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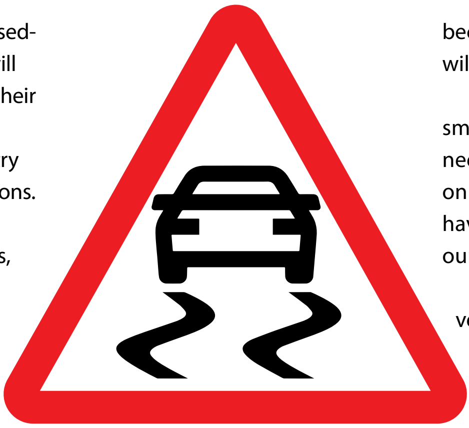
Dealers prepare to change model mix

The make-up of used light vehicles on car yards across the country is likely to change in mid-2020, warn experts



Some popular models of used-imported cars and vans will become conspicuous by their absence in New Zealand by the middle of this year as the industry feels the impact of new regulations.

Greg Hedgepeth, chief executive officer of Turners Cars, is among many in the industry expecting the final phase of the electronic stability control (ESC) rule to have wide-ranging implications.

March 1, 2020, is the cut-off date for used light passenger and goods vehicles with engines of less than two litres in capacity to be border-checked for ESC. It means all light vehicles – new and used – will be on a level playing field with the rule having been progressively applied to other parts of the market over the past six years.

Given the vast majority of used imports are border-checked in Japan, the rule means the last of what will be non-compliant stock is likely to arrive in this country during April and possibly May.

It's widely anticipated major shortfalls for dealers to acquire ever-popular used models – such as Nissan Tiidas, Mazda Axelas, Suzuki Swifts, Honda Fits and Toyota Hiaces – are likely to be visible on yards here from May.

However, Hedgepeth warns it will be some time before the full effects of the restriction on used imports will be known.

He told Autofile the whole of the industry will eventually have to adapt to the new regulations because many lower-end models will no longer be viable.

"End-users looking to buy smaller imported cars or vans will need to pay higher prices because only more recent variants will have ESC. We're already adapting our buying."

As for New Zealand's used-vehicle market, Hedgepeth predicts further consolidation with trader numbers because a reasonable proportion of used-imported stock sold by many dealers will no longer be available.

"Some may pivot into a different stock profile but – based on what I've heard – others may simply concede, citing 'it's all just getting too hard'," he says.

"With dealer numbers dropping and likely to drop further, this represents an opportunity for remaining used-vehicle retailers as there will be less competition in the market.

"We will only really have a clear picture by mid-2020 because I suspect there has been some

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GUEST EDITORIAL

Time to be positive about our economy

Rod Milner shares some personal musings on the year that was for the automotive industry

ROD MILNER
Rod Milner Motors

Last year was what I would describe as a Clayton's recession – the market was down, but few people seemed to want to admit that it was.

My opinion is that the motor-vehicle industry exists within an economy that's waiting for the next downturn, even in boom times. We need to change this mind-set and start planning more positively.

Sales in our industry didn't go as well in 2019 as in the previous two years. And, like other retail sectors, dealerships' businesses and profits often revolve around circumstances that out of our control.

Consumer interest wanes for a variety of reasons, such as a US-China trade war, a government's budget decisions, high housing costs, exchange rates fluctuating and a sales tax increase in Japan.

Our population is ageing and, as people get older, they can get more risk-averse. They don't know what's around the corner and may avoid spending money.

Even enjoyable distractions, such as the rugby world cup, can impact on trade – who wants to buy a car when that's on the television for a month?

An issue I had last year was recruiting staff. After advertising for a fabricator, I got no applications. And it's hard to even find a builder or plumber. A lot of this is down to fewer apprentices being trained who go on to become skilled tradespeople, but we need more of them coming into our industry.

As for recent governments, I feel we've all been sold a pup with their views on electric vehicles. Who can afford them? It's not a matter or more subsidies or anything like that. The market should be left to itself to evolve and sales will come when the market is right.

More government interference is coming in March with the electronic stability control rule. Used imports with it fitted would have been entering our fleet in four or five years' time anyway. However, we're now likely to get a huge "bubble" as with the emissions rule some 15 years ago, as well as the same old crap being recycled in the market.

This sort of interference doesn't make the automotive market any better. It simply distorts it. I don't think anyone in the Beehive is bothered, for instance, that many tradies will no longer be able to buy reasonably priced, decent used vans imported from Japan.

There are now far too many vehicles being sold privately, at least as many as those being sold by dealers.

Perhaps private sellers should be taxed one per cent of sale the price and then we would have money to improve our roads, which are in a disgusting state. Such a tax could be in place of GST that couldn't be collected from private sellers.

And as for the decade ahead? We must all be prepared to go with whatever changes come, but we do need less government interference in our industry. It should allow the market to decide what happens with our fleet.

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bulk buying-up of non-ESC used-import stock going on over the past few months in anticipation of the rule change."

Hedgepeth adds it's important to note while the overall market for used-import sales dropped back in 2019 compared to the year before, the numbers crossing our borders over the past few months have increased over the same period of 2018.

"This could be dealers have confidence in the market for this year, but I would be surprised if that's the case because the metrics we analyse don't support that."

The ESC rule has been rolled out in different stages after an amendment to the Land Transport Rule: Light Vehicle Brakes 2002 was announced in July 2014, which mandated ESC for light vehicles entering the fleet. It first applied to new light passenger and goods vehicles from July 2015. From March, all imports will have to comply.

The rule was described as a "key deliverable" by the Ministry of Transport in its Safer Journeys Action Plan.

However, Hedgepeth is far from alone in the industry by describing it as "debatable" if the ESC rule will result in a major net gain for the safety of our light-vehicle fleet – especially in the near future.

"I'm a big supporter of safer vehicles on our roads, but if people can no longer get imports at prices they want, they may hold onto cars for longer or look for inventory already in the country that doesn't have ESC – at a price-point they can afford.

"In the longer term, this could be a positive move when it comes to our fleet's safety, but stock coming into the country will be at a higher price-point. The question is how many people will pay a bit more or look for alternatives if budgets are fixed.

"When vehicles come to the end of their lives, bills to maintain them get bigger, but it may be more cost-effective for people to keep and repair them. It's going to be interesting to how it all unfolds.

"A good solution would be to look at vehicles already in our fleet and how we could get more of the older, unsafe ones off our roads as used imports only represent a fraction of that fleet."

As for more immediate impacts on business models, Hedgepeth says: "The ESC rule is going to affect everyone and it's difficult to ascertain exactly what the impact will be.

"For one thing, it's tricky to broadly identify exact models and variants that have or haven't got it fitted. However, we're estimating about one-quarter of our current import stock mix will no longer be able to be brought in, but it could be far higher for the rest of the market.

"Even though imports are a very small proportion of our overall business and a fraction of our total sales, the rule will have an impact. We're already well-advanced with our planning to address it."

Greg Hedgepeth

Turners is now working with its agents in Japan to ensure it only brings in cars with ESC as well as looking at alternatives – different models, price segments and cars with different mileages.

"We're confident with plans we have in place and we should be able to minimise most of the impact," adds Hedgepeth.

'PRICE WAR' POSSIBLE

A change in market conditions

Checking compliance

The Mazda Axela, Honda Fit and Suzuki Swift were New Zealand's top three models in 2019 for first-time registrations. But with so many variants available, ensuring ESC-compliance come March 2020 is essential for car dealers.

Autofile has compiled what variants in the top three may or are likely to have ESC fitted from VIA's database. In this issue, we look at Fits and Swifts – Axelas appeared in our December issue.

VIA's search results are based on date of manufacture with production-run dates in brackets by month and year. Some variants may only have ESC if four-wheel drive (4WD), are fitted with a continuously variable transmission (CVT) or have a certain engine type.

No Fits are listed as having ESC from 2001-06 and likewise Swifts from 2001-08.

HONDA FIT

2007 variant may have ESC: RS 5F (10/2007 to 11/2009).

2008 variants may have ESC: RS 5F (10/2007 to 11/2009). RS Highway 5F (06/2008 to 11/2009).

2009 variants may have ESC: RS 5F (10/2007 to 11/2009). RS 5F (11/2009 to 10/2010). RS Highway (06/2008 to 11/2009).

2010 variant may have ESC: RS 5F (11/2009 to 10/2010).

2010 variants likely to have ESC: RS, G CVT, G Smart Selection CVT, X CVT (10/2010 to 05/2012).

2011 variants likely to have ESC: RS, G CVT, G Smart Selection CVT, X CVT (10/2010 to 05/2012). G 10th Anniversary 2 CVT, RS 10th Anniversary (10/2011 to 05/2012).

Dan Buckley

brought about by the ESC rule may result in a price war around the same time as consumers face paying high prices for used imports.

Dan Buckley, chief executive officer of 2 Cheap Cars, warns sticker prices are likely to go up by a few thousand dollars come 2020's fourth quarter when lower-priced stock without the system installed is no longer on yards in New Zealand in the quantities they are now.

"There may be a degree of stockpiling going on in the industry leading into this regulatory change in March. But this will depend on how deep pockets are, the cash-flow situation of each business and if they may want to push that out.

"If there are high volumes of stockpiling, which could become evident in May to June this year, there could be a bit of a price war. Consumer shock in regards to higher prices will then come, which may result in a few slowdowns in sales as they get wobbled by the lower, then higher, pricing of imports at the end of 2020."

Buckley believes current price-points may stay in place until May, "but come October they will lift, and I'm pretty sure everyone will be prescribing to that and we've already got this industry-wide shift on our radar".

While many dealerships trade at lower price-points, he says not all focus on that alone to attract buyers – it may come down to having different makes and models, better quality vehicles and higher levels of servicing.

When it comes to stockpiling what will become non-ESC compliant come March, "being cash-strapped is highly disadvantageous and impacts on margins, so you need to know at what level you're happy to sell at".

"Stockpiling wouldn't be great for us, but we do have pretty deep pockets," adds Buckley. "The imports market will have higher prices in the future, so it's more likely to be competitive up to the $20,000 price-point.

He believes the ESC rule's effects will be felt across the board. "We will all be in the same boat navigating the same shift. There have been similar shifts before due to new legislation and they affect everyone. The market's lower end will remain as competitive as ever."

2 Cheap Cars will only be accessing what is compliant stock in Japan from mid-February, "so it's a matter of gearing up our buyers' planning for that period".

"When it comes to our buyers in Japan, we have an extensive and skilled team at auctions," Buckley adds. "ESC is now another point to check on the rate card.

"We've been preparing and managing our product mix to access new makes and models, and we'll also have a stab at running with some older model European vehicles.

"Probably about 20-30 per cent of our stock in early December had ESC installed, which started coming out in some Japanese models around 2008.

"We're retailing about 1,000 units plus a month consistently. Because we have a 28-day churn rate as an average, although some stock does sit for 90 days, we will chop through a decent proportion of non-ESC stock probably by June or July. We do have a bit of holding to see us through.

"By December 2020, 100 per cent of stock on our yards will likely be ESC-compliant and the rule

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2012 variants may have ESC: RS Fine Style CVT-M7, 13G Smart Selection Fine Style, 15XH Fine Style (10/2012 to 09/2013). RS CVT-M7, 13G Smart Selection 5AT CVT, 15XH (05/2012 to 09/2013).

2012 variants likely to have ESC: G CVT, G Smart Selection CVT, RS, X CVT (10/2010 to 05/2012). G 10th Anniversary 2 CVT, RS 10th Anniversary (10/2011 to 05/2012). RS, Seeds (05/2012 to 09/2013). RS Fine Style, Seeds Fine Style (10/2012 to 09/2013).

2013 variants may have ESC: RS CVT, 13G CVT 4WD, 13G F CVT 2WD, 13G L, 15X, 15X L (09/2013 to 10/2014). RS CVT-M7, 13G Smart Selection CVT, 5AT, 15XH (05/2012 to 09/2013). RS Fine Style CVT-M7, 13G Smart Selection Fine Style, 15XH Fine Style (10/2012 to 09/2013).

