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Massive changes loom for market

'Beware the Ides of March' may be over the top, but restrictions on used imports threaten to create disruption

The used-imports industry is gearing up for one of its biggest upheavals in years as the last phase of the electronic stability control (ESC) rule fast approaches.

March 1, 2020, is the date for the government's final roll-out of ESC regulations, so all affected stock must be border-inspected in Japan or on-shore in New Zealand by February 29 at the latest.

It means the end is nigh for some popular models, such as Nissan Tiidas and Toyota Hiace goods vans made before 2019 and imported used from Japan.

The supply of other used best-sellers, such as the Mazda Axela and Demio, Honda Fit and Suzuki Swift – will also be hit because not all variants have ESC.

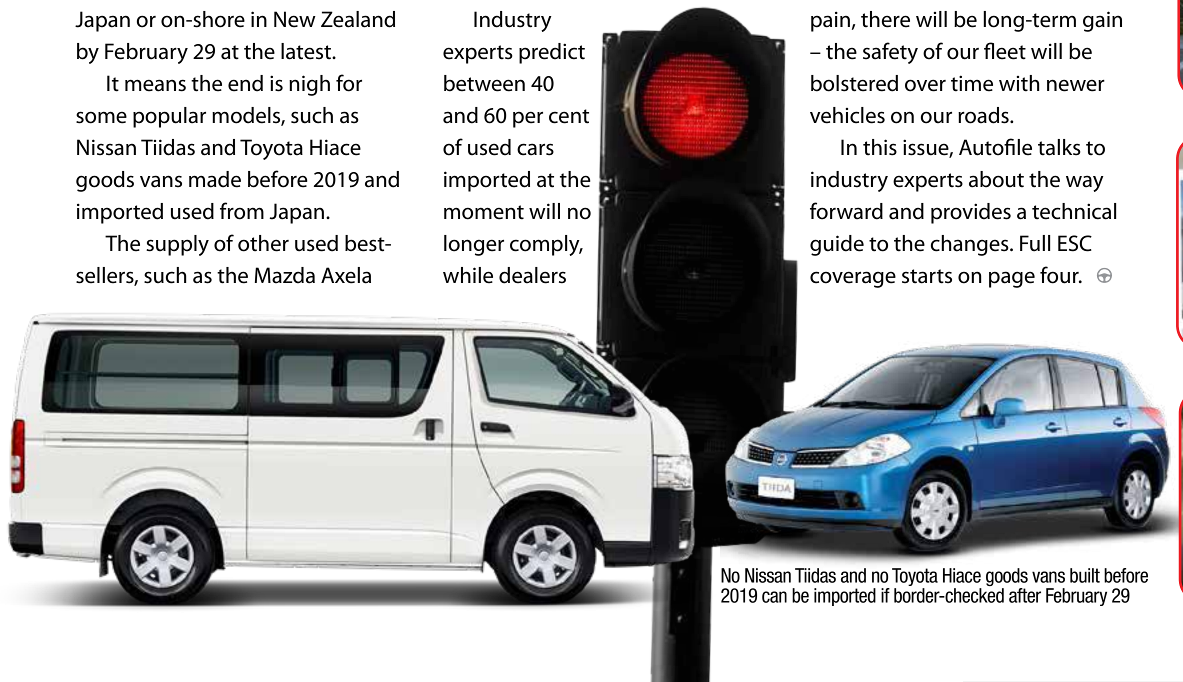
That's because it only became mandatory for cars built in Japan from October 2014 onwards. Before then, it was an optional extra in many cases, while it only became compulsory there for good vans in November 2019.

Industry experts predict between 40 and 60 per cent of used cars imported at the moment will no longer comply, while dealers at the market's lower end may be unable to access up to 80 per cent of their usual stock.

The ESC rule will result in the model mix on car yards in New Zealand changing, while some market consolidation is expected as import numbers dip and prices jump.

While there may be short-term pain, there will be long-term gain – the safety of our fleet will be bolstered over time with newer vehicles on our roads.

In this issue, Autofile talks to industry experts about the way forward and provides a technical guide to the changes. Full ESC coverage starts on page four.



No Nissan Tiidas and no Toyota Hiace goods vans built before 2019 can be imported if border-checked after February 29

Unscrabbling names of automotive game

Darren Risby delves into the industry's world of acronyms for some head-scratching fun in the run-up to the festive period

DARREN RISBY
Editor, Autofile

Most industries have technical speak few outsiders fully understand. Just think about those exciting work stories that need somewhat fuller explanations to friends and family than colleagues.

We often talk about issues du jour in acronyms, which are formed by taking the first letters of words to make up names, such as Opec as in the Organisation of Petroleum Exporting Countries.

To cut to the chase and a chance to claim some industry kudos. Simply read the acronym in red, look away, exercise your grey matter and then check out if you were right. If you get them all correct, email editor@autofile.co.nz and we'll publish your name in the February issue. Cheat at your peril – Santa may be watching.

LEAF. Manufacturers dream up "green" names for electric cars and Nissan is no exception. Apart from its runabout's name being linked to trees, it stands for "leading environmentally-friendly affordable family" vehicle. If acronyms do boost sales, there's no better proof with more 400,000 Leafs shifted globally since being launched.

FIAT. The marque started in 1899 when "F.I.A.T" stood for "Fabbrica Italiana Automobili Torino", which translates as Italian Automobiles Factory, Turin. There weren't too many cars back then, so the literal name would have stood out. Its first vehicle was the 4 HP in 1900, a carriage-style car that had a tiller-like handle to turn the front wheels.

SMART. This name was born of a co-operation between Swatch and Mercedes-Benz. In 1982, Swatch's boss, Nicolas Hayek, wanted to develop a car using the same manufacturing strategies and personalisation features as his watches. The result was the Smart car, which got its name from "Swatch Mercedes art".

VELOSTER. This hatchback's name combines "velocity" and "roadster". But the Veloster is anything but a roadster, which is normally an open-top two-seater, because more than two people can fit inside – and under a non-removable roof. To add more confusion, Hyundai once made a concept called the Veloster Velocity.

NISSAN. The original name for the company when it was formed in 1933 was Nihon Sangyo. Nihon stems from Nippon or "Japan", and Sangyo came from the Japanese for "industry". When the company became publicly traded, the Tokyo Stock Exchange abbreviated it to "Ni-San" and the brand ran with it.

DATSUN. Before it was Nissan, it was Datsun. The name comes from the last-name initials of its original founders, Kenjiro Den, Rokuro Aoyama and Meitaro Takeuchi for "Dat".

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Impact on market ‘considerable’

The final stage of regulations to ensure electronic stability control (ESC) is fitted and working on all cars entering New Zealand’s fleet has the potential to disrupt the automotive industry on a scale not seen since 2004 when the exhaust emissions rule was introduced.

That’s the view of David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association) with March 1, 2020, by when used imports must be border-inspected here or in Japan, fast approaching.

The ESC rule has been gradually rolled out over the past six years, but its final stage means all used cars and vans will need to have the crash-avoidance system installed and operational to comply.

Vinsen says VIA has been advising operators in the supply chain, importers and car dealers for months about the affect the regulation will have when sourcing compliant vehicles.

“The impact on the market will be considerable in that 40 to 60 per cent of used stock from Japan will no longer be able to be imported on a business-as-usual approach,” he told Autofile. “Some dealers will be affected more than others when it comes down to what models can no longer come into New Zealand.

“People will only be able to buy vehicles that comply with the ESC rule, so traders’ model mixes will change, price points will go up and import volumes will go down.”

While VIA cannot provide a list of vehicles that will no longer be able to be imported, it does have an online search facility, which importers and dealers can use to find out what models may or are likely to have ESC – and those that don’t.

Vinsen notes that some operators may have been buying up stock before the March 1 deadline. “In the past, we’ve experienced importers buying up large in advance of the implementation of a new rule or requirement, but it usually hasn’t worked because they have literally ended up with stockpiles.

“With rules such as ESC, supply into the country is restricted. It tends to be older vehicles in the fleet that are affected, such as those costing $6,000 to $8,000 because those in this price range can no longer be imported. So prices of those already in the fleet go up.”

As a result, older – and, perversely, more unsafe – vehicles may remain in New Zealand’s fleet for longer. For example, if a car currently worth $1,500 needs $500 spent on repairs for a warrant of fitness, the owner may just scrap it or trade it in against a newer and more expensive vehicle.

However, if supply of such models at that price point dries up but demand still exists, that vehicle may then be worth $2,500 so it becomes worthwhile to spend money on it to keep it roadworthy.

Vinsen warns there may also be some industry consolidation or “the shaking-out” of operators because of their business models, size of operations, funding and so on, “or they’re less skilful at what they do and more expensive vehicles will have to be imported”.

“This will filter all to the way down to the servicing industry, which will also need to have a look at what it does,” he adds.

“ESC has the potential to have the biggest impact on used imports that we’ve seen for years. However, our industry is made up of entrepreneurs who have a history of adjusting to new rules and the ▶

[continued from page 3]

Their first cars were Datsons because of their smaller size. Nissan bought the company in 1934 and later changed it to Datsun to reflect the sun in the national flag.

NSX. Okay, it’s more of an abbreviation than an acronym. Unveiled by Honda in 1989, it sported a three-litre V6 and was the first time Japan had produced a car to compete with the likes of Ferrari without the price-tag. The name NSX reflected performance milestones for the brand and its construction approach – “new sports experimental”.

ALFA ROMEO. Started just after the turn of the century, the marque was born A.L.F.A, which stood for “Anonima Lombarda Fabbrica Automobili” or the Lombard Automobile Factory Company. It was a collaboration between French manufacturer Darracq and Italian investors. In 1915, Italian industrialist Nicola Romeo bought the company.

BRAT. This Subaru was built from 1978-94. It was the brand’s attempt to make an El-Camino-style vehicle, but with jump seats and four-wheel drive. Brat stood for “bi-drive recreational all-terrain transporter”. The model only sported this name in Canada and the US. In the UK it was known as the 284, and in Australia and New Zealand as the Brumby.

GLH. Finally, we’re getting into the festive spirit with this curveball, which isn’t strictly an acronym. The Dodge Omni GLH was the brainchild of racer Carroll Shelby. Built from 1984-86, it was set to be the Coyote, but Dodge rejected that name for Shelby’s suggestion of GLH – or “goes like hell”. Its upgrade was the GLHS with the “s” standing for “s’more”.


Subaru’s Brat

inevitable changes to the market.

"Although there will be a period of adjustment when the rule kicks in, which will have a serious effect on the market and the industry, there's been six years' notice of implementing this final phase.

"The ESC rule itself will be good for the fleet. Over time, we'll end up with newer and safer vehicles on our roads."

SQUEEZE ON CHEAP CARS

Frank Willett describes the amount of stock banned from entering the fleet come March as "significant", but importers have been looking at different types of vehicles they can bring in and will make business decisions that suit them.

"That could mean they top up stock with second-time around New Zealand vehicles," says Autohub NZ's chief executive. "They could look at sourcing from other markets or change what's on yards to later-model and higher-value models. There are all kinds of things dealers can look at to rejig their businesses to cope with ESC requirements.

"In past years when there have been regulation changes, we've experienced stockpiling whereby dealers over-purchase to carry them through that period. If the current tight market situation prevails, I can't see significant stockpiling. At the moment, cash flow is poor. If dealers can't stockpile, they will have to find additional stock elsewhere.

"Generally speaking, there isn't usually a significant increase in sales to match the increase in imported stock. It tends to operate in reverse. When there's a surplus, it tends to drive car prices down because there's more choice for consumers."

He adds any increase in purchase costs is difficult for dealers to pass onto customers in retail prices, "but if people are going to continue to be in the business of importing and selling these cars, they're going to have to price accordingly. If everyone did that, there would be a general increase in the price of used vehicles over the next year or so".

> "ESC has the potential to have the biggest impact on used imports that we've seen for years"
> – David Vinsen

Willett says many popular used Japanese imports in high-volume slots – such as early 2005-08 Honda Fits, Mazda Demios and Suzuki Swifts – don't appear to have ESC, so that will take out a lot of cheaper and older vehicles.

"It could push the average price-point to buy a used import up and traditionally, when that happens, it tends to drag the value of on-shore stock up with it. So you're taking on-shore stock, which is old and decrepit, and potentially extending its life in-service because it's worth more. The public may be unable buy what it wants, so it defaults to an older vehicle and pays more for it."

Each regulation change rules out certain types of vehicles commonly imported and sold for some time meaning traders that have tended to sit in the affected sector have to make business decisions.

"Some dealers who have been in the game for a long time usually see a major change such as the ESC rule as a good time to retire,

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Background to rule

An amendment to the Land Transport Rule: Light Vehicle Brakes 2002 was announced in July 2014 by the-then National government.

This mandated electronic stability control (ESC) for light vehicles entering the fleet. It first applied to all new MA, MB, MC and NA light passenger and goods vehicles certified for entry into service from July 1, 2015.

Class MA is the designation for passenger cars, MB is for forward-control passenger vehicles, MC is for off-road passenger vehicles, and NA is the classification for light passenger and goods vehicles with a gross mass not exceeding 3.5 tonnes.

Next up were used class MC vehicles inspected at the border from March 1, 2016. From March 1, 2018, all used class MA vehicles with engine capacities of more than two litres had to comply.

The final phase on March 1, 2020, is for all other used class MA, MB and NA light passenger and goods vehicles. This is the date before which they must be border-inspected as compliant.

The requirement to have ESC fitted and operational doesn't apply to some specialist models, such as vintage, motorsport and scratch-built vehicles, which is consistent with other land-transport rules.

ESC became mandatory for passenger vehicles built in Japan from October 2014, so it's pretty safe to assume all cars from 2015 onwards have it installed except van-grade vehicles based on station wagons.

It only became compulsory for new van models in November 2019 and existing model ranges in 2021. As for kei-class vehicles, which have engine capacities of 660cc or less, ESC became mandatory for new passenger models in October 2014 and for existing models in February 2018.

You can check model compliance online at www.via.org.nz and questions can be emailed to technical@via.org.nz.

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which is always common place," says Willett. "Some older traders are telling us it's getting too hard to make a profit. Every time there's a change, some exit the stage. But for every person who leaves the industry, there's usually someone who doesn't know any of that history and decides to enter it.

"The difficulty is in importing and selling any type of vehicle for a good profit. Most dealers are aware of the ESC rule changes. Some say they have a plan, others say they won't worry about it until next year. The general impression I get is it's going to be a case of 'suck it and see what happens.'"

VAN MARKET TO SUFFER

The "biggest glaring gap" in the used-imports market will be light-commercial vans because there will be no viable ESC-compliant stock for some time, says Graeme Macdonald.

"That's simply because the uptake of ESC in commercials has occurred much later than the car fleet – in many cases 2018 or 2019 with popular models, and even then it has been optional," explains the chairman of VIA's North Island branch.

"Commercials in Japan have longer cycles before they are de-fleeted and are available for our market. They won't be at an affordable level to touch, so we aren't going to see a lot coming in next year or even in 2021, and until they can compete with New Zealand-new used products.

"If you look at Nissan NV350s, ESC is a feature of some of these very new vans, but not in the lower end of the range. Some staples we've been dealing in – such as the Mazda Bongo, Nissan Vanette and NV200 – will be non-compliant for import next year.

"It's all very well to say, 'just buy very-late model vans', but the average tradie can't afford to spend $25,000 on a good used one. It doesn't make good business sense for small contractors – they want $10,000 or $12,000 vans."

Macdonald says this means – as was the case with the 2006 and 2008 emissions rules – the value of older trade-ins will escalate because buyers can't replace them with stock from Japan.

"All people can do is recondition old vans and place them back in the market," he told Autofile. "Demand for them isn't going to go away, but supply will be choked off. I think dealers will become active in the local market, and recondition old or worn-out vans as there are no other options."

Macdonald stresses stockpiling a lot of older cheaper cars retailing between $5,000 and $8,000 is a different business case altogether because of the combined costs of interest, storage fees and space.

"It's not going to generate any additional income as a result and it doesn't stack up. Because margins in that market are low anyway, you aren't going to benefit by holding onto stock for six months before releasing it back to your dealership."

He laments the demise of the Nissan Tiida as a used import from March 1 because no models in Japan were kitted out with ESC.

"The 2005 Tiida is the most plentiful vehicle in New Zealand's fleet. We will miss it because vehicles ▶

Traffic-light checks for ESC

Checking compliance

The Mazda Axela is New Zealand's top model when it comes to first-time registrations of used imports. With many variants available, ensuring compliance is essential for car dealers.

VIA's online tool can check cars by model. It's from this information Autofile has compiled what Axelas are likely, may or do not have ESC.

No variants have been listed as having it from 2003-08. From 2014, all are likely to have the system. The date in brackets is the production period.

2009 variants may have ESC: 20C, 20E 2WD *(06/2009 to 09/2011)*.

2010 variants may have ESC: 20C, 20E 2WD *(06/2009 to 09/2011)*. 20C 90 Year Anniversary, 20E 90 Year Anniversary *(01/2010 to 09/2011)*. 20E Navi *(12/2010 to 09/2011)*.

2011 variants may have ESC: 20C 2WD *(06/2009 to 09/2011)*. 20C 90 Year Anniversary, 20E 90 Year Anniversary *(01/2010 to 09/2011)*. 20E Navi *(12/2010 to 09/2011)*. 15C, 20C Sky Active *(09/2011 to 06/2012)*.

2011 variant likely to have ESC: 20E Sky Active *(09/2011 to 06/2012)*.

2012 variants may have ESC: 15C, 20C Sky Active *(09/2011 to 06/2012)*. 20E Sky Active *(06/2012 to 11/2013)*.

2012 variants likely to have ESC: 20E Sky Active *(09/2011 to 06/2012)*. 15C, 20C Sky Active *(06/2012 to 11/2013)*.

2013 variant may have ESC: 20E Sky Active *(06/2012 to 11/2013)*.

2013 variants likely to have ESC: 15C, 20C Sky Active *(06/2012 to 11/2013)*. 15S *(11/2013 to 09/2014)*. 15C *(11/2013 to 08/2015)*.

This information is a guide only. VIA says all vehicles need to be inspected to ensure an NZTA-approved form of ESC is present before shipping. Failure to verify ESC is solely at the importer's risk with no liability for loss resulting from relying on the above.

like it underpin what the market is about. And that's cheap, cheerful, affordable and reliable transport for people who – for whatever reason – can't or don't want to spend too much money. They don't want to outlay more than $7,000 or $8,000 and the car may be financed. The Tiida fits the bill year after year."

Macdonald says some smaller cars were fitted with ESC after 2012, but it varies between makes and models. "These smaller cars are affordable hatchbacks and are the bedrock of urban transport. Compliant vehicles will be available, but not at the same price so the cost of used imports will rise for two reasons – they will be later models and there will be increased pressure on those brackets.

"Right now, you can mix stock between ESC and non-ESC, but from next year every import must have ESC so every Kiwi buyer will be looking at the same vehicles, which will cause competition between dealers in the market in Japan.

"VIA has already warned dealers to identify what vehicles they can buy. They should have done their research by now. We have an online tool so they can get a better understanding of what they can buy. ESC in many models was an optional extra, which means agents over there will have to physically check a vehicle has it.

"Now is a good time for independent buyers to be talking to their agents to ensure they're satisfied with the pathway of information – if the car doesn't have ESC, who is liable for that."

As for the wider impact on the used-imports sector caused by the rule, Macdonald predicts a first-quarter decline in stock numbers with import levels being healthy.

If there's any stockpiling – especially of commercials – by the time they arrive in New Zealand after being border-checked offshore by February 29, it will be April when they arrive so May, June and July is when he thinks the first effects of the rule change will be felt here.

"If there's going to be a significant drop-off, that's when it may happen. It could be because stock in Japan is too expensive or dealers bought too much leading up to the March cut-off and are working their way through it.

"Commercial dealers will be okay for a period because they tend to hold a good amount of stock. They're smart operators and will already be looking at building up stock to ensure they have enough to last until well into 2020, but it will eventually run out.

"Dealers will start reconditioning trade-ins, so vehicles our government would like to see off the roads will become valuable commodities. Just because you cut off supply, doesn't mean you cut off demand. The supply side will have to find a solution, which will be to recondition older, high-mileage trades for the lower price bracket."

