a cool car when I had finished working on it."

Chris Knight's first car was a red Ford Escort Mark II, like the one pictured above. A mid-1980s VK Commodore Royale, right, was another favourite

Formula 4 experiment scrapped

The Confederation of Australian Motor Sport (CAMS) has pulled the pin on its Formula 4 series in the face of dwindling grids.

Heralded as the first step on the global pathway to Formula 1, the F4 Championship across the Tasman was first held in 2015.

It was intended to be a feeder category for drivers chasing "wings and slicks" careers.

Unlike New Zealand's Castrol Toyota Racing Series (TRS), in which where cars are owned by the marque's motorsport company, the Australian vehicles were owned by CAMS itself.


F4's demise means Australia has no official junior category

Throughout its four-season lifespan, the F4 in Australia was plagued by crashes and incidents.

Luis Leeds will be remembered as the last F4 champion after winning this year's title with a round to spare, but F4's demise leaves Australia without an official junior category.

The series was of some benefit to Kiwi Liam Lawson though. He dominated grids, and was second in the title chase in 2017 and 2018. Lawson is the reigning TRS champion and member of Red Bull's junior team.

Boss appointed to sport's governing body

Simon Baker has been named chief executive officer of MotorSport New Zealand.

The Wellingtonian has a strong background in technology, team leadership, sales and marketing.

Baker has always had a passion for motorsport since he was a child with brief forays into karting and speedway. Last year, he started competing in an RX-8 in the Mazda Pro7 Racing Series.


Simon Baker


Baker has a passion for motorsport having competed in karting, speedway and the Mazda Racing Series

"Simon's infectious enthusiasm and determination to succeed, together with his experience in management and sales, make him the ideal person to continue to strengthen our vision of being this country's most exciting sport," says Wayne Christie, president of Motorsport NZ.

Baker adds: "My career, especially in the past 10 years, has been involved with the sports industry, exposing me to some of the challenges facing organisations.

"After meeting Wayne and the board, it was clear the board wasn't seeking anyone to run technical or regulatory aspects as MotorSport NZ already has these skills through people such as Elton Goonan and Terry Carkeek. Rather my skills and experience will augment the team's current capabilities.

"I've found it fascinating learning more about New Zealand's contribution to motorsport on the global stage, which highlights great opportunities for competitors and exporters alike."

Baker's appointment is part of strategic changes since the organisation's constitution was revised in 2015.

The management structure is moving to a format with a chief executive officer and board of directors.

The board has a governance role, while the CEO is responsible for daily operations and meeting key performance indicators.

Baker has replaced Brian Budd, who resigned after 10 years with the organisation.

Southland's finest ready for next step

Southlander Brendon Leitch, 23, has been jetting around Asia competing in Formula Three and Lamborghini Super Trofeo races


Leitch en-route to third place at Sepang

On the F3 podium at Suzuka


Leitch won the Lamborghini Super Trofeo in Korea last month

It's an exciting time to be Brendon Leitch. The Invercargill-born driver is at the sharp end of a busy racing season contesting Formula Three Asia and the Lamborghini Super Trofeo, a pro-am series in which he's currently second overall.

Leitch is a commuter racer, flying to each round from New Zealand and the only one in either series to be contesting both. Three of the six Lamborghini rounds are at the same tracks.

"That's when it gets super-busy," he says. "I have to watch my prep times pretty closely to ensure I get to each session or race and then achieve good results in both."

Adjusting between agile single-seater and the bigger, more powerful Lamborghinis takes some doing – throttle use and application, and transitions between throttle and brake and back again, are all totally different between the two vehicles.

Leitch won in Korea in August. He was then sixth and fifth – second pro-am – in the two races of the penultimate round to sit second on points going into the final held as part of 2019's world final at the Jerez circuit in Spain from October 24-27, so a title is a definite prospect for the young Kiwi.

RATING REGIONAL F3 CARS

In the F3 series, Leitch has stolen a march on competitors heading down under to contest this year's Castrol Toyota Racing Series (TRS).

The vehicles used in Asia are the same Tatuus T-318s as will be used in New Zealand although their engines are different. In Asia, the power comes from a turbo Alfa-Romeo engine, and on our shores from a turbo four-cylinder used in Lexus and Toyota cars. Both, apparently, make 200kW – although scuttlebutt has it the Toyota-Lexus unit would be comfortable at 208kW or all the way to 224kW.

In every other respect the vehicles are identical. Leitch is fourth outright in a grid of 22 entries, albeit with some fast young guys in front of him.

"The cars are great – a good balance of power, aerodynamics and handling with good brakes as well."

Leitch adds that the racing in the F3 championship is tougher. Teams such as Hitech and Absolute are running multiple drivers, and there's the likes of Jack Doohan – son of motorcycle world champion Mick – to contend with.

ONTO A GT FUTURE?

That F3 experience would be perfect preparation for another run at a TRS title, but Leitch plans to be training and packing for a GT series drive. That means every single dollar he can lay his hands on has to be directed at this goal.

He's actively talking to team managers and talent spotters watching the series and the Lamborghinis. He would like the drive to be in Asia, but is looking at all offers.

Leitch admits it will be difficult not to feel a certain "itch" if he does watch some TRS rounds, especially at his "local" circuit where his name is on the trophy for the series' feature race.

His Kiwi CV now strongly points to a top GT drive. Stand-out results from recent years include third overall in the 2013 New Zealand Formula Ford Championship and second overall a year later.

The talented 23-year-old then contested the TRS in January and February 2014, scraping through on second-hand and borrowed tyres, but putting in a performance that embarrassed many better-resourced competitors.

In that same year, he drove a GT3 class Aston Martin DBR9 in the inaugural Highlands 101 – one of a pair with brother Damon and his first serious GT drive.

More similar drives followed, including a stint with the Malaysian Mike Racing team running a Mercedes-AMG. There he partnered with Christina Orr-West, one of New Zealand's quickest female competitors.

Fast-forward past some one-off enduro drives to this year and then there's a dual opportunity – the Asian F3 in the latest F3 machinery and the mighty Lamborghinis.

LOYALTY BEING REPAID

Leitch is loyal to those who support him. He ran all his seasons in the TRS with Nelson-based Victory Motor Racing, and has received essential backing from the Kiwi Driver Fund and Post Haste.

And every year the car featured more and more yellow from a sponsorship created by Deborah Day, of Dayle ITM, as it blossomed into a long-term deal.

As Leitch prepares for the next step, such loyalty will no doubt be on his mind. He must now balance this against the demands of the cut-throat world of modern motor racing.

Reminder from adjudicator protections afforded by act 'are not indefinite'

The case: The buyer wanted to reject his Isuzu Wizard because he believed its engine was damaged. He also claimed the dealer had engaged in misleading conduct in breach of the Fair Trading Act (FTA). The trader said it had fixed most of the vehicle's faults, but wasn't liable for remaining issues. It denied misleading the purchaser.

The decision: The applications for remedies under the Consumer Guarantees Act (CGA) and FTA were dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Varun Chauhan bought a 1996 Isuzu Wizard with an odometer reading of 230,000km for $4,995 from Robert Allen Wholesale Ltd, trading as RAW Motors, on April 6, 2018.

About five months after purchase, he wanted to reject the vehicle. He claimed it had a number of faults, including significant engine damage that amounted to a failure of a substantial character under the CGA.

Chauhan also alleged RAW Motors had engaged in misleading conduct in breach of the FTA by stating the Wizard was in a good condition with no issues in its pre-purchase advertisement.

RAW Motors said it had fixed most of the vehicle's faults and it wasn't liable under the CGA for the remaining faults. It also denied engaging in misleading conduct.

The case

Five months following purchase, the Isuzu overheated with coolant fluid gushing out of its overflow tank.

The next day, Chauhan had a warrant of fitness (WOF) inspection performed on the station wagon by Super Cheap Tyres in Onehunga, which noted the Wizard had a water leak.

He continued to use the vehicle, but it overheated again a few days later and he contacted RAW Motors about this on September 17.

Chauhan said the second time the car overheated, water started to leak from a steel pipe at the top of the engine. He added it continued to overheat soon after starting.

He alleged both problems were evidence of significant engine damage and its powerplant needed to be replaced.

The Wizard was assessed by Morrison Diesel, which provided a $6,000 estimate for repairs, but didn't explain what the faults were.

The tribunal asked Chauhan to have the problems diagnosed by a repairer, but he failed to do so.

The buyer said the Wizard also had several other faults after purchase, including issues with its headlights, power steering, brake lights and four-wheel-drive (4WD) selector.

However, these faults had been repaired by RAW Motors.

As to his application under the FTA, Chauhan claimed the trader engaged in misleading conduct by stating the Isuzu was in a good condition with no issues in a pre-purchase advert, but he was unable to provide a copy of that advert at the hearing.

He also purchased a mechanical breakdown insurance policy from Janssen Insurance through RAW Motors, and alleged the trader again engaged in misleading conduct by failing to provide him with a copy of the policy.

The buyer said that if he had a duplicate of it, he would have known his claim limitation was $2,000.

Chauhan said this amount was significant because the estimate he had obtained for fixing the engine damage greatly exceeded this claim limitation.

RAW Motors agreed it hadn't provided a copy of the policy to Chauhan because it was usual practice for the document to be sent to the buyer by Janssen Insurance. Chauhan denied receiving a policy email from the company.

The finding

Under the CGA, the buyer must prove a vehicle has the faults alleged on the balance of probabilities.