2013 variants likely to have ESC: RS 6F, Seeds (05/2012 to 09/2013). RS Fine Style 6F, Seeds Fine Style (10/2012 to 09/2013). RS 6F, 13G CVT 2WD, 13G F [5F CVT 4WD], 13G S, 15X L (09/2013 to 10/2014).

2014 variants may have ESC: RS CVT, 13G 4WD, 13G F CVT 2WD, 13G L, 15X (09/2013 to 10/2014). RS 6F, 13G, 13G F 5F, 13G S 2WD, 15X L 4WD (10/2014 to 09/2015).

2014 variants likely to have ESC: RS 6F, 13G 2WD, 13G F [CVT 4WD 5F], 13G S, 15X L (09/2013 to 10/2014). RS CVT, 13G F CVT, 13G L CVT 2WD, 13G S 4WD, 15X L 2WD (10/2014 to 09/2015).

2015 variants may have ESC: 13G, 13G L 4WD, RS 6F, 13G F 5F, 13G S 2WD, 15XL 4WD (10/2014 to 09/2015). RS 6F, 13G F [CVT 4WD, 5F, 2WD], 3G L 2WD, 13G S 4WD, 15XL 2WD (09/2015 to 06/2017).

2015 variants likely to have ESC: RS CVT, 13G F CVT, 13G L 2WD, 13G S 4WD, 15XL 2WD (10/2014 to 09/2015. RS CVT, 13G F CVT 2WD, 13G, 13G L 4WD, 13G S (2WD), 15XL 4WD (09/2015 to 06/2017).

2016 variants may have ESC: RS 6F, 13G F [5F, CVT 4WD], 13G L 2WD, 13G S 4WD, 15XL 2WD (09/2015 to 06/2017). 13G F Comfort Edition 4WD (01/2016 to 06/2017). 13G L Fine Edition (09/2016 to 06/2017).

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will sharpen up the game when it comes to Japanese imports.

"And, hopefully, the rule will be a good move for New Zealanders by achieving the desired result of fewer accidents and deaths on our roads."

INDEPENDENT TRADERS

The gap in the market for used-imported commercials, covered in depth in the December issue of Autofile, has been flagged up again – this time by Bill Julian, of NZ Light Commercials in Takanini, south of Auckland.

The business may have to look at increasing the amount of trucks it holds as vans become thinner on the ground.

"We've got a bit of a wait-and-see period ahead with the rules coming in, especially with ESC not being available in vans we have," Julian told Autofile.

He cites the Hiace as an example because it only became available with ESC in Japan "about 18 months ago, so we will have a gap in vehicles available to us and will have to try to fill that by buying locally".

When asked if he thinks there will be enough of such stock already on-shore to meet demand after March, he replies, "probably not, but hopefully the franchise guys know we're there to use their stock".

Julian adds: "We've got to pick the truck side of things up because vans will fall away because of the ESC rule."

Higher price-points on used stock from Japan are expected after the final phase of the ESC rule fully kicks in

Paul Butler, owner of Merit Cars in New Plymouth, is concerned with the age of New Zealand's existing fleet.

"Every time the government interferes, it creates a major glitch in the number of people able to afford to upgrade to safer vehicles," he says. "People can't afford to improve their old vehicles when the jump to a newer one suddenly goes up so much, which is what will happen with ESC.

"The government talks about how it will save lives by having newer models in the fleet, but doesn't count the people who die in old cars that will now be on our roads for longer. I think statistics are being misused to promote this scheme.

"We had the same problem when rules around diesel vehicles were changed. All the old diesels were suddenly seen as being at a healthy price and got recycled into the market rather than being dropped and replaced by newer and better models."

Butler is frustrated by the rule-makers failing to look at the bigger picture.

"Many people won't be able to afford to buy vehicles with ESC early on and there will be nothing just below their price brackets," he says.

"I used to sell lots of people movers on my yard and buyers have been upgrading to safer, more economical models regularly.

"But they won't be able to afford to do that with the ESC rule, so they will stick with what they have because the government has made it so difficult for them."

SAFER PRODUCTS

Sean Stevens, the acting chief executive officer of VINZ, believes the ESC issue will be a "tricky one" for the market to deal with.

"The loss of smaller low-value vehicles will have an effect on the market," he says. "The current three top-sellers – the Mazda Axela, Honda Fit and Suzuki Swift – will all have conformity issues up until about 2013/14 production.

"This is likely to mean less stock availability and a higher cost for that stock, so it's hard to see how this will not be passed onto consumers.

"While I'm sure the market will go through some tough times in 2020, as long as the market price for these vehicles is below the equivalent of New Zealand-new vehicles, then the market will adapt as it has in the past.

"The question is will dealers choose to stockpile, so they have a ready source of lower-priced and specification vehicles, or will they shift business models to newer, higher-spec vehicles and look to attract slightly different buyers than they've had in the past."

Stevens notes the new-car market has enough stock on-hand to attract buyers at a different price-point, so franchised dealerships can use the changes resulting from the ESC rule to assist with lowering their stock levels.

"There are questions I don't have firm answers to and there are many different opinions," he adds, while pointing out moving to vehicles fitted with ESC will provide "much safer products for consumers".

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2016 variants likely to have ESC: RS CVT, 13G, 13G F CVT 2WD, 13G L 4WD, 13G S 2WD, 15XL 4WD (09/2015 to 06/2017). 13G F Comfort Edition 2WD (01/2016 to 06/2017). 13G F Fine Edition (09/2016 to 06/2017).

2017 variants may have ESC: RS 6F, 13G F [5F, CVT 4WD], 13G L 2WD, 13G S 4WD, 15XL 2WD (09/2015 to 06/2017). 13G F Comfort Edition 4WD (01/2016 to 06/2017). 13G L Fine Edition (09/2016 to 06/2017). RS Sensing CVT, 13G F 5F, 13G L Sensing, 15XL Sensing (06/2017 to present).

2017 variants likely to have ESC: RS CVT, 13G F CVT 2WD, 13G, 13G L 4WD, 13G S 2WD, 15XL 4WD (09/2015 to 06/2017). 13G F Comfort Edition 2WD (01/2016 to 06/2017). 13G F Fine Edition (09/2016 to 06/2017). RS Sensing 6F, 13G F CVT, 13G S Sensing (06/2017 to present).

2018 variants may have ESC: 13G F Comfort 2WD (05/2018 to present). RS Sensing CVT, 13G F 5F, 13G L Sensing, 15XL Sensing (06/2017 to present). 13G Modelrostyle 2WD (07/2018 to present).

2018 variants likely to have ESC: RS Sensing 6F, 13G F CVT, 13G S Sensing (06/2017 to present). 13G F Comfort 4WD (05/2018 to present). 13G Modelrostyle 4WD (07/2018 to present).

SUZUKI SWIFT

2007 variants may have ESC: Sports (05/2007 to 05/2009). Sports v Selection (12/2007 to 05/2009).

2008 variants may have ESC: Sports (05/2007 to 05/2009). Sports v Selection (12/2007 to 05/2009). Sports S Limited (12/2008 to 05/2009).

2009 variants may have ESC: Sports (05/2007 to 05/2009). Sports v Selection (12/2007 to 05/2009). Sports S Limited (12/2008 to 05/2009). Sports (05/2009 to 09/2010).

2010 variants may have ESC: Sports (05/2009 to 09/2010). Sports F Limited (01/2010 to 09/2010).

2011 variants likely to have ESC: XG idling stop, XL idling stop (09/2011 to 07/2013) Sports (12/2011 to 01/2017).

2012 variants likely to have ESC: XG idling stop, XL idling stop (09/2011 to 07/2013). Sports 6F 12/2011 to 01/2017. Sports CVT (01/2012 to 01/2017).

2013 variants likely to have ESC: XG idling stop, XL idling stop (09/2011 to 07/2013). Sports 6F (12/2011 to 01/2017), Sports CVT (01/2012 to 01/2017). XS (07/2013 to 03/2015). XG, XG-DJE, XL, XL-DJE, XS-DJE (07/2013 to 01/2017). RS (07/2013 to 06/2014).

From 2014: All variants are likely to have ESC.

While all efforts have been made to ensure accuracy, this information is a guide only. VIA recommends all vehicles be inspected to ensure an NZTA-approved form of ESC is present before shipping to New Zealand. Failure to physically verify ESC is solely at the importer's risk with no liability for any loss resulting from relying on this information.

Associations cut formal ties


David Crawford


David Vinsen

The Motor Industry Association (MIA) has withdrawn from a formal working agreement with VIA (the Imported Motor Vehicle Industry Association).

The two organisations entered into a memorandum of understanding (MoU) about two years ago for them to co-operate on matters of shared interest while retaining their independence.

However, last month the MIA called time on the agreement. The move followed a request by its council members for an internal review of the two-way relationship and justification for the agreement to continue.

"The MoU was entered into by both parties in good faith, but – in practice – the MIA's view is that the benefits of the agreement are not sufficient to warrant its continuation," says David Crawford, chief executive officer of the MIA.

"Ending the MoU doesn't mean an end to working together on policy areas of mutual interest for the two organisations. We will certainly endeavour to keep communication channels open."

David Vinsen, VIA's chief executive, has expressed some surprise with the MIA ending the formal working agreement, "but we understand and respect this decision".

He told Autofile: "We haven't had a lot of differences on issues, but appreciate the MIA may wish to more rigorously represent the interests of its membership on particular issues likely to be coming up in the future."

Vinsen cites the fuel-economy standard, also known as the clean-car standard and part of the government's clean-car proposals, as one such area. Another may be an intention for the emissions rule to be reviewed.

"On these two issues, in particular, we may have different approaches," he adds. "That said, I'm confident the two associations will continue to work together on issues of common interest, and maintain an ongoing and good working relationship without the formal working agreement in place.

"We understand and appreciate the reasons for the MIA's decision on the MoU. We have more common ground than differences."

LOOKING BACK

VIA and the MIA signed the MoU in October 2017. Its key points included collaborating on areas of mutual interest, providing a united voice for the vehicle-importing industry, and working on a no-surprises principal so policy decisions, announcements and action on contentious issues were shared in advance.

The MoU also included the MIA and VIA identifying issues on which they had different policies or positions, with both retaining the right to advocate independently for their memberships on these matters.

"While we fully intend to maintain clear commercial boundaries, it makes sense to work together to ensure decisions affecting the whole industry are timely, efficient and thoroughly informed," Crawford said at the time.

On signing the MoU, Vinsen commented: "This formal agreement is born out of recent conversations on shared topical issues, such as intelligent transport systems, autonomous vehicles and recall protocols.

"There are also areas where our government stakeholders benefit from a combined view of our needs as a sector. These include port operations, ACC vehicle risk ratings, and the development of standards for vehicles and infrastructure."

The MoU stated VIA and the MIA agreed any costs incurred while working together should "lie where they fall", with each responsible for its own outgoings.

The November 2017 issue of Autofile covered the MoU in-depth, and featured a question-and-answer session with Vinsen and Crawford. Visit autofile.co.nz/magazine to access past issues.

Experts eye emerging risk countries for bugs

Biosecurity officials on both sides of the Tasman are keeping close tabs on car carriers following a plethora of brown marmorated stink bug (BMSB) detections.

Australia's Department of Agriculture (DoA) has uncovered more than 80 cases of stink bugs on vessels during the current high-risk season with about 50 involving vehicle carriers.

It is working closely with the Ministry of Primary Industries (MPI), its equivalent in New Zealand, to keep both countries free of biosecurity risks after the DoA turned away two ships operated by Mitsui OSK Lines (MOL) late last year.

The Orca Ace sailed to Singapore for specialised treatment just before Christmas before its return to Brisbane with more than 3,500 cars and machinery on-board.