Macdonald describes dealers as "a resilient bunch," but believes some businesses will close. "I've been in the industry since 1988, and the ESC rule is the most significant overnight change to our fleet's supply.

"Smaller, under-capitalised dealers running on very narrow margins with vehicles owned by third-party export companies will find it tough. Some so-called 'commodity traders' got into the market because it made financial sense, but if they find it too hard they may switch their business model to something else. If it tidies up the bottom end of the market, I don't think there will be many people too upset about that."

That said, Macdonald believes it's highly likely the ESC rule change will increase the age of New Zealand's fleet.

"We often talk about the big bulge of 20 to 22-year-old vehicles because we imported so many cars post-frontal impact and emission rule," says Macdonald. "That isn't going to change because the value of older, cheaper cars will be driven up by demand due to a lack of supply.

"Many older vehicles are still doing good service. There's no financial incentive to get rid of them or owners can't replace them. The lower end of the market isn't driven by aspiration – it's driven by the need for transport. Sometimes our regulators either fail to understand that, or are deliberately blind to this reality."

Online tool helps out dealers

Before buying a used import from Japan, dealers can use VIA's online tool to check for compliant stock.

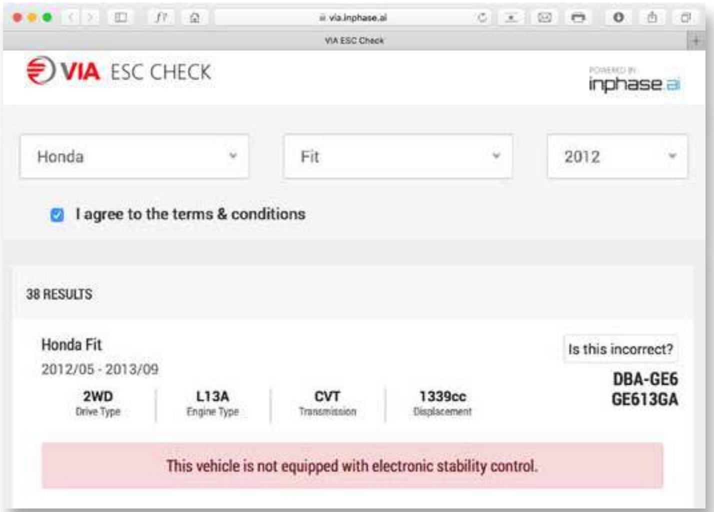
The model code can be entered to see if a vehicle is likely to have ESC fitted, may have it or doesn't. The tool also has a search option by marque, model and year.

One of New Zealand's top three used imports is the Honda Fit and, with so many variants, it's a bit of an ESC minefield.

Here's an example. A search of 2012 Fits yields 38 results. These provide the model code, such as GE613GA – GE6 is the model, 13GA is the nomenclature identifying the sub-model or variant. Another code given is DBA-GE6 – the emissions standards identification.

The rest of the first result states it is two-wheel drive, the engine is a L13A, it has a continuous variable transmission and a displacement of 1,339cc. The production period covered is May 2012 to September 2013. As for whether it has ESC, it comes up as "this vehicle is not equipped with electronic stability control".

If a result states "may be equipped" it means ESC was an optional extra, so the importer should ensure an agent on the ground in Japan completes a physical check to ensure it is fitted and operational. Even if the result for a model is "likely" to have ESC, a check should still be completed.



Part of VIA's online ESC tool result if "Honda Fit 2012" is searched

Other than a few exceptions, no light vehicles without ESC will be allowed to be used on New Zealand's roads unless border-checked before March 1, 2020, because they will be non-compliant.

Malcolm Yorston, VIA's technical manager, says there are two options for non-compliant arrivals and both have cost implications for importers.

"They can go to the wrecker's yard to be broken down into parts, or there are service providers in this country that can send non-ESC stock to the Pacific Islands where, of course, local rates will apply," he explains.

"Cars more than 20 years old and without ESC can still be imported, and there are some exceptions for special-interest vehicles and those privately owned by immigrants or returning ex-pats.

"But other than that, there's no wiggle room for dealers. If a vehicle arrives in New Zealand without ESC, it's deemed unfit for purpose and cannot be driven on our roads."

THE SMALL PRINT

The NZTA says there are two methods of acceptable proof that a vehicle is fitted with ESC. One is the presence and correct operation of an appropriate tell-tale indicator on the dashboard, the other is a statement of compliance showing its fitment.

An ESC fault is normally identified by the tell-tale indicator lamp not going off at the end of the self-check process initiated when the vehicle's ignition is switched on.

Similar to frontal impact and emissions requirements, this provision doesn't apply to immigrants' vehicles, special interest vehicles and motorsport vehicles operated in accordance with the conditions of a valid low-volume vehicle authority card issued for them.

Also excluded are vehicles manufactured, or first registered outside of New Zealand, 20 years or more before the date of its first certification for entry into service in New Zealand.

The ESC provision also excludes low-volume vehicles made, assembled or scratch-built in quantities of 500 or less in any one year in that they aren't not uniquely modified low-volume vehicles, and not originally fitted with ESC and certified in accordance with the low-volume vehicle code. ⊕

Rules for inspectors revised

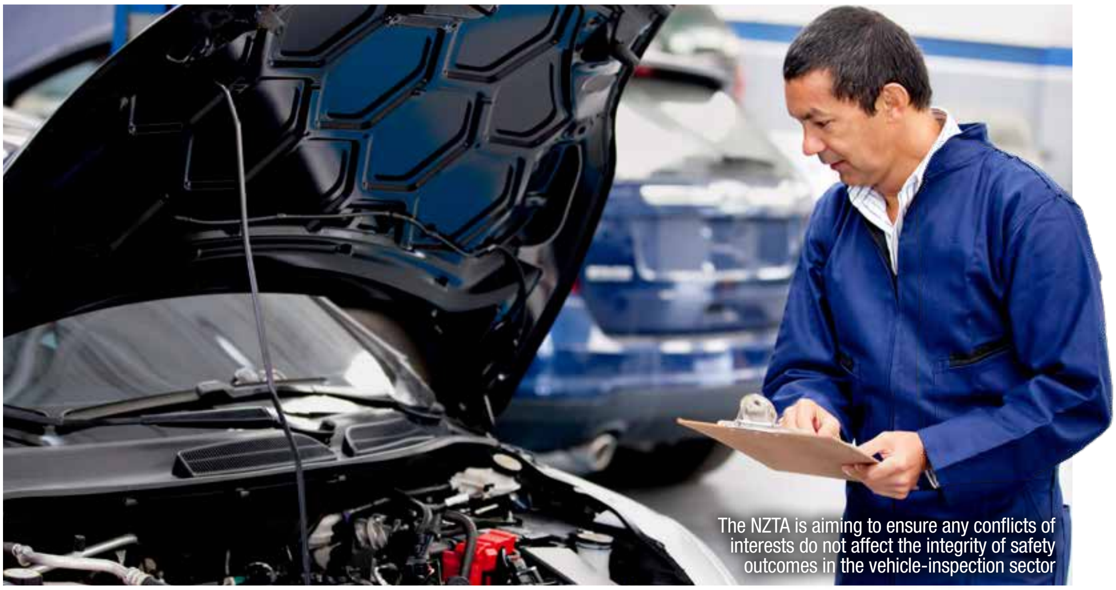
Conflicts of interest (COIs) and how companies deal with them will feature strongly when the NZTA considers applications from entry certification and border-inspection operators.

The agency has moved to the next phase of "sustained engagement" after receiving plenty of feedback while meeting with the industry over the past year.

Kane Patena, general manager of regulatory services, says: "This included visits to certifiers and inspectors to further understand the way they operate, and ensure our documentation reflects best practice. As a result, we've improved guidance around ways to manage conflicts, and will provide more support to inspectors and certifiers."

The NZTA has committed to updating its notice of appointments to reflect changes made following its policy review, while "improving safety by protecting the integrity of entry-certification decisions has been our guiding principle".

Applications close on December 20. Current notices have already been extended out to June 30, 2020, with new appointments – for a term between three and five years "depending on confidence in the applicant" – to start the next day.



The NZTA is aiming to ensure any conflicts of interests do not affect the integrity of safety outcomes in the vehicle-inspection sector

MANAGING CONFLICTS

The NZTA says border and entry-certification inspections should ensure each vehicle meets safety and emissions rules, is safe to drive, and is referred to a repairer and or specialist certifier to meet legal requirements.

Its bottom line is, "inspection and certification functions need to be rigorous and protected from inappropriate influence", which is where conflicts of interest come in.

The agency is enhancing appointment conditions for information management, auditing, managing COIs and inappropriate influences, and third-party compliance sites. For example, a list of companies or organisations the applicant has, or anticipates having, a significant commercial relationship with relating to inspections must be provided.

There is a whole section on "other interests in vehicles". If the applicant, related entity or key personnel has other commercial interests in vehicles, assurances must be given they will not compromise inspection integrity.

"These interests create the risk that the inspecting organisation has a COI between providing an independent professional inspection and another interest in the vehicle being inspected," says the agency.

Kane Patena

"For example, if an inspecting organisation has an interest in repairing vehicles, it may be interested in withholding entry certification so it or a related entity benefits from the work. On the other hand, if it has an interest in importing the vehicle, it may be interested in granting entry certification so it benefits from not having to incur repair costs. These are examples of types of COI that may arise."

Applicants must demonstrate they can identify and disclose interests, separate inspection functions from other activities, and manage potential COIs to protect inspection results.

There is a "particularly high standard" for used light vehicles. Entry-certifiers must have no ownership or financial interest in any being inspected unless transparent and robust systems negate any real or perceived conflicts, and ensure accurate inspections are done. This isn't a "ban" on these type of potential conflicts, but a high level of scrutiny will be applied.

Components include a COI policy on staff training, identifying and disclosing interests, and dealing with breaches or concerns. There needs to be "entrenchment of separation and independence of inspection" from other activities.

In-house policies on conflicts must also cover the independence of key personnel, including directors, involved in the inspections from other activities – and specifically how staff involved in importing vehicles, for example, have no opportunities to influence outcomes.

The NZTA will also have to be provided with evidence of the organisation's monitoring and audit activities, including full audit reports, and financial or professional interests in vehicles must be declared.

"The agency expects applicants to be forthright in disclosing interests," the NZTA says. "You should err on the side of disclosure if in doubt. Include interests in third-party sites at which inspections are conducted."

Similar disclosures relate to key professionals in organisations. Separation needs to exist between other inspection, maintenance, repair or commercial activity involving vehicles.

"The primary duty of inspectors and inspecting organisations is to ensure decisions are the result of an independent professional assessment against applicable requirements."

THE BACK STORY

The September issue of Autofile reported how the NZTA's decision to maintain its COIs policy and bolster auditing of the inspection sector meant the industry could move forward after 18 months' uncertainty.

The agency said its previous proposals would have had significant impact on the industry and would have been hard to regulate due to the nature of vehicle ownership in the supply chain.

Under those old proposals, the NZTA would have no longer have permitted entry-certification activities on a vehicle if an organisation had an ownership interest in it or border-inspected it. Consultation established this would have been difficult to regulate due to the nature of vehicle ownership across the supply chain, so the overhaul was canned.

Closure will hike import costs

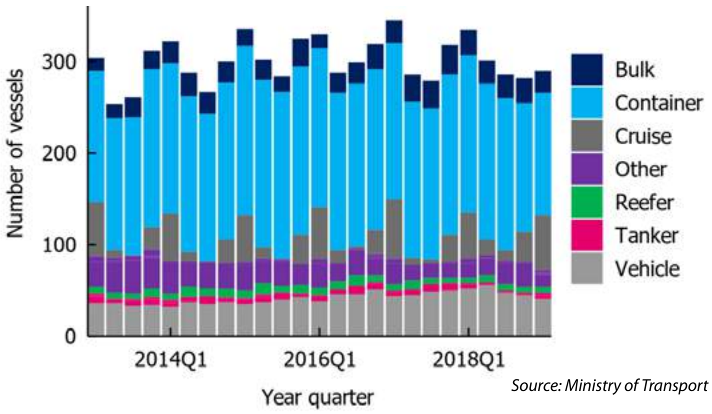
The cost of importing vehicles will climb by millions of dollars if Ports of Auckland (POAL) is closed, according to a new study.

The NZ Institute of Economic Research (NZIER) says its closure will increase the cost of everything crossing the border by $533-$626 million annually.

Vehicle shipments accounted for 17 per cent of the 1,200 vessels that visited Auckland last year and car dealers will among those facing bigger bills for landing their stock.

POAL says the financial burden will be "like a tax". If divided between the city's 1.7 million residents, they will each pay between $313 and $368 per annum more for imports.

The NZIER's study looks at what would happen if POAL was closed and freight had to be delivered to the city from Northport or Tauranga.



Vessel movements in and out of Auckland

On top of import costs, it identifies other negative impacts, such as more than $1.2 billion a year in reduced GDP nationally and fewer exports. In turn, that would threaten jobs and create less investment.

"Instead of imported goods crossing the wharf in the CBD and they first have to be shipped to Tauranga and returned via road, the national economy would be approximately $1.5b smaller per year," states the NZIER.

Most of that burden – about $1.3b per year – would fall on the Auckland region with the Waikato being impacted to the tune of $79m annually.

"If Northport was used instead with road transport being the alternative, national GDP would fall by about $1.3b.

The Auckland region's GDP would fall by $1.2b, while Waikato's would be $68m smaller.

"If the imported goods were transported by rail from Northport or Tauranga back to Auckland, national GDP would fall by the same amount of $1.3b.

"It is likely transport back to Auckland would be a mix of rail and road, so the true cost lies within these ranges."

"Some people claim closing Auckland's port would not increase prices, but this isn't true," says Tony Gibson, POAL's chief executive.

"Currently, the price of imports through distant ports, such as Tauranga, is kept low by competition. I'm also concerned about the increase in emissions caused by using distant ports."

IN BRIEF

Historic car recognised for contribution to industry

The Mitsubishi Model A has been inducted into the Japan Automotive Hall of Fame as a historic vehicle. It was the country's first series production car built and sold with a view to mass production.

Work on prototypes started in 1917 and were completed in little more than a year with 22 units made by 1921.

There were few specialised car tools or machinery back then, so the first Model A was built by hand using hammers and chisels. The wooden body was lacquered with luxury British woollen cloth used in the interior.

With no design drawings to work to, and little knowledge of petrol engines, vehicles bodies or interiors, or any experience in factory processes, engineers overcame many difficulties to show domestic mass production was possible.

The Mitsubishi Model A was designed at the Kobe shipyard of the Mitsubishi Shipbuilding Company, which is Mitsubishi Heavy Industries (MHI) today. Mitsubishi Motors Corporation split from MHI in 1970.

Visitors' centre to promote travel of the future

A marque is planning to create an interactive venue near its global headquarters where people can experience its products, technology and visions for future mobility. Set to open by mid-2020 in Yokohama, the Nissan Pavilion will also host new-vehicle unveilings.

The 10,000-square-metre facility will feature advanced technologies. These include the ProPilot driver-assistance system, invisible-to-visible connected-car experiences, and Nissan Energy solutions that enable electric-vehicle customers and society "to better harness electricity".

Together, these will demonstrate Nissan Intelligent Mobility – the company's vision for changing how cars are powered, driven and connected with society.

Hydrogen truck inspired by Romans and art deco

Hyundai has revealed its concept for a hydrogen-powered fuel-cell electric truck. Its name, the HDC-6 Neptune, recognises the Roman god of the seas to symbolise our oceans being the largest potential source of such fuel on the planet.

With its introduction, in addition to the road-proven Xcient fuel-cell truck, the marque is expanding its technology into the commercial-vehicle sector as part of its "commitment to create a decarbonised society".

The HDC-6 Neptune's design draws inspiration from streamliner railway sets of the 1930s with its art deco function-driven style.

Hyundai's commercial offerings include trucks from class two to eight and buses made at three plants and sold in 130 countries since the 1970s.

Electric SUV receives top award from guild

The I-PACE has been unveiled as the NZ Motoring Writers' Guild's car of the year.

Steve Kenchington, general manager of Jaguar NZ, says the honour caps off a great launch for the SUV, which has been a pioneer in the premium electric category.

He adds: "The I-PACE won an unprecedented three awards at World Car of the Year, and more than 70 international awards."

Companies team up for finance products

Heartland Bank and Turners Automotive Group have agreed to a distribution agreement between their respective MARAC and Autosure brands.

The strategic relationship means Autosure products will be sold at point of sale through the MARAC's consumer intermediary network from mid-December 2019.

The relationship increases Autosure's distribution network by about 20 per cent and is forecast to generate $2 million in additional revenue per annum for Autosure from the 2021 financial year onwards.

MARAC is a financial-service provider with vehicle loans available through its network of authorised vehicle dealers.

Autosure was already a provider of mechanical breakdown insurance (MBI) to MARAC, but the new agreement means Autosure's payment protection insurance (PPI) and guaranteed asset protection (GAP) will now be available to MARAC's network of vehicle dealers.

Both organisations say they will work closely together and create a strong focus on technology to enhance customer experience.

Darryl Harnett, Heartland Bank's head of consumer, says: "We've had a relationship with Autosure for a number of years – Autosure has underwritten MARAC's MBI insurance, while MARAC has underwritten its own GAP and lifestyle protection insurance.

"Heartland made a strategic decision to look at different partners for insurance to further enhance our customers' experience. Increasing the insurance product range will help to achieve this.

"For our vehicle dealers, they will not see a great deal of change except Autosure will be more heavily involved on the insurance side, while our end customers will have a wider range of products and support.

Todd Hunter, chief executive officer of Turners, adds: "This is a major opportunity for Autosure that builds on the progress made over recent years.

"We look forward to working closer with MARAC to create a comprehensive product offering and a seamless experience for its customers."

Chris Flood, Heartland Bank's CEO, says this relationship with Autosure will allow Heartland to maintain its focus on customer outcomes.

"Vehicle insurance is an integral part of Heartland's business," he told Autofile. "By partnering with a specialist market-leading provider in New Zealand, we can be confident that customers have access to a broader range of insurances to help meet their needs.

"Our dealers will be able to access Autosure products through our online dealership platforms, which will make it more efficient for them."

Meeting to review rules

VIA (the Imported Motor Vehicle Industry Association) has called a special general meeting to change its constitution following talks into its future funding.

It has been slated for February 18 after its executive was directed to implement changes to ensure the association has enough money to carry out its functions following 2018/19's deficit of $233,181.

Executive and industry members have been working on required outcomes with changes to VIA's rules being identified. The notice of the special meeting and documents – including the proposals and venue – will be published after the constitutional changes have been drafted.

Members with questions can email Nick Owens, South Island chairman, at nick@autoinspectionservices.co.nz.

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Ensuring electric is fit for purpose

The range of a fully charged electric vehicle (EV) gradually declines as its battery's energy-holding capacity fades.

Older batteries also become harder to charge because energy upload is slower and waste increases because the battery gets hot. Therefore, older batteries recover less energy as the car slows down or brakes during a journey.

With less energy in the battery at the start and less recovery along the way, maximum ranges shrink as EVs get older. Owners may eventually need to upgrade their batteries or sell to someone who needs less range.

So how low can the range go before the vehicle gets impractical?

Many EV owners have signed up to Flip The Fleet, a nationwide citizen science project to measure and predict the performance of their cars in New Zealand. They provide monthly data on distance travelled, energy efficiency, charging patterns and so on. A team of geeks then crunches the numbers.

Many contributors have provided an estimate of "minimum practical range" when the car is fully charged. This is their estimates of when the EV will no longer be fit for their purposes.

Most owners of 24kWh Nissan Leafs consider that their practical minimum range is about 100km or a little less. A minority figure they can cope with half that distance.

Owners of the 30kWh model require, on average, a larger range – many seek around 140-150km on a full charge. Presumably, they bought the more expensive Leaf with a larger battery because they reckoned that 100km range would be inadequate.

The common minimum range requirement of 100km or slightly less aligns well with the need to reach the next fast-charger when journeying along main highways, which are generally spaced at around 70-90km apart.