Although the Wizard had overheated and had a water leak, the buyer hadn't provided conclusive evidence of significant engine damage.

The tribunal's assessor said the two faults could have been the result of water escaping from a ruptured cooling hose.

The assessor added the buyer was able to start and drive the Isuzu for short distances, so it was unlikely its engine had been damaged due to overheating.

The tribunal found these two faults didn't breach the CGA's acceptable quality guarantee because they occurred too long after purchase. That was because the protections in the act aren't indefinite.

The buyer noticed the Wizard was overheating five months after purchase and after driving it for more than 7,000km.

The tribunal said that was too long and too far after purchase for the acceptable quality guarantee to continue to apply.

A reasonable purchaser of a vehicle of this price, age and mileage must have realistic expectations as to its quality and durability, and should understand faults that can be expensive to repair may arise from time to time.

Taking into account the nature of the problem that caused the vehicle to lose water and overheat, because of the period of time after purchase before the fault became apparent and distance travelled in that time, the tribunal was satisfied it was as durable as a reasonable consumer would have considered acceptable.

As for the buyer's claims under the FTA, the tribunal wasn't satisfied RAW Motors engaged in misleading conduct because Chauhan was unable to provide a copy of the Isuzu's for-sale advert.

The tribunal also ruled the primary obligation to provide the buyer a copy of the mechanical breakdown policy laid with Janssen Insurance and there was insufficient evidence to show RAW Motors misdescribed claim limitation or other terms or conditions.

Orders

The CGA and FTA applications were dismissed.

Tribunal rules trader made misleading representations to client in online advert

The case: The buyer claimed he was misled about the type of car he bought, suffered loss due to two functions not operating and was given an incorrect value for the vehicle he traded in as part of the deal.

The decision: The adjudicator ruled the trader had to rectify the defects and pay the purchaser costs for getting them assessed, but wasn't satisfied he had been misled about his trade-in's value.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Peter Cox bought a 2006 Mercedes-Benz S500L for $17,535 from Goldex Ltd on February 18, 2019. He traded in his 2001 E430 for $1,500 at the same time.

Cox alleged Goldex engaged in misleading conduct in breach of the Fair Trading Act (FTA) by representing the car was an AMG model when it wasn't, stating its remote boot opening and headlight washer functions were operational when they weren't, and misleading him as to his trade-in's value.

Cox sought remedies under the FTA, including compensation for the loss he suffered due to being misled, but Goldex denied misleading Cox.

The case

Goldex advertised the car on Trade Me and the listing's headline stated it was an AMG, but Mercedes-Benz confirmed it wasn't.

This misdescription was significant. Cox said the AMG was the marque's "ultimate model" with features an ordinary one didn't have.

The tribunal's assessor agreed AMG was used to designate the vehicle had been upgraded from the base model with a bigger engine, upgraded brakes, and ordinarily had a higher price-tag so the adjudicator was satisfied Goldex had engaged in misleading conduct.

The supplier also stated the car had "headlights washer" and "remote boot open" functions, and claimed all of its products were "without mechanical or electrical problems".

The adjudicator was satisfied the combined effect of these representations would have led a reasonable consumer to believe Goldex had inspected the car and the mentioned parts were operational, but they weren't.

The vehicle has been assessed by Mercedes-Benz Wellington. It found the trunk control unit was faulty and needed replacing.

It also discovered the headlight washer pump had been disconnected. After reconnecting it, a water leak from an o-ring was found and cost $167 to replace.

The tribunal was satisfied representations these two functions worked were misleading when the car was sold.

However, Dimitry Strelets, of Goldex, gave evidence he told Cox that its remote boot function wasn't operational. The latter said he first discovered the fault after returning to Wellington.

The adjudicator preferred Cox's evidence, and found him to be a witness with a clear recollection of events. He was satisfied Goldex didn't tell Cox the boot function was faulty.

Even if the adjudicator had accepted Strelets' evidence, Goldex still engaged in misleading conduct because of its misleading representations on Trade Me.

He said the listing drew Cox into the "marketing web" by enticing him onto Goldex's premises under the mistaken belief the boot function worked. He then bought the car despite it not having the features he wanted because of the misleading advert.

However, the tribunal ruled Goldex hadn't engaged in misleading conduct in respect of the trade-in.

Cox alleged the trader understated the value of that vehicle and overstated the cost of fixing any faults present.

He added he was told by a salesperson the trade-in was worth $3,000, but required $1,500 worth of repairs due to an oil leak.

Cox said, as a result of these representations, he accepted $1,500. He had spent a lot of money on repairs and – in his opinion – the trade-in was worth between $4,000 and $5,000.

He said he had no reasonable alternative but to accept Goldex's offer because he couldn't drive his old car back to Wellington.

However, Cox's evidence didn't enable the tribunal to form a precise view as to the trade-in's wholesale value, so it was unable to conclude Goldex had misled him.

In addition, the adjudicator wasn't satisfied Cox had proven Goldex engaged in misleading conduct by claiming the car had an oil leak that would cost $1,500 to rectify.

The assessor advised such a leak in an E430 could be expensive to fix and $1,500 might well be reasonable, depending on the problem's extent.

Although Cox said neither he nor his mechanics had identified any leak, the adjudicator wasn't satisfied he had proven it was free of oil leaks at the time of the trade-in or that the estimate of Goldex's repair was excessive.

The finding

Section 43 of the FTA states the normal measure of loss is the difference between the value of what is purchased and the price paid.

In this case, that meant Cox would have suffered loss if he paid more for the vehicle than it was worth.

He paid $17,535 for the car and had a valuation from Mercedes-Benz Wellington that showed its current market value was $19,990, so the tribunal was satisfied Cox suffered no recoverable loss.

In respect of misleading representations about the remote boot open and headlight washer, the tribunal was satisfied Cox had suffered loss.

The vehicle didn't have the functions represented in the Trade Me listing, and Cox incurred costs in assessing and diagnosing the defects.

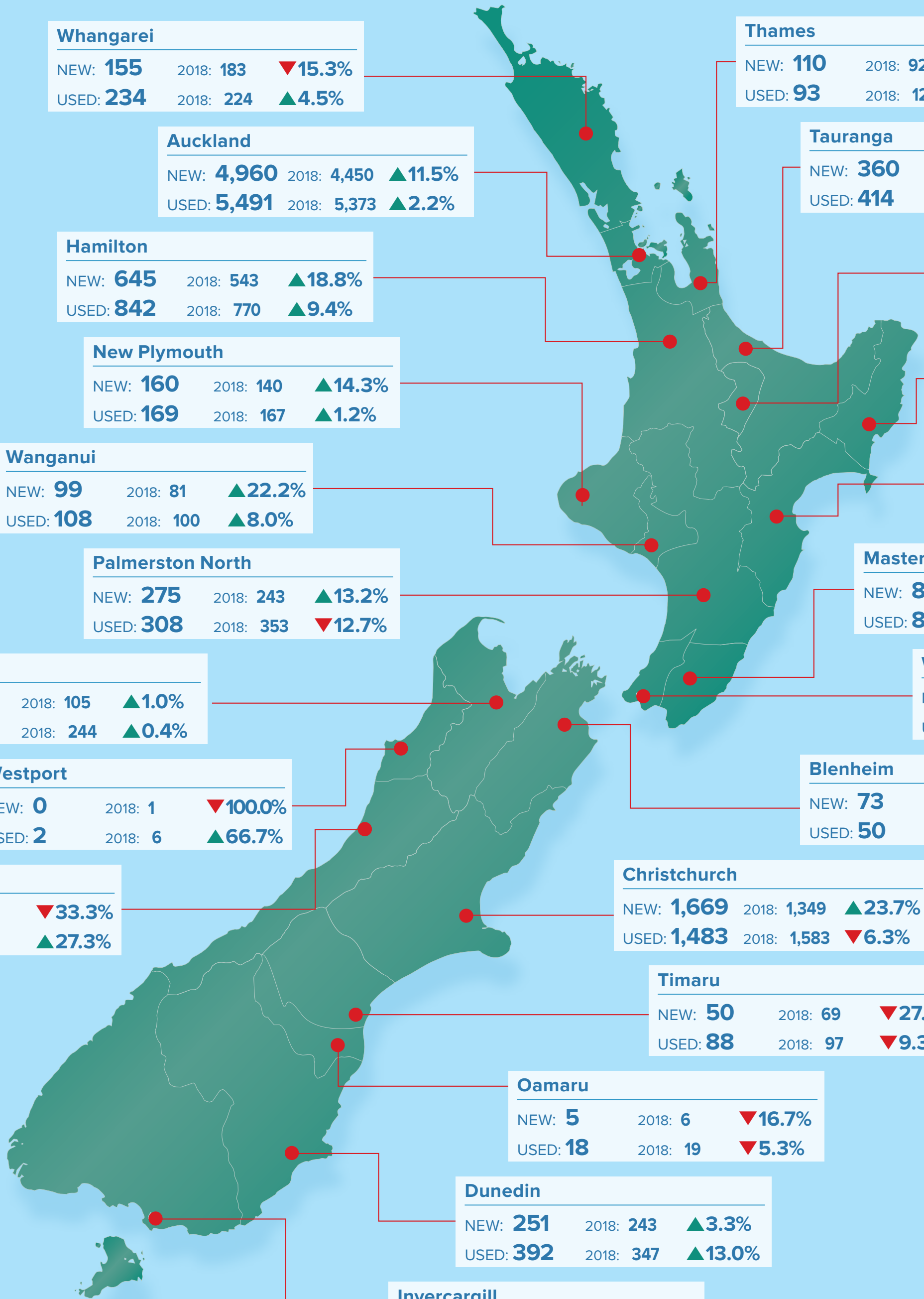
Orders

Goldex has to repair the faulty remote boot open and headlight washer functions, and pay $529 to Cox for getting the defects assessed and having the car valued.