It left Hyundai's berth at Ulsan, South Korea, on October 29 before stops in Japan, including Nissan's berth at Kanda. It revisited Ulsan before Yokohama and sailed to Australia for November 20. It was due to unload at ports there in mid-January.

The Dugong Ace, with about 4,000 units on-board, was also turned away for treatment in Asia. Its voyage began at Toyohashi in early November before sailing to Pyeongtaek, Mokpo and Ulsan – all in South Korea – and arriving in Brisbane on November 27. After being held off Queensland's coast, MOL listed it for stops in Indonesia and Singapore before returning to Australia.

Two other MOL car carriers came under scrutiny last month. The Tranquil Ace left Yokohama on November 16 before sailing to Pyeongtaek. It arrived at Brisbane in mid-December. After five days' quarantine, it unloaded there before heading to Port Kembla and Melbourne.

The Glovis Chorus left Mazda's Hiroshima berth on November 26 for Kanda in Japan, and Ulsan's Hyundai berth, Masan and Mokpo – all in South Korea – and Yokohama. It arrived at Port Kembla on December 19 for assessment. It was allowed to unload the next day and departed its last Australian port on the 27th.

All up, about 4,000 Hyundai and 6,000 Kia vehicles were caught up, with other marques – such as Nissan and Mazda – also believed to be affected.

"So far, there's no effect on other shipments," a spokesman for MOL says. "We will follow laws and rules while maintaining the highest standards of operational safety and navigation."

A DoA spokeswoman confirms seasonal pests, including BMSBs, were found on all four vessels, and it monitors emerging risk countries and subjects cargoes to extra scrutiny if needed.

A spokesman for the MPI adds: "We liaise regularly with the DoA to discuss vessels with potential risk for stink bugs. This provides us with further information to assist our risk assessment of vessels bound for New Zealand.

"It's unknown at this stage if any cargo will eventually tranship to New Zealand. However, all cargo intended for importation here must meet import requirements, including treatment and cleaning offshore if required."

The DoA assesses risks based on information from vessel reporting and inspections. It is monitoring "the global BMSB situation, the pest-free status of imported goods from all countries at all times of the year and trade pathways, and will alter conditions as necessary".

South Korea is not listed on schedule three of the MPI's import health standard – countries that must have supply-chain pathways approved for new-vehicle imports into New Zealand – despite calls by the Motor Industry Association and two shipping companies early last year for it and China to be included.

‘Marek was everybody’s mentor’

The founder of what is now the Enterprise Motor Group has paid tribute to the “right-hand man” in his business.

Marek Powierza and Fred Lewis met as children, worked together in the formative years of the used-imports industry and were lifelong friends.

Powierza arrived in New Zealand as a four-year-old from Poland in 1944. He, his mother, two brothers and grandmother settled in a refugee camp at Pahiatua near Masterton.

He lived there for five years until his family moved to Hamilton where he attended a primary school and then Hamilton Boys’ High, where he met Lewis.

Powierza, who was 79 when he died, then enrolled in the education department before studying social science at Victoria University.

He worked for two decades as a social-worker principal. For the latter 10 years of his career, he was head of Weymouth Girls’ School before teaming up with Lewis in Gisborne.

Powierza worked in his former profession because he had always felt New Zealand had given him an opportunity. “Not only did it give me good health, but a good education and a nice-looking wife as well,” he once quipped.

Although Lewis and Powierza went their own ways after school, they always kept in touch and years later met up in Poverty Bay when Lewis was a panel-beater.

“We got close again, so we were friends for a long time,” Lewis told Autofile. “Later on, after establishing the car yards, I started working in different places and needed someone to look after the guys.

“So I said to Marek, ‘how about working for me as general manager’, and he replied, ‘Fred,

Always smiling – Marek Powierza

when I think I’ve done my work for the country, I’ll come and join you. That’s the sort of person he was.

“A few years later, he called and said, ‘Fred, I’m ready to come now’. He was principal of Weymouth when it started. It was quite a big job in those days.

“Marek had a great personality. The boys called him ‘Mother’ because if there was a problem, they would go to see him.

“He was firm and intelligent with a wise head. Marek didn’t have an enemy in the world. He’d tell you straight and wouldn’t pull any punches, but in a nice way.

“Marek was virtually my right-hand man. Any problem, or whatever, he would sort it out. He was sort of like everybody’s mentor. He always found good in everyone he met.”

Powierza was general manager at Enterprise for about 20 years, and was later a director and adviser to the business.

During the early 1990s, he served on the Auckland committee of the Motor Vehicle Dealers’ Institute representing the used-vehicle sector and was also its communications manager in addition to spending a lot of time at the city’s offices of CFS, Enterprise’s financial division.

Powierza died on November 27. He leaves his wife Sharon, children Nina and Stefan, and four grandchildren. A memorial party will be held mid-March 2020 on a date to be arranged.

Refugee childhood

Marek Powierza, centre, having fun with a scooter at the Pahiatua camp with Maria Pytlos, left, and Tadeusz Tietze

Marek Powierza told the remarkable story of his early years and his family’s history to the Emigrants’ Archive in Poland.

It was in November 1944 when about 840 Polish refugees, of which 733 were children, arrived in New Zealand on-board a World War Two troop carrier to rebuild their lives. They settled in a camp near Pahiatua in northern Wairarapa. What follows are Powierza’s own words.

“In early 1940, the Russians took my father away, and returned after a few weeks to take our mum, grandma and two brothers. It was before I was born, but I did exist. They took them across Russia to Kazakhstan, to a place called Karabash where I was born.

“Mum found father somewhere in Russia. He was with the Polish army and it was like a fairy tale. She went to get bread at a train station and there was an officer there. It turned out to be her husband – in the middle of Siberia.

“They spent a few weeks together [before] father rejoined the army. It wasn’t until years later we received information about his death. He contracted typhus, many soldiers died of it as they had no medicine.”

Visit www.autofile.co.nz for more about Powierza’s story.

IN BRIEF

'Rising star' takes out prestigious title

The Marque Group is being tipped as one to watch by industry experts across the Tasman after a surge in revenue of 3,596 per cent.

The Sydney-based automotive technology collective came second in the rising-star category of the 2019 Deloitte Technology Fast 50 Australia Awards. Its businesses in New Zealand include AutoPlay, a management platform for dealerships, dealer groups and carmakers.

"To be named a rising star is a testament to the work and unique innovation of our teams," says Gary Martin, pictured, chief executive officer.

"We look forward to delivering outstanding customer experiences and helping our clients grow to match the automotive industry's ongoing evolution."

Medium-sized SUV secures top gong in Tokyo

The RAV4 has been named Japan Car of the Year 2019 after seeing off competition from Mazda and BMW.

Pre-ceremony hype predicted a three-way battle, but Toyota's SUV was victorious with 436 votes.

The RAV4, pictured, was followed by the Mazda3 with 328 votes and the BMW's 3 Series on 290 votes, with the latter also winning the trophy for imported car.

The Jeep Wrangler collected the emotional award for its on and off-road capabilities, and Nissan's Skyline took out the innovation title for its ProPilot 2.0 "hands-off" semi-autonomous driving system.

The small mobility award was shared between the Mitsubishi eK Cross and Nissan Dayz.

Country's biggest car dealer claims one-two

Turners Cars ended last year on a high by taking out the top accolade in the used-vehicle dealerships category of the Reader's Digest Quality Service Awards.

Buy Right Cars – also owned by the Turners Automotive Group and rebranded as Turners Cars – came second.

New categories for honours this time included the used dealerships section and a manufactured-certified used-car sales category, which was won by Toyota Signature Class with Honda Certified Used Cars claiming silver.

The car insurance category was won by AA Insurance with AMI second. Avis took out the gong for car rentals with Hertz being the runner-up.

Marque and bank team up for financial products

Kia Motors NZ has teamed up with Heartland Bank to deliver Kia Finance. It offers a range of options, such as car loans and leasing for business fleets.

Todd McDonald, the marque's managing director, says the venture will help grow the brand and its dealer network, and "provides new purchasing opportunities for customers".

Neil Cottle, left, and Bob Woodford have notched up 117 years in the industry between them – and Neil's still working

Six decades of industry change

Bob Woodford's passion for cars still burns brightly even though he has retired after 55 years in the motor-vehicle industry.

The 75-year-old spent his whole career with Auto Court in Dunedin after completing compulsory military training in 1964. Owner Neil Cottle had opened the business the year before.

Woodford started a week after applying and stayed on as a salesman until he retired late last year, and he loved every minute of working for "a good company and family".

During his career, he has seen "massive" changes. "Cars were quite simple when I started. A radio and heater were about the only extras you could get. Now you get lots of safety and audio features."

He describes used imports as a "game-changer" for New Zealand. "We were the first dealer in Dunedin to import used Japanese cars. Neil and I went to Christchurch and looked at a warehouse full of imports. We drove two home and had another eight sent down.

"When we first saw all those cars in Christchurch, we were blinded by what was on offer. It was 1988. The imports had power steering, air conditioning, and different upholstery and trims to what we had ever seen, twin-cam motors and different body styles.

"We thought our customers would like the cars. When we got them to Dunedin, we just about had to fight the crowds back. They were cheaper and better equipped with low mileage."

As well as vehicle standards evolving rapidly, Woodford says customers' demands also shifted, but he always relished the chance to get them what they wanted.

"We had third and fourth generations of the same family buying off us. I know many of them and a lot of people know me. I've been in contact with parts people and sales people around town, and I consider many friends. I got satisfaction from seeing people with disabilities get into vehicles suitable for their needs and having a better quality of life."

He has fond recollections of vehicles he has owned over the years, with a Ford V8 his favourite. "My first car was a two-tone blue Sunbeam Rapier when I was 20. It was an Auto Court trade-in. I had been on two wheels until then. The Rapiers of that era had a good rally history being winners of Monte Carlo and that's what attracted me. A year later, I bought a Sunbeam Alpine.

"We were Fiat and Skoda agents in those days, and I owned a number of Fiats through the 1960s and 1970s. That got me onto having a love affair with Italian cars. I own two Alfa Romeo Spiders."

Woodford will now continue as an active member of vintage and Ford V8 clubs, and he has sights set on some international challenges.

"I've had several trips to America and have travelled Route 66. There are a few long-distance roads in Australia I'd like to have a go at. I can drive for hours on end. I just love it."

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Efficient thinking for electric cars

A study by a government agency shows embracing energy-efficient technologies can deliver a substantial boost to helping power New Zealand's fleet of electric vehicles (EVs) as demand on the national grid increases.

Modelling released by the Energy Efficiency and Conservation Authority (EECA) looks into how power-saving measures can help support the Beehive's target of 100 per cent renewable electricity by 2035.

It suggests the widespread uptake of light-emitting dioxide (LED) lighting, heat pumps, energy-efficient water heating and electric motors can provide the nation with the equivalent of 4,000GWh of extra capacity before any new renewable generation is needed.

The EECA's report, called Energy Efficiency First: The Electricity Story, states this is about the same amount of power needed to charge one-third of New Zealand's light-vehicle fleet if it were electric and "it's also roughly equivalent to the annual output of around 1,200MW of wind generation".

With the needs of current transport fuel largely met by fossil fuel, the study predicts demand for electricity from the transport sector is set to boom.

"Transport is a large energy consumer and large source of emissions," according to the EECA. "EVs are emerging as an important solution for decarbonising transport systems.

"At present, the upfront costs for EVs – purchase or lease – are higher than costs for incumbent fossil technologies. These costs, however, are falling, with EVs expected to be available at the same or lower prices than equivalent conventional vehicles between 2024 and 2029."

The study, which supports work led by the Interim Climate Change Commission (ICCC), notes the widespread uptake of energy-efficient technology in factories, businesses and homes would mean a lot less new renewable-generation facilities would need to be constructed – and require less capital investment and reduce national electricity costs.