However, owners don't like to push the range to its absolute limit. Most want to have a safety margin of around 10 to 20 per cent of the battery's "state of charge" left before they get back home or reach the next rapid-charger. In practice then, the batteries will have to deliver about 10 to 20 per cent more range than that indicated in the graph.

This minimum range is still well within the usual single trip distances of EV owners during normal daily routines. Ninety-one per cent of all trips away from base and back again by battery electric vehicles (BEVs) are less than 100km.

Henrik Moller, co-founder, Flip The Fleet

Plug-in hybrids (PHEVs) tend to be taken on a few longer trips away from base, but still 88 per cent of the journeys are less than a 100km round trip.

PHEVs' batteries are, so far, relatively small. Typically, they will deliver a maximum range on the battery alone of 50km. Battery capacity and energy efficiency will also fade as the PHEV gets older.

The reduction of a PHEV's electric-propulsion range is less of an immediate practical threat because the driver has the back-up of the petrol or diesel motor to get them home again. But battery fade will have a serious impact on PHEVs' cost effectiveness and environmental benefits because more local journeys will have to be powered by fossil fuel.

A lot of families and businesses retain a conventional combustion engine vehicle for occasional long trips, but transfer most of their local travel to their BEV in order to save money – and take a smoother and more environmentally friendly ride. Their old conventional vehicle tends to collect cobwebs much of the time. However, it can age more gracefully because the EV has become the family's local workhorse.

These range limits will become much less of an issue in future because BEVs are rapidly getting bigger and more efficient batteries.

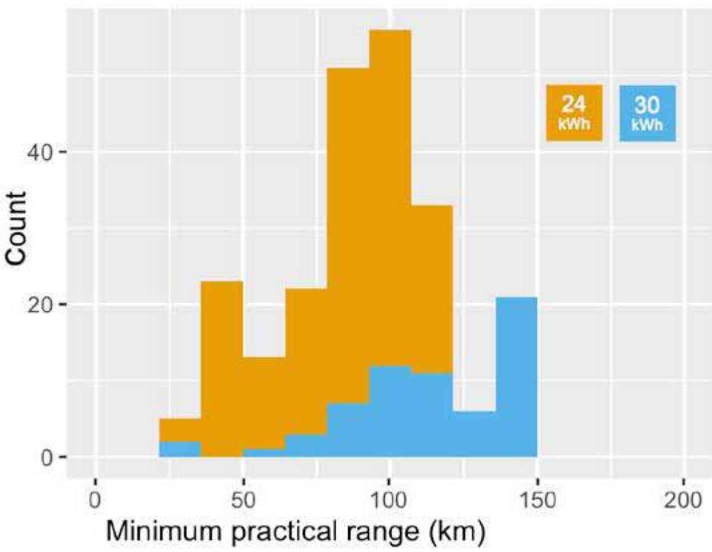
My Hyundai Kona delivers a full range of 450km in ideal conditions, and around 400km in hilly and rough country. I was recently able to travel from Dunedin to Nelson with just one brief rapid charge during a lunch break and a free overnight charge while I was sleeping at my motel. The new Tesla Model 3 provides around 400km in range.

Newer BEVs are much more convenient for long trips, but they will also remain practical for a lot longer while still running on their original batteries.

If PHEVs start to incorporate larger traction batteries, they could also remain efficient for local trips for more of their lives.

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

What owners want from electric cars



The minimum practical ranges required on a single charge by 167 owners of 24kWh Nissan Leafs and 63 owners of 30kWh Leafs in New Zealand

Marque sets hydrogen targets

Toyota Motor Corporation is planning to reduce average carbon dioxide (CO2) emissions per vehicle worldwide by 90 per cent by 2050.

It's pushing the widespread adoption of low-emission models to help achieve this, such as self-charging electric hybrids, plug-in electrics, battery electric vehicles (BEVs) and hydrogen fuel-cell electric vehicles (FCEVs).

Since driving ranges and performance requirements differ widely between passenger cars and larger road-transport vehicles, Toyota believes hydrogen will play a unique role alongside other electric models. It expects to be selling 30,000 FCEVs per year globally in the not too distant future with the current rate being 3,000 per year.

The company is a member of the Hydrogen Council, which is clear about the task ahead. That's to achieve the equivalent of 160 million low-emission vehicles – 80m zero-emission and 80m plug-in hybrids – by 2030.

"Reaching this ambitious target will require a wide range of technologies," says Alistair Davis, chief executive of Toyota NZ. "We believe that to bet on a single technology to solve the challenge of decarbonising transport is too risky. What if hoped-for advances don't materialise or production lines fail to meet demand?

"Technological developments tend to not take place at the expense of one another. The development of BEVs and FCEVs is likely to be synergetic – both rely on electric powertrains."

The Hydrogen Council estimates hydrogen will power more than 400m passenger vehicles, between 15m and 20m trucks, and some five million buses by 2050, which are – on average – 20 to 25 per cent of their respective segments.

Since hydrogen plays a strong role in heavier and long-range segments, such a share of the total fleet could contribute more than one-third of CO2 abatement required for road transport.

Davis adds: "Hydrogen is an indispensable resource to achieve the much-needed transition to low-carbon energy use because it can be utilised to store and transport renewable energy to power transportation. The sooner we get the hydrogen economy going, the better."

Toyota, an active member of the NZ Hydrogen Association, has a range of FCEV models already in selected markets. These include the Sora bus, which it expects to introduce 100 of across Tokyo's metropolitan area ahead of next year's Olympic and Paralympic Games. Others are the Mirai car in several markets, and forklifts in commercial use in Japan and the US.

FCEVs are best suited for applications with long-range requirements, heavier payloads and a high need for flexibility, says the marque.

It adds if forecasted numbers are realised, FCEVs would have lower investment costs than BEVs in long-range segments, with shorter refuelling times and more efficient payloads. With renewable and clean hydrogen, they emit little CO2, and require less resources and energy to manufacture than BEVs.

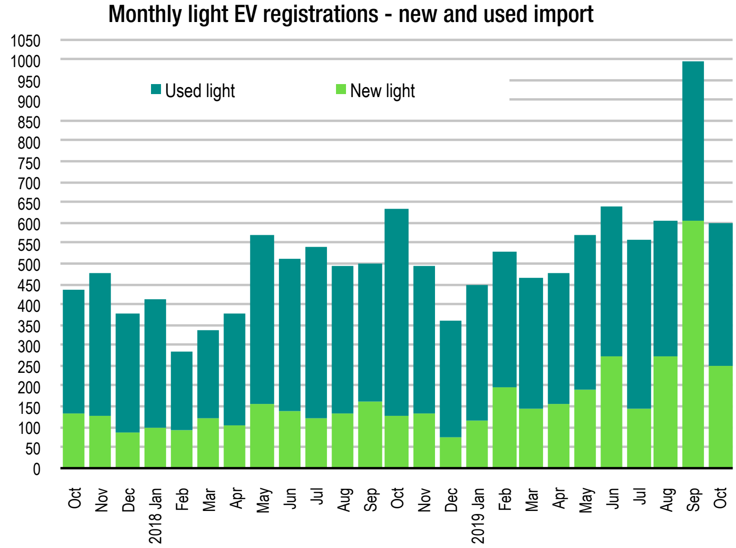
Meanwhile, BMW is complementing its EV offerings with its i Hydrogen Next. The FCEV was unveiled at Frankfurt Motor Show in September.

Total EVs by region

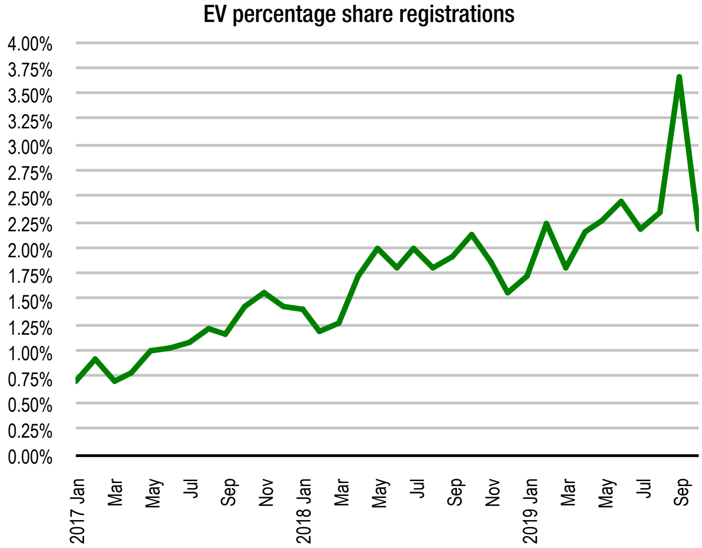
Northland	530
Auckland	7,503
Waikato	918
Bay of Plenty	595
Hawkes Bay	271
Gisborne	57
Taranaki	243
Manawatu/Wanganui	555
Wellington	2,459
Nelson/Marlborough	615
Canterbury	2,667
West Coast	27
Otago	1,047
Southland	136

Source: MoT, November 13, 2019

Monthly light EV registrations - new and used import



EV percentage share registrations



Source: MoT, November 13, 2019

Oh so quiet on electric front

Nissan's Ariya Concept SUV

Driverless vehicles, intelligent transport systems and hyper-cars normally get tongues of chattering classes wagging at international car events.

However, vehicle propulsion and emissions – or lack of the latter – featured heavily at the Tokyo Motor Show.

And some major manufacturers kept their cards close to their chests when it came to specifications of future models as competition in the electric vehicle (EV) arena ramps up.

Nissan unveiled its second-generation EV architecture in the guise of the Ariya Concept SUV, pictured above. It boasts twin motors for a "seamless" all-wheel-drive (AWD) experience.

Other than that, the marque is keeping its engine and battery outputs, and other mechanical information, under wraps for now with more information to be divulged in coming months. The concept is said to be close to a production version, which should soon make its final-form debut at the marque's headquarters in Yokohama.

Labelled as completely unrelated to the Leaf, the Ariya heralds Nissan's new design direction, known internally as "powerful minimalism".

Key elements include an electrified V-motion shield grille, short overhangs, a rear light blade, steeply raked C-pillar, a one-piece light blade with blacked-out lenses running across the body's width, flared rear-wheel arches and a rear-mounted wing.

Unlike 15 years ago when the Leaf was styled to look and feel familiar as to not spook potential buyers, the Ariya has been seen as a clean-sheet opportunity free of the packaging constraints of vehicles with internal-combustion engines (ICEs).

Targeting young drivers with families, it also represents an upmarket step for Nissan with its suite of assist systems, such as the level-two autonomous "Pro Pilot 2.0" hands-off set-up.

'OUTSTANDING RESPONSE'

Mazda did its impression of Björk's song, Oh So Quiet, by being a secret squirrel about its first step into the all-electric automotive world with its first zero-emissions MX-30 small SUV.

It will have the marque's new e-SkyActiv platform for battery EVs, which "combines outstanding response with dynamic behaviour to achieve performance drivers can enjoy naturally".

The powertrain's details are not yet known, but the MX-30 makes use of a 35.5kWh lithium-ion battery. By comparison, Hyundai's Kona Electric has a 64kWh unit that clocks up about 450km between full charges according to official figures.

The MX-30's range is also still secret, along with its charging times, but AC and DC chargers are supported, while it shares all of its dimensions with the mechanically related CX-30 except for being 30mm taller.

Its exterior differs from the rest of Mazda's model range mainly due to its rear suicide doors that haven't been seen since the RX-8. The chunky cladding appears lifted from the CX-30 and the tail-light design comes from the MX-5.

There are plenty of advanced driver-assist systems, including a new version of autonomous emergency braking that can prevent collisions with other vehicles at intersections. Enhanced lane-keep assist detects more than just lane markings to keep the MX-30 on-track. A release down under hasn't been ruled out.

EXAMINING BATTERY LIFE

Toyota revealed its latest zero-tailpipe-emissions production model at Tokyo Motor Show, the Ultra-compact BEV. That's its actual name and it's set to be released in Japan late next year.

While the company has no plans for a launch on our shores yet, don't rule anything out when it comes to this two-seater – at 2,490mm long, 1,290mm wide and 1,550mm tall, it's an on-paper rival for the French-built Smart EQ Fortwo.

While the marque – quelle surprise – has yet to reveal powertrain and battery specifics, it has published some vital statistics in that it can travel about 100km between charges, a full charge takes around five hours when using a 200V charger and its top speed is 60kph. Ideal, perhaps, to beat Auckland-commuting blues.

Its 2020 launch will coincide with the introduction of a company business model that aims to promote mass adoption of zero-tailpipe-emissions models.

This includes examining all steps in a battery's life, such as its manufacture, sale, resale or reuse and recycling. To maximise used-battery values in the near term, Toyota will expand leasing initiatives to recapture them for evaluation and reuse in second-hand vehicles or as service parts. Non-automotive applications are also possible.

As previously reported by Autofile, the company has revised its electrification plans with "at least" 10 such models to go on sale globally by "the early 2020s". It's also developing peripheral services for them, such as recharging stations and insurance.

It predicts EVs, including battery-electric, hybrid and fuel-cell models, will account for at least 50 per cent of its worldwide sales in 2025 – five years earlier than what it anticipated back in 2017.

The Mi-Tech compact crossover concept

ENHANCED USABILITY

The fourth-generation Jazz has been developed to set a benchmark for compact cars, according to Honda, while creating a new standard for its vehicle development.

Known as the Fit in some markets, it will also become the marque's first compact to offer its two-motor hybrid powertrain dubbed e:HEV.

The marque promises better forward visibility with redesigned A-pillars, more comfortable seats, better safety due to an updated Honda Sensing package, and enhanced usability through improved ride and performance, advanced connectivity and extra storage.

The Jazz is another example of a marque remaining tight-lipped on the finer details about what's under the bonnet. But it has been developed as a "benchmark with the intention of becoming the globally accepted standard for compact cars suited to this new era" without compromising on space and usability.

It will come in five guises. The standard variant is the Basic. Then there's a "warm and homely version" called Home, the "vibrant" Ness – as in Fit Ness for sporty types, a faux-SUV version with black wheel-arch extensions called the Crosstar and the range-topping Luxe.

The hybrid Jazz – to be sold alongside conventional petrol variants in some markets – is likely to get a scaled-down version of the two-motor hybrid powertrain introduced in overseas markets on the CR-V mid-size SUV.

The CR-V pairs a two-litre Atkinson cycle petrol engine with two electric motors, dispensing with a transmission, similar to a BEV. Honda has yet to disclose the engine size for the Jazz hybrid, but a 1.5-litre may be logical for the lighter car.

OPTIONS FOR FUEL

A compact crossover concept, dubbed the Mi-Tech, launched by Mitsubishi in Tokyo drew plenty of attention with its dune-buggy bodywork and rear turbines. It also provided some clues as to next-generation ASX and future plug-in hybrid powertrains.

Related to the Engelberg Tourer concept shown in Geneva in March, which previews the 2020 Outlander, the Mi-Tech's front end has a fresh interpretation of the marque's Dynamic Shield face that may be reflected in the next ASX.

The concept is all but certain to include a plug-in hybrid option as Mitsubishi recommits to the technology rather than flicking the switch over to BEVs – and the same goes for the larger Eclipse Cross for its mid-life overhaul next year.

The Mi-Tech has a new type of range-extending plug-in hybrid drivetrain with a lightweight and compact gas turbine engine-generator instead of a traditional petrol ICE.

The rear turbines appear capable of feeding air to the compact rear-mounted engine that can run on a variety of fuels – diesel, kerosene and alcohol are listed to allow for clean-burning sources – and, in range-extender style, it's able to act as a generator to charge the underfloor battery pack. The battery, in turn, powers the electric motors, which are arranged in a quad-motor set-up – two on each axle to enable four-wheel drive.

Owners can still plug into an electricity source to recharge, but this potentially flexible design allows for a longer driving range than with purely electric propulsion. The gas turbine generator will have a "powerful output" for its size and weight.

Mitsubishi has previously integrated its quad-motor system with "super all-wheel control", which includes front and rear active yaw control for sporty handling.

Along with electric brake calipers on the concept, the company claims this allows for "high response, high-accuracy control of drive and braking force of the four wheels while delivering a drastic improvement in turning and traction performance".

It adds the quad-motor and electric-braking combination enables the left and right wheels to be effectively counter-rotated for "thrilling experiences, such as 180-degree spins".

Other innovations with the Mi-Tech include a human-machine interface as the main item in the minimalist cabin. It displays information detected through "sensing" technology, such as optical sensors on an augmented-reality windscreen.

Mitsubishi's next-generation driver-assistance safety technology, known as Mi-Pilot, also extends to functionality on unpaved roads. The concept's off-road potential is reinforced by aluminium skid plates and chunky tyres.


Toyota's Ultra-compact BEV and BEV Business concepts


Mazda's MX-30 small SUV


The fourth-generation Honda Fit Home

Stink-bug work wins award

Systems to protect the used-car industry and country from threats posed by stink bugs have been honoured at this year's New Zealand Biosecurity Awards.

Automotive Technologies Ltd (ATL) won the innovation award for designing and building heat-treatment facilities specifically for vehicles before they are shipped from Japan.

Nigel Grindall, chief executive officer, is proud of the technology his company has created, which has been used to heat treat "tens of thousands of cars" to obliterate any brown marmorated stink bugs (BMSBs).

"This award is recognition of our efforts to come up with a solution in a limited amount of time," he told Autofile. "It has been an example of good old Kiwi ingenuity and it's good to get the win for the team, which put a lot of hard work."

Matt Battle, left, and Jacob Bates, collecting ATL's award

Some of ATL's heat-treatment facilities in Japan

Dead stink bugs found post-treatment

ATL – a Japan-based, New Zealand-owned biosecurity inspection and treatment company – decided to tackle the problem of BMSBs before the Ministry of Primary Industries (MPI) made it compulsory for all used vehicles and machinery coming from Japan to receive heat treatment.

The project started in April 2018 was fully operational within five months, and has run successfully so far during 2018/19's high-risk season.

"We've been functioning our systems for just over a year. The ability to answer the crisis in such a short period and come up with our system to deal with large volumes of vehicles that need to be processed has helped to save the industry. If we hadn't made it happen, it may have ground to a halt.

"If we had waited until the MPI announced heat treatment was going to be mandatory – that from September to April vehicles would require this process – it would have been too late for us to make a system and get it approved."

Grindall says ATL's facilities are in use at four of its five sites in Japan, and the technology plays an important role in handling stock on the scale needed to accommodate New Zealand's used-import requirements.

"Due to heat treatment, it takes much longer to process each vehicle. It's a lot of work during those eight months and slows things down, but we've invested in greater capacity to get through the volumes. We have maintained things well and nobody has been disadvantaged with the process we've got in place.

"More and more cars are starting to require heat treatment in the southern hemisphere. Countries importing from Japan into Australia and Fiji require it, and other countries at this stage unaffected by stink bugs – such as Chile – may require it sometime in the future."

Winners of the 10 gongs at the 2019 NZ Biosecurity Awards, which celebrate contributions to biosecurity in communities, businesses, iwi and government, were announced during a dinner at Auckland War Memorial Museum last month.

There were a record 70 entries with the supreme award going to Te Arawa Lakes Trust for Te Arawa Catfish Killas, which aims to manage the catfish population.

ATL's heat-treatment project was also a finalist for the industry award, but lost out to Livestock Improve Corporation's efforts to protect the national herd from Mycoplasma bovis.

The judges were impressed ATL built its heat-treatment system from scratch. "It tested multiple versions, overcame issues and improved its design until satisfied with its design and functionality," they add.

"Innovation played a huge part in its set-up. There are no off-the-shelf chambers available on the market specifically designed to heat treat vehicles to kill insects.

"While paint-drying rooms and kiln units would have done the job, ATL felt the risk to New Zealand was too high because they weren't specifically designed for heat treating vehicles. To get the best results, it decided a customised solution was best."

Nurture digital leads for better returns

As explored in previous columns, the new generation of customer behaves differently to that of the past, preferring to have control over the way it communicates with a new provider.

This month we look at how best to manage leads that come through your digital advertising streams as, although they can require some special treatment, you will find they can be your most lucrative customers.