Around the Country – September 2019

Total new cars	
10,322	
2018: 9,431	▲9.4%

Total imported used cars	
11,630	
2018: 11,533	▲0.8%



Region			2018	Change
Whangarei	NEW:	155	183	▼15.3%
	USED:	234	224	▲4.5%
Auckland	NEW:	4,960	4,450	▲11.5%
	USED:	5,491	5,373	▲2.2%
Hamilton	NEW:	645	543	▲18.8%
	USED:	842	770	▲9.4%
New Plymouth	NEW:	160	140	▲14.3%
	USED:	169	167	▲1.2%
Wanganui	NEW:	99	81	▲22.2%
	USED:	108	100	▲8.0%
Palmerston North	NEW:	275	243	▲13.2%
	USED:	308	353	▼12.7%
Nelson	NEW:	106	105	▲1.0%
	USED:	245	244	▲0.4%
Westport	NEW:	0	1	▼100.0%
	USED:	2	6	▲66.7%
Greymouth	NEW:	10	15	▼33.3%
	USED:	42	33	▲27.3%
Thames	NEW:	110	92	▲19.6%
	USED:	93	123	▼24.4%
Tauranga	NEW:	360	382	▼5.8%
	USED:	414	449	▼7.8%
Rotorua	NEW:	122	134	▼9.0%
	USED:	155	184	▼15.8%
Gisborne	NEW:	32	39	▼17.9%
	USED:	73	78	▼6.4%
Napier	NEW:	255	229	▲11.4%
	USED:	257	237	▲8.4%
Masterton	NEW:	86	94	▼8.5%
	USED:	85	60	▲41.7%
Wellington	NEW:	782	841	▼7.0%
	USED:	887	836	▲6.1%
Blenheim	NEW:	73	54	▲35.2%
	USED:	50	55	▼9.1%
Christchurch	NEW:	1,669	1,349	▲23.7%
	USED:	1,483	1,583	▼6.3%
Timaru	NEW:	50	69	▼27.5%
	USED:	88	97	▼9.3%
Oamaru	NEW:	5	6	▼16.7%
	USED:	18	19	▼5.3%
Dunedin	NEW:	251	243	▲3.3%
	USED:	392	347	▲13.0%
Invercargill	NEW:	117	138	▼15.2%
	USED:	194	195	▼ 0.5%

Imported Passenger Vehicle Sales by Make - September 2019

MAKE	SEP'19	SEP'18	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,705	2,423	11.6	23.3%	23,070	21.8%
Nissan	2,270	2,318	-2.1	19.5%	20,689	19.6%
Mazda	1,871	1,990	-6.0	16.1%	17,222	16.3%
Honda	1,313	1,215	8.1	11.3%	11,796	11.2%
Subaru	707	636	11.2	6.1%	6,175	5.8%
Suzuki	531	613	-13.4	4.6%	5,501	5.2%
Mitsubishi	500	478	4.6	4.3%	4,826	4.6%
BMW	418	456	-8.3	3.6%	3,802	3.6%
Volkswagen	384	382	0.5	3.3%	3,424	3.2%
Audi	202	220	-8.2	1.7%	1,944	1.8%
Lexus	120	87	37.9	1.0%	1,162	1.1%
Mercedes-Benz	120	179	-33.0	1.0%	1,292	1.2%
Volvo	65	65	0.0	0.6%	546	0.5%
Ford	62	87	-28.7	0.5%	655	0.6%
Land Rover	49	33	48.5	0.4%	332	0.3%
Holden	42	34	23.5	0.4%	325	0.3%
Chevrolet	29	50	-42.0	0.2%	340	0.3%
Hyundai	26	18	44.4	0.2%	231	0.2%
Jeep	26	24	8.3	0.2%	228	0.2%
Jaguar	25	42	-40.5	0.2%	359	0.3%
Mini	23	30	-23.3	0.2%	242	0.2%
Dodge	19	21	-9.5	0.2%	226	0.2%
Chrysler	18	22	-18.2	0.2%	186	0.2%
Porsche	13	16	-18.8	0.1%	151	0.1%
Kia	11	6	83.3	0.1%	96	0.1%
Peugeot	8	9	-11.1	0.1%	76	0.1%
Cadillac	7	6	16.7	0.1%	48	0.0%
Isuzu	6	1	500.0	0.1%	27	0.0%
Daihatsu	5	4	25.0	0.0%	55	0.1%
Infiniti	4	1	300.0	0.0%	15	0.0%
Renault	4	6	-33.3	0.0%	61	0.1%
Citroen	3	3	0.0	0.0%	51	0.0%
Lotus	3	1	200.0	0.0%	3	0.0%
Pontiac	3	7	-57.1	0.0%	25	0.0%
Smart	3	2	50.0	0.0%	36	0.0%
Others	35	48	-27.1	0.3%	408	0.4%
Total	**11,630**	**11,533**	**0.8**	**100.0%**	**105,625**	**100.0%**

Imported Passenger Vehicle Sales by Model - September 2019

MAKE	MODEL	SEP'19	SEP'18	+/- %	SEP MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	Axela	608	628	-3.2	5.2%	5,563	5.3%
Honda	Fit	571	468	22.0	4.9%	5,076	4.8%
Suzuki	Swift	458	540	-15.2	3.9%	4,695	4.4%
Nissan	Tiida	409	584	-30.0	3.5%	4,363	4.1%
Toyota	Prius	393	354	11.0	3.4%	3,016	2.9%
Mazda	Demio	385	500	-23.0	3.3%	3,973	3.8%
Toyota	Aqua	368	104	253.8	3.2%	2,320	2.2%
Nissan	Leaf	305	299	2.0	2.6%	2,561	2.4%
Mitsubishi	Outlander	282	268	5.2	2.4%	2,798	2.6%
Toyota	Vitz	251	225	11.6	2.2%	2,228	2.1%
Subaru	Legacy	249	284	-12.3	2.1%	2,394	2.3%
Mazda	Atenza	246	238	3.4	2.1%	2,233	2.1%
Subaru	Impreza	244	206	18.4	2.1%	2,165	2.0%
Volkswagen	Golf	242	253	-4.3	2.1%	2,200	2.1%
Toyota	Wish	241	271	-11.1	2.1%	2,407	2.3%
Mazda	Premacy	236	255	-7.5	2.0%	1,990	1.9%
Nissan	Dualis	221	186	18.8	1.9%	2,042	1.9%
Nissan	Note	204	189	7.9	1.8%	1,811	1.7%
Nissan	X-Trail	190	145	31.0	1.6%	1,599	1.5%
Toyota	Auris	168	128	31.3	1.4%	1,510	1.4%
Nissan	Serena	157	91	72.5	1.3%	1,042	1.0%
Toyota	Corolla	155	131	18.3	1.3%	1,410	1.3%
Honda	Stream	154	156	-1.3	1.3%	1,374	1.3%
Nissan	Skyline	128	116	10.3	1.1%	1,161	1.1%
Honda	CRV	125	104	20.2	1.1%	939	0.9%
Toyota	Ractis	117	83	41.0	1.0%	964	0.9%
Toyota	Blade	114	139	-18.0	1.0%	1,009	1.0%
Mazda	CX-5	114	74	54.1	1.0%	940	0.9%
Toyota	Vanguard	113	75	50.7	1.0%	812	0.8%
Nissan	Juke	112	64	75.0	1.0%	849	0.8%
Toyota	MarkX	106	108	-1.9	0.9%	959	0.9%
Mazda	Verisa	106	112	-5.4	0.9%	958	0.9%
Nissan	Bluebird	101	100	1.0	0.9%	1,026	1.0%
Nissan	March	101	93	8.6	0.9%	842	0.8%
Subaru	Forester	91	55	65.5	0.8%	710	0.7%
Others		3,565	3,907	-8.8	30.7%	33,686	31.9%
Total		**11,630**	**11,533**	**0.8**	**100.0%**	**105,625**	**100.0%**

Colourful career in industry

Robbie Baxter, soon to be 70, is retiring after four decades of operating businesses on Invercargill's North Road. He owned a service station for 20 years. He ran it for 10 years along with his yard, and then just the latter.

Now he's selling Robbie Baxter Autos after starting off in used imports before taking on a Hyundai franchise in 2004 and Foton Tunlands nine years later.

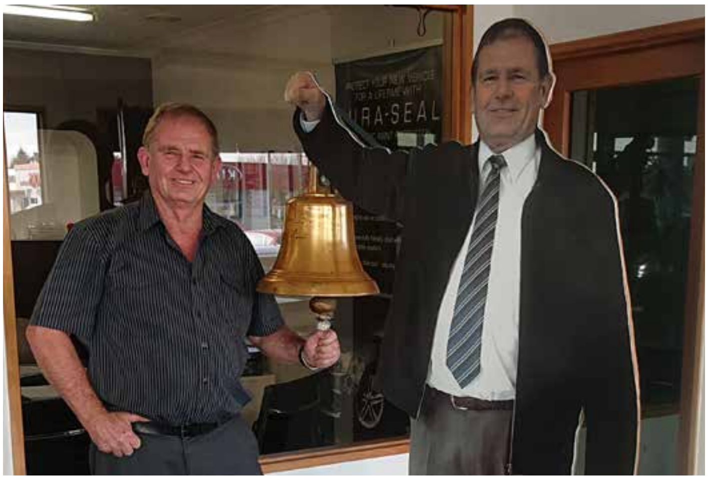
During his career, Baxter has been to Japan on about 120 buying trips. His first was in 1989 and one of the two cars he brought back was sold while still on the transporter. The other went within a few hours.