In turn, it says energy previously used in those settings could be freed up for electrification of transport and process heat, which is energy used in the form of steam, hot water or gases in industrial and domestic settings.

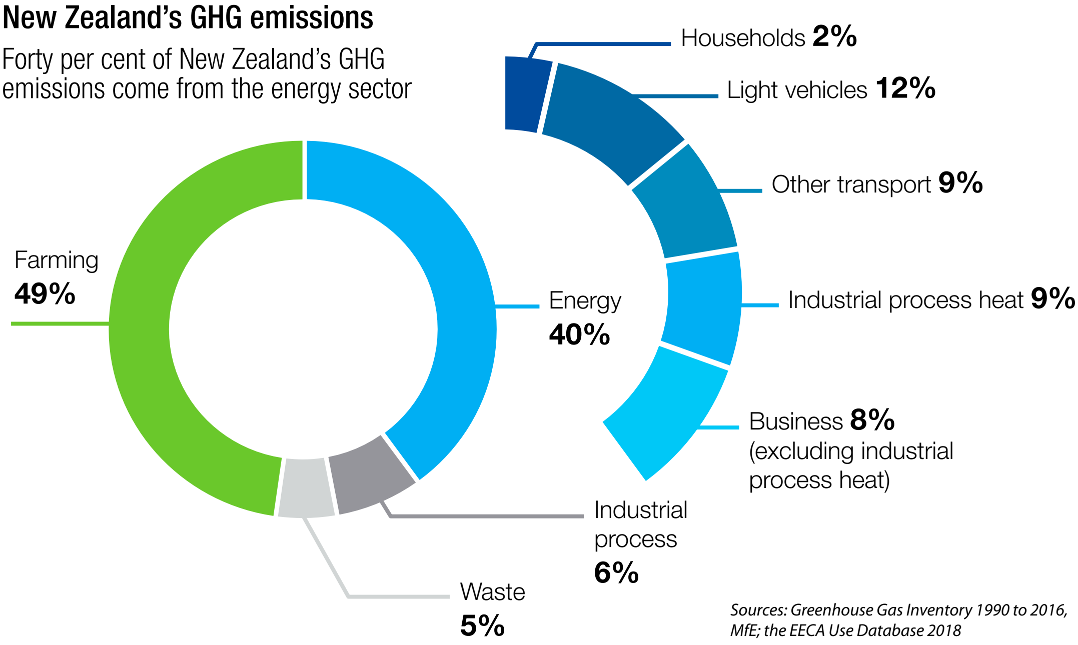
Andrew Caseley, chief executive of the EECA, says building more renewable generation is the usual approach to meet extra demand, but investment in power-saving technology is often overlooked.

"Energy-efficient technology is a key solution hiding in plain sight. Mass uptake of these technologies would lead to significant electricity demand reduction, and savings in factories, buildings and houses. They would effectively play the same role as new renewable capacity."

He says while there are costs associated to the large-scale introduction of energy-efficient technology, it's still cheaper than building new geothermal, wind or other renewable generation.

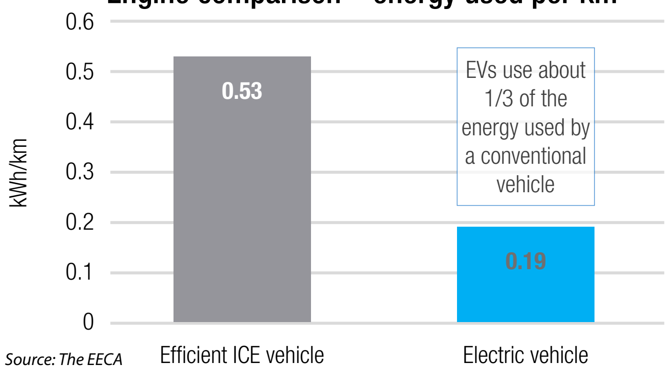
New Zealand's GHG emissions

Forty per cent of New Zealand's GHG emissions come from the energy sector



Sources: Greenhouse Gas Inventory 1990 to 2016, MfE; the EECA Use Database 2018

Engine comparison – energy used per km



Source: The EECA

Live EV listings on Trade Me:

-2.9% Compared to last month

-0.3% Compared to prior year

New EV listings on Trade Me:

-14.9% Compared to last month

-26.1% Compared to prior year

EV watchlists on Trade Me:

-18.1% Compared to last month

-7.4% Compared to prior year

The bigger picture

The EECA's report is intended to stimulate and inform discussion about how electricity efficiency can be prioritised and accelerated as a means to achieving the country's emission-reduction goals.

It concludes by stating these targets can be achieved by combining new technologies and policies, taking account of New Zealand's unique circumstances.

"The large-scale opportunities to shift from internal combustion engines to electric vehicles, and to replace coal and gas-fired process heat production with electric heat pumps, are now well-recognised," it adds.

"Low-cost wind and solar-electricity generation will provide the growth in electricity generation required."

The agency believes the opportunity to reduce thermal-generation emissions by replacing the use of low-efficiency electricity consuming equipment with high-efficiency equipment deserves to have a higher priority in the electricity industry's planning.

"Sector planning and policy development should include energy efficiency alongside new renewable generation as part of an optimised system," the report states.

"EECA analysis demonstrates that energy-efficiency initiatives using mature and proven technologies can make a large, near-term, low-cost and low-risk contribution to achieving reductions in carbon-dioxide emissions from the energy industry.

"The opportunity is large enough to remove most of the emissions from thermal generation in New Zealand."

"Overlooking the impact of energy efficiency creates a risk that we might build more generation than needed," adds Caseley. "This could result in higher than necessary costs, along with other impacts. It's time electricity efficiency receives the priority that it deserves."

The EECA says the challenge of climate change is a "serious and increasing threat to the future of civilisation, and governments are developing responses". In New Zealand, it adds, the ICCC has been established and asked to develop recommendations to reduce emissions from thermal generation.

Creating the most optimal and cost-effective highly renewable electricity system, the EECA report states, will require a combination of additional renewable build and investment in energy-efficient technologies.

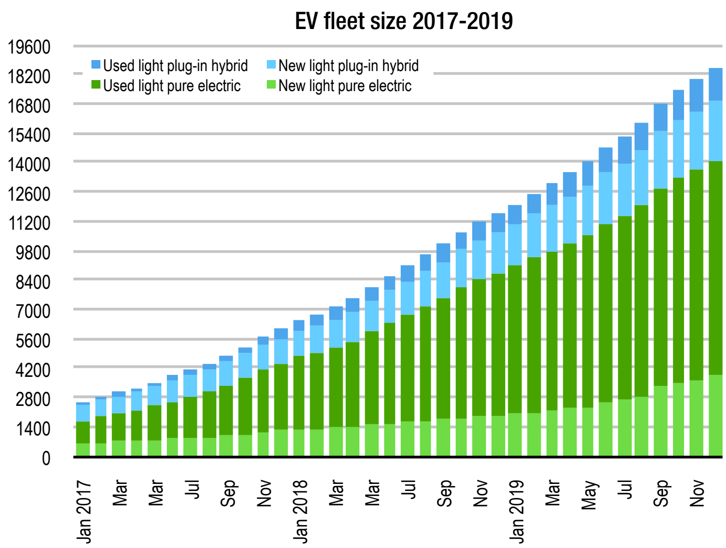
"Our analysis demonstrates that energy-efficiency initiatives using mature and proven technologies can make a large, near-term, low-cost and low-risk contribution to achieving reductions in carbon-dioxide emissions from the energy industry. The opportunity is large enough to remove most of the emissions from thermal generation in New Zealand.

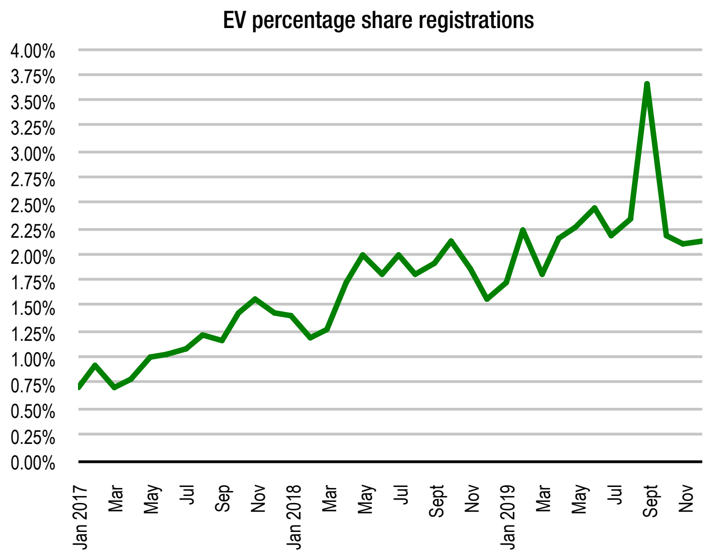
"The EECA's recommendation is for policy-makers and industry planners to ensure they devote appropriate investigation and investment to electricity-efficiency measures alongside other decarbonisation activities. This requires placing a much higher priority on electricity efficiency than it currently receives."

Total EVs by region

Northland	564
Auckland	7,910
Waikato	969
Bay of Plenty	640
Hawkes Bay	306
Gisborne	58
Taranaki	250
Manawatu/Wanganui	583
Wellington	2,642
Nelson/Marlborough	661
Canterbury	2,831
West Coast	27
Otago	1,113
Southland	135

Source: MoT, January 7, 2020





Source: MoT, January 7, 2020

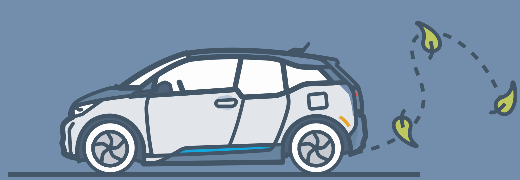
Top 5 EV models
listed on Trade Me last month:

- **Nissan Leaf**
- **Hyundai Kona**
- **Nissan e-NV200**
- **Toyota Prius**
- **BMW i3**

Average listing price
for the month:

$28.2k

Eye on EVs



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

Year of disruption in industry

Autofile looks behind its headlines of 2019 to see what made industry news

Disarray at the NZTA, the agency's policy on governing conflicts of interest in the supply chain and preventing a stink-bug invasion featured heavily in the news last year.

Key organisations had a chance to have their say on proposals to shift car imports from Ports of Auckland to Northport – an issue likely to be a political football for who knows how long.

Meanwhile, the government progressed its Zero Carbon Bill from whoa to go and Julie Anne Genter's clean-car proposals copped a whole heap of scorn.

JANUARY: BUG WORRIES

At least two additional export markets were expected to face tough biosecurity requirements in the future to prevent brown marmorated stink bugs (BMSBs) from crossing New Zealand's border.

Supply-chain pathways for new vehicles from Japan already needed approval by the Ministry for Primary Industries (MPI). There were fresh worries after stink bugs found their way onto vessels via cars loaded in China and South Korea during the high-risk period – although the insects were discovered before unloading in New Zealand.

The government ordered a review into the NZTA's work to provide an independent assessment of the agency's regulatory functions. It was to be carried out for the Ministry of Transport (MoT) and was in addition to the agency's own review after its board raised concerns in 2018 that its regulatory function had failed.

FEBRUARY: CALL FOR ACTION

Global shipping company Wallenius Wilhelmsen Ocean described the government's measures to prevent stink bugs invading New Zealand as ineffective and inconsistent. It said more action was needed to minimise the risk of BMSBs becoming established and to eliminate delays to imports.

A decision to scrap vehicle-risk ratings came under fire with some industry organisations wanting the system replaced with something better at point of sale. The government planned to bin the programme, which applied four different bands of ACC levies to cars based on their safety ratings, on July 1.

Three directors of the NZTA's board resigned less than two months after chief executive Fergus Gammie's departure. Dame Fran Wilde, deputy chairman, was due to leave at the end of January, while board members Adrienne Young Cooper and Chris Ellis left unannounced in January.