Twenty years ago, most new customers were either walk-ins at their local dealer, or would make contact in response to radio or print adverts, or following a vehicle search on a classified site.

They would want to speak to their chosen dealership on the phone or face to face, and when they made contact they were well and truly in-market for a new vehicle.

With the advent of digital advertising, customer targeting is far more sophisticated than it has ever been. Targeting based on demographics and profiles means prospective customers can often be reached at an earlier stage in the buying journey.

These customers are often likely to be in the early "consideration" phase of the purchasing cycle. This means they may not necessarily be in-market and ready to buy at the time they see and respond to your advert, but experience has shown that – if nurtured and managed well – these can be the most valuable leads for your business. So, how should you manage this new brand of leads?

TIMELINESS IS KEY

Many dealers are slow to respond to enquiries, particularly if they come through digital channels, such as website enquiries or chats, because they don't view them as serious leads. Instead you should treat all enquiries, no matter the format, as potential sales by responding to them within an hour before they have a chance to go elsewhere. Consider a time when you have logged an online enquiry – you would likely have expected a quick response, not wait two days for an answer. Treat all leads with the urgency they deserve.

E-COMMUNICATION

Despite what you've been taught, don't just pick up the phone. Many early-stage leads will be in response to a digital advert, so it's more than likely people will contact you electronically via website enquiry, live chat, SMS, email or Messenger. It's important you respond to these customers as promptly as possible and in the same way they have contacted you – at least in the first instance. They need to feel as though they're in control of the communication.

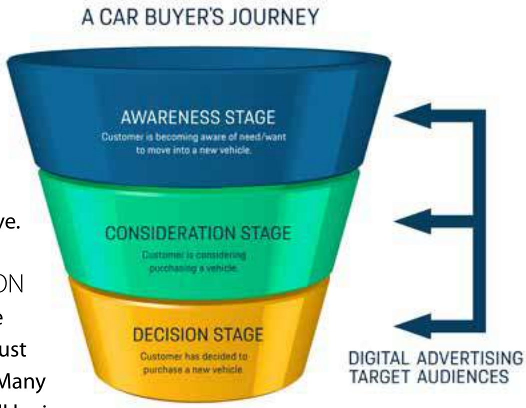
TODD FULLER
General manager
AdTorque Edge NZ

ON THEIR TERMS

If conversations with customers are continuing, it's important to confirm their preferred method(s) and times for contact. Many may need to speak to you after hours or on lunch breaks. It's important to be flexible, and allow them to dictate when and how the communication takes place.

TREAD CAREFULLY

These new type of customers are often at the very start of their purchasing journeys. They don't want to feel pressured into making decisions about new vehicles, so it's important to tread carefully with them. Show empathy and understanding and, in the early stages, focus your contact more on providing information and answering questions about the car, as opposed to locking them into a test drive.



USE YOUR DATABASE

They also need long-term nurturing, which means it's important that all contact with them is recorded in your customer relationship management (CRM) database to avoid bombarding them with too many calls or emails. CRMs usually include data, such as how many times and when an email has been opened. By using this intel, you can gauge their level of interest in your dealership and the best time to contact them.

If this new brand of lead is well-managed by your sales team, your business will reap the rewards. You will find these customers are less likely to look around at other dealerships, which means price will be less of a factor for them in purchasing decisions. This in turn will give you the opportunity to leave more margin in a car, which will benefit your bottom line.

Furthermore, if a customer has a positive experience with your dealership from the moment of enquiry right through to delivery of the vehicle, the results will be sure to reflect in your customer satisfaction index – and in repeat business through service and further sales.

So when you see those chats and web enquiries come through from a digital ad, don't dismiss them as from timewasters who won't purchase a car from you. Instead treat them as serious buyers who, with a bit of long-term TLC, could be your dealership's most valuable customers.

The month that was... December

December 15, 1997

Views mixed on industry outlook

Opinions were varied on how 1998 would shape up for New Zealand's motor-vehicle industry, although few people at the top spoken to by Autofile believed it could possibly be any worse than 1997.

Bob Field, Toyota NZ's managing director, believed the year ahead would show no growth in sales of new vehicles, which would remain at about 71,000.

But with the arrival of the Corolla in February, he conceded there would be a huge customer bank that might be interested in updating vehicles, so more Toyotas might be sold in 1998.

Field said the jury was still out on the impact of the Asian downturn, but didn't believe this country would avoid a downstream effect on its economy. He added challenges facing the market included pressure on dealer networks, tariffs and the need to reduce the price of distribution.

Holden NZ's chief executive officer, Don Bowden, expected an eight per cent lift in new-vehicle sales in 1998. He based that on the number of scheduled releases of major models, such as the Corolla and Falcon, which would stimulate the market.

December 17, 2004

Arrivals-to-sales deficit lower

The traditional shortfall between passenger vehicle arrivals and sales was more than one-third smaller in 2004 than 2003, meaning less units crossed New Zealand's wharves and more had moved through dealers' yards, a comparison of year-to-date statistics showed.

In the first 11 months of 2004, 8,530 more new and used vehicles entered the country than were sold – 33 per cent less than the 12,843 at that point in 2003.

Total year-to-date arrivals had fallen by one per cent from 221,197 units in 2003 to 219,009, while total sales had increased by one per cent from 208,354 to 210,479.

The figures also showed a substantial disparity between new and used vehicles. With used imports, arrivals in 2004 had dropped 2.7 per cent and sales by 1.6 per cent compared with January to November 2003. As for new vehicles, arrivals in that period had risen 2.7 per cent and registrations by a huge seven per cent.

Over the course of the year, the arrivals-sales deficit pattern had been similar to that of 2003, with new imports consistently above registrations and used imports exceeding sales for the first half of the year and falling short in the final two quarters.

December 14, 1998

Giltrap scores DaimlerChrysler coup

The distribution of Mercedes-Benz and Chrysler products in New Zealand was likely to undergo major change after the formation of a new company, DaimlerChrysler NZ – 49 per cent owned by the Giltrap Group.

At that time, Colin Giltrap-owned German Motor Distributors was responsible for Mercedes-Benz cars and commercials, while Chrysler's distribution was handled by Astre NZ.

After the international merger of DaimlerBenz AG and the Chrysler Corporation, the two local businesses would also become one company.

DaimlerChrysler Australia Pacific Pty Ltd would hold 51 per cent with the Giltrap Group owning the balance. Chrysler would move to Clemow Drive in Auckland, adjacent to German Motor Distributors, and all product would be distributed from both sites.

As part of the change, German Motor Distributors' general manager, John Steele, was to step down and be replaced by Australian-based Kiwi Earnie Ward, who was manager of the Mercedes-Benz business in Brisbane.

Steel had been involved in the automotive industry for nearly 30 years and was regarded as one of the most astute company heads in the business.

Chairman Colin Giltrap said he was excited about the future of the brands in New Zealand with the new Jeep Cherokee arriving in mid-1999.

December 22, 2006

Microdots to tackle vehicle theft

Tiny micro dots were about to be deployed nationwide to help fight organised car crime because about 20 vehicles were permanently disappearing every day in New Zealand.

The Ministry of Transport's vehicle-security division was working on preparing the standards for a whole of vehicle marking (WOVM) system, which would be implemented after publication of a gazette notice.

The WOVM would see cars sprayed with thousands of tiny microdots carrying the unique vehicle-identification number of each one.

It would implement a national vehicle-crime education strategy announced by former Justice Minister Phil Goff in 2005. He said: "This has proven to be a strong deterrent to professional criminals in countries where it has been introduced."

David Lumsden, managing director of DataDot Technology in New Zealand, said one of the major benefits would be more effective policing and a reduction in police time spent trying to trace recovered car parts.

You need to understand 'clean cars'

A trip south in November to talk with dealers across Southland and Central Otago sheeted home to me the relatively low level of awareness among dealers about what's being proposed with the government's clean car proposals – even though this may be the next big issue to affect our industry.

These clean car policies focus on the reduction of carbon dioxide (CO_2) emissions from our light-vehicle fleet and propose the introduction of a range of measures to significantly influence the model mix coming into New Zealand.

The final proposals are not yet set in stone, but it's fair to say the impacts on the retail motor industry are potentially huge.

To recap, a discussion paper was released in July for public feedback. Our industry organisations, such as the Motor Trade Association, Motor Industry Association, VIA and the AA all made individual submissions, which by and large voiced significant concerns with the proposals.

Autofile provided a useful summary of the proposals and key points in the related industry submissions in its October edition. That's a good place to get a quick overview of what's been said so far, while more details can be found in the various submission documents.

Further discussions took place in October between industry representatives and Ministry of Transport and NZTA officials. We're now waiting to see if those discussions have helped to promote any changes to the original proposals.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Regardless, the impacts on both the new and used-import sectors are massive, and are likely to rank among the most significant changes for the collective industry in the past 30 years.

> **"Impacts on the retail motor industry are potentially huge"**

That's why you need to take notice and keep abreast of the developments as they land so you're in the best place to understand the impacts and consider how you might react.

So what are we talking about here? The first part, the clean car standard, will impose significant financial impacts at supplier or importer level based on vehicles' CO_2 emissions.

This is designed to influence what vehicles are imported. In short, zero and low CO_2-emitting vehicles – such as electric vehicles, plug-in hybrids (PHEVs), other hybrids and so on – will be encouraged via financial credits. Higher CO_2-emitting vehicles will face entry penalties. Some of the financial impacts may be significant. The exact mechanisms, or even how this system will be managed, has not yet been defined.

The second part, the clean car discount, poses the introduction of another set of financial influences – both positive and negative – for application at the point of retail. The administration of these proposals will add complexity to the retail process.

The application of the discount is slated to start in 2021 and the standard in 2022. Targets and incentives will change each year up 2025 and probably beyond. The annual changes will obviously make it hard to forecast – not that it has ever been easy.

The financial implications, positive and negative, will lead to further downstream impacts. Trade-in and residual values will change from one year to the next. In turn, this will have obvious impacts on the design and application of various financing mechanisms.

There may be perverse outcomes as consumers either bring forward purchase decisions to avoid future penalties, or defer purchase actions to secure future incentives.

The market mix is also likely to change. Recent commentary from Europe observes that the move to SUVs – and perhaps utes in our market – has contributed to an overall rise in CO_2 levels in recent years, in turn making it harder for carmakers to reach emissions targets in 2020-21.

With their added weight, larger frontal mass and less-aerodynamic profiles, SUVs generate higher CO_2 emissions than non-SUVs – an average of 14 per cent per marque, according to a report from advocacy group Transport & Environment. Conversely, SUVs are better placed to carry the added weight of hybrid and PHEV technologies.

Now is a good time to build an understanding of the initial proposals and related commentary. As and when the specifics of the clean car proposals become clearer, there will be plenty more discussion to come and it, undoubtedly, will be a big issue for 2020.

Billions invested in driverless future

Level-five autonomous vehicles are defined by their ability to drive anywhere, anytime and in any condition a human could.

The automotive industry has speculated they will be available in 2030 and many industry players are dedicating significant resources to achieving this goal. Toyota, for instance, has budgeted $10 billion for related research and development.

If accomplished, it will revolutionise transportation in ways not seen since the adoption of the car. Recently, however, Apple's co-founder, Steve Wozniak, said he doesn't believe he will see level-five autonomy achieved in his lifetime. While Apple is maintaining its driverless vehicle projects, the company is openly admitting that it will be much more difficult than initially thought.

Waymo, a division of Alphabet which is Google's parent company, is often seen as the leader in the development of autonomous vehicles. John Krafcik, Waymo's chief executive officer, also recently expressed his opinion on the challenge. He went so far as to say it would never be possible.

Assuming level-five autonomy is both possible and achievable, the vehicle and transport industry would be radically changed.

It's likely that it would result in a severe decrease in personal vehicle ownership and an increase in transport as a service. Companies, government, employers or even communities will own fleets with cars available to consumers on-demand.

The opportunities and risks to traditional vehicle manufacturers and technology companies are great.

KIT WILKERSON
Policy adviser and analyst
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The potential for the first to market and dominate the game is enough that they are all competing to achieve it, so the race is on.

The following is an update from several companies on what's publicly known about that progress. Due to the number of relevant companies, I will break the list of players into several parts for the next article or two.

Alphabet's autonomous vehicle subsidiary, Waymo, has done the most testing of driverless cars. To date, they have clocked more than 16 million kilometres in self-driving mode and in excess of 16 billion kilometres in virtual environments. Waymo is working through several partnerships to develop autonomous vehicles.

The Portal, an electric minivan-SUV hybrid

As previously mentioned, Apple is working towards some level of autonomous vehicle technology. By most accounts, the tech giant was initially working on its own vehicle or fleet solution, but has since decided to focus on developing the technology that will enable autonomous driving.

Baidu is a Chinese technology company that has made many significant partnerships on its path towards developing autonomous cars. It's currently road-testing a fleet of vehicles. Many other companies on this list are developing technology based on Baidu's platform. They include Ford, Daimler, Nvidia and Microsoft.

BMW was also working with Baidu, but has since moved in a different direction. The German company is now partnering with Intel and a sensor company called Mobileye. At present, the marque provides level-two autonomy in some of its vehicles, but has promised level-five capability by 2020. Whether it can accomplish that lofty goal remains to be seen.

Italian-American multinational Fiat Chrysler Automobiles has partnered with Waymo, Alphabet's autonomous vehicle department. It has developed a unique product – an electric minivan/SUV hybrid called the Portal, which is one of the only electric vehicles that has yet piqued my interest. When available in 2020, the Portal will boast level-three autonomy, but has features designed for level-five autonomy when – and if – it becomes available. Its features include a foldaway steering wheel.

The blue oval has also been working with many partners to develop autonomous vehicle technology, and it has aggressively acquired several artificial intelligence start-ups. Ford reports that it has a fleet of high-autonomy models currently being tested. It has announced it will begin production of level-four autonomous vehicles by 2021.

General Motors (GM) is pursuing a different strategy. It has partnered with Lyft, a transport-as-a-service company and competitor of Uber. It is utilising millions of trips paid for by customers using Lyft to create detailed maps and other technology necessary to develop automated driving. This partnership suggests that GM might potentially change its business model and – instead of selling autonomous cars to the public – it could sell fleets to companies that intend to use Lyft to provide transport as a service. GM and Lyft are also working closely with Google's Waymo and Jaguar Land Rover.

Honda has announced it will have vehicles with level-three autonomy by 2020 and boasting level four by 2025. The marque was considering partnering with Waymo, but has since partnered with GM.

Hyundai has invested more than $2 billion and has thousands of employees dedicated to developing driverless autonomous vehicles. It has promised it will have models ready for self-driving on highways by 2020 and on city streets by 2030.

This is the first in a series on marques, and discuss how level-five autonomy might change the future design of vehicles and business models.

Industry movers

JONATHAN SERGEL, currently head of cars at the Turners Group, will replace Stella Stocks as the AA's general manager of motoring when she retires at the end of this year.

Sergel has been with Turners since 2009. He has worked in the industry for the past two decades, including owning his own rental-car business, and working for Smith & Smith Glass and LeasePlan.

As head of cars, he has been executive manager of the Turners Cars business. This encompasses supplier relationships here and in Japan, finance and operational responsibility for Turners Cars' 13 branches.

"Both my father and grandfather have been owners of automotive businesses, so motoring is in the blood," says Sergel, pictured.

Brian Gibbons, chief executive officer of the AA, says "Given Stella's extensive achievements with us, we knew we would require someone special to ensure the continued success of our motoring-services division.

"We're delighted Jonathan will be joining our ranks. He will be a great addition and will relish growing our motoring services to the next level."

Andrea Andrew

ANDREA ANDREW, of Hamilton, and **TONY ALLEN**, of Katikati, have been elected as board members of the Motor Trade Association (MTA).

It is Andrew's first time on the board. She started her own consulting business for warrants of fitness in 2002, and is also director of Pro Bars 2008 and Tranda Construction. She has chaired the MTA's Kaimai regional executive committee since 2017.

Tony Allen

Allen has been re-elected after being voted onto the board in 2015. He established his first automotive repair business with family members in Auckland in 1986 before starting his current business in 2005.

The MTA's other board members are president Dave Harris, of Matamata, vice-president Bob Boniface, of Auckland, board-appointed independent director Samantha Sharif, of Wellington, and Sturrock Saunders, of Blenheim.

MICHAEL STIASSNY, former chairman of the NZTA, has joined the board of the Financial Markets Authority, along with Sue Chetwin, chief executive of Consumer NZ.

Stiassny most recently made headlines when he stepped down from his position at the transport agency after its major revamp, which included bringing lawyers in to resolve outstanding issues with regulatory compliance.

NICK HAMLIN has been reappointed to MotorSport NZ's board of directors for a three-year term. Hamlin, of Invercargill, had already contributed to the organisation's governance as a board member from October 2016 to May 2019.

DAVE BALLANTYNE is now general manager of Isuzu Trucks having filled the role vacated by Colin Muir. Ballantyne, pictured, was promoted from his previous position of national sales manager, a post he held since joining the company in September 2016.

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

NZ labour market report

Migration during the past year has increased New Zealand's population by about 11.4 more people for every 1,000 already living here in the year ending June 2019, according to Stats NZ.

It reflects annual net migration of about 56,000 people for a population of about 4.9 million. This rate is similar to Australia's in 2017/18, but more than triple recent migration rates in the UK and US. In the latter, the net rate was three per 1,000 people in 2018, which equated to an annual migration of 978,800 on a population of 327m.

Tehseen Islam, manager of population indicators at Stats NZ, says: "Countries like New Zealand and Ireland tend to have larger swings in net migration rates because they have small populations.

"Annual net migration has ranged between 48,000 and 64,000 since 2015, and remains at historically high levels. Migrant arrivals are higher than when net migration peaked at almost 64,000 in the year ended July 2016."

Migrant departures came in at 92,200 – up 1,400 from the previous year. Migrant arrivals and departures include the flows of New Zealand citizens and non-citizens because both affect the population living in New Zealand.

There were 113,900 migrant arrivals of non-Kiwi citizens in the year ending April 2019, up by 9,100 compared to the previous 12 months. The top four countries for such arrivals were China with 17,300, India on 13,200, the Philippines on 9,000 and Australia with 8,900, while arrivals of New Zealand citizens dropped by 1,700.

There were 45,700 migrant departures of Kiwis over the 12-month period – up by 3,200 – while non-New Zealand citizen departures dropped by 1,800 for a total of 47,800.

Meanwhile, retail card spending on vehicles climbed by $9m in October to $185m when compared to the same month last year, Stats NZ reports. The splurge in electronic card transactions for the automotive industry – excluding fuel – was the third highest monthly total in the past two years, sitting below $187m spent this August and September.

Total retail card spending declined by 0.6 per cent to $5.7 billion in October 2019 compared to figures from September this year. The $32m drop mostly came from less spending on long-lasting goods, such as appliances, and day-to-day expenditure on food and drinks falling.

"This dip in spending comes after four months of higher sales," says Sue Chapman, retail statistics manager. "However, compared with the year before, overall card spending has been fairly steady over the past year."

While most retail industries saw a decline in carding spending during October, fuel sales bucked the trend by climbing 0.7 per cent, or by $4.3m, from September's total to $583m.

Households are the biggest consumers of petrol by accounting for 59 per cent. The rest of refined petrol use is spread across other industries, such as construction, trucking, manufacturing and farming. Road transport is also a significant business user of petrol at four per cent. Diesel has a wide range of consumers, although it is more skewed towards businesses with road transport accounting for 21 per cent.

The findings come as Stats NZ unveils an interactive online tool that shows the range of connections between different parts of the economy.

"It lets you see who supplies and uses around 200 products that help the wheels of the economy turn, from petrol and diesel, to fertilisers and legal services," says Gary Dunnet, national accounts senior manager.

Other findings to emerge recently show New Zealand's economy changing from one dominated by farming to the service industry being a leading sector.

Brand man's passion for bikes

It's not quite a case of planes, trains and automobiles, but the president of Suzuki New Zealand does have more "toys" at his disposable than heads of other marques in this country.

Tom Peck has been a Suzuki man for the vast majority of his career and, now he's at the top, he has five market segments to look after – small cars, SUVs, motorbikes, farm and all-terrain vehicles, and marine.