He bought off Japanese dealers before switching to auctions. For a while, in the early 2000s, he imported from Singapore but "stopped because I wasn't happy with the quality".

Baxter, whose business was called Cedar Motor Court when he started out in 1988, renamed it in 2004. That was when sedans were in fashion before hatchbacks boomed. He has benefited from ever-increasing demand for SUVs in more recent times.

"Before owning the service station, I was a rep for Europa Oil Company, so it seemed like a natural progression to buy one," he says. "Cedar Motor Court was next door and I asked the owners if I could park my caravans and horse floats between the two businesses. They agreed and two hours later came to ask if I wanted to buy the yard.

"I've thoroughly enjoyed the industry over the years. Every day is a new day and you don't know what's going to happen. And Southland dealers are a good bunch – there's always something going on.

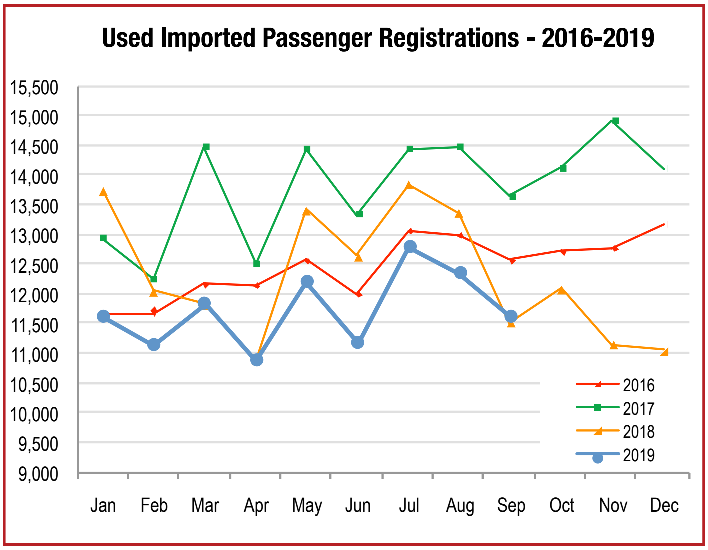


Robbie Baxter next to a cardboard cut-out of himself 15 years ago. "Have I aged that much," he asks. "Clients had to ring this bell to summons me to ensure I met them when they took delivery of their cars."

"The early 2000s were among the best years for used imports from Japan and it could have been down to the way we were running the business then too.

"In the 1990s, we formed the Imported Motor Vehicle Dealers' Association to stop the industry failing because the government would have beaten it into the ground otherwise. We had to put in $5,000 each to get it going.

"At the start, I brought in anything I could get my hands. I would buy anything on the day at the right price when I was in Japan. I always had a range of stock and Mazda Familias were great sellers for $10,000. Back when we first started, we were paying 50 per cent duty. Things have continued to change over the years, such as with compliance."



These days, Baxter says it's harder to make a profit on new and used vehicles.

"It's as tough as I've ever experienced it. In the early days, only dealers knew what cars were worth – no one else did. Now, with the internet, buyers look for specific vehicles and probably know more about them than I do because they've done so much research.

"They see someone selling a cheaper car from an Auckland backyard and think we should sell the same one at that low price. Discounting is rife across the industry and the public now has a discount mentality.

"I can't see it changing much from where it is now. Dealers will have to get smarter and keep costs down. We used to make good money out of finance, but there so many second-tier lenders out there that we didn't have in the early days. That's been another detriment to profitability."

Looking ahead, Baxter believes the next couple of years could be tight for traders. "They will have to look at how they run their businesses and keep overheads down. Dealers need to keep an eye on costs and, if you're in used cars, buy smart. Trends don't happen overnight, so traders have got time to catch up."

As for last month's statistics, sales of used imported cars remained steady with registrations coming in at 11,630 – down by 0.8 per cent compared to 11,533 in September 2018.

Bid to move cars on barges

Ports of Auckland Ltd (POAL) is looking into a feasibility study to transport about 500 vehicles daily to the city's east on electric barges.

The idea is being investigated by Mayor Phil Goff and Tony Gibson, the port's chief executive, based on a submission from transport company PTS Group.

The proposals come at a time when political debate over POAL's future is hitting fever pitch with nearby residents lobbying for cars to be moved off wharves and the government looking into the future of upper North Island ports.

Under the plan, up to 250 cars could be loaded onto barges twice a day to travel up the Tamaki Estuary to PTS' facility in Highbrook.

Goff says the company's site is closer to compliance workshops and distribution centres, while the port estimates the barges may eliminate 100 truck journeys from the city centre each day.

Gibson says: "We've been looking at barging as an option, so we're pleased to have the mayor's backing to take this investigation to the next stage."

"We know there are sites cars can be barged to," adds Goff. "While the port's vehicle-moving times have improved, Captain Cook and Bledisloe wharves often look like giant parking lots for thousands of cars shipped in."

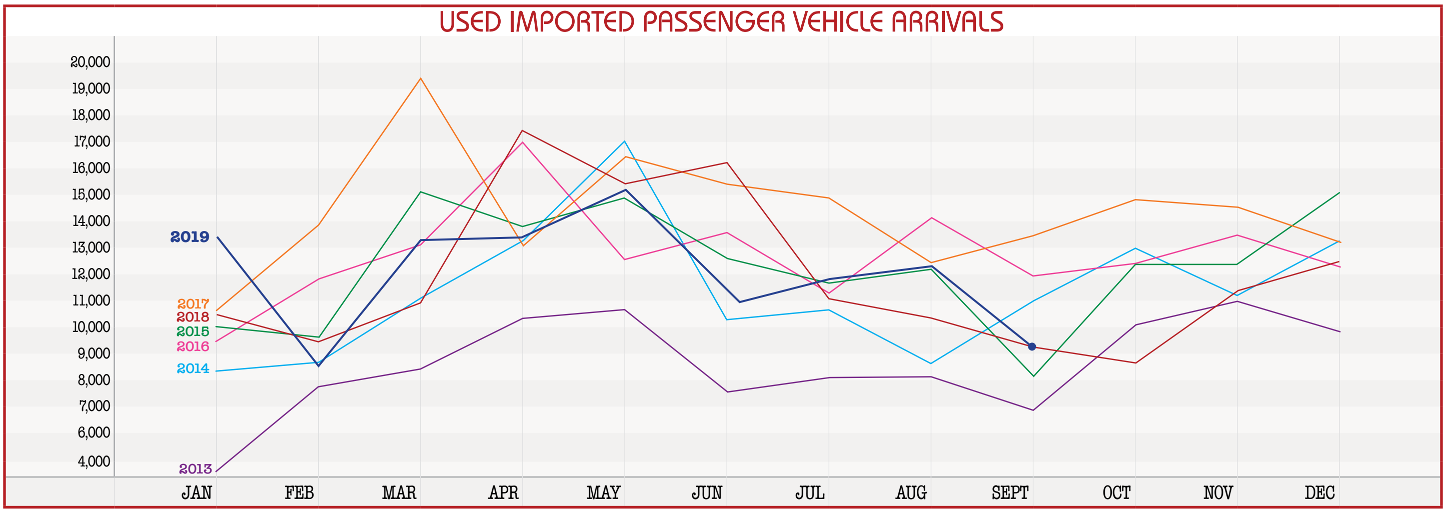
The mayor also believes getting cars off Captain Cook and Bledisloe wharves may reap other benefits. One is converting Bledisloe so mega-sized cruise ships can dock there, thereby preventing the need for two mooring extensions next to Queen's Wharf at a cost of $16.9 million.

The barge proposal would also leave Captain Cook wharf free for potential public access to the water's edge. There has been talk about a stadium being built there, for example, although many Aucklanders view that as a flight of fancy spanning at least 15 years.

Goff notes the barging option will require investment in certain areas, such as dredging, but the proposal means cars can be moved on their day of arrival for much faster throughput.

While the political pressure mounts on POAL's future, there were 9,195 used cars imported into New Zealand in September – down from 12,307 in the previous month.