Turners Automotive Group warned the slowdown on the demand and supply sides might lead to industry consolidation. "Challenging conditions will inevitably lead to consolidation in the dealer market," the company's interim report said.

MARCH: LOAN REFUNDS

Two finance providers agreed to refund a combined total of about $590,000 to thousands of borrowers following settlement agreements with the Commerce Commission over fees charged for loans. Car lender Auto Finance Direct was to return about $460,000 in fees that, in the regulator's view, weren't reasonable. Pacific Loans was to pay back more than $130,000 in charges it accepted shouldn't have been levied.

VIA (the Imported Motor Vehicle Industry Association) called for less red tape, more action, good governance and better enforcement of legislation by the NZTA. Its views were officially recorded by those overseeing a review of the agency being completed for the MoT.

Trade Me signed a scheme of agreement for Titan Acquisition Co, the New Zealand arm of UK-based Apax Partners, to purchase its shares at $6.45 each. It came as interim financial results for the six months to December 31 showed Trade Me's revenue climbed by 7.3 per cent year on year to a record $132.2 million.

APRIL: TERROR RESPONSE

The automotive industry rallied to support Christchurch in the wake of attacks on two mosques that claimed the lives of 50 people and left many needing hospital treatment. Organisations such as VIA, the Motor Industry Association (MIA) and Motor Trade Association (MTA) sent messages of condolence, while the likes of the AA, VTNZ and VINZ provided on-ground support to their members.

Lead organisations aired their views to a working group set up by the government to look into the long-term future of ports, logistics and freight. As part of the Upper North Island Supply Chain Strategy review, plans to move vehicle


An artist's impression of the car-handling building being constructed at Ports of Auckland

imports to Northport were being considered.

Ports of Auckland Ltd (POAL) was working towards getting its supply chain operating 24/7 and on infrastructure projects to benefit the automotive and other industries, including a handling building for up to 2,500 passenger and light-commercial vehicles.

The NZTA had cleared its backlog of more than 850 compliance cases. A five-month investigation found about 36,000 questionable warrants of fitness (WOFs) and certificates of fitness had been issued. This led to vehicles being retested, while dozens of providers were suspended for ignoring regulations.

NZTA policy on 'conflicts of interest' across the supply chain, including border inspections and vehicle compliance, was one of 2019's big issues

MAY: END OF AN ERA

Branches of Buy Right Cars, a well-known name in Auckland's used-vehicle market for more than three decades, were relaunched as Turners Cars. The decision was going to cost about $4.5m to implement, and was part of a strategic review carried out by the board and senior managers at Turners Automotive Group.

The NZTA was urged by VIA to move away from paper chases to random on-site checks to ensure entry-certification processes were properly followed. The suggestion came during consultation on operational policy for managing the integrity of used-vehicle certification inspectors and inspection organisations.

Industry members in New Zealand and colleagues in Japan mourned the passing of Heiwa Auto Group's president. Masatoshi Abe, a pioneer of exporting used Japanese vehicles around the world, died in April with members of Autohub NZ's executive team, a Heiwa-owned company, travelling to his homeland to pay their respects.

The NZ Shipping Federation objected to any future plan that would see POAL's operations being shifted to Tauranga. Annabel Young, executive director, said: "Any attempt to force cargo to, from or via a particular port must lead to questions about whether this is to be mandatory or subsidy-driven."

JUNE: FINANCIAL WOES

Ways to secure VIA's financial future – including increased funding, a radical restructure, merger or even shutting up shop – were being investigated after it posted a deficit of $233,181 for 2018/19. Vinsen described the latest loss "an improvement over the previous year's result, but still disappointing".

It was a busy month for Vinsen, who also said the industry needed to start thinking about how technology could be used to improve safety and cut the road toll. As chairman of Intelligent Transport Systems NZ, he made his comments at T-Tech19 – a two-day conference in Christchurch that attracted more than 200 delegates and speakers from this country and overseas.

Toyota NZ welcomed the Zero Carbon Bill introduced to parliament as legislation urgently needed to address climate change. The company said it was committed to reducing greenhouse gas (GHG) emissions and promoting sustainable development. Alistair Davis, chief executive, said: "As the brand that has nearly one-quarter of all vehicles on our roads, Toyota takes its responsibilities seriously."

JULY: TRADING ALERT

Car dealers were warned they could be prosecuted for failing to follow anti-money laundering laws about to come into effect. The government was targeting the criminal underworld, which uses what's known as high-value traders to "clean" proceeds of its illegal activities. The MTA said anyone selling expensive consumer items, such as vehicles and boats, was vulnerable to money laundering, and would "need to consider how they will comply".

The Financial Services Federation (FSF), which represents responsible lenders in the non-banking sector, was lobbying for changes in the way financial institutions operate to be postponed.

The Ministry of Business, Innovation and Employment (MBIE) published an options paper in response to reports from the Financial Markets Authority and Reserve Bank of NZ highlighting failures in managing conduct risk. But the FSF said other reviews were already under way, so the conduct of financial institutions options paper should be put on the backburner.

AUGUST: LEFT FUMING

Government proposals to place controls on what vehicles could be imported were greeted with scorn by VIA, the MIA and MTA. Julie Anne Genter, Associate Minister of Transport, unveiled two plans to reduce the country's GHGs. The supply-side element raised the hackles of industry organisations because they would require importers to reduce the average emissions of vehicles brought into the country to meet annual targets. Also known as the clean-car standard, it was likened to "Soviet-

[continued on page 18]

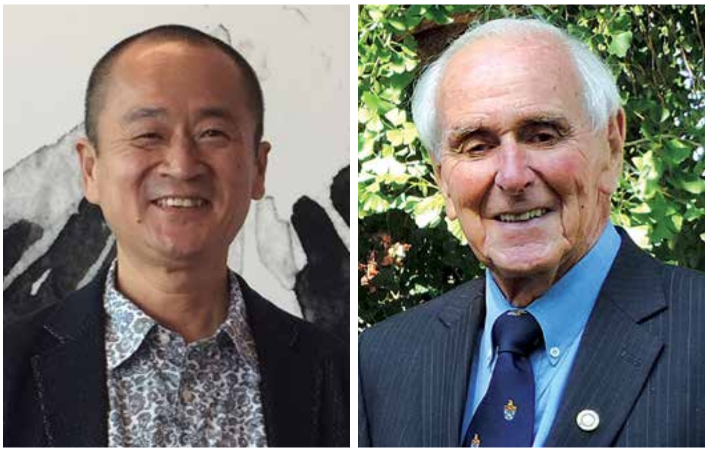
A well-known brand in Auckland's used-vehicle market disappeared last year when branches of Buy Right Cars were rebranded as Turners Cars

[continued from page 17]

era control" by Vinsen.

A smartphone app was being developed to complement an online guide to cars that were likely to be fitted with electronic stability control (ESC). The tools were announced by VIA as the used-imports sector prepared for a ban to come into force on March 1, 2020, when all light vehicles entering the fleet needed to have the crash-avoidance system fitted and operational.

Vector was exploring the possibility of transforming old batteries from electric vehicles (EVs) into affordable power storage for homes and businesses. In collaboration with Relectrify, a battery-control technology company, the trial was to test the capability to convert them into storage units.



The used-imports industry lost two of its pioneers in 2019 – Masatoshi Abe, left, president of Heiwa Auto Group, and John Nicholls, former chairman of the Licensed Motor Vehicle Dealers Importers Association

SEPTEMBER: DECISION MADE

The NZTA's decision to retain its conflicts of interest policy and bolster auditing of the inspection sector meant the industry could move forward after 18 months of not knowing what the future would hold.

The agency concluded its proposals – outlined in its consultation document "managing the integrity of used vehicle certification inspection and inspection organisations" – would have had a significant impact on the sector. It had made a decision – "after carefully considering feedback and submissions" – to not overhaul the system because of the nature of vehicle ownership in the supply chain and changing it would have been difficult to regulate.

Motor-vehicle financing and related add-ons would be a focus during 2019/20, the Commerce Commission warned. Over the previous 12 months, the regulator had invested time and resources visiting car dealers to check for compliance and provide materials to help them avoid falling foul of the law.

A car-sharing operation in Wellington secured a government grant of $500,000 towards buying 100 EVs. Mevo was to start deploying the battery-powered cars in 2020.

OCTOBER: CLEAN CAR COSTS

Concerns for the industry were raised by the MIA, which feared government proposals to penalise cars imported into this country based on fuel efficiency could cost the new-vehicle sector upwards of $1.3 billion. Chief executive David Crawford said the clean car standard policy that had been tabled would create "massive market distortions leading to drops in sales".

The MTA warned dealers to be on alert after businesses lost hundreds of thousands of dollars in a sophisticated scam. The criminals moved their target area from Waikato to the South Island the previous month, with the association reporting at least six of its members had been hit.

Stella Stocks, the AA's general manager of motoring services, reflected on her 20-year career with the organisation as she prepared to leave at the end of 2019. She said shifting New Zealand's focus onto vehicle safety was one of its major achievements during her time there.

NOVEMBER: AGENCY FAILINGS

It was revealed the NZTA would recruit up to 100 staff to work across its regulatory services group over the following 18 months as part of a package of measures likely to cost upwards of $45m.

The announcement came as the agency said work was "well under way" to tackle shortcomings uncovered during an independent review of its operations by MartinJenkins. The investigation revealed the agency had put businesses ahead of safety for most of its 11-year history.

John Nicholls, a pioneer of New Zealand's used-imports sector, in which he worked for more than 20 years of his six decades in the automotive industry, died at the age of 94. Although Nicholls officially retired in 1998, he only called time on analysing statistics for VIA in 2014.

Two finance companies – Avanti Finance and Go Car Finance – landed three of the gongs up for grabs at the Crediting Excellence Awards run by the FSF. The awards were handed out at a ceremony in Auckland that followed the organisation's annual conference.

DECEMBER: ESC RULE ALERT

The final stage of regulations to ensure ESC is fitted and working on all cars entering New Zealand's fleet had the potential to disrupt the automotive industry on a scale not seen since 2004 when the exhaust emissions rule was introduced. That was the view of VIA's chief executive with March 1, 2020 – by when used imports must be border-inspected here or in Japan – fast approaching.

The NZTA opened applications for appointments of entry certification and border-inspection entities in the next phase of its "sustained engagement" with the industry, while Heartland Bank and Turners Automotive Group agreed to a distribution agreement between their respective MARAC and Autosure brands.

Automotive Technologies Ltd scooped the innovation gong at the New Zealand Biosecurity Awards for designing and building heat-treatment facilities specifically for vehicles before being shipped from Japan.

Industry statistics for 2019

Sales of new vehicles last year dropped for the first time in a decade, with total registrations of 154,751 coming in 4.3 per cent – or 7,014 units – lower than during 2018.

It's the first time since 2009 and the height of the global financial crisis that New Zealand has seen a year-on-year drop in such registrations. It also comes after five consecutive record years from 2014-18.

The total for the past 12 months was also 3.3 per cent lower than the number of new vehicles registered in 2017.

The year's best-selling new model was the Ford Ranger, pictured, with 9,494 registrations. Next up were two Toyotas – the Hilux on 7,142 and the Corolla with 6,806 sales.

As for used-imported cars, first-time registrations totalled 140,590. This was down by 4.8 per cent compared to 147,637 in 2018. The top three models were the Mazda Axela on 7,342 units, Honda's Fit with 6,719 and the Suzuki Swift on 6,106.

There were 11,281 used imported commercials sold last year – down by 7.3 per cent from 12,167 units in 2018.

Full statistics coverage – from p33

Establishing your digital foundations

As we've explored in previous columns, today's competitive automotive market requires dealers to be running continuous digital advertising campaigns to ensure they reach customers at every stage of the buying journey.

However, what's the point of investing in advertising if marketing foundations aren't in place?

You wouldn't spend large sums of money to promote your dealership only to have people disappointed when they hit the showroom floor with degraded facilities, low stock levels and unprofessional staff.