This makes the Japanese company's operation on these shores unique and it also throws up some interesting statistics, such as its parts warehouse having something like 175,000 line items on-file.

"With three very different product lines of automotive, motorcycle and marine, making the jigsaw work for the total company can be a diverse challenge," says Peck.

"Having three networks means we operate daily with about 115 different dealers, which is likely to be one of the bigger automotive-based networks in the country – and they operate in quite different ways with different customer demands.

"We have separate sales departments for each product, but other staff – such as technical, accounting and parts – work for all three products. With motorcycles, outboards and vehicles, all up we have around 200 different models."

Peck's early industry experience was mostly motorcycle-based because the distributor – Colemans Suzuki with its head office in Whanganui – was predominately a motorbike importer with only a few two-stroke cars in its line-up.

His passion for two-wheelers goes back to when he was 11 and he was growing up on a farm – an uncle loved them. "He gave me my first motorbike, which I tinkered with and rode around the farm and local roads".

He's also had various boats over the years, "so I've not only used the products, but have also been involved in the development and testing of some of them."

After leaving school, Peck joined Colemans Suzuki as an apprentice motorcycle mechanic before going on to become its service manager over a seven-year period.

Tom Peck with a 150cc Suzuki Gixxer street bike

"I had a break overseas for a few months. I then ended up as an automotive tutor at the tech in Petone for a couple of years before moving to Whanganui where I rejoined the Coleman Group when it was selling out.

"After it became Suzuki NZ, I was national service manager for motorcycles before adding marine and then motor vehicles. A couple of years later, the company asked me to become sales manager for motorbikes. I later moved to marketing manager for all products, then general manager and chief executive officer before my current position."

A Matchless G5 350, similar to this one, was Tom Peck's first set of wheels

MODEST ABOUT SUCCESS

Peck downplays his rise to president. "Obviously, I've been with the company for a long time and have held a lot of different roles. That experience has helped me get where I am. I've had a crack at several different jobs with Suzuki NZ.

"I assume I was last man standing, although I do have past experience at some level with technical, sales and marketing of all three of our product groups.

"At the moment, the Suzuki Motor Corporation [SMC] is slowly changing its distributors to local governance – most distributors have two or three Japanese managing directors. The corporation has realised locals may know more about their markets than they do and three more non-Japanese CEOs have been recently appointed. But before that, it was only New Zealand and Canada with local chief executive officers.

"Suzuki has a number of 100 per cent owned subsidiaries around the world, of which we're one. Most are in major western markets, such as the US, Canada, most of Europe, Australia and so on. It also has a number of privately owned independent distributors in some countries.

"Of the 100 per cent Suzuki-owned subsidiaries, as of now there are three or four that have non-Japanese presidents although we're the only one that doesn't have any SMC staff in our businesses.

"Suzuki NZ hasn't had a resident Japanese director for about 10 years. At one stage, we had a Japanese managing director visit from Melbourne once a month. But we no longer have that link and report directly to Japan. Perhaps New Zealand was the test case to see how it would work without a Japanese director as we are one of the better-performing markets in terms of market share."

Peck's career highlights include being nominated as Suzuki's international service manager of the year two years in a row. "Then I moved into motorcycle marketing when we were number three in New Zealand for motorbike sales. Within 18 months, we were number one and have retained that position for 21 years."

He then worked in the motor-vehicle marketing department at around the time the new Swift was launched, "which we obviously managed quite well".

"We've kept Swift sales rolling along. Having it as the number-one light car in the country and being number one for two-wheel motorbikes are other career highlights, as is working with some of the most talented people in the industry and multiple Kiwi motorcycle champions.

"I think the Swift's popularity is because of how we introduced it. We made its marketing fun. No-one else was doing that at the time and we made it good value for money. We saw the new Swift 12 months before it hit the market and thought it would sell quite well, but didn't think it would go straight to number-one light car. It was a nice surprise when its sales took off, but we were happy about that."

The Swift has been subject to some consumer focus this year due to the government flagging up proposals to ban the importation


Gone fishing – Tom Peck with a "small" Alaskan halibut


One of Peck's favourite vehicles he's owned is this 1969 Mustang 351

of some older used cars based on varying safety-standard issues.

Autofile asked Peck if that has affected the brand moving forward. "On one hand, there's a world standard for vehicle safety based on NCAP's systems, which are properly conducted laboratory tests to establish a safety-star rating.

"Then there are used-car safety ratings calculated by Monash University in Melbourne, which use accident data from Australia and New Zealand. This data is subjective based on any given accident profile and you cannot simply compare different incidents to decide a car's rating.

"The used ratings are full of contradictory information with some models being identical other than their badges having different ratings. The 2011 Swift that has been given a one-star used-vehicle rating was the safest light car you could buy at the time of its release with a five-star ANCAP rating.

"Media reports about a possible ban for 'unsafe' vehicles did cause some confusion for customers who own that model of the New Zealand-new Swift and we had to reassure them the cars they bought had five-star ANCAP ratings.

"The new Swift also has five stars and is still the country's most popular new light car, sales-wise. Our press release at the time was aimed at reassuring owners they didn't buy a one-star vehicle."

INDUSTRY INTO FUTURE

Connectivity, autonomous, shared vehicles and electrification – collectively they are being known as CASE – are currently a major focus for many marques.

"The future of these technologies and other alternative fuel types, such as hydrogen, is requiring huge investment," says Peck. "They need massive research and development, and new assembly facilities specific to vehicle types.

"With each development, there are newer or more extensive intelligent transport features and safety technology. Each new technology adds to the range of options available in vehicles, but truly connected cars of the future also require infrastructure, and possibly legislation, changes.

"World standards, such as Euro NCAP and ANCAP, get harder at each review. Cars will continue to become more connected and provide seamless connectivity with other connected devices."

Peck says the future will include voice-activated personal assistants that can operate many features of cars, while software will be able to be updated seamlessly with diagnostic issues reported directly to manufacturers. These systems will also calculate the most efficient way to get somewhere and vehicles will "talk" to each other.

"Mobility as a service and car-sharing will become more mainstream, so private-vehicle ownership will likely reduce in the future," he says.

"Although there's a lot of hype, it will be a while before we're being transported by driverless cars because many infrastructure and technological challenges have to be overcome. That said, technology will continue to change at a rapid rate for the foreseeable future."

Back on the streets again

Tom Peck's uncle gave him his first wheels – a blue Matchless G5 350 motorbike. "He turned me into a petrolhead. I pulled it apart, did it up and used it on the road for a couple of years after I got my licence at 15 and took up my apprenticeship."

Next up was a new 650 Triumph TR7 he bought for $1,650. "It was expensive because apprentices didn't earn much money. It was the same price as a new Mini at that time. That was followed by a number of Suzukis, including water-cooled two-stroke triples, rotary models and large-capacity four strokes.

"I owned a Mark I Ford Cortina at the same time as the Triumph. My mates owned cars and we modified them. I was living in Morrinsville and travelled to Hamilton every day, so it was nice to drive a vehicle with a heater in winter. I've owned a lot of cars over the years."

His favourite was an Anglia 105E, the first car he modified and installed a Cortina's motor in. "I'm still waiting for my dream two-wheeler – a turbo-charged Hayabusa – and I have a Mustang 351 in the shed.

"At the moment I'm driving a Vitara. I may have it for a month or three until a dealer wants it for a customer. I can drive every Suzuki model, including motorcycles. I like driving the Swift Sport, but need a four-wheel drive, such as the Vitara, to tow things."


Ford's Anglia 105E


A Mark I Ford Cortina


A 650cc Triumph TR7

Paddon on career rollercoaster

One moment he's up, the next down. Hayden Paddon, New Zealand's highest-achieving rally driver, has had his World Rally Championship (WRC) aspirations twisted every which way over the past month.

Dropped by Hyundai after five years, the 32-year-old was given a lifeline by Ford ahead of Rally Finland in August, but he never got to compete after crashing out in practice.

Preparations to return to WRC competition in Rally Australia were dashed by the massive and lethal bushfires that have stripped thousands of hectares of bushland, and forced the cancellation of that event.

Along with that went the second of two drives with Ford-backed M-Sport, although the team remains closely interested in running Paddon in the future.

In mid-November, a despondent Paddon said: "We needed a score on the scoreboard this year. I [wanted to] use it as a platform to go and talk to teams to see what opportunities we can get for next year, but without that it's very tough now. We had to find a lot of funding this year – $600,000 worth – but we're not in a position to continue that."

He then announced he would race part of the summer series in the TCR category using the second-hand Hyundai i30 N he recently purchased.

It was the second major announcement from his company, Paddon Rallysport Group, after it revealed plans to develop a world-leading EV rally car based on the Hyundai Kona.

Then, in late November, came a whiff of hope when WRC boss Oliver Ciesla – while visiting New Zealand to look at plans for this country's round of the championship in 2020 – endorsed Paddon and expressed his desire to see the Kiwi in a rally car for at least his "home" round.

MARQUE'S EXIT BAD NEWS

Citroën has quit the WRC with immediate effect, attributing the decision to the exit of Sébastien Ogier from the team to drive for Toyota Gazoo Racing.

With the international "silly season" of driver signings beginning, this removes two active drive opportunities from the championship – a further obstacle for the likes of Paddon.

Toyota sought a top driver after losing 2019 champion Ott Tänak to Hyundai. Multiple world champion Ogier fits the bill nicely. Tänak's arrival at the Korean manufacturer's team effectively closes that door on Paddon.

Hartley cuts Porsche ties

Brendon Hartley is now racing with US-based Geox Dragon Racing

Porsche and Brendon Hartley have ended their relationship so he can race with a rival team.

As the marque was finalising its Formula E campaign for 2019/20, the 30-year-old announced his switch to US-based Geox Dragon Racing.

The split is by mutual agreement. It ends a six-year relationship during which Hartley won two World Endurance Championships and the 24 Hours of Le Mans during his time as a factory driver.

Dragon Racing was started up in 2007 by Jay Penske and Stephen J Luczo. It competed in the IndyCar Series from 2007-14, and was one of the founding Formula E teams.

The past two years have been a bit of whirlwind for Hartley. In October 2017, he was offered a drive in Formula One by Toro Rosso for the US Grand Prix in Austin.

He replaced Pierre Gasly, who was absent contesting the Super Formula Championship final. It was Hartley's F1 debut and he became the ninth New Zealander to race in it, but Toro Rosso released him 13 months later.

Record numbers chip for charity

A record 36 teams did battle on fairways and greens in an annual charity golf day in Auckland that pulls together dozens of people from across the automotive industry.

The event at Pakuranga Golf Club, which was co-sponsored by the AA and Continental Cars Audi, was organised by the Rotary Club of Half Moon Bay with support from Protecta Insurance.

A number of other companies helped by sponsoring holes, including Finance Now, UDC Finance, Instant Finance, Yes Finance and TF Group.

Nearly 110 players competed in the ambrose format with refreshments and a barbecue served on the course. Back in the clubhouse they enjoyed drinks, dinner, prize-giving and a charity auction.

Stephen Glading, chairman of Protecta Insurance and also a Rotarian, says the tournament raised more than $18,000 for charity with the Life Education Trust, Counties Manukau, being the main beneficiary. The rest of the money goes into a charitable trust.

Lucas Martin, left, Jason Kim and Simon Papesch from Winger, Subaru and Suzuki, in Greenlane, Auckland, Josh Cairns, and Steve Allen and Nick Proctor from UDC

Competitors' briefing before the action starts

"I like organising things where there are charitable benefits," says Glading. "It's also a great opportunity to get our customers together with teams coming from a variety of industries. But in the main they are from the motor and finance industries, and some of our suppliers. Supporting charity is worthwhile and the whole atmosphere with the trust means the day takes on a new dimension. Everyone enjoys it."

The Life Education Trust has 33 branches nationwide. It sees 250,000 children every year to educate them about health and wellbeing, nutrition, puberty, cyber safety and other matters. The Counties Manukau branch alone takes its mobile classrooms to about 35,000 youngsters annually and chief executive, Lincoln Jefferson, says funds from the golf day will target part of the area it covers.

"This tournament has been supporting the trust for a number of years and money raised will particularly help about 6,500 children in the Howick and Pakuranga area," he told Autofile. "The money will go a long way and enables us to deliver our programmes to more children.

"While the programme has the lovable Harold the Giraffe as its mascot, we tackle serious topics that require a lot of research from our teachers, so we're proud to have an association with the Rotary Club of Half Moon Bay and those who played in the tournament. We aim to educate children to make the right choices and make a difference to their lives moving forward."

Car dealers scoop title at golf classic

Members of the automotive industry and associated companies have taken to the fairways to do battle in the Provident Insurance Golf Classic.

About 100 competitors from across the North Island, plus a few from the south, went along to Riverside Golf Club, Hamilton, on November 21.

A team from Duncan & Ebbett in Hamilton won the ambrose format competition. 4Guys Autobarn, also from Hamilton, and Farmer Autovillage, of Tauranga, came second and third respectively.

John Anderson, of 4Guys Autobarn, and Sarah Harris, of Wynn Williams, took out the honours for longest drives for men and women. Matt Bulbeck, of Ingham Motor Group and Chloe Webster, of Provident Insurance, came closest to the pin.

Steve Owens, Provident's chief executive, says the classic has become a regular fixture on the industry's social calendar.

Mitchell Lovich, left, of Duncan & Ebbett, receives the winner's trophy from Provident's Jaques Gray

The 4Guys Autobarn team came second. From left, Simon Palfrey, Mike Ensor, John Anderson and Andrew Sheehan

"We had about 102 people come along," he says. "It's all about spending a day on the course and networking with people in the trade, such as dealers, suppliers and our service partners.

"It's good to get together and be able to talk about how we can help each other, but at the same time play golf, and have a bit of fun and a few beers.

"It is friendly, aggressive and competitive although, depending on how people's rounds are going, that can change. We have a lot of laughs on the course."

Todd Fuller, left, of Adtorque Edge, Hadyn Halls of Finance Now, Ralph Ball of Alphera Finance, Paul Cloke and Tuks Nelio – also of Finance Now – and Mike Sexton, of the Marque Group

The event, which was in its sixth year, was once again blessed with sunshine and staff from UDC Finance provided refreshments to 26 teams on the Narrows Course.

Dealer told buyer he was selling car for his former partner and ex-staff member

The case: The buyer wanted to reject her 1998 Honda Orthia because it needed repairs to pass a warrant of fitness. The seller said he wasn't a motor-vehicle dealer and the tribunal had no jurisdiction to consider the purchaser's application for a refund.

The decision: The tribunal ruled the seller of the vehicle was a car dealer as determined by the Motor Vehicle Sales Act and ordered him to pay for the repairs.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Deana Tyler bought a 1998 Honda Orthia for $1,800 on January 7, 2019, from Jack Thompson, who said he was selling it on behalf of its owner Danielle Mulholland, who was his ex-partner and a former employee of the motor-vehicle trader Thompson was associated with.

Two days after purchase, the car's warrant of fitness (WOF) expired. Tyler asked Thompson to pay for the repairs, but he refused. Tyler then decided to reject the Honda three months after purchase.

Thompson claimed he wasn't a trader, so the tribunal had no jurisdiction to consider this dispute, and that he had no liability in respect to Tyler.

The case

For the tribunal to determine Tyler's claim, she had to prove Thompson sold her the car while acting as a dealer.

The Motor Vehicle Sales Act (MVSA) provides that a person must not – unless the person is registered as a car dealer under the legislation – carry on the business of motor-vehicle trading or hold out to be a trader.

Someone who carries on the business of such trading, or holds him or herself out as a car dealer, is treated as one under the MVSA even if that person isn't registered as such. The protections of the Consumer Guarantees Act (CGA) apply when a vehicle is sold by a trader.

Thompson said the car was listed on his personal Trade Me account. However, the account displayed the "in-trade" label, so the buyer was protected under the CGA and Fair Trading Act (FTA). By law, anyone offering goods or services for sale online must make it clear to consumers they are in-trade.

Thompson told Tyler she could view the car where he was working in Ferry Road, Christchurch, which was the address of Easy Pay Online Autos and RT Motor Group.

Tyler told the tribunal that when she arrived to view the Honda, she noticed other cars on display at the location, but she didn't recall any signage to indicate it was a trader's yard.

She said Thompson implied to her that he was a trader by telling her about repairs to the Honda, which made her more confident the Orthia was in a satisfactory running condition.

Thompson said he told Tyler he was a trader, but he wasn't supplying the car to her in that capacity. Rather, he was assisting Mulholland to sell it, so she was its actual seller.

Tyler noticed the Orthia's WOF had almost expired, but felt reassured by Thompson that it would pass an inspection.

When Tyler tried to renew her vehicle's warrant on January 8, it was failed for faulty windscreen wipers, brake lights, misaligned fog lights, cracked rear-differential rear mount, split right steering-rack boot and a worn tyre. Sonter Automotive quoted $763 for remedial work. This included front brake-pad repairs, but not the cost of a new tyre.

Tyler asked Thompson to pay for the repairs. She added if he didn't pay by March 8, 2019, she would have the Orthia fixed elsewhere and seek reimbursement. Thompson offered to have the car's WOF recheck done somewhere else at his own expense, but didn't follow through with that offer.

The buyer bought a new tyre on March 13, then rejected the car seven days later via letter saying she wouldn't have attempted to have it repaired had she known about its worn brake pads.

The finding

The tribunal found Thompson was a trader when he sold the car because he used the in-trade label on his Trade Me account.

In addition, the address where Tyler inspected the car was understood to be a dealer's yard. In a text to her, Thompson described this as his "work" and the address was the location of the registered trader with which he was associated. Also, Thompson told Tyler he was a trader.

The tribunal noted the seller of a car can be an agent. Just because Thompson was acting as Mulholland's agent, it didn't mean he wasn't the seller. Rather, it was enough that he displayed the car for sale at his premises and offered it for sale – both in person and on his Trade Me account.

After the tribunal ruled Thompson sold the Orthia to Tyler as a trader, the CGA then applied to the transaction.

A vehicle must have a current WOF within one month before the date of supply, but the Orthia's expired two days after purchase.

Vehicles sold by registered motor-vehicle traders should be WOF-compliant, so the Honda failed to comply with the CGA's guarantee of acceptable quality.

"Acceptable quality" means goods must be fit for purpose, acceptable in appearance and finish, free from minor defects, and safe and durable as a reasonable consumer would regard as acceptable having regard to the nature of the goods, statements about them, the nature of the supplier, representations made by the supplier or manufacturer and other relevant circumstances of their supply.

The tribunal said Tyler wasn't entitled to reject the car because she had started to repair it by replacing the worn tyre, but she was entitled to recover money for the uncompleted WOF repairs, new tyre and WOF inspection.

Order

Thompson had to pay Tyler $923 for repairs to her vehicle.

Purchaser claims to being misled by trader about age of battery in hybrid

The case: The buyer was supplied with a 2008 Honda Civic Hybrid by the trader on the understanding its integrated motor-assist battery was new, but seven months after purchase it needed to be replaced. The dealer said he told his customer before the transaction that it was second-hand.

The decision: The tribunal ruled the battery wasn't of acceptable quality for the purposes of the Consumer Guarantees Act (CGA) and ordered the trader to replace it.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Indra Jakhotia bought a 2008 Honda Civic Hybrid on October 11, 2018, for $10,295 from Dreamline Motor Company Ltd when it had an odometer reading of 98,400km.

He said he was told by the dealer its integrated motor-assist (IMA) battery was new, so he could expect to drive about 100,000km in the car before it needed replacing.

However, Jakhotia discovered the battery wasn't new and had to be replaced seven months later. He also alleged the Civic's tyres weren't of acceptable quality for the purposes of the CGA.

Dreamline denied telling Jakhotia the battery was new. Further, the trader said both it and the tyres were sufficiently durable, so he wasn't entitled to a remedy.

The case

Jakhotia tried to negotiate the purchase price of the vehicle downwards, but he said Dreamline's director Akshay Kumar wouldn't move on the price because it had a new IMA battery. Further, Kumar texted him before purchase to advise him a "new battery" had been fitted.

Jakhotia said this text would give a reasonable consumer the impression that a new one had been installed. He added Dreamline had engaged in misleading conduct in breach of section nine of the Fair Trading Act (FTA) because the battery wasn't unused. Instead, the dealer had fitted a second-hand one before the hybrid was sold to him.