When comparing last month's result with September 2018, the drop was less steep at 0.5 per cent and 50 units. The year-to-date total is 107,908 – 2,447 units less than the same period last year.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2019											2018		2017	
	JAN '19	FEB '19	MAR '19	APR '19	MAY'19	JUN'19	JUL'19	AUG'19	SEP'19	SEP MARKET SHARE %	2019 TOTAL	2018 TOTAL	SHARE	2017 TOTAL	MRKT SHARE
Australia	277	399	644	487	397	665	531	421	352	3.8%	**4,173**	4,183	2.9%	5,540	3.2%
Great Britain	101	61	72	52	76	39	54	74	94	1.0%	**623**	1,026	0.7%	2,173	1.3%
Japan	12,823	7,839	12,259	12,554	14,404	9,997	11,091	11,604	8,517	92.6%	**101,088**	134,510	94.2%	160,822	93.8%
Singapore	141	174	144	158	131	117	115	151	157	1.7%	**1,288**	1,531	1.1%	1,202	0.7%
USA	58	44	71	39	59	58	62	41	61	0.7%	**493**	1,108	0.8%	1,419	0.8%
Other countries	33	20	46	26	26	37	25	16	14	0.2%	**243**	415	0.3%	387	0.2%
Total	**13,433**	**8,537**	**13,236**	**13,316**	**15,093**	**10,913**	**11,878**	**12,307**	**9,195**	**100.0%**	**107,908**	**142,773**	**100.0%**	**171,543**	**100.0%**

MotorWeb by trademe

Finance company taken off market

Turners Automotive Group's decision to retain Oxford Finance despite "significant interest" in the business above its book value follows a review to consider alternative ownership and growth options for the company.

In the board's view, offers failed to fully reflect its "intrinsic value" and what it thinks can be achieved through continued growth.

"As indicated to shareholders, we were only prepared to sell Oxford if we were offered a premium price," says chairman Grant Baker. "Our strong view is shareholder value continues to be optimised by retaining ownership.

"Oxford Finance is a well-performing and growing business with a strong network of active dealers across the country, and we're excited by opportunities to continue reshaping and growing the business."

Turners will now continue with its growth plans for Oxford Finance, which include targeting higher-quality lending, using data and technology initiatives to improve risk-pricing, system integration to broaden distribution and ramping up origination from Turners Cars.

"Oxford's operating profit to August year to date is tracking well-ahead of budget and last year," says Todd Hunter, Turners' chief executive officer. "Initiatives we've implemented are delivering improved credit metrics and profitability.

"Our auto retail channel is delivering solid volume with excellent quality origination. We have plans to further enhance the business in-line with our group strategy of simplification, de-risking and focusing on capital-efficient growth opportunities."

Over five years, Turners has grown the finance company from returning net profit before tax of $2.9 million when it was acquired in 2014 to $11.1m in 2019.

Its three-year forecast shows further significant expansion.

As for last month's industry statistics, 18,534 second-hand passenger vehicles were sold by car dealers to members of the public. That was a four per cent increase when compared to 17,826 units in the same month of last year.

Westport recorded the largest proportional increase in trader-to-public registrations of 83.3 per cent, albeit on small numbers – from six units in September 2018 to 11 last month. Masterton was second with a 45.5 per cent jump from 222 registrations to 323 over the same timescale.

SECONDHAND CAR SALES - September 2019

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	SEP'19	SEP'18	+/- %	MARKET SHARE	SEP'19	SEP'18	+/- %	SEP'19	SEP'18	+/- %
Whangarei	503	572	-12.1	2.71	1,914	1,931	-0.9	197	221	-10.9
Auckland	6,730	6,096	10.4	36.31	13,697	14,016	-2.3	4,865	4,875	-0.2
Hamilton	1,355	1,461	-7.3	7.31	3,309	3,273	1.1	910	1,056	-13.8
Thames	279	302	-7.6	1.51	613	646	-5.1	200	229	-12.7
Tauranga	901	864	4.3	4.86	1,956	1,922	1.8	562	546	2.9
Rotorua	410	401	2.2	2.21	913	999	-8.6	123	132	-6.8
Gisborne	152	145	4.8	0.82	427	377	13.3	47	47	0.0
Napier	722	687	5.1	3.90	1,413	1,395	1.3	452	386	17.1
New Plymouth	419	367	14.2	2.26	976	962	1.5	232	156	48.7
Wanganui	243	298	-18.5	1.31	619	593	4.4	129	189	-31.7
Palmerston North	735	788	-6.7	3.97	1,697	1,610	5.4	706	738	-4.3
Masterton	323	222	45.5	1.74	513	444	15.5	91	109	-16.5
Wellington	1,560	1,561	-0.1	8.42	3,136	3,053	2.7	1,003	1,084	-7.5
Nelson	313	283	10.6	1.69	1,019	977	4.3	184	171	7.6
Blenheim	174	169	3.0	0.94	370	393	-5.9	80	90	-11.1
Greymouth	68	73	-6.8	0.37	169	179	-5.6	33	37	-10.8
Westport	11	6	83.3	0.06	31	31	0.0	2	0	200.0
Christchurch	2,281	2,129	7.1	12.31	4,860	4,836	0.5	1,731	1,674	3.4
Timaru	200	211	-5.2	1.08	513	519	-1.2	91	102	-10.8
Oamaru	43	37	16.2	0.23	136	112	21.4	0	3	-300.0
Dunedin	657	730	-10.0	3.54	1,989	1,899	4.7	401	384	4.4
Invercargill	455	424	7.3	2.45	1,176	1,144	2.8	286	258	10.9
NZ Total	**18,534**	**17,826**	**4.0**	**100.00**	**41,446**	**41,311**	**0.3**	**12,325**	**12,487**	**-1.3**

autoPLAY Smart Digital Tools

New Passenger Vehicle Sales by Make - September 2019

MAKE	SEP'19	SEP'18	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,226	1,955	13.9	21.6%	12,363	16.3%
Holden	877	626	40.1	8.5%	5,243	6.9%
Hyundai	721	566	27.4	7.0%	5,620	7.4%
Mazda	711	812	-12.4	6.9%	6,838	9.0%
Mitsubishi	707	766	-7.7	6.8%	5,380	7.1%
Kia	602	592	1.7	5.8%	5,168	6.8%
Suzuki	560	562	-0.4	5.4%	4,925	6.5%
Nissan	521	456	14.3	5.0%	3,838	5.1%
Honda	410	489	-16.2	4.0%	3,926	5.2%
Ford	399	468	-14.7	3.9%	3,227	4.3%
Volkswagen	386	366	5.5	3.7%	2,857	3.8%
Tesla	379	36	952.8	3.7%	540	0.7%
Subaru	281	325	-13.5	2.7%	2,820	3.7%
Audi	175	175	0.0	1.7%	1,270	1.7%
BMW	169	129	31.0	1.6%	1,326	1.7%
Mercedes-Benz	148	191	-22.5	1.4%	1,627	2.1%
Skoda	145	133	9.0	1.4%	1,135	1.5%
Land Rover	96	69	39.1	0.9%	1,009	1.3%
MG	94	0	9,400.0	0.9%	332	0.4%
Lexus	83	81	2.5	0.8%	668	0.9%
Jeep	78	143	-45.5	0.8%	666	0.9%
Mini	70	35	100.0	0.7%	569	0.8%
Jaguar	62	39	59.0	0.6%	427	0.6%
SsangYong	61	68	-10.3	0.6%	642	0.8%
Peugeot	60	57	5.3	0.6%	642	0.8%
Haval	55	42	31.0	0.5%	529	0.7%
Volvo	50	72	-30.6	0.5%	489	0.6%
Citroen	33	17	94.1	0.3%	214	0.3%
Porsche	33	34	-2.9	0.3%	333	0.4%
Mahindra	19	3	533.3	0.2%	112	0.1%
Isuzu	17	20	-15.0	0.2%	165	0.2%
Renault	13	23	-43.5	0.1%	180	0.2%
Seat	13	9	44.4	0.1%	120	0.2%
Can-Am	12	4	200.0	0.1%	60	0.1%
LDV	12	7	71.4	0.1%	54	0.1%
Others	44	61	-27.9	0.4%	534	0.7%
Total	**10,322**	**9,431**	**9.4**	**100.0%**	**75,848**	**100.0%**

New Passenger Vehicle Sales by Model - September 2019

MAKE	MODEL	SEP'19	SEP'18	+/- %	SEP MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Corolla	1,011	872	15.9	9.8%	3,972	5.2%
Toyota	Yaris	432	219	97.3	4.2%	1,296	1.7%
Tesla	Model 3	359	0	35,900.0	3.5%	419	0.6%
Toyota	RAV4	312	366	-14.8	3.0%	3,100	4.1%
Mazda	CX-5	310	288	7.6	3.0%	2,570	3.4%
Nissan	Qashqai	310	193	60.6	3.0%	1,841	2.4%
Kia	Sportage	306	323	-5.3	3.0%	2,646	3.5%
Mitsubishi	Outlander	264	254	3.9	2.6%	2,078	2.7%
Suzuki	Swift	252	275	-8.4	2.4%	2,268	3.0%
Holden	Commodore	226	161	40.4	2.2%	1,325	1.7%
Mitsubishi	ASX	212	317	-33.1	2.1%	1,976	2.6%
Holden	Equinox	207	116	78.4	2.0%	952	1.3%
Hyundai	Tucson	204	142	43.7	2.0%	1,899	2.5%
Hyundai	Kona	203	112	81.3	2.0%	1,457	1.9%
Volkswagen	Tiguan	193	151	27.8	1.9%	1,088	1.4%
Nissan	X-Trail	166	212	-21.7	1.6%	1,477	1.9%
Holden	Acadia	161	0	16,100.0	1.6%	658	0.9%
Honda	Jazz	152	105	44.8	1.5%	1,172	1.5%
Mitsubishi	Eclipse Cross	149	125	19.2	1.4%	785	1.0%
Honda	HR-V	131	189	-30.7	1.3%	1,169	1.5%
Suzuki	Vitara	119	85	40.0	1.2%	981	1.3%
Hyundai	Santa Fe	113	143	-21.0	1.1%	1,156	1.5%
Ford	Escape	112	128	-12.5	1.1%	848	1.1%
Holden	Trax	110	48	129.2	1.1%	814	1.1%
Toyota	Camry	105	77	36.4	1.0%	713	0.9%
Subaru	XV	104	117	-11.1	1.0%	979	1.3%
Holden	Astra	100	69	44.9	1.0%	592	0.8%
Honda	CRV	100	138	-27.5	1.0%	1,146	1.5%
Hyundai	Elantra	100	0	10,000.0	1.0%	103	0.1%
Ford	Focus	90	100	-10.0	0.9%	725	1.0%
Toyota	Fortuner	90	44	104.5	0.9%	320	0.4%
Volkswagen	Golf	90	57	57.9	0.9%	751	1.0%
Mazda	Mazda2	90	87	3.4	0.9%	800	1.1%
Mazda	CX-3	88	146	-39.7	0.9%	820	1.1%
Subaru	Forester	88	78	12.8	0.9%	795	1.0%
Others		3,263	3,694	-11.7	31.6%	30,157	39.8%
Total		**10,322**	**9,431**	**9.4**	**100.0%**	**75,848**	**100.0%**