Dealers appreciate that the appearance of their premises and the presentation of their team is key to converting customers, so invest in these accordingly.

Similarly, investment needs to be made in some key, long-term marketing foundations to ensure you're always putting your best foot forward in the digital landscape – namely, your website and your search-engine optimisation (SEO).

YOUR DIGITAL FACE

Your website is the digital face of your business, so aesthetics are paramount if you want to keep a customer engaged.

Website creative is a speciality that only highly qualified designers truly get right – and, within that, automotive sites have a sub-set of design elements that are specific to the industry.

These include the way they navigate through new-car content, the inclusion of offers pages and scrolling banners, stock locator layouts and multiple conversion points, including live chat, enquiry forms and click-to-call buttons.

TODD FULLER
General manager
AdTorque Edge NZ

Furthermore, you need to ensure your site is unique to your dealership – not just a templated version identical to those of other dealers'.

When visiting a website, customers want to feel as though you are speaking to them with an understanding of who they are and what they want, and this is done through content that's unique to your business.

The investment in a qualified designer also ensures you end up with a website that functions in a way that delivers the best user experience. With 65 per cent of website views taking place on cellphones, it's imperative your site is responsive – adjusting its view, navigation and functionality of its forms depending on the user's device.

The load speed is also a key element in ensuring a good customer experience, and only a reputable website developer can implement the necessary strategies to ensure this is achieved.

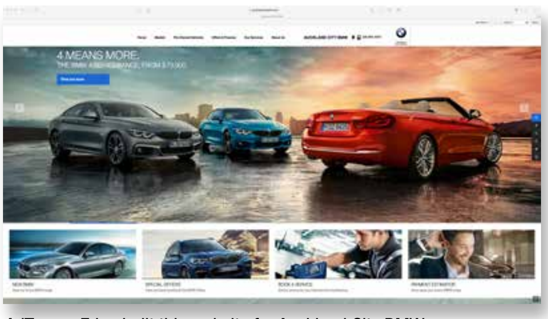
Customers today don't like to wait for a page to load. They expect an instant response to their clicks, and if they don't get that they will move to another site.

Load speed also has an impact on your website's SEO with rankings of sites being downgraded if they take too long to load.

OUTRANK COMPETITORS

SEO is a process of optimisation that ensures a website is compliant with the many regular algorithm changes that major search engines implement.

"On-page" and "off-page" SEO strategies are executed to ensure a site's ranking potential is met and relevant traffic is being driven to it.



AdTorque Edge built this website for Auckland City BMW

The best place to start your SEO is to have a qualified specialist audit your website. It's a process in which several key areas will be examined, and any problems detected that may be preventing the site from ranking well. Once this is established, a campaign can be set up to address the issues and attract customers to your site.

SEO is a long-term investment, not a short-term expense. With any campaign of this kind, no matter what goals you have, success should be seen as value delivered over time. The best part about paying for SEO is that there is no expiry date because the benefits compound.

With the major players always improving their ranking algorithms and your competitors always looking to dethrone you, search-engine rankings are constantly changing.

For this reason, rather than paying as you go, my recommendation to dealers is to sign a retainer for SEO with a reputable agency that shares your goals and values. This then gives you peace of mind that you have a long-term strategy in place with a team of experts monitoring your website month after month.

Like a renovation to your premises when you would hire a qualified construction team you trust will deliver a dealership that looks great, functions well and appeals to customers, you should take the same approach with your online presence.

Partner with providers that will deliver a website that's going to present well, perform well and rank well because – once these foundations are in place – like your showroom, they will act as free advertising for your business.

The month that was... January

January 20, 1997

$35m lost from illegal imports

The government was losing more than $35 million a year through private importations of Japanese cars.

Enquiries by Autofile revealed an estimated $12m was disappearing in GST with at least another $12m gone in duty evasion by undervaluing vehicles.

Taxation revenue was also failing to make it into the government's coffers. The large number of people not declaring earnings from selling cars was costing the country an estimated $6m a year.

Autofile also believed many people selling cars illegally were also claiming welfare benefits to the tune of $1.8m per annum, and illegal dealers failing to pay GST on agents' fees amounted to $3.7m in lost government revenue.

Unlicensed trading by members of the public had reached epidemic proportions, threatening the livelihood of legitimate dealers.

Six cars a year was the maximum someone could import for private sale. However, there were no restrictions on the number that could be sold by licensed motor-vehicle traders.

January 27, 2006

Back into court – again

Just a few months after losing a costly legal battle with Jerry Clayton's Kiwi Auto Exports, Land Transport New Zealand (LTNZ) was about to find itself back in court.

Steve Ward, of odometer certification company Optimech, said he was preparing proceedings over LTNZ's refusal to grant his 2003 Maserati Coupe an exemption from the frontal-impact rule. Clayton's case covered similar ground, only with a 1999 Ferrari 360 Modena.

"Ferrari owns Maserati," said Ward. "The mechanicals are the same, they have the same e-plate and the same C or D designation to denote their frontal-impact standard. The stupidity is we're going to court again to waste more taxpayers' money. It has nothing to do with safety and everything to do with big business and protectionism."

After the last case, LTNZ agreed to look at ways of streaming the compliance process that required importers to provide statements proving imports were built to a certain frontal-impact standard.

Autofile understood it was still committed to this review, but wasn't going to change the way it handled individual cases in the interim.

January 11, 2008

Toyota tops 2007 sales charts

Toyota emerged as New Zealand's most popular make of vehicle, topping vehicle-sales charts across the board during 2007.

The Japanese marque was the top pick for buyers of new and used imported passenger vehicles, as well as new and used commercials, based on figures released by Land Transport New Zealand.

Sales of new Toyota cars were up by 5.1 per cent from 12,460 to 13,095, and the marque's used-import passenger vehicle registrations rose by 0.6 per cent from 33,277 to 33,482. Sales of its new commercials climbed by 2.7 per cent from 6,740 to 6,921, while sales of its used commercials – while still streets ahead of other brands – dropped by 7.8 per cent from 4,926 to 4,540.

In the overall market, sales of new vehicles climbed in 2007 while used-import registrations declined.

"We're really pleased with the results, which gave the company market leadership for the 20th consecutive year," said Steve Prangnell, general manager of sales and operations.

"Eleven new models entered the market in 2007, which means our product line looks fresh and able to sustain market leadership throughout 2008 and 2009."

January 25, 2008

Year-end arrivals up 4.1 per cent

Imports of new and used vehicles into New Zealand fell during December 2007 despite predictions that stockpiling by dealers would occur before new exhaust-emission legislation came into effect from January 31, 2008.

New Zealand Customs Service's most recent figures showed that total arrivals were down by 12.5 per cent from 18,860 in December 2006 to 16,504 in December 2007.

Arrivals of new passenger vehicles declined by 15.8 per cent to 5,372 from 6,383 units in the previous December, and arrivals of used imported cars were down by 4.3 per cent to 9,022 from 9,428 in the same month in 2006.

The number of new commercial vehicles crossing the border were down by a massive 42.5 per cent to 1,334 units in December 2007 from 2,321 in December 2006, but arrivals of used commercials increased by 5.5 per cent to 686 from 650 units.

From January to December 2007 the total number of vehicles that arrived in New Zealand was up 4.1 per cent to 231,786 from 222,596 in 2006.

Events identify insurance needs

The horrendous hailstorm that struck Timaru in November has been described as a "major weather event".

Locals said they had never seen anything like it before and it's pretty reasonable to say it was well outside of anyone's expectations.

Some of the losses experienced by businesses and dealerships can only be described as very significant, as reported in the December issue of Autofile.

A variety of stories have emerged since the hailstorm. They range from situations with people having no insurance, to having some cover but not for that specific type of event, and right through to people having full cover.

We have even heard that one car yard is facing bankruptcy because the insurance policy held was inadequate or unsuitable.

Insurance can be one of those products when price might well be an indicator of coverage. When you purchase insurance, it's important to recognise that policies are not the all same. Prices vary and so does cover. It's an important example of the devil being in the detail.

You really need to read all of your policy and accompanying documents thoroughly, and identify what your cover includes. It's a good idea to seek guidance from professionals about what is or isn't covered, and what a good policy would entail.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Freely available guidance on what to look for when buying insurance suggests that you review your policy every year to ensure your cover is still appropriate.

It's necessary to consider what has changed since you last took out insurance and whether it still fits your needs.

The reality is things change, so you need to take a moment to think about any possible impacts on your business.

For example, your business might have grown, you might have more stock, and local environment and roading developments might have changed your risk profile.

Plenty has been written about changing weather patterns, and a significant hail, wind or flood event may now be more likely than in the past.

"A variety of stories have emerged since Timaru's hailstorm"

Think laterally about possible situations that you might encounter and check to see that your policy provides cover for those situations – and never assume anything.

As one insurer has stated, if it doesn't specifically cite that the policy covers "x", then it's a good idea to seek clarification to be sure.

An example of this type of situation has recently arisen in the repair space when some businesses thought they were covered in the event of failing to identify a vehicle fault during a warrant of fitness inspection.

Those repairers thought they had cover to address that aspect, but only later discovered when making a claim that their insurance policies didn't specifically cite coverage of inspection services and, therefore, cover didn't exist.

As we roll into the traditions of the new year, now is as good a time as any to set a few resolutions.

Perhaps planning to have a good look at your insurance policies might be a worthwhile addition to your "to do" list – and get done.

And remember, a good year is one when you don't have to claim on your policy.

This column's contents should be viewed as general advice. Readers should seek full advice if and when appropriate.

Huge investment in driverless cars

KIT WILKERSON
Policy adviser and analyst
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A deluge of articles I've recently read have highlighted how expert opinion is pushing back expectations for the readiness and adoption of autonomous vehicles (AVs) – and sometimes by decades.

I'm unsure if Google tailored my news feeds to show me stories that support my opinions or if the global outlook really is shifting.

There have been some big industry changes since my previous column. Most notably, Hyundai has announced it is investing about NZ$80 billion on electric and AV technology.

The potential for being the first to market is too great and I expect the amount of money being thrown at the problem will continue to increase. Not only are manufacturers spending money on research and development, many are already doing everything they can to set the stage.

It has been estimated that, by 2025, there will be about one million vehicles globally ready for autonomous driving – up from an estimated 180,000 in 2018.

While they have hardware and sensors in place to be driverless, they will be unable to be so because they still need software – or the brain. This is where the race is today. The assumption is cars with ready hardware will be able to be upgraded with the latest software when the race is won.

As for the field of artificial intelligence (AI), it has been around since the advent of computers. It tends to surge in interest and funding when new approaches are found only to fall into lulls, dubbed "AI winters".

Fresh approaches are often jumped on by everyone and milked for every bit of funding before eventually failing to meet promised potentials. Interest wanes until the next big development, then it starts all over.

We only know of one system that can interact with the environment in the way needed to drive a car – and that's the human brain. The complication isn't only do we not know how to replicate its functioning, we don't even know how the brain functions.

Currently, many experts think we may be sliding into an AI winter. Facebook's head of AI recently claimed deep learning – the most recent approach that has led to a surge in funding and interest – has visible limits and is about to "hit the wall". Not a good analogy for technology we hope can learn to autonomously drive vehicles.

Having physical or mental capability isn't the only requirement – technology also needs to be given the green light. While New Zealand has taken steps to ensure AV technology is allowed, many jurisdictions have taken the opposite approach and tightened laws to ensure it isn't used without permission. Proper regulation, or its lack, is the biggest non-technological hurdle.

As for the state of AVs with major manufacturers, Jaguar is interesting because in 2015 it argued it would never build AVs. Instead, the marque claimed it would focus on driver-assist technologies. The basis of its philosophy was "customers aren't cargo".

Since then, however, Jaguar has partnered with Waymo (Google/Alphabet) to build its autonomous EVs and is expecting the first 20,000 to come online by 2020. It's also deploying a test fleet of 100 AVs on UK roads.