He discovered the battery wasn't new after driving about 10,000km in the car because the IMA light came on frequently. The hybrid would then enter limp mode and lose power. He had the Honda assessed by Itech Automotive, which found the battery had deteriorated and had to be replaced.

Kumar denied telling Jakhotia the IMA battery was new or that he would expect to travel 100,000km in the car before it required a replacement.

He added he told Jakhotia the Honda's small front battery was new, but its IMA battery was second-hand. Kumar also said he showed him a copy of the invoice for the IMA battery from supplier Strong For Honda to demonstrate it was pre-owned.

Jakhotia went on to say the IMA battery wasn't as durable as a reasonable consumer would consider acceptable, but Dreamline stated Jakhotia had driven the Civic more than 10,000km following purchase, so the battery was sufficiently durable under the CGA's terms.

The buyer also alleged the Civic's tyres were substandard. He took it to Midas Onehunga to be serviced in May 2019. It noted all of the tyres were badly cracked so new ones were needed.

He added they were different from those shown in the vehicle's pre-purchase photos. He believed Dreamline swapped the tyres after it had obtained a warrant of fitness – removing the good tyres and replacing them with substandard ones. The dealer denied knowingly installing them.

The finding

In this case, the buyer needed to prove it was more likely than not that Dreamline misled him by representing that the Civic's IMA battery was new.

The tribunal noted both Jakhotia and Kumar gave consistent evidence in support of their respective sides of the story.

Due to the absence of clear evidence to show that Dreamline had stated the Honda's IMA battery was new, the adjudicator wasn't satisfied Jakhotia had proven the dealer had engaged in misleading conduct in breach of the FTA, but the vehicle's IMA battery had deteriorated to the point it required replacing.

The tribunal acknowledged that a hybrid's battery would deteriorate over time, but Dreamline's pre-purchase representation was that the one in the Civic had been recently swapped out for a genuine part tested by Strong For Honda.

Therefore, it ruled the car wasn't as durable as a reasonable consumer would consider acceptable because the IMA battery had deteriorated soon after purchase.

As for the tyres, the tribunal noted evidence showed the Civic had different ones fitted when its pre-purchase photos were taken and the replacements had deteriorated to the point new ones were needed, but it ruled the evidence didn't prove Dreamline had knowingly fitted substandard ones.

A reasonable consumer should understand that consumable items – such as a vehicle's tyres – need to be replaced from time to time.

Also, the CGA's protections are not indefinite. They last only as long as is reasonable in the circumstances of each case by taking account of factors such as the vehicle's price, age and mileage, the length of ownership before a defect becomes apparent and distance travelled during that time.

Jakhotia had owned the vehicle for more than seven months before the defective tyres were identified and had driven the car for more than 10,000km.

In those circumstances, the tribunal was satisfied that the Civic's tyres were sufficiently durable for the purposes of the CGA.

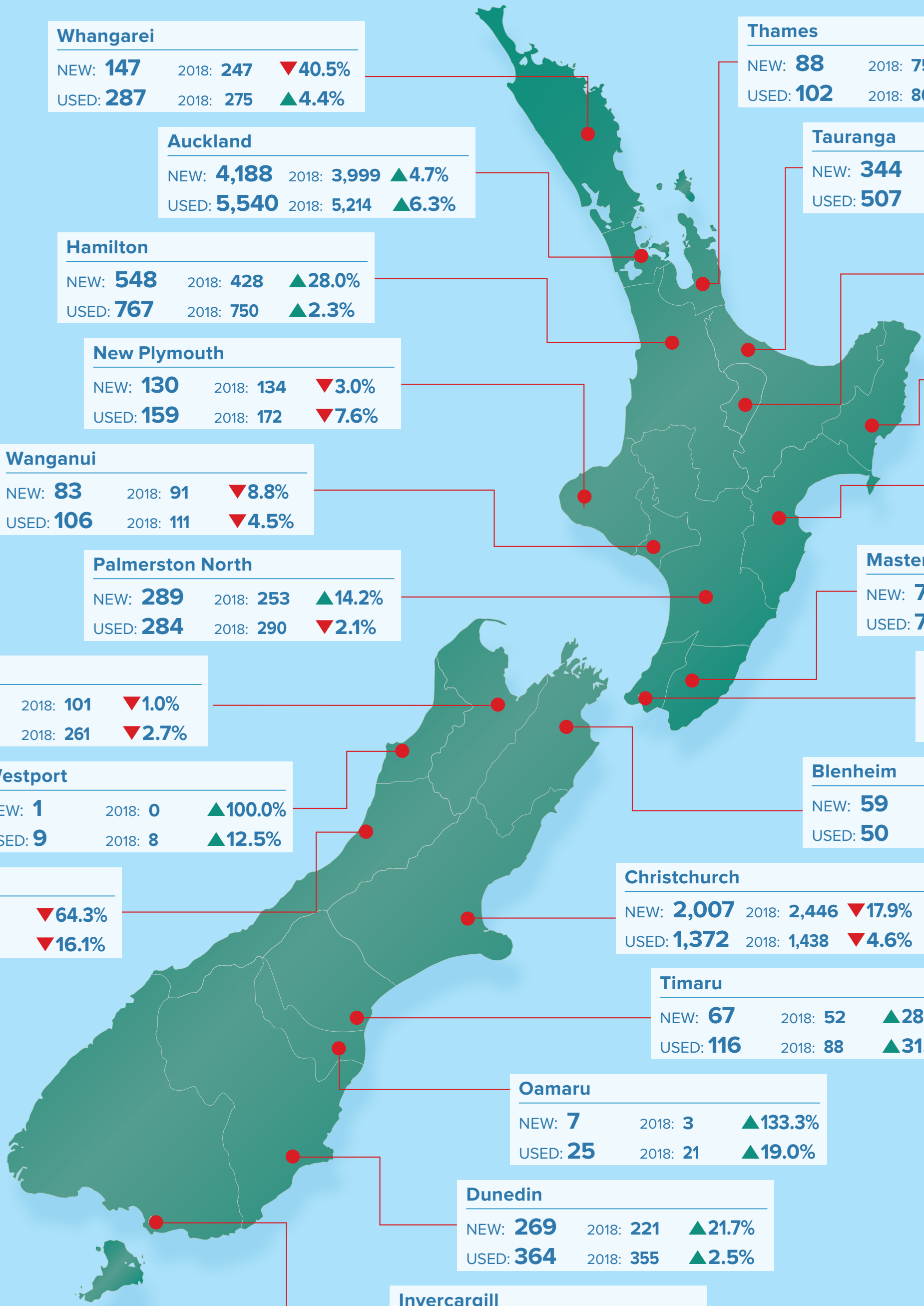
Orders

The trader was ordered to replace the vehicle's IMA battery and pay the purchaser $57.50, which was the cost of having this fault diagnosed.

AROUND THE COUNTRY
November 2019

Total new cars
9,641
2018: 9,543 ▲1.0%

Total imported used cars
11,674
2018: 11,156 ▲4.6%



			2018	
Whangarei	NEW	147	247	▼40.5%
	USED	287	275	▲4.4%
Auckland	NEW	4,188	3,999	▲4.7%
	USED	5,540	5,214	▲6.3%
Hamilton	NEW	548	428	▲28.0%
	USED	767	750	▲2.3%
New Plymouth	NEW	130	134	▼3.0%
	USED	159	172	▼7.6%
Wanganui	NEW	83	91	▼8.8%
	USED	106	111	▼4.5%
Palmerston North	NEW	289	253	▲14.2%
	USED	284	290	▼2.1%
Nelson	NEW	100	101	▼1.0%
	USED	254	261	▼2.7%
Westport	NEW	1	0	▲100.0%
	USED	9	8	▲12.5%
Greymouth	NEW	5	14	▼64.3%
	USED	26	31	▼16.1%
Thames	NEW	88	75	▲17.3%
	USED	102	86	▲18.6%
Tauranga	NEW	344	319	▲7.8%
	USED	507	460	▲10.2%
Rotorua	NEW	143	141	▲1.4%
	USED	181	137	▲32.1%
Gisborne	NEW	36	33	▲9.1%
	USED	75	69	▲8.7%
Napier	NEW	220	202	▲8.9%
	USED	253	238	▲6.3%
Masterton	NEW	79	59	▲33.9%
	USED	78	75	▲4.0%
Wellington	NEW	715	566	▲26.3%
	USED	919	839	▲9.5%
Blenheim	NEW	59	66	▼10.6%
	USED	50	64	▼21.9%
Christchurch	NEW	2,007	2,446	▼17.9%
	USED	1,372	1,438	▼4.6%
Timaru	NEW	67	52	▲28.8%
	USED	116	88	▲31.8%
Oamaru	NEW	7	3	▲133.3%
	USED	25	21	▲19.0%
Dunedin	NEW	269	221	▲21.7%
	USED	364	355	▲2.5%
Invercargill	NEW	116	93	▲24.7%
	USED	200	174	▲14.9%

Imported Passenger Vehicle Sales by Make - November 2019

MAKE	NOV'19	NOV'18	+/- %	NOV'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,844	2,505	13.5	24.4%	28,678	22.2%
Nissan	2,117	2,257	-6.2	18.1%	25,037	19.4%
Mazda	1,925	1,870	2.9	16.5%	20,989	16.3%
Honda	1,220	1,120	8.9	10.5%	14,383	11.2%
Subaru	798	606	31.7	6.8%	7,713	6.0%
Suzuki	585	598	-2.2	5.0%	6,653	5.2%
Mitsubishi	505	445	13.5	4.3%	5,851	4.5%
BMW	362	403	-10.2	3.1%	4,548	3.5%
Volkswagen	355	355	0.0	3.0%	4,066	3.2%
Audi	216	236	-8.5	1.9%	2,360	1.8%
Lexus	146	102	43.1	1.3%	1,427	1.1%
Mercedes-Benz	101	174	-42.0	0.9%	1,511	1.2%
Ford	84	68	23.5	0.7%	831	0.6%
Volvo	46	62	-25.8	0.4%	647	0.5%
Hyundai	35	23	52.2	0.3%	299	0.2%
Holden	34	25	36.0	0.3%	396	0.3%
Land Rover	30	37	-18.9	0.3%	405	0.3%
Jaguar	28	32	-12.5	0.2%	418	0.3%
Jeep	27	21	28.6	0.2%	283	0.2%
Chevrolet	26	36	-27.8	0.2%	399	0.3%
Mini	25	30	-16.7	0.2%	290	0.2%
Chrysler	21	22	-4.5	0.2%	232	0.2%
Dodge	18	18	0.0	0.2%	264	0.2%
Kia	15	5	200.0	0.1%	123	0.1%
Porsche	15	16	-6.3	0.1%	176	0.1%
Renault	15	6	150.0	0.1%	82	0.1%
Peugeot	13	13	0.0	0.1%	103	0.1%
Daihatsu	8	5	60.0	0.1%	65	0.1%
Isuzu	5	5	0.0	0.0%	35	0.0%
Pontiac	5	5	0.0	0.0%	34	0.0%
Plymouth	4	3	33.3	0.0%	27	0.0%
Cadillac	3	4	-25.0	0.0%	53	0.0%
Chrysler Jeep	3	1	200.0	0.0%	20	0.0%
Alfa Romeo	2	2	0.0	0.0%	26	0.0%
Aston Martin	2	1	100.0	0.0%	17	0.0%
Others	36	45	-20.0	0.3%	521	0.4%
Total	**11,674**	**11,156**	**4.6**	**100.0%**	**128,962**	**100.0%**

Imported Passenger Vehicle Sales by Model - November 2019

MAKE	MODEL	NOV'19	NOV'18	+/- %	NOV MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	Axela	618	576	7.3	5.3%	6,758	5.2%
Honda	Fit	517	396	30.6	4.4%	6,212	4.8%
Suzuki	Swift	510	501	1.8	4.4%	5,691	4.4%
Mazda	Demio	430	470	-8.5	3.7%	4,814	3.7%
Toyota	Aqua	417	128	225.8	3.6%	3,163	2.5%
Nissan	Tiida	388	522	-25.7	3.3%	5,183	4.0%
Toyota	Prius	368	400	-8.0	3.2%	3,799	2.9%
Subaru	Impreza	300	194	54.6	2.6%	2,747	2.1%
Mitsubishi	Outlander	293	240	22.1	2.5%	3,377	2.6%
Subaru	Legacy	289	245	18.0	2.5%	2,918	2.3%
Mazda	Atenza	258	231	11.7	2.2%	2,737	2.1%
Toyota	Vitz	253	248	2.0	2.2%	2,714	2.1%
Nissan	Leaf	240	320	-25.0	2.1%	3,074	2.4%
Mazda	Premacy	239	238	0.4	2.0%	2,480	1.9%
Toyota	Corolla	221	157	40.8	1.9%	1,802	1.4%
Toyota	Wish	213	268	-20.5	1.8%	2,855	2.2%
Nissan	Note	197	199	-1.0	1.7%	2,218	1.7%
Nissan	Dualis	187	212	-11.8	1.6%	2,446	1.9%
Toyota	Auris	184	128	43.8	1.6%	1,850	1.4%
Nissan	X-Trail	176	165	6.7	1.5%	1,966	1.5%
Nissan	Serena	166	95	74.7	1.4%	1,341	1.0%
Honda	Stream	149	157	-5.1	1.3%	1,667	1.3%
Toyota	Vanguard	126	66	90.9	1.1%	1,061	0.8%
Toyota	Blade	118	122	-3.3	1.0%	1,234	1.0%
Toyota	Ractis	116	94	23.4	1.0%	1,194	0.9%
Nissan	Juke	112	72	55.6	1.0%	1,060	0.8%
Mazda	CX-5	109	69	58.0	0.9%	1,169	0.9%
Nissan	Skyline	109	101	7.9	0.9%	1,373	1.1%
Honda	CRV	105	86	22.1	0.9%	1,173	0.9%
Mazda	Verisa	98	99	-1.0	0.8%	1,149	0.9%
Honda	Odyssey	96	96	0.0	0.8%	976	0.8%
Nissan	Bluebird	85	97	-12.4	0.7%	1,196	0.9%
Subaru	Forester	80	65	23.1	0.7%	898	0.7%
Toyota	MarkX	80	95	-15.8	0.7%	1,119	0.9%
Honda	Insight	79	61	29.5	0.7%	785	0.6%
Others		3,748	3,943	-4.9	32.1%	42,763	33.2%
Total		**11,674**	**11,156**	**4.6**	**100.0%**	**128,962**	**100.0%**

Trading conditions harder than ever

A businessman with 40 years' experience in the industry believes conditions are tougher now for used-car dealers than ever.

Alan Murrell says the level of discounts and accessibility to cheap finance for new vehicles being offered by marques is having downstream effects on business opportunities for used-car importers and traders.

"Finance and the cost of borrowing have never been so cheap," he told Autofile. "New cars come with good warranties that are often extended to five years and come with three-year service plans. This means they keep customers in their networks so they don't stray elsewhere. That is a marketing ploy by the manufacturers, which is good for their franchises."

Murrell, the owner of Redwood Motors in Rotorua until a few years ago, adds legislation and compliance costs need to be worked into business models.

"When it comes to second-hand cars, under the Consumers Guarantees Act you only have to step slightly out of line – not cross one 't' – because the public's rights are up there.

"Dealers also have to consider the cost of compliance and reconditioning. It's these and the costs of everything as a trader that you have to adhere to. It seems to be crippling many people and the exchange rate isn't helping at the moment. There are lots of factors."

Murrell, who still assists dealers in the city and helps them transport vehicles nationwide, says the industry has changed a lot in New Zealand over the past four decades.

"We have seen changes before and – in the future – there will be more, but dealers seem to be able to adapt to them and carry on with business," he says.

"I can remember the day when the government reduced the 30 per cent tariffs off new cars and we thought it was the end of the world. Dealers lost a lot of money that year, but carried on.

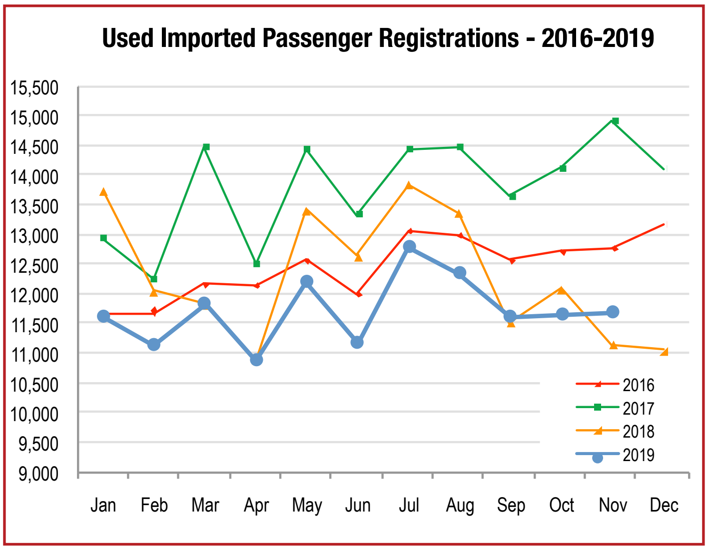
"Then used imports came in and wiped thousands off the price of new-car stock because people rushed to buy the cheap imports. That was followed by the emissions rules coming in. Suddenly, traders couldn't buy various models, so they had to adapt and change. The industry is constantly changing.

"But one of the big things that has happened over the years has been industry deregulation. In the early days, you had to have $100,000 in the bank before you could get a dealer's licence. Today, anyone can get a licence for $500 and that has impacted the second-hand market considerably."

The population of Rotorua has boomed in recent years, which brings with it more opportunities to sell cars.

"I didn't see it coming to be honest, and I don't think anyone saw it coming – even the real-estate agents," says Murrell. "The period I was in business here there was little population growth and we could never convince franchise manufacturers that we weren't a big city, such as Wellington or Christchurch.

"We sold a steady number of new cars each month and it was hard work to keep on top of that. But all of a sudden, our population took off. Now there's a huge shortage of houses in Rotorua – high numbers of people live here who work out of the city and a lot of commuters come to work here every day.



"I think our car dealers are fairly happy. Everyone in business always want to make more profits. However, the market is tough and they do have to work hard to make every deal."

Looking at market trends, Murrell says: "Electric cars are good for driving in our cities, but not over long distances in rural areas because recharging takes too long. I can see a lot of retired people living in cities buying them to cover short distances. But when it comes to replacing batteries in years to come, they may find they're worth more than what the car is."

As for the inexorable rise of SUVs, he says: "If you look at many small SUVs side-on, they are really only five-door hatchbacks with higher roofs and sit higher off the ground.

"The biggest percentage of the population buying new cars is older. As we age, we find it hard to stoop and get into low-slung cars. We need higher seats and that's what SUVs provide. People can now buy a new one in the mid-$20,000 range, which is the same price as a new car. I know what I would rather buy – an SUV."

There was a boost in first-time registrations of used-import cars last month. They jumped by 4.6 per cent in November to 11,674 compared to 11,156 in same month of last year with Mazda's Axela being the most-popular model on 618 units.

Car imports 'can move quickly'

Northport can handle imported cars and light commercials in a matter of months, says Port of Tauranga chairman David Pilkington – adding the facility near Whangarei can accommodate a vehicle vessel.

"I believe cars could come in tomorrow," he says. "The easiest way to reduce congestion in Auckland is to get rid of imported cars. They can quickly move to Northport. All importers need to do is rejig preliminary inspection points for vehicles somewhere north of the harbour bridge or in West Auckland."

Pilkington realises the move will put more car transporters on Northland's roads until a rail line is upgraded, but suggests they could travel at off-peak times. "Northport can adequately service Auckland's car market, while Tauranga could take cars destined for Waikato."

He adds it is inevitable Ports of Auckland Ltd (POAL) should move because its operations at the 76 hectares on the waterfront can reap greater value for the city than as a port.

"A year ago they were saying, 'we know we have to move but it's going to take time'. Of late, it's been more, 'as long as we're not told to move, we will carry on business as normal'."

The Upper North Island Supply Chain Strategy working group, set up by the government, has previously outlined a preferred option of managing POAL's closure.