Top 3 Sources for Leads, Test Drives and Sales - New Zealand Dealerships

LEADS

Source	Change
Web - Classified	5.2%
Web - Dealer	2.8%
Brand	13.1%

TEST DRIVES

Source	Change
Web - Classified	1.7%
Direct	1.0%
Web - Dealer	17.3%

Boom times for electric cars

Sales of new passenger vehicles in September came in at 10,322 units for an increase of 9.4 per cent – or by 891 units – when compared to 9,431 in the same month of last year. The year-to-date total now stands at 75,848 units, down 4.3 per cent on the same period last year.

Trade was boosted last month by a boom in electric vehicles (EVs) and rentals, reports David Crawford, chief executive officer of the Motor Industry Association.

There were 500 sales of pure EVs during the month, while 105 plug-in hybrids were registered.

For the first time, registrations of a pure EV broke into the top three for passenger cars and SUVs with 359 Tesla Model 3s being sold during September to takes its total registrations to 419 so far in 2019.

Year to date, 1,406 new pure EVs have been registered compared to 768 units for the whole of 2018.

Last month's top-selling model in the passenger-vehicle market was Toyota's Corolla on 1,011 units, of which 736 were rentals. It was followed by the marque's Yaris on 432 units and the Tesla Model 3. Toyota's RAV4 with 312 units and Mazda's CX-5 on 310 rounded off the top five.

As for rentals, September's top four were all Toyotas – the Corolla with 1,877 units, the RAV4 with 555, Yaris with 494 units and Land Cruiser Prado with 383.

Toyota also topped the ladder for brands with a market share of 21.6 per cent thanks to 2,226 sales. It was followed by Holden on 8.5 per cent with 877 units. Hyundai came third with 7.4 per cent and 721 registrations.

Rick Armstrong, managing director of the Armstrong Group, says all aspects of dealerships need to work well in tandem and high levels of customer retention through positive experiences for buyers is one of the keys to running a successful company.

This is especially the case with the ever-evolving way consumers interact with businesses and technology impacts on the way vehicles are purchased.

"The future of dealerships is in a phase of change," he says. "In order to keep up with that, you have to really keep your eye on the ball and be on your toes.

"Survival in our industry hinges on management ticking all the boxes and running really good operations.

"We have five departments in a new-car dealership and you have to tick the box in all five. If you can do that, then your business will be fine. You have to balance it out between all departments to get the profitability right."

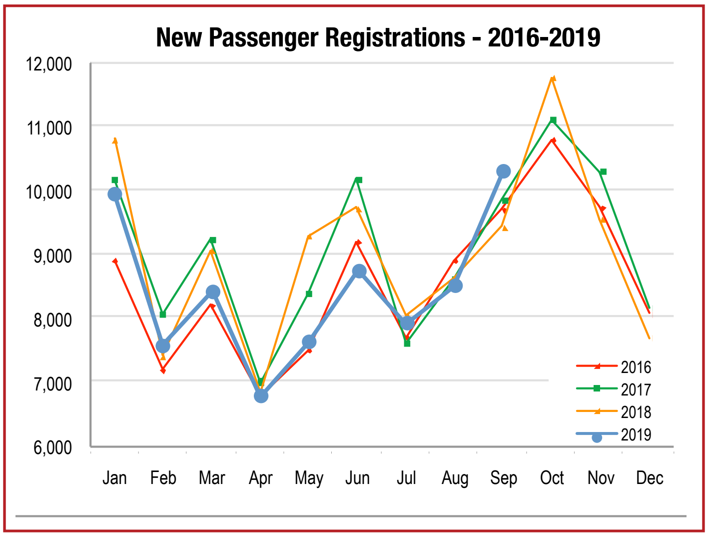
Armstrong told Autofile his company, as a group, "focuses very much on the service side of our business, retaining our customers and delivering good experience".

He adds: "That goes hand in hand with sales of parts, but we also have to make sales of new and used vehicles work in conjunction with each other. On top of that, there's the income from the finance and insurance department. If you tick all the boxes in all five departments then you don't have to knock it out of the park in any of them.

"You just have to do a good job in all of them. You don't want to be an absolute rock star of a used-car dealer and allow the other four departments to fall over."

As for purchasing decisions, Armstrong believes buying a new vehicle rather than a used one makes better sense because finance plans can be adapted to suit individuals' circumstances.

"They can often get extremely low finance rates, servicing plans can be included in purchase prices and you get extended warranties, so customers know they aren't up for any unnecessary maintenance or repair bills. Buyers are now better educated in terms of what they want and how they want to purchase vehicles, and what they want to pay for them."



THE OVERALL MARKET

Looking at the bigger picture, a total of 14,525 new vehicles were sold in New Zealand during September – up by 4.4 per cent, or 615 units, on the same month in 2018. However, the total market to the end of last month was down by four per cent – or by 5,803 units – on the first nine months of 2018.

"September continued the up-and-down pattern in the 2019 market," says Crawford. "In addition to strong sales of EVs, some distributors had a good month with Holden rocketing up the charts and Toyota enjoying a massive September mainly off the back of rentals."

Toyota was September's top overall marque with a 21 per cent market share thanks to 3,007 registrations. It was followed by Holden with nine per cent and 1,333 units. Ford slipped to third spot with nine per cent and 1,291 sales.

Sales of utes take a tumble

September was the first month of the year that pick-ups and chassis four-by-fours failed to make in into the top three segments for new-vehicle sales in New Zealand.

According to the Motor Industry Association, the top segment was medium SUVs with a market share of 18 per cent, followed by compact SUVs on 14 per cent and small cars with 12 per cent.

As for sales of new commercial vehicles last month, they came in at 4,203 – down by 6.1 per cent and 274 units compared to 4,477 registrations in September 2018.

The Ford Ranger retained the top spot in this sector with a 19.4 per cent share thanks to 814 registrations. Next up was Toyota's Hilux with a 14.3 per cent market share and 603 units, while Holden's Colorado came third with 10.7 per cent and 449 units.

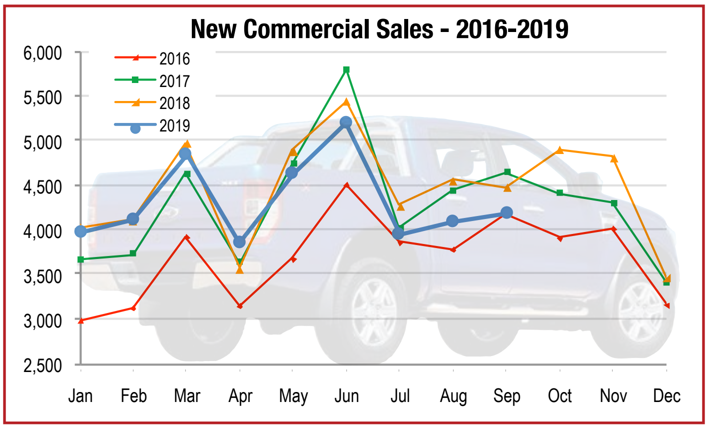
Ford was the best-selling marque thanks to 892 registrations. Toyota came second with 781 units and Holden was third on 456.

Robbie Baxter, who is selling his Invercargill business – Robbie Baxter Autos – says: "We've never really had a lot of utes because we didn't sell new ones."

His business holds franchises for Foton and Hyundai, and he points out the latter is about the only major brand without a new utility.

"Foton is between models, so nothing much is happening there at the moment, but we have sold about 120 new utes," Baxter told Autofile. "The market for them down here is about 80 per cent of the passenger-vehicle market – it's huge.

"Sedans are disappearing and I have found the big switch in buyer demand for SUVs surprising. I think the amount of retail stock in Invercargill is realistic. We don't have market highs and lows, and we are somewhat insulated down here."