The Nissan Leaf will be among the first vehicles to take advantage of Microsoft's computational environment from 2020

Instead of developing its own driverless car, Microsoft has focused on developing an ecosystem for connected vehicles to use. AVs use a lot of processing power and the tech giant has positioned its cloud solutions as the place to do it.

Among the first vehicles to take advantage of Microsoft's computational environment will be 2020 Nissan Leafs. Bill Gates' company also has a long-standing partnership with Toyota to develop robotics and AVs.

Nissan, meanwhile, has been testing AVs on Tokyo's roads since 2017. It has also partnered with a Japanese online gaming company to trial an autonomous taxi service called Easy Ride in Yokohama, using Leafs. More recently, Nissan and Renault partnered with Google to roll out driverless trucks in Japan and France.

Nvidia, commonly recognised as a supplier of computer parts with a focus on graphics cards, has been a major player in developing hardware for AVs. Its cards usually have many more processors than central processing units, and that processing power has been retargeted towards the extreme demands of autonomous driving.

Volvo and Continental have – each independently – partnered with Nvidia. They intend to use the latter's platform to develop autonomous trucks.

Samsung has had a permit to test AVs in South Korea – in partnership with Hyundai – since 2017. At about the same time, Samsung spent some NZ$12.25b acquiring Harmon, an auto-tech company with significant investment in connected vehicles.

Since then, Samsung has focused on two primary areas – developing specialised hardware for AVs and the infrastructure needed to support them.

In my next article, I will continue exploring how major players in the AV industry are focusing their efforts, and look at how the design of highly autonomous vehicles will likely change.

Staff call for 'credible' agency

The treatment of NZTA employees has been criticised in a report commissioned by the Ministry of Transport (MoT).

As revealed in the November issue of Autofile, the agency wants to recruit up to 100 people to work in its regulatory services group with the government saying remedial action is "well under way" on issues uncovered by MartinJenkins.

The consultant's report reveals the NZTA has failed to enforce compliance for many years, while frontline staff in vehicle safety have felt neglected and afraid to speak out for fear losing their jobs.

MartinJenkins, which held confidential interviews with employees in the agency's regulatory function, found many lower-level workers feel a climate of trust has been missing from 2013/14. The report states: "A regular comment made by a senior executive was, 'if you're not on same boat, get off'. Dissent wasn't tolerated.

"Some interviewees were visibly upset during our interviews. They felt relieved someone was finally listening to their views. Many feel some of the NZTA's credibility as a regulator has been lost.


Sir Brian Roche

"We were given examples demonstrating the loyalty of staff to its core safety objective."

MartinJenkins says employees have, in the past, received messages contrary to what they believe needs to be done. "At other times, they have been castigated and even publicly rebuked for making what they have seen as right decisions, particularly on decisions to enforce compliance.

"From the creation of the NZTA through to about 2016, there has been inadequate regulatory understanding and capability at senior leadership. This lack of experience was aggravated by a naïve emphasis on 'making it easy to comply.'

That said, since the end of 2017, there have been positive signs of more focus on regulatory functions, although this has been delayed because of a focus on strengthening compliance activity.

"Work has been completed on a regulatory management strategy and a draft compliance intervention model reflecting good practice developed," states the report.

"There is a current focus on rebuilding regulatory capability through developing a clear statement of purpose, defining accountability for decision-making and service delivery, and empowering frontline staff to make decisions for intervention."

The report notes the current approach doesn't address the need for a longer-term strategy to ensure the agency is responsive to change, and that it "develops and sustains regulatory capability needed for this".

Sir Brian Roche, chairman of the NZTA, says his board fully supports a recommendations in MartinJenkins' report, and will work with the government and its partners to become a best-practice regulator.

"Our frontline people work hard to improve safety and reduce harm in the land-transport system. They aren't responsible for historic failings, which are attributed to systemic issues related to governance and executive leadership."

Industry movers

BLAIR COSFORD has been promoted to chief executive officer of Jacanna Customs and Freight. He previously held the position of operations manager, mainly responsible for general cargo and warehousing, since joining the company in 2014.

Prior to Jacanna, Cosford, pictured, held operations management and project management roles with multi-national freight companies. He has been in the freight-forwarding industry for 18 years.

His promotion will allow Ken Quigley, owner of Jacanna, to pursue growth opportunities for the Auckland-based company.

Linda Wright

Norman Smith

LINDA WRIGHT and **NORMAN SMITH** have been appointed as board members of the Energy Efficiency and Conservation Authority with Tom Campbell and Phil Heatley's terms expiring.

Wright is the current chief executive of the NZ Hydrogen Association. Smith is a consultant and academic, who has worked on energy efficiency and renewable energy start-ups.

Elena Trout

ELENA TROUT now chairs the agency's board of directors having previously served as a member on it.

DEREK JOHNSTON has been appointed, and **ELISABETH WELSON** reappointed, as members of the Commerce Commission.

Johnston's five-year period started on November 1 and Welson will continue in her position for a further two years after her current term ends on March 31, 2020.

Johnston has been a commercial barrister and arbitrator practising at Thorndon Chambers in Wellington since 2011, and has expertise and experience in competition and commercial law.

Welson started as an associate member of the commission from 2012 before becoming a full member in 2013. She is a lawyer and former senior commercial partner at Simpson Grierson.

Following the two appointments, the board has six members including chairman, deputy chairman and telecommunications commissioner. It also includes four associate members, including one cross-appointed from the Australian Competition and Consumer Commission.

FELIX BOULIN has been appointed as marketing director of Renault Australia.

He will oversee full marketing responsibility including product planning, volume planning and distribution, as well as digital marketing and brand advertising.

Boulin previously worked with Sime Darby Motors distributing Peugeot and Citroen franchises across Australia and New Zealand.

MATT MORAN has been appointed as communications director of Ford Australia and New Zealand. He has relocated to Melbourne from Shanghai where he led corporate communications for the marque's international markets group.

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

NZ labour market report

Employers are now using social media to check out applicants and keep tabs on their staff as a matter of course.

A survey by global recruitment agency CareerBuilder has found that 70 per cent of bosses use people's accounts to screen them during the hiring process and 43 per cent use them to check on current employees.

Bosses use social-media sites to research candidates' potential

Managers look at social media for an array of reasons, but many employers want to ensure candidates will fit in with their businesses.

While the fear of something embarrassing or negative being discovered might tempt some applicants to completely erase their online personas, that's a strategy that can backfire.

About half of employers – 47 per cent – said they wouldn't call applicants for interviews if they couldn't find them online. More than one-quarter wanted to gather more information before calling a candidate, while 20 per cent said it was because they expected candidates to have online presences.

Most businesses aren't scouring the internet looking for reasons not to hire people – it's for the opposite reason, reports CareerBuilder, and that's to research candidates' potential.

Its study found that 58 per cent of employers conducted social screenings to look for information to back up someone's qualifications, 50 per cent wanted to ensure that person had a professional online persona, and 34 per cent wanted to see what others were posting about them.

Ensuring candidates were "well-rounded" with a range of interests came in at 31 per cent, as did their personality and fitting in with company culture. Seventh was communication skills on 28 per cent, then awards and accolades with 26 per cent.

Just 24 per cent of respondents said they went on social media to search for reasons not to hire someone.

Positive content about applicants came next at 23 per cent. The top 10 was rounded out with candidates' interaction with the company's social-media accounts on 21 per cent.

That said, the survey also uncovered leading types of posts and behaviour that left employers with bad impressions. These were:

- **40%** Job candidate posted provocative or inappropriate photos, videos or information.
- **31%** Applicant posted details about them drinking alcohol or using illegal drugs.
- **31%** Candidate had discriminatory comments related to race, gender, religion and so on.
- **30%** Applicant was linked to criminal behaviour.
- **27%** Candidate lied about qualifications.
- **27%** Applicant had poor communication skills.
- **25%** Candidate bad-mouthed previous company or fellow employee.
- **22%** Applicant's screen name was unprofessional.
- **20%** Candidate shared confidential information from ex-employers.
- **16%** Applicant lied about an absence.

Finally, professionals shouldn't ease up on ensuring their online presences are positive after landing jobs.

The study found 48 per cent of employers use networking sites to check out current staff. Of those, 34 per cent have found content that caused them to discipline or even fire a worker.

TIMES OF CHANGE, LET'S GET READY

Our industry – along with almost all other industry sectors – has gone through significant change over the past 10-plus years. Most industry observers would say that insurers and their agents have been slow to adapt to technological and regulatory enhancements, and few have been proactive in preparing for such change, but that is not a recipe for survival or prosperity.

Technology is playing an increasingly greater role in how businesses interact with each other and with their customers. End customers are becoming increasingly well-informed through the use of technology. They now educate themselves on what is available and what they feel they need before they seek to purchase services and products. Retailers are no longer able to choose who gets offered what, if at all.

Retail industries, including the motor-vehicle sector, are experiencing significant changes in consumer buying behaviour as technology informs and provides consumers with greater choice and transparency, all of which is supported by increasing regulatory change aimed at protecting these consumers. Globally, governments are looking to protect their constituents from predatory sales practices, unsuitable products and value propositions which are not fair value for the customer.

For the first time in New Zealand's insurance industries history, insurers have become the subject of oversight and regulation by the Reserve Bank of New Zealand (RBNZ) under the Insurance Prudential Supervision Act 2010. Insurers are also voluntarily subject to an Insurance Council code of practice. While Protecta is not a registered and regulated insurer, it is a managing agent for a regulated insurer and, as such, Protecta must effectively step into that insurer's shoes and behave like an insurer to ensure it is compliant in every way.

In the UK over the past few years, and more recently in Australia with the 2018 Royal Commission of Inquiry into the finance and insurance sectors, increasing focus is being applied by regulators into the practices of industries and companies over which they have prudential oversight.

Enormous fines over the mis-selling of products – products similar to those distributed in the New Zealand market – have been imposed. It is understood that the remediation costs so far equate to AU$8 billion, leading to increasing concern as to what may lay ahead for our industry here in New Zealand.

In early 2019, the Financial Markets Authority and RBNZ released the Insurance Conduct and Culture Review (the Report) of the life-insurance sector. These two regulators have since issued notices to all New Zealand insurers saying, "we expect all insurers to assess their conduct and culture governance frameworks, and consider and act on all relevant recommendations in the report to ensure" the points below are taken on-board:

- Board ownership and accountability for conduct and culture.
- Oversight of intermediaries.
- Product design, training and support.
- Policies and process.
- Identification and remediation of issues.
- Incentives, including to staff, and commissions to intermediaries.

The document issued had a deadline of October 31, 2019. There is no escaping these facts and Protecta must proactively adapt its current structure, technology and product solutions, operating model and cost base to ensure it is prepared and fit to meet the challenges of tomorrow.

All of this paints a picture of insurers needing to have much tighter oversight of their products, commission regimes to intermediaries, how their product propositions are represented to consumers, and how they satisfy the regulators that they have appropriate oversight of such practices. In other words, insurers must take control of their destinies and we at Protecta, as an agent for an insurer, must proactively take the lead on these obligations.

Over the coming weeks, we will be discussing more closely with our dealers, partners and agents what we believe tomorrow looks like, and working alongside you to assist and adapt with theses changing times. Whether you are a current Protecta Insurance provider or not, please feel free to contact me directly to discuss. At Protecta, we want to ensure you are well-prepared for change. It's not a matter of if, it's a matter of when.

Working together we can provide better customer outcomes.

Regards,

Phil Hibbert

Phil Hibbert,

CEO, Protecta Insurance Ltd

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Ford's 'little car' wins big

The managing director of Ford NZ was delighted to collect the AA Driven NZ Car of the Year 2019 award for the Focus.

"Who would have thought our little car would be the winner," said Simon Rutherford. "It's been a tough competition and to come out on top is fantastic."