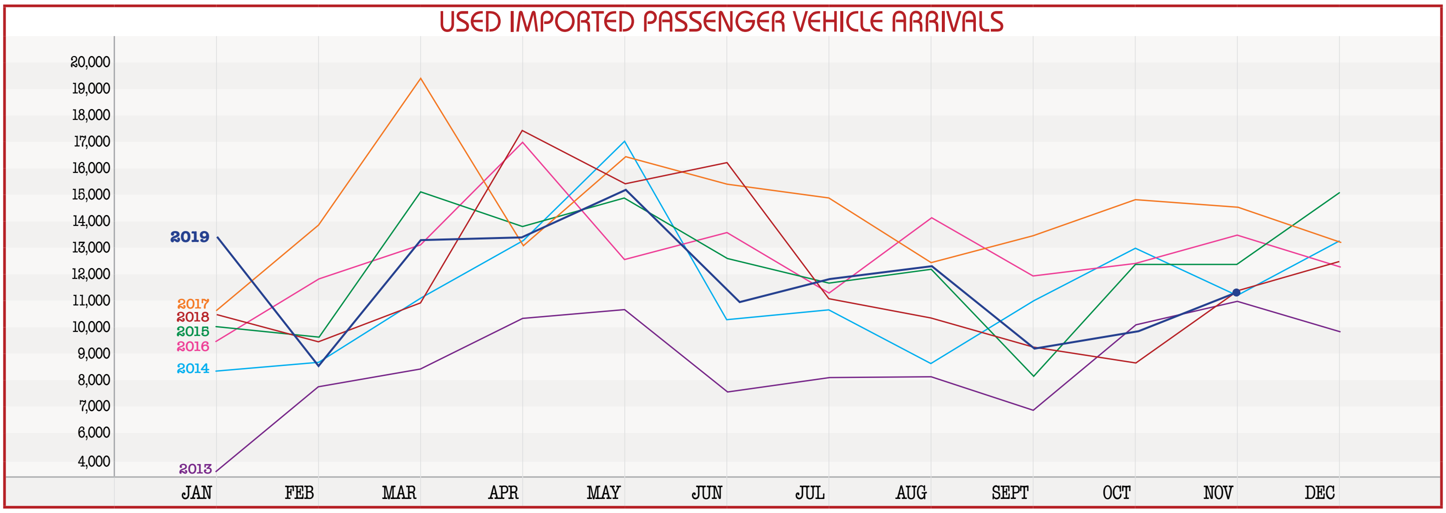
Pilkington says moving Auckland's business would need to be progressive. "I'd do the easy thing first – take the cars away – and, as you build capability at Northport, containers will follow and Tauranga can take up the slack.

"To operate efficiently, this will require significant investment in road and rail connections to Northland. At the end of the day, freight owners will continue to choose the most reliable and cost-effective supply chain."

Meanwhile, Michael Barnett, chief executive of the Auckland Chamber of Commerce, describes moving car imports to Northland as "stupid", and that such a decision shouldn't be influenced by politics.

He says the city is a key destination for freight and any move would leave Aucklanders having to pay "hundreds of dollars per head" to transport goods from Northport, which is part-owned by Port of Tauranga.

As for last month, 11,401 used cars were imported into New Zealand to bring the year-to-date total to 129,109. This is down by 0.9 per cent, from 130,325 units, by this time in 2018.



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	OCT'19	NOV'19	NOV SHARE %	2019 TOTAL	2018 TOTAL	SHARE	2017 TOTAL	SHARE
Australia	277	399	644	487	397	665	531	415	352	301	356	**3.1%**	**4,820**	4,183	2.9%	5,540	3.2%
Great Britain	101	61	72	52	76	39	54	71	94	77	104	**0.9%**	**801**	1,026	0.7%	2,173	1.3%
Japan	12,823	7,839	12,259	12,554	14,404	9,997	11,091	11,594	8,517	9,258	10,670	**93.6%**	**120,993**	134,510	94.2%	160,822	93.8%
Singapore	141	174	144	158	131	117	115	116	157	127	172	**1.5%**	**1,550**	1,531	1.1%	1,202	0.7%
USA	58	44	71	39	59	58	62	41	61	72	65	**0.6%**	**628**	1,108	0.8%	1,419	0.8%
Other countries	33	20	46	26	26	37	25	16	14	40	34	**0.3%**	**317**	415	0.3%	387	0.2%
Total	**13,433**	**8,537**	**13,236**	**13,316**	**15,093**	**10,913**	**11,878**	**12,253**	**9,195**	**9,875**	**11,401**	**100.0%**	**129,109**	**142,773**	**100.0%**	**171,543**	**100.0%**

Hailstorm devastates dealerships

Businesses are dealing with the aftermath of a massive hailstorm that wreaked havoc in south Canterbury.

Car traders in Timaru were left counting the cost of damage to stock and premises on November 20 in the wake of the freak weather.

"All our cars outside were damaged," Kevin Baird, co-owner Norfolk Motors Ltd, told Autofile. "Around 20 to 25 cars were affected, so it was quite bad. There wasn't much we could have done, maybe save a few. We got no warning we were going to be hit by a hailstorm, that's for sure."

John Geels, of Norfolk Motors Ltd, says the dealership estimates about $200,000 worth of damage. "It's hard to put a price on it, but everything was wrecked. It's a huge hit for the company."

Twenty-eight of Geels' cars were affected, which he says is better than bigger dealerships that had between 100 and 200 units damaged.

A spokesman for John Shelton Motors says the business was "definitely one of the lucky ones" because it had a number of newly imported cars ready to be transported from Christchurch when the weather bomb hit.

He adds it has had stock arriving daily from then on, while three vehicles were sold online as part of a storm special. The dealership has been offering pre-accident valuations since the hail struck for owners to work out how much their cars were worth when going to insurance companies.

All 10 units on King Street Cars' yard were damaged with Mark Taylor saying an issue is how long it will take for insurers to determine the way forward. The hailstorm left him with no stock, so he has been sourcing replacements.

And sales manager Darcy Campbell says Access Autos promoted its products as being free of damage after business dried up in the storm's wake.

Despite the crazy weather, Timaru still fared relatively well overall last month when it came to dealer-to-public sales of second-hand cars. They dropped by only two units to 201 – or one per cent – when compared to November 2018. However, trade-ins there tumbled by 47.2 per cent to 67 from 127.

Nationally, dealer transactions were almost static with 19,062 sales compared to 19,048 in November last year, while trades fell by 5.3 per cent from 13,206 to 12,506.

SECONDHAND CAR SALES - November 2019

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	NOV'19	NOV'18	+/- %	MARKET SHARE	NOV'19	NOV'18	+/- %	NOV'19	NOV'18	+/- %
Whangarei	654	684	-4.4	3.43	1,931	1,981	-2.5	234	275	-14.9
Auckland	6,364	6,965	-8.6	33.39	14,232	14,325	-0.6	5,057	5,088	-0.6
Hamilton	1,428	1,424	0.3	7.49	3441	3,223	6.8	1,055	1,099	-4.0
Thames	294	296	-0.7	1.54	649	705	-7.9	213	190	12.1
Tauranga	859	908	-5.4	4.51	2,227	2,147	3.7	578	552	4.7
Rotorua	454	394	15.2	2.38	941	1,032	-8.8	133	177	-24.9
Gisborne	158	178	-11.2	0.83	394	423	-6.9	58	64	-9.4
Napier	635	676	-6.1	3.33	1,544	1,607	-3.9	403	450	-10.4
New Plymouth	404	410	-1.5	2.12	962	936	2.8	199	207	-3.9
Wanganui	233	265	-12.1	1.22	603	632	-4.6	156	154	1.3
Palmerston North	764	818	-6.6	4.01	1,678	1,632	2.8	665	756	-12.0
Masterton	227	233	-2.6	1.19	504	538	-6.3	126	108	16.7
Wellington	1,526	1,560	-2.2	8.01	3,170	3,088	2.7	1,021	1,037	-1.5
Nelson	293	320	-8.4	1.54	1,047	1,044	0.3	174	198	-12.1
Blenheim	160	186	-14.0	0.84	419	437	-4.1	83	75	10.7
Greymouth	80	62	29.0	0.42	185	177	4.5	33	25	32.0
Westport	6	6	0.0	0.03	37	37	0.0	2	0	200.0
Christchurch	3,157	2,249	40.4	16.56	4,908	5,034	-2.5	1,573	1,839	-14.5
Timaru	201	203	-1.0	1.05	557	546	2.0	67	127	-47.2
Oamaru	31	38	-18.4	0.16	132	149	-11.4	3	3	0.0
Dunedin	679	734	-7.5	3.56	2,042	2,068	-1.3	410	498	-17.7
Invercargill	455	439	3.6	2.39	1,064	1,082	-1.7	263	284	-7.4
NZ total	**19,062**	**19,048**	**0.1**	**100.00**	**42,667**	**42,843**	**-0.4**	**12,506**	**13,206**	**-5.3**

New Passenger Vehicle Sales by Make - November 2019

MAKE	NOV'19	NOV'18	+/- %	NOV'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,171	2,076	4.6	22.5%	17,776	18.5%
Kia	884	592	49.3	9.2%	6,759	7.0%
Holden	724	965	-25.0	7.5%	6,693	7.0%
Mazda	693	754	-8.1	7.2%	8,172	8.5%
Hyundai	680	877	-22.5	7.1%	6,883	7.2%
Mitsubishi	648	627	3.3	6.7%	6,832	7.1%
Suzuki	536	507	5.7	5.6%	5,959	6.2%
Nissan	499	408	22.3	5.2%	4,904	5.1%
Honda	412	443	-7.0	4.3%	4,741	4.9%
Ford	366	373	-1.9	3.8%	3,890	4.0%
Volkswagen	272	361	-24.7	2.8%	3,453	3.6%
Subaru	220	277	-20.6	2.3%	3,325	3.5%
Mercedes-Benz	207	211	-1.9	2.1%	2,036	2.1%
BMW	177	120	47.5	1.8%	1,632	1.7%
MG	133	0	13,300.0	1.4%	573	0.6%
Audi	126	133	-5.3	1.3%	1,535	1.6%
Skoda	114	119	-4.2	1.2%	1,370	1.4%
Land Rover	83	88	-5.7	0.9%	1,177	1.2%
Lexus	76	65	16.9	0.8%	824	0.9%
Haval	72	45	60.0	0.7%	652	0.7%
SsangYong	64	32	100.0	0.7%	759	0.8%
Jeep	60	140	-57.1	0.6%	798	0.8%
Tesla	58	15	286.7	0.6%	687	0.7%
Mini	57	37	54.1	0.6%	709	0.7%
Peugeot	52	43	20.9	0.5%	756	0.8%
Jaguar	51	45	13.3	0.5%	519	0.5%
Volvo	44	41	7.3	0.5%	571	0.6%
Porsche	26	23	13.0	0.3%	400	0.4%
Citroen	24	15	60.0	0.2%	268	0.3%
Mahindra	19	0	1,900.0	0.2%	144	0.1%
Renault	18	19	-5.3	0.2%	219	0.2%
Isuzu	16	21	-23.8	0.2%	192	0.2%
Seat	15	10	50.0	0.2%	169	0.2%
Yamaha	9	12	-25.0	0.1%	58	0.1%
Can-Am	8	4	100.0	0.1%	74	0.1%
Others	27	45	-40.0	0.3%	602	0.6%
Total	**9,641**	**9,543**	**1.0**	**100.0%**	**96,111**	**100.0%**

New Passenger Vehicle Sales by Model - November 2019

MAKE	MODEL	NOV'19	NOV'18	+/- %	NOV MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	RAV4	881	512	72.1	9.1%	4,868	5.1%
Toyota	Corolla	658	739	-11.0	6.8%	5,899	6.1%
Kia	Seltos	400	0	40,000.0	4.1%	457	0.5%
Mazda	CX-5	277	251	10.4	2.9%	3,118	3.2%
Mitsubishi	Outlander	269	176	52.8	2.8%	2,621	2.7%
Nissan	Qashqai	260	162	60.5	2.7%	2,380	2.5%
Kia	Sportage	218	282	-22.7	2.3%	3,160	3.3%
Mitsubishi	ASX	194	247	-21.5	2.0%	2,452	2.6%
Nissan	X-Trail	194	184	5.4	2.0%	1,905	2.0%
Suzuki	Swift	184	258	-28.7	1.9%	2,671	2.8%
Suzuki	Vitara	183	83	120.5	1.9%	1,293	1.3%
Toyota	Landcruiser Prado	168	120	40.0	1.7%	1,031	1.1%
Hyundai	Tucson	163	134	21.6	1.7%	2,283	2.4%
Hyundai	Kona	148	123	20.3	1.5%	1,722	1.8%
Holden	Trax	144	121	19.0	1.5%	1,049	1.1%
Holden	Acadia	140	47	197.9	1.5%	952	1.0%
Honda	HR-V	128	135	-5.2	1.3%	1,418	1.5%
Volkswagen	Tiguan	127	182	-30.2	1.3%	1,374	1.4%
Hyundai	Santa Fe	126	187	-32.6	1.3%	1,388	1.4%
Honda	CRV	120	169	-29.0	1.2%	1,400	1.5%
Holden	Astra	118	138	-14.5	1.2%	786	0.8%
Honda	Jazz	118	87	35.6	1.2%	1,404	1.5%
Mitsubishi	Eclipse Cross	117	171	-31.6	1.2%	1,065	1.1%
Mazda	CX-3	104	102	2.0	1.1%	1,006	1.0%
Toyota	Yaris	104	187	-44.4	1.1%	1,590	1.7%
Hyundai	Elantra	100	0	10,000.0	1.0%	203	0.2%
Mazda	Mazda3	99	174	-43.1	1.0%	1,402	1.5%
Holden	Commodore	98	159	-38.4	1.0%	1,585	1.6%
Kia	Carnival	96	80	20.0	1.0%	366	0.4%
Holden	Trailblazer	95	42	126.2	1.0%	498	0.5%
Mazda	Mazda2	92	81	13.6	1.0%	985	1.0%
Toyota	Camry	87	32	171.9	0.9%	1,036	1.1%
MG	3	84	0	8,400.0	0.9%	329	0.3%
Ford	Escape	83	114	-27.2	0.9%	968	1.0%
Ford	Focus	83	70	18.6	0.9%	847	0.9%
Others		3,181	3,994	-20.4	33.0%	38,600	40.2%
Total		**9,641**	**9,543**	**1.0**	**100.0%**	**96,111**	**100.0%**

Clean car ideas have ‘flaws’

The government has again come under fire for its clean-car proposals with the chairman of Colonial Motor Company (CMC) describing them as “poorly thought out” and containing “numerous flaws”.

Jim Gibbons says New Zealand needs to move towards a “cleaner, greener, safer fleet”, but suggests policymakers have “little understanding” of the local market.

Associate Minister for Transport, Julie Anne Genter, has proposed a two-pronged approach to cut carbon-dioxide emissions from light vehicles. A clean-car standard would aim to penalise importers of high-emitters at the border, while a clean-car discount would see consumers pay fees on higher polluting models at first registration.

Gibbons says problems with the plans “are in the details”. For example, proposed penalties on new-vehicle importers are double those for used vehicles and private importers paying nothing.

“If there’s going to be a tax on emissions, why should second-hand imports be taxed at half the rate? Private imports would flourish. The importer would [also] have to pay the tax at the end of a year and it could be significant. The tax would have to be passed onto the consumer as a general price increase.

“It will not be clear how much tax applies to a given vehicle. Smaller, lower-priced new vehicles are generally price-sensitive. Perversely, smaller, lower-emitting vehicles will probably become uneconomic to bring in.”

Gibbons also takes umbrage with the feebate scheme. The current proposals mean some models would attract a levy under the clean-car scheme and then get a rebate.

“There are numerous problems, but they are indicative of a poorly structured proposal – not the core of the proposal itself. But deep down we have to look at how we can reduce transport emissions. There will have to be changes, but changes have to be effective.”

Gibbons says changing the mix of New Zealand’s fleet is essential, but will take time. He adds: “New lower-emission technology is wider than just electric vehicles [EVs]. A well-designed feebate scheme can be part of a package to influence demand to lower emissions.

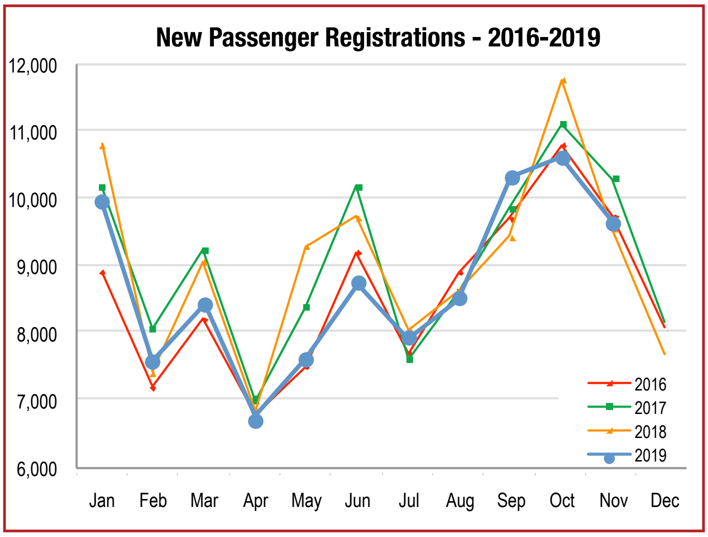
“CMC has recommended a feebate proposal whereby a vehicle is assessed when it is imported and that tax is shown on the compulsory consumer identification notice at point of sale.

“New, used and private imports should be taxed at the same rate. We recommended the average be set at a level that’s neutral towards small light cars with efficient petrol or diesel engines, so the scheme in total is tax-neutral.”

As for EVs, Gibbons describes sales as slow. “Dealerships report significant interest, but that doesn’t continue into transactions. At around $60,000 to $75,000, price to value is a major objection.

“At the media and political level, there’s huge interest in EVs, but this hasn’t translated into sales – in part, due to unrealistic expectations. The price gap between an equivalent petrol vehicle and a new battery electric is material and higher than most customers are prepared to pay.

“New models come out with vastly superior ranges, making the previous model obsolete. What will be the impact of cheaper, but short distance, Chinese EVs? Are full hybrids, mild hybrids or plug-ins good enough? Only one thing is certain, the new technology will cost more to purchase. The cost is exacerbated when the alternative is a cheap second-hand import.”



Gibbons adds the prospect of autonomous cars dominating our roads had diminished despite media enthusiasm. “Today, there’s a quieter acknowledgement full level-five autonomy may never occur. Meantime, some of that technology is appearing in modern cars, but not the full revolution predicted only a few years ago.”

Although CMC’s profits for the year to June 2019 were down by 10.9 per cent compared to the previous fiscal year, as previously reported by Autofile, the company considers it to have been a successful period and its “second best year on record”.

“The June 2018 financial year was exceptional as the company benefited from a very favourable economic environment with strong consumer and business confidence,” says Gibbons. “In the past year, there was a gradual change of sentiment in the face of more uncertainty. It was not dramatic, but impacted on our results.

“That uncertainty continues and has impacted on our results for the first quarter of this year, down on the same period last year, and shared equally between car dealerships and heavy trucks.

“The total new-vehicle industry for calendar year 2019 is expected to be down on 2018. The total decline isn’t great. Mid-term projections are for numbers to level off at the current level, not continue to decline.”

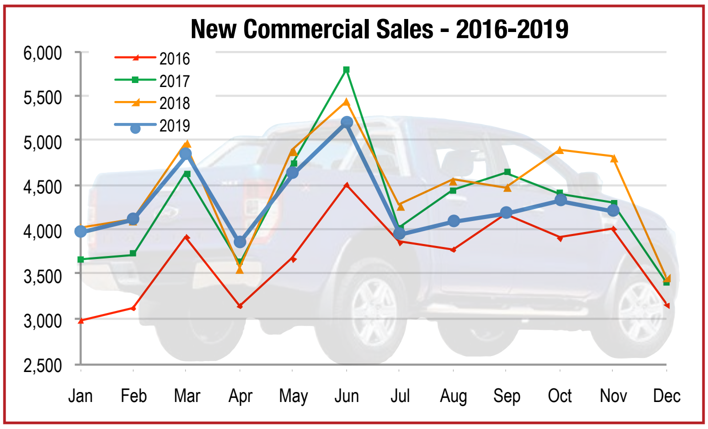
There were 9,641 new cars sold in New Zealand last month, which was a one per cent increase from 9,543 in November 2018. The best-selling model was the Toyota RAV4 on 881 units.