New Commercial Sales by Make - September 2019

MAKE	SEP'19	SEP'18	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	892	901	-1.0	21.2%	8,193	21.0%
Toyota	781	989	-21.0	18.6%	7,060	18.1%
Holden	456	287	58.9	10.8%	3,881	10.0%
Mitsubishi	386	452	-14.6	9.2%	4,239	10.9%
Isuzu	260	299	-13.0	6.2%	2,383	6.1%
Mercedes-Benz	202	113	78.8	4.8%	972	2.5%
Nissan	184	254	-27.6	4.4%	2,684	6.9%
Mazda	173	201	-13.9	4.1%	1,808	4.6%
Volkswagen	118	132	-10.6	2.8%	1,100	2.8%
LDV	110	126	-12.7	2.6%	1,020	2.6%
Fiat	87	111	-21.6	2.1%	516	1.3%
Fuso	87	133	-34.6	2.1%	668	1.7%
Hyundai	64	80	-20.0	1.5%	761	2.0%
Hino	56	60	-6.7	1.3%	546	1.4%
Great Wall	44	20	120.0	1.0%	310	0.8%
Scania	38	23	65.2	0.9%	173	0.4%
Iveco	37	26	42.3	0.9%	246	0.6%
Renault	31	21	47.6	0.7%	217	0.6%
DAF	28	15	86.7	0.7%	201	0.5%
Volvo	23	25	-8.0	0.5%	249	0.6%
Others	146	209	-30.1	3.5%	1,710	4.4%
Total	**4,203**	**4,477**	**-6.1**	**100.0%**	**38,937**	**100.0%**

New Commercial Sales by Model - September 2019

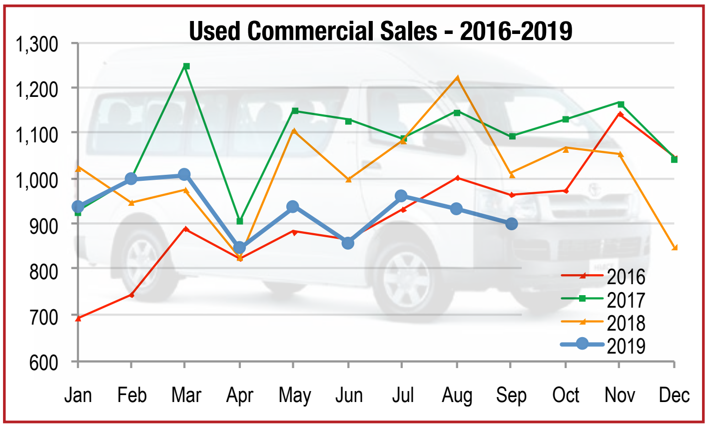
MAKE	MODEL	SEP	SEP	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	Ranger	814	802	1.5	19.4%	7,285	18.7%
Toyota	Hilux	603	667	-9.6	14.3%	5,341	13.7%
Holden	Colorado	449	279	60.9	10.7%	3,822	9.8%
Mitsubishi	Triton	386	451	-14.4	9.2%	4,237	10.9%
Nissan	Navara	184	254	-27.6	4.4%	2,683	6.9%
Mazda	BT-50	173	201	-13.9	4.1%	1,808	4.6%
Toyota	Hiace	150	290	-48.3	3.6%	1,474	3.8%
Isuzu	D-Max	148	197	-24.9	3.5%	1,433	3.7%
Mercedes-Benz	Sprinter	143	74	93.2	3.4%	528	1.4%
Fiat	Ducato	86	111	-22.5	2.0%	512	1.3%
Ford	Transit	77	99	-22.2	1.8%	907	2.3%
Isuzu	F Series	59	45	31.1	1.4%	421	1.1%
Hyundai	iLoad	59	78	-24.4	1.4%	727	1.9%
Volkswagen	Amarok	58	73	-20.5	1.4%	539	1.4%
Great Wall	Steed	44	20	120.0	1.0%	310	0.8%
Isuzu	N Series	43	38	13.2	1.0%	336	0.9%
LDV	V80	43	40	7.5	1.0%	373	1.0%
Mercedes-Benz	X-Class	32	13	146.2	0.8%	262	0.7%
LDV	G10	31	20	55.0	0.7%	298	0.8%
Hino	500	28	35	-20.0	0.7%	300	0.8%
Others		593	690	-14.1	14.1%	5,341	13.7%
Total		**4,203**	**4,477**	**-6.1**	**100.0%**	**38,937**	**100.0%**

Registrations lagging behind last year

There were 902 used commercial vehicles sold in September – a 10.8 per cent drop on the same month of last year when 1,011 were registered.

The year-to-date total now stands 8,394, which is a decrease of 803 units compared to the first nine months in 2018 when there were 9,197 registrations.

Most regions recorded drops with the biggest being in Wellington by 49.2 per cent – from 63 registrations in the same month of last year compared to 32 last month. It was followed by Gisborne and Invercargill, which recorded decreases of 42.9 and 42.7 per cent respectively.



Alan Murrell, who owned Redwood Motors in Rotorua until a few years ago and still works in the industry, agrees with many other dealers spoken to by Autofile that conditions have never been so tough for the industry.

"The three biggest-selling new vehicles in New Zealand are the Ford Ranger, Toyota Hilux and Mitsubishi Triton, but dealers cannot buy them second-hand from overseas markets," he says.

"They aren't really sold new in Japan and they aren't part of the second-hand market there. Those vehicles being sold used in New Zealand are NZ-new.

"While there's a big demand for new utes in New Zealand, I don't see the same demand for second-hand utilities because the financial packages aren't available for them like they are for new utes."

However, Murrell doesn't expect to see Kiwis' love-affair with utilities and SUVs ending anytime soon.

"If you took utes and SUVs out of the sales charts, there aren't many cars left. That's not only happening in New Zealand, it's a worldwide trend. I think hybrid utes and SUVs could work well in rural areas for people towing boats and trailers."

Used Commercial Sales by Make - September 2019

MAKE	SEP'19	SEP'18	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	410	489	-16.2	45.5%	3,845	45.8%
Nissan	233	187	24.6	25.8%	1,946	23.2%
Isuzu	43	61	-29.5	4.8%	390	4.6%
Hino	42	37	13.5	4.7%	336	4.0%
Mazda	37	62	-40.3	4.1%	380	4.5%
Mitsubishi	30	36	-16.7	3.3%	272	3.2%
Ford	25	31	-19.4	2.8%	343	4.1%
Holden	12	16	-25.0	1.3%	132	1.6%
Volkswagen	12	6	100.0	1.3%	71	0.8%
Suzuki	9	14	-35.7	1.0%	53	0.6%
Iveco	8	3	166.7	0.9%	17	0.2%
Chevrolet	7	17	-58.8	0.8%	122	1.5%
Fiat	4	9	-55.6	0.4%	111	1.3%
GMC	4	4	0.0	0.4%	35	0.4%
Kenworth	3	2	50.0	0.3%	21	0.3%
Volvo	3	1	200.0	0.3%	25	0.3%
Citroen	2	1	100.0	0.2%	13	0.2%
DAF	2	3	-33.3	0.2%	16	0.2%
Daihatsu	2	2	0.0	0.2%	28	0.3%
Dodge	2	7	-71.4	0.2%	39	0.5%
Others	12	23	-47.8	1.3%	199	2.4%
Total	**902**	**1,011**	**-10.8**	**100.0%**	**8,394**	**100.0%**

Used Commercial Sales by Model - September 2019

MAKE	MODEL	SEP'19	SEP'18	+/- %	SEP'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Hiace	313	366	-14.5	34.7%	2,914	34.7%
Nissan	NV200	62	25	148.0	6.9%	448	5.3%
Nissan	Caravan	58	56	3.6	6.4%	551	6.6%
Nissan	NV350	49	37	32.4	5.4%	370	4.4%
Toyota	Dyna	32	32	0.0	3.5%	326	3.9%
Isuzu	Elf	31	36	-13.9	3.4%	274	3.3%
Nissan	Vanette	31	35	-11.4	3.4%	219	2.6%
Mazda	Bongo	30	52	-42.3	3.3%	273	3.3%
Hino	Dutro	29	22	31.8	3.2%	225	2.7%
Toyota	Toyoace	24	18	33.3	2.7%	184	2.2%
Toyota	Regius	23	51	-54.9	2.5%	251	3.0%
Nissan	Atlas	16	22	-27.3	1.8%	187	2.2%
Mitsubishi	Canter	13	14	-7.1	1.4%	146	1.7%
Ford	Ranger	11	9	22.2	1.2%	115	1.4%
Holden	Colorado	9	9	0.0	1.0%	65	0.8%
Toyota	Hilux	9	15	-40.0	1.0%	89	1.1%
Nissan	Navara	9	7	28.6	1.0%	81	1.0%
Hino	Ranger	9	9	0.0	1.0%	76	0.9%
Suzuki	Carry	8	13	-38.5	0.9%	51	0.6%
Volkswagen	Amarok	6	4	50.0	0.7%	36	0.4%
Others		130	179	-27.4	14.4%	1,513	18.0%
Total		**902**	**1,011**	**-10.8**	**100.0%**	**8,394**	**100.0%**

Autosure New Zealand

Tide's turning for car sales

The chief executive of The Colonial Motor Company says the tide has turned for the new-vehicle industry with sales down by more than five per cent year on year.

Graeme Gibbons says this follows nine years' continuous growth, but product remains the "cornerstone of a dealership's business and good old-fashioned service is key".

He adds: "The electrification of vehicles is gaining pace and our future success will be linked to the desirability of the vehicles our franchisors provide."

In the company's annual report, Gibbons notes while Ford's Ranger continues to be New Zealand's best-selling model, he describes Mazda's CX range as "a strong player in growth segments of the passenger market", while both marques are expected to launch their first electrified products locally next year.

The company continues to plan a range of projects, including the upgrade of existing facilities and building new ones, "all of which have increasing timeframes to complete".