The Focus saw off some stiff competition to take out the top gong during the awards ceremony at Shed 10 on Queen's Wharf, Auckland.

The other finalists on December 10 were the BMW 3 Series, Holden Acadia, Jaguar I-Pace, Mazda 3, Peugeot 508, Renault Megane RS, Tesla Model 3, and Toyota's RAV4 and GT Supra.

A panel of nine judges decided the Focus was the pick of the bunch thanks to its technology, dynamic driving and being "excellent value for money".

Simon Rutherford, managing director of Ford NZ, with the Focus and the AA Driven NZ Car of the Year 2019 trophy

Its standard safety features include pre-collision assist with pedestrian and cyclist detection, lane-departure warning and lane-keep assist.

The ST-Line and Titanium variants also boast an adaptive cruise-control system that can slow the vehicle to a stop before it starts off automatically when traffic moves.

Stella Stocks, the AA's general manager of motoring services, said the awards marked the culmination of a lengthy voting process.

"Each of the finalists vying for car of the year was put through its paces in a comprehensive trial on the road and at Pukekohe Park Raceway with all judges scoring from the driver's seat," she said.

Farewell to Stella

It's a wrap. The NZ Car of the Year 2019 awards ceremony in Auckland last month ended with a special presentation to Stella Stocks.

The AA's general manager of motoring services, who has since retired after two decades with the organisation, received a huge bouquet of flowers at the event from television presenter Scotty Stevenson, MC.

"It's not often I'm speechless, but it's been a fantastic ride," Stocks said. "My whole working life has been in the industry. I love the industry, I love cars and everything about it.

"I love my team because you make it so special. Thank you very much."

The October 2019 issue of Autofile magazine featured an in-depth interview with her. Visit www.autofile.co.nz to access the online version.

From left, Stella Stocks, the AA's general manager of motoring services, Simon Rutherford, of Ford NZ, and Greg Cassidy, general manager of digital ventures at Driven

Euan Philpot, left, chief executive officer of JEVIC NZ, and David Hodge, managing director of Mazda NZ

Craig Pomare, left, chief executive of the Motor Trade Association, with Kurt Schlosser, Tesla country director

Peugeot's Alexandre Devillers, left, with Phil Hibbert, chief executive officer of Protecta Insurance

Dean Evans, of Driven, left, with Neeraj Lala, chief operating officer of Toyota NZ

"The results speak for themselves and give buyers the definitive answers they've come to expect from the AA."

New Zealand's safest car of 2019 was the Mercedes-Benz CLA, which achieved full points in a number of ANCAP tests.

"It's not just buyers who benefit from safety elements in a vehicle," added Stocks. "All of us have a stake every time a new car starts rolling on the road.

"The safest car award isn't judged. It's calculated with data from ANCAP and I congratulate Mercedes-Benz for this important recognition."

Chief judge Liz Dobson said there was stiff competition for the overall title, but the Focus stood above the rest.

"From family vehicles to luxury cars, hot hatches, and electric and hybrid models, for the first time in the award's history there was a great mix vying for the title."

More than 48,000 Kiwis voted in the people's choice award sponsored by Driven, with the RAV4 taking out that honour.

The AA Driven NZ Car of the Year is the industry's most respected and prestigious award.

Past winners have been the Mercedes-Benz A-Class, Skoda's Kodiaq, the E-Class, BMW's i3 and the Mazda 3.

BEST-IN-CLASS RESULTS

Micro/light car: **Suzuki Swift Sport** (class sponsored by ANZ).
Small/compact car: **Ford Focus** (BNT).
Medium/large car: **Peugeot 508** (Protecta).
Luxury car: **Mercedes-Benz S-Class** (ICG).
Sports/coupe/convertible: **Toyota GT Supra** (Castrol).
Small SUV: **Volvo XC40** (Experieco).
Medium SUV: **Toyota RAV4** (Supercity Towing).
Large SUV: **Mazda CX-8** (JEVIC).
Luxury SUV: **Mercedes-Benz GLE** (Bluestar).
Utility: **Ford Ranger** (Fleetline).
EV/plug-in hybrid: **Tesla Model 3** (MTA).
Safest car: **Mercedes-Benz CLA** (MITO).
People's choice: **Toyota RAV4** (Driven).

Toyota's RAV4 scooped the people's choice award

Logistics force ‘postponement’


TCR Australia action from last year

TCR, the biggest thing in tin-top circuit racing, will not be a part of New Zealand’s summer of motor racing, leaving up to nine teams with cars they can only use for endurance racing.

The new category was to have come to this country under the ownership of the Australian Racing Group, which runs TCR Australia as well as the S5000 Championship for V8 single-seaters across the Tasman.

An announcement in early December stated the cars will now run a different series, which is likely to start in September 2020. With confirmation of the calendar change, the championship will now consist of seven rounds staged over five months.

The reason given was that overseas competitors have been struggling to make the logistics of getting vehicles, spares, tools and crew into – and possibly out of – New Zealand in a timely manner.

Across the ditch, TCR Touring Car Series has a year’s head-start. It has already seen a lot of crash and bash with drivers from a wide range of categories settling into the refined demands of European touring motorsport.

There are questions now around the live television package announced by Speedworks, which was to be jointly funded by TCR.

Contracts between Speedworks and the TCR promoters have already been signed, and MotorSport New Zealand bought the licence to enable the series to run here in January.

It is unclear what financial remedy the sport’s governing body may now seek.

The TCR formula, which was introduced in 2014, is based on four or five-door front-wheel-drive production vehicles powered by two-litre turbocharged engines.

Since then, several global and regional championships have been established, and its regulations have been adopted in some series, such as the World Touring Car Cup from 2018.

In January 2018, the Confederation of Australian Motor Sport secured the rights to develop a TCR series across the Tasman starting from last year, with the Australian Racing Group later being announced as series promoter.

Maximum grid for Toyota Racing Series

With almost two months until the opening round, the Castrol-backed Toyota Racing Series (TRS) looks set for a bumper year in 2020 with a full grid comprising two New Zealanders and 18 overseas drivers.

Sources at the series say all four registered teams – Victory Motor Racing, MTEC Motorsport, Giles Motorsport and M2 Competition – are full and there is a waiting list for drives.

Pukekohe’s Liam Lawson returns to defend his 2019 title having taken on a busy year of racing in European categories, while Auckland’s Chelsea Herbert steps out of her NZV8 to cut her teeth in single-seaters.


Liam Lawson


Chelsea Herbert

Lawson is preparing for another year in FIA Formula 3 and will not be racing in Red Bull colours, while Herbert says her intention is to learn the subtleties of single-seater racing in order to hone her craft for future endurance or similar drives.

Both are likely to receive financial assistance from the Kiwi Driver Fund.

The other 18 seats are filled by a typical cast of rising stars from around the world.

They include French karting ace Emilien Denner, Brazilian e-sports and circuit racer Emilio Fraga, endurance racer Henning Enqvist and Belgian Amaury Cordeel, the 2019 Spanish Formula 4 champion.

Students benefit from legend's legacy

Two young engineers from New Zealand have started an internship in the UK, which has been established in honour of McLaren's founder, Bruce McLaren.

Elizabeth Grant and Harvey Merton, students at the University of Auckland, are following in the footsteps of the Kiwi legend, who arrived in England in 1958 on a scholarship before going on to set up his racing team five years later.

His vision was always to build supercars. McLaren Automotive was established about a decade ago to fulfil that vision, and Merton and Grant – who are passionate about high-performance engineering and cars – are spending two months at the McLaren Technology Centre in Woking, Surrey.

The company has produced some of the world's most iconic supercars, most recently unveiling the Elva roadster, which celebrates the renowned Bruce McLaren-designed M1A and McLaren-Elvas of the 1960s.

Produced as "customer" versions of the innovative and exciting group-seven McLaren racers, the McLaren-Elva cars embodied many of the pioneering design and engineering principles still integral to road cars the company hand-builds today.


Amanda McLaren with Elizabeth Grant and Harvey Merton alongside the Elva roadster


The McLaren Technology and Production Centre in Surrey

The two students are having stints with designers, development engineers and the powertrain team, as well as learning about areas, such as after-sales, to gain a rounded understanding of McLaren and its 2,700-strong team.

It was nearly 60 years ago that Bruce McLaren travelled to England on a similar Driver To Europe scholarship to pursue his dreams.

Now his daughter, Amanda McLaren, is a brand ambassador for McLaren Automotive.

"It's wonderful to welcome Elizabeth and Harvey as the latest bright, young engineers to benefit from the international internship named in honour of my father and to know his legacy lives on today – in the cars and ethos of the company," she says.

"My father would be proud of what McLaren has become. I'm sure he would be equally proud of the internship, which celebrates the strong links between Britain and New Zealand that he epitomised.

"I'm grateful to McLaren Automotive and the University of Auckland for their continued support for nurturing young engineering talent."

The scholarship has been funded by alumni Neil Paton, Eric Tracey, Rob Whitehouse and Sir Colin Giltrap.

Driving to success

Bruce McLaren was a race-car designer, driver, engineer and inventor. His team is one of the most successful in Formula One history, winning eight constructors' and 12 drivers' championships.

McLarens dominated CanAm sports-car racing with 56 wins – a considerable number of them with him behind the wheel – between 1967 and 1972, as well as lifting five constructors' championships. There have also been three Indianapolis 500 wins, as well as success at the 24 Hours of Le Mans and 12 Hours of Sebring.

McLaren, pictured, was born in Auckland and – when aged nine – he was diagnosed with perthes disease in his hip that left his left leg shorter than the right.

His parents Les and Ruth owned a service station and workshop in Remuera. His father had been a motorbike-racing enthusiast, but gave that up due to an injury before his son's birth and raced cars at club level instead.

McLaren junior spent all of his free time hanging around the workshop where he developed his passion.

He died aged 32 when his Can-Am crashed on the Lavant Straight just before Woodcote corner at the Goodwood Circuit in England on June 2, 1970. He had been testing his new M8D when the rear bodywork came adrift at speed.

The loss of aerodynamic downforce destabilised the car, which spun, left the track, and hit a bunker used as a flag station.

Lack of evidence as to cause of engine damage results in case being dismissed

The case: The buyer wanted to reject his high-mileage SsangYong Musso about 11 months after purchase because its timing chain had snapped and damaged the engine. The trader claimed it wasn't liable for the faulty part under the Consumer Guarantees Act (CGA).

The decision: The consumer failed to have the car's problems diagnosed, so the tribunal ruled that there was insufficient evidence to draw any firm conclusion as to the cause of the snapped timing chain. As a result, the case was dismissed.

At: The Motor Vehicles Disputes Tribunal, Auckland.

Background

Puhi Cooper purchased a 2006 SsangYong Musso for $9,995 from Tandarra Enterprises Ltd, trading as Pearce Brothers, in October 2017. The SUV had an odometer reading of 169,991km when it was supplied.

Cooper said the car's timing chain snapped in September 2018, causing damage to the engine. He applied to the tribunal for an order to reject the vehicle, obtain a refund of all the amounts he had paid in respect of it and to be relieved of his ongoing obligations under the loan he had entered into to make the purchase.

Tandarra Enterprises said Cooper wasn't entitled to reject the car because he hadn't provided evidence to prove the Musso had any faults it would have liability for.

The case

Although the tribunal identified several potential issues during the hearing, after it considered the relevant evidence, it found the sole issue requiring its consideration in this case was whether the buyer had proved the Musso had a fault that breached the CGA.

Section six of the act imposes on suppliers and manufacturers "a guarantee that goods are of acceptable quality".

The tribunal said the buyer – as the applicant in this case – was responsible to prove his claim on the balance of probabilities.

To do this, Cooper had to prove it was more likely than not that the alleged faults existed and, because of those issues, the SsangYong wasn't of acceptable quality under the terms of the CGA.

Despite a pre-hearing direction from the tribunal asking him to have the Musso's faults diagnosed and estimated