Ranger extends huge lead

The Ford Ranger has all but retained top spot as New Zealand's best-selling ute by selling 907 units last month to bring its year-to-date total to 9,021 – 2,340 units ahead of Toyota's Hilux. Mitsubishi's Triton is in third spot with 4,993 followed by Holden's Colorado on 4,483.

The results come on the back of disappointing overall new commercial-vehicle sales in November. There were 4,210 units sold last month for a 12.6 per cent decrease from 4,816 during the same month of last year.

Sam Kirk is sales manager at Wayne Kirk Prestige in Hastings and Napier, which holds franchises for Mitsubishi and Jeep, as well as stocking some used vehicles.



"The market is losing its consistency, but we're still doing the numbers overall," he told Autofile. "Every time you turn on the television or hear the news, the economy generally isn't doing that well. But from what we hear, particularly in Hawke's Bay, everyone is busy and there's so much going on that I don't understand how the economy is supposedly in such trouble.

"The lucky thing for us is we have Mitsubishi, which has some of the cheapest new vehicles in the market and the marque really pushes the brand, so that shields us a bit."

Kirk predicts the motor-vehicle industry may have a small decline over the next 12 months with trading conditions getting hard, "but I can't see it being an absolute disaster".

"There's a lot of construction work out there and farmers are having an incredible season, and it's those guys who are buying from us," he adds. "We're selling a lot of the Triton. We've done more than 200 of them in the Hawke's Bay this year with most of them going to small and medium-sized fleets."

New Commercial Sales by Make - November 2019

MAKE	NOV'19	NOV'18	+/- %	NOV'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	994	1,064	-6.6	23.6%	10,125	21.3%
Toyota	939	1,023	-8.2	22.3%	8,996	18.9%
Mitsubishi	394	487	-19.1	9.4%	4,997	10.5%
Holden	315	431	-26.9	7.5%	4,552	9.6%
Isuzu	262	304	-13.8	6.2%	2,887	6.1%
Nissan	213	286	-25.5	5.1%	3,115	6.6%
Mazda	184	156	17.9	4.4%	2,200	4.6%
Mercedes-Benz	180	173	4.0	4.3%	1,329	2.8%
Volkswagen	102	128	-20.3	2.4%	1,283	2.7%
Fiat	98	121	-19.0	2.3%	717	1.5%
Hino	70	67	4.5	1.7%	673	1.4%
LDV	65	159	-59.1	1.5%	1,200	2.5%
Fuso	55	60	-8.3	1.3%	787	1.7%
Great Wall	50	30	66.7	1.2%	387	0.8%
Hyundai	46	44	4.5	1.1%	878	1.8%
Iveco	33	25	32.0	0.8%	323	0.7%
SsangYong	33	5	560.0	0.8%	435	0.9%
Scania	27	12	125.0	0.6%	234	0.5%
UD Trucks	23	25	-8.0	0.5%	239	0.5%
Ram	16	3	433.3	0.4%	142	0.3%
Others	111	213	-47.9	2.6%	1,981	4.2%
Total	**4,210**	**4,816**	**-12.6**	**100.0%**	**47,480**	**100.0%**

New Commercial Sales by Model - November 2019

MAKE	MODEL	NOV'19	NOV'18	+/- %	NOV MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	Ranger	907	994	-8.8	21.5%	9,021	19.0%
Toyota	Hilux	648	741	-12.6	15.4%	6,681	14.1%
Mitsubishi	Triton	392	487	-19.5	9.3%	4,993	10.5%
Holden	Colorado	312	427	-26.9	7.4%	4,483	9.4%
Toyota	Hiace	269	259	3.9	6.4%	2,029	4.3%
Nissan	Navara	213	286	-25.5	5.1%	3,114	6.6%
Mazda	BT-50	184	156	17.9	4.4%	2,200	4.6%
Isuzu	D-Max	146	159	-8.2	3.5%	1,699	3.6%
Mercedes-Benz	Sprinter	132	132	0.0	3.1%	789	1.7%
Fiat	Ducato	98	121	-19.0	2.3%	713	1.5%
Ford	Transit	87	70	24.3	2.1%	1,103	2.3%
Volkswagen	Amarok	54	70	-22.9	1.3%	624	1.3%
Isuzu	F Series	54	51	5.9	1.3%	530	1.1%
Great Wall	Steed	50	30	66.7	1.2%	387	0.8%
Hyundai	iLoad	45	43	4.7	1.1%	838	1.8%
Isuzu	N Series	45	68	-33.8	1.1%	429	0.9%
Hino	500	37	36	2.8	0.9%	361	0.8%
SsangYong	Rhino	32	0	3,200.0	0.8%	419	0.9%
Mercedes-Benz	X-Class	27	5	440.0	0.6%	316	0.7%
LDV	V80	24	46	-47.8	0.6%	465	1.0%
Others		454	635	-28.5	10.8%	6,286	13.2%
Total		**4,210**	**4,816**	**-12.6**	**100.0%**	**47,480**	**100.0%**

Used vans to be in short supply

A dealer in South Auckland believes there will be insufficient numbers of used vans available in Japan with electronic stability control (ESC) when the final implementation of the regulation rolls out in March.

"We've got a bit of a wait-and-see period ahead with the new rules coming in," says Bill Julian, of NZ Light Commercials in Takanini.

Many older commercials don't have ESC fitted and Julian notes new Toyota Hiaces with the system installed have only been available in Japan "for about 20 months".

This means that there will be a gap in the used market when it comes to used vans for the New Zealand market, but he will be trying to fill that in by buying locally.

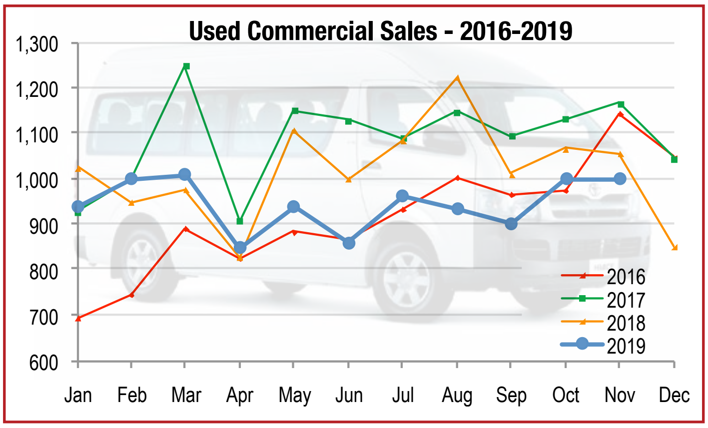
Julian adds: "Will there be enough of those vehicles locally? The answer is probably no, but hopefully the franchise guys know we're there to use the stock.

"We've also got to pick the truck side of things up here because the van side will fall away because of ESC and we won't have the numbers we normally have.

"No one vehicle has been standing out in our sales across the board. With summertime here, we will see a bit more uptake in chiller stock. Otherwise, it's down to us working our customers hard and letting clients know what's coming in.

"About 40 per cent of stuff that we're selling we are getting half-margin because we're having to pay a premium in Japan, rather than us not getting a good price here. It's either do that or you don't have the stock. Without that, you don't get sales."

Last month, there were 999 used imported commercials registered for the first time. This was down by 5.3 per cent compared to November 2018 when 1,055 were sold.



Used Commercial Sales by Make - November 2019

MAKE	NOV'19	NOV'18	+/- %	NOV'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	448	448	0.0	44.8%	4,713	45.3%
Nissan	212	206	2.9	21.2%	2,395	23.0%
Fiat	50	64	-21.9	5.0%	182	1.8%
Isuzu	47	48	-2.1	4.7%	486	4.7%
Mazda	46	61	-24.6	4.6%	489	4.7%
Ford	44	59	-25.4	4.4%	431	4.1%
Hino	34	32	6.3	3.4%	402	3.9%
Mitsubishi	33	31	6.5	3.3%	332	3.2%
Holden	14	18	-22.2	1.4%	163	1.6%
Volkswagen	10	5	100.0	1.0%	102	1.0%
Chevrolet	9	13	-30.8	0.9%	141	1.4%
Mercedes-Benz	5	8	-37.5	0.5%	44	0.4%
Daihatsu	4	1	300.0	0.4%	37	0.4%
Hyundai	4	1	300.0	0.4%	19	0.2%
UD Trucks	4	1	300.0	0.4%	22	0.2%
Land Rover	3	4	-25.0	0.3%	12	0.1%
Mitsubishi Fuso	3	4	-25.0	0.3%	34	0.3%
Renault	3	4	-25.0	0.3%	30	0.3%
Suzuki	3	10	-70.0	0.3%	60	0.6%
Volvo	3	0	300.0	0.3%	31	0.3%
Others	20	37	-45.9	2.0%	269	2.6%
Total	**999**	**1,055**	**-5.3**	**100.0%**	**10,394**	**100.0%**

Used Commercial Sales by Model - November 2019

MAKE	MODEL	NOV'19	NOV'18	+/- %	NOV MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Hiace	356	341	4.4	35.6%	3,574	34.4%
Fiat	Ducato	50	64	-21.9	5.0%	181	1.7%
Nissan	Caravan	49	66	-25.8	4.9%	663	6.4%
Nissan	NV200	47	37	27.0	4.7%	558	5.4%
Mazda	Bongo	37	47	-21.3	3.7%	361	3.5%
Toyota	Dyna	35	32	9.4	3.5%	400	3.8%
Nissan	NV350	35	32	9.4	3.5%	446	4.3%
Isuzu	Elf	34	32	6.3	3.4%	338	3.3%
Nissan	Vanette	31	37	-16.2	3.1%	276	2.7%
Nissan	Atlas	30	14	114.3	3.0%	243	2.3%
Toyota	Regius	29	31	-6.5	2.9%	310	3.0%
Hino	Dutro	23	23	0.0	2.3%	266	2.6%
Ford	Transit	22	31	-29.0	2.2%	110	1.1%
Mitsubishi	Canter	17	21	-19.0	1.7%	169	1.6%
Holden	Colorado	12	7	71.4	1.2%	85	0.8%
Nissan	Navara	12	6	100.0	1.2%	99	1.0%
Toyota	Toyoace	11	18	-38.9	1.1%	218	2.1%
Ford	Ranger	10	12	-16.7	1.0%	140	1.3%
Hino	Ranger	9	6	50.0	0.9%	140	1.3%
Mitsubishi	Triton	9	3	200.0	0.9%	65	0.6%
Others		141	195	-27.7	14.1%	1,752	16.9%
Total		**999**	**1,055**	**-5.3**	**100.0%**	**10,394**	**100.0%**

Freak weather causes mayhem

Franchises have been left to count the cost of repairs to hundreds of vehicles after a storm battered Timaru.

The severe weather on November 20 resulted in hail stones the size of golf balls wrecking cars' bodywork, windscreens and lights, while some dealers needed to fix up their premises.

David Hunt, branch manager of Holland's Suzuki Cars, says the storm hit just after noon and affected all 30 cars parked on-site.

"It damaged every car on our yard and did an incredible amount of damage around the town," he told Autofile. "I would estimate we've had about $30,000 to $40,000 of damage. The sky blackened over and started belting down. We had two people standing in a building and we couldn't hear each other. I've never seen anything like it.

"We've got a head office in Christchurch and can pull stock from there, so it's the inconvenience of getting stock here assessed and repaired that's affecting us. We'll put in insurance claims and go through that process, but most importantly no one was hurt."

Hyundai South Canterbury was also affected with marketing co-ordinator Sophie Conroy saying all stock was hit. "It was hectic and loud. We've also had damaged cars and wet carpet in our offices, so we've seen better days. It was pretty much dents in roofs and bonnets. Our area of town got hit quite hard, so we took a decent hammering.

"Afterwards, we had to get a few desks out of the offices and dry carpets out a bit. We also had a leaky roof in a couple of places and we need to replace some ceiling tiles."

South Canterbury Toyota says about 100 vehicles need repairs. "Every one of our vehicles was damaged – from broken windscreens and panels to tail-lights," says branch manager Mark Patterson, who gave employees time off so they could check their homes.

Brian Downing, manager of Caroline Mitsubishi, says roof skylights were damaged and the building was flooded. He reports more than 30 vehicles were "decimated". All stock on his yard was hit – even some inside.

As for November's industry statistics, the new-car import total of 9,408 was up by a massive 20.3 per cent, or 1,588 units, on the same month of last year and was up by 16 per cent on October's 8,122 units.

Registrations of new cars came in at 9,641, which was up by one per cent on November 2018, but down by 9.2 per cent on the previous month's tally of 10,622 units.

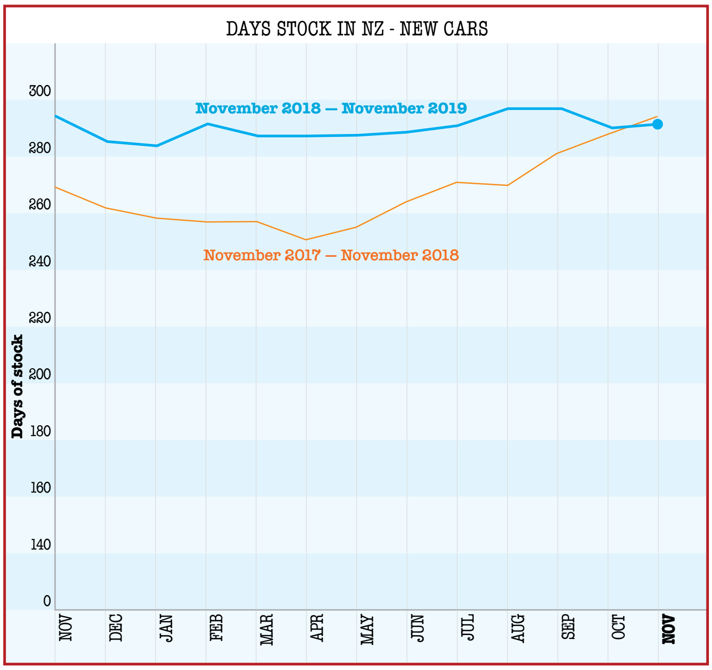
When taking into account the total number of new-car imports during November minus registrations, there was a decrease in stock by 233 units, which led to stock on-hand falling to 81,772 units. That amount means there are 288 days' stock on-hand, or nine-and-a-half months' supply on dealers' yards or in storage – if sales continue at their current rate.

The amount of stock on-hand is up by 1.7 per cent when compared to the same month of last year. November's daily average sales continued to fall to sit at 284, down from 298 in November 2018.

Year to date, 95,814 new cars have been imported, while 96,111 cars have been registered leaving a variance of 297 units. ⊕

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
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	9,534	7,925	1,609	82,420	285	289
Aug '19	9,907	8,506	1,401	83,821	285	294
Sep '19	11,006	10,322	684	84,505	287	294
Oct '19	8,122	10,622	-2,500	82,005	284	289
Nov '19	**9,408**	**9,641**	**-233**	**81,772**	**284**	**288**
Year to date	**95,814**	**96,111**	**(297)**			
Change on last month	**16%**	**-9.2%**		**-0.3%**		
Change on Nov 2018	**20.3%** MORE IMPORTED	**1.0%** MORE SOLD		**1.7%** MORE STOCK		



Slight increase in used car stock

The amount of used stock sitting on dealers' yards climbed by 1.1 per cent In November compared with the same month of 2018, but it was down by 0.9 per cent on October's tally. It currently sits at 28,677 units, the lowest it has been all year.

The increase was largely due to a climb in the number of used passenger vehicles crossing the border in November compared to the previous month.

There were 11,401 units imported last month, an increase of 15.5 per cent from October's total of 9,875. The number of used-car imports for November was also 100 units more than in the same month the year before.

The stock figures were also affected by a 4.6 per cent increase in registrations – a total of 11,674 units – during November when compared with the 11,156 in November 2018. The latest monthly registrations were only up 0.1 per cent from October.

Year to date, 129,109 used cars have entered the country and 130,170 units sold, which has reduced stock numbers to 28,677 units.

Stock on-hand fell to 74 days last month, which is the second-equal lowest figure this year and down from the high of 87 days in May and June. Average daily sales stood at 387 – 26 fewer units per day than in November of last year.

November certainly was a wild month when it came to New Zealand's weather affecting the market with Timaru's giant hailstones and a tornado in Christchurch.

Michael Choi, owner of DJ Auto Vehicle Importer, is grateful no one got hurt after the destructive vortex of violently rotating winds ripped the roof off his business in the city on November 18.

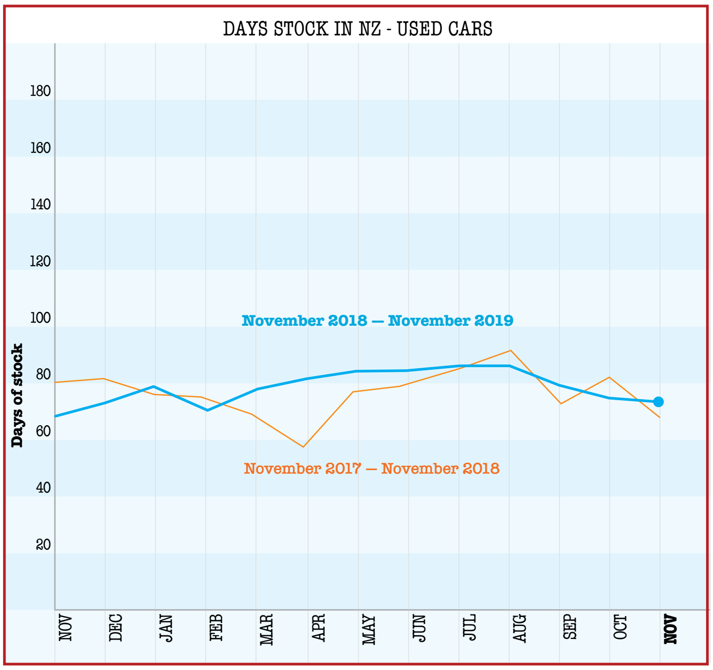
A video captured by a neighbouring office worker, which can be viewed on Autofile Online, shows the moment the when bits were removed from his premises in Wordsworth Street, Sydenham, and debris was thrown skywards.

"I could see the storm coming from the other side of town," says Choi. "It was coming towards us and I could see lots of things in the sky. I was inside the building, heard a banging noise and afterward saw how much damage had been done. We need a new roof, and there were some small dents and damaged windscreens on cars."

Choi, who has been running DJ Auto for 16 years, says about six of 120 cars on-site were damaged. "Until we get the new roof on the building, we won't be operating at 100 per cent. This was worse for us than the earthquakes. We suffered more damage because of this tornado than the earthquakes."

Jeff Judd, the owner-operator of Magnum Compliance, rushed to close the roller doors of his Telford Street-based business when he saw corrugated iron and roofing 30 metres in the air. Fire crews closed Wordsworth Street for about an hour to clear roof debris from the road.

It is believed two people in the city were injured when the tornado, which lasted for about 10 minutes, struck while it was also hailing. The storm briefly cut power to more than 1,000 properties across Christchurch and even left part of a tree upside down in powerlines.



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
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	11,857	12,791	-934	33,273	389	85
Aug '19	12,253	12,353	-100	33,173	386	86
Sep '19	9,195	11,630	-2,435	30,738	387	79
Oct '19	9,875	11,663	-1,788	28,950	386	75
Nov '19	**11,401**	**11,674**	**-273**	**28,677**	**387**	**74**
Year to date	**129,109**	**130,170**	**(1,061)**			
Change on last month	**15.5%**	**0.1%**		**-0.9%**		
Change on Nov 2018	**0.9%** MORE IMPORTED	**4.6%** MORE SOLD		**1.1%** MORE STOCK		

Santa's in for some fun!

Autohub wishes everyone fun and laughter over the holidays too, and we look forward to being of service to you in 2020!

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