"These involve the latest brand presentations and, in most instances, the expansion of service capacity," says Gibbons. "[This] is needed to service our expanding customer base and meet unprecedented levels of product recalls. Recalls are driven on a worldwide basis, the most prominent of which has been for Takata airbags."

Southern Lakes Motors is benefiting from a new dealership for Mitsubishi and Nissan at the former Macaulay's site in Queenstown, but business build-up has been held back by difficulty in employing suitably skilled staff.

Macaulay Motors' new facility in Queenstown opened in January, but in May suffered a serious setback when a fire resulted in major damage to the workshop.

"The losses were fully insured and the workshop will be restored to 'as new'," says Gibbons. "Work is due for completion in November and, until then, the dealership will be maintaining customer service using a restricted number of service bays at the previous site.

"The new retail service centre for Capital City Ford and Mazda in Taranaki Street, Wellington, has been progressively occupied over the past three months.

"The process to create a Wellington regional hub for Ford and Mazda in Lower Hutt is increasing its momentum. We are purchasing further land adjacent to the Stevens Motors site, and undertaking planning for brand and operational needs.

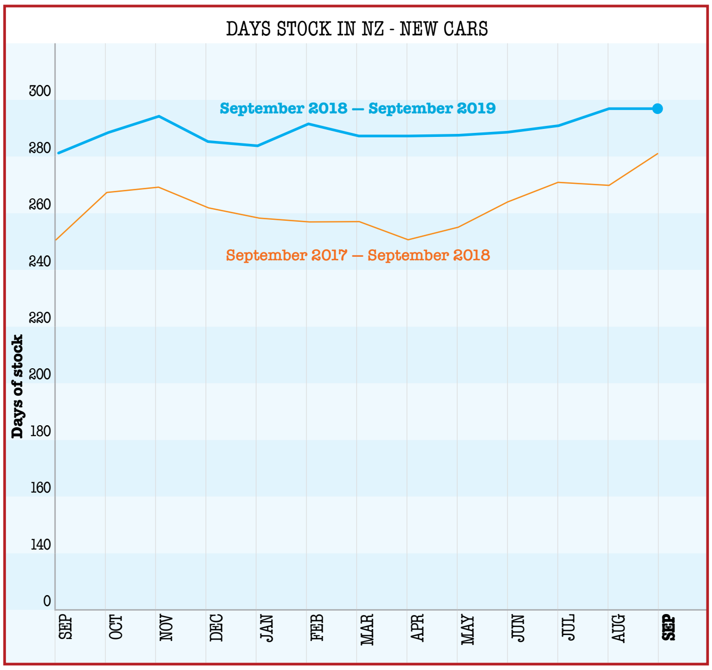
"We expect to start work on the Ford showroom in January and the Mazda showroom in May. We will progressively move facilities until we exit the Taranaki Street showroom by October 31, 2020."

In terms of new-car stock numbers, there were 11,006 imported in September, which was up by six per cent on the same month of last year and up 11.1 per cent on August 2019. A surge in sales came in at 10,322 units – up by 9.4 per cent on September 2018.

This left a variance rise of 684 to take the number of unregistered new cars to 85,078 – up by 1.3 per cent on the same month of last year.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Sep '18	10,382	9,431	951	84,000	298	282
Oct '18	9,921	11,765	-1,844	82,156	300	274
Nov '18	7,820	9,543	-1,723	80,433	298	270
Dec '18	9,317	7,681	1,636	82,069	296	277
Jan '19	7,191	9,942	-2,751	79,318	294	270
Feb '19	7,787	7,578	209	79,527	295	270
Mar '19	8,346	8,425	-79	79,448	293	271
Apr '19	7,978	6,778	1,200	80,648	293	276
May '19	7,725	7,624	101	80,749	288	280
Jun '19	8,810	8,748	62	80,811	285	283
Jul '19	10,107	7,925	2,182	82,993	285	291
Aug '19	9,907	8,506	1,401	84,394	285	296
Sep '19	**11,006**	**10,322**	**684**	**85,078**	**287**	**296**
Year to date	**78,857**	**75,848**	**3,009**			
Change on last month	**11.1%**	**21.3%**		**0.8%**		
Change on Sept 2018	**6.0%** MORE IMPORTED	**9.4%** MORE SOLD		**1.3%** MORE STOCK		



Scrappage scheme considered

The government is investigating whether an initiative to encourage people to scrap their bangers would help speed up the removal of old vehicles from our roads.

The idea is being floated by Julie Anne Genter, Associate Minister for Transport, who is interested in following in the footsteps of overseas jurisdictions to use it "as a just transition" to a lower-emissions fleet.

Scrappage schemes are usually in places such as the UK, which have car manufacturing plants, and are used to incentivise consumers to buy new vehicles.

Genter says: "The general thrust is that older vehicles are able to be scrapped and you receive some sort of incentive for doing so – whether that's a public-transport pass, credits towards a cleaner car or a different type of vehicle."

The idea is now is the hands of government officials with Genter expecting to be updated later this month. If a scheme does go ahead, it's likely to initially be a trial to establish the best way for it to be effective at getting better fleet outcomes and ensuring people on low incomes are supported when shifting to "cleaner transport options".

The average age of New Zealand's light-passenger fleet in 2017 was 14.4 years. In comparison, the average age in the US was 11.6 years in 2016 and 10.1 years in Australia.

In an April 2018 draft paper, Genter looked at local and overseas precedents for a scheme to help encourage people to surrender ageing vehicles, including two Ministry of Transport (MoT) trials in 2007 and 2009.

A scheme in Auckland in 2007 cost $400 per vehicle, and produced estimated social and health benefits of $340 to $871 per unit.

But a 2009 trial in Christchurch and Wellington, which lasted about a month, was unsuccessful. It showed a scheme was unlikely to be cost-effective due to the low number of vehicles received, and low overall social and environmental benefits, relative to costs, according to the MoT.

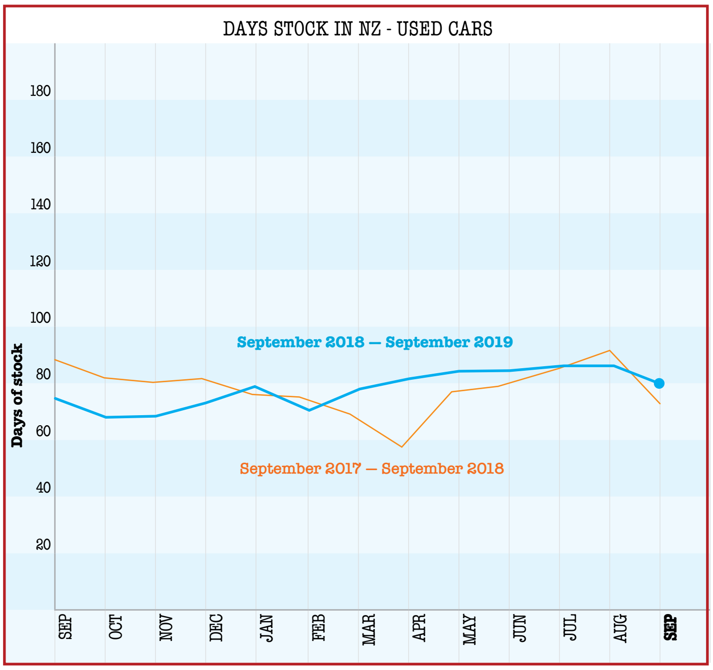
That trial highlighted a lack of public awareness about how to safely dispose of cars and the costs involved. "Twenty-five per cent of participants in 2009 thought it would cost money to dispose of vehicles", even though cars in the two cities had value as scrap metal.

As for current stock statistics, September was a relatively flat month in terms of imports and sales of used cars, with stock numbers reducing compared to the same month of last year.

Some 9,195 units crossed the border last month, which was down by 0.5 per cent on September 2018 and down by 25.3 per cent on August's 12,307. However, 11,630 used cars were registered for the first time – up by 0.8 per cent on the same month of last year but down by 5.9 per cent on August.

When taking into account last month's used-car imports minus registrations, there was a variance of 2,435 units resulting in a decrease of stock on-hand to 30,813. This was a drop of 2.6 per cent on the same month of last year.

There are now 80 days' stock on-hand, or 2.6 months' worth, if sales continue at the same rate. Average daily sales of 387 in September were down by 42 units compared to the same month in 2018.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Sep '18	9,245	11,533	-2,288	31,637	429	74
Oct '18	8,669	12,100	-3,431	28,206	423	67
Nov '18	11,301	11,156	145	28,351	413	69
Dec '18	12,448	11,061	1,387	29,738	404	74
Jan '19	13,433	11,598	1,835	31,573	399	79
Feb '19	8,537	11,129	-2,592	28,981	396	73
Mar '19	13,236	11,852	1,384	30,365	396	77
Apr '19	13,316	10,883	2,433	32,798	396	83
May '19	15,093	13,420	1,673	34,471	396	87
Jun '19	10,913	11,177	-264	34,207	392	87
Jul '19	11,878	12,791	-913	33,294	389	86
Aug '19	12,307	12,353	-46	33,248	386	86
Sep '19	**9,195**	**11,630**	**-2,435**	**30,813**	**387**	**80**
Year to date	**107,908**	**106,833**	**1,075**			
Change on last month	**-25.29%**	**-5.9%**		**-7.3%**		
Change on Sept 2018	**-0.5%** LESS IMPORTED	**0.8%** MORE SOLD		**-2.6%** LESS STOCK		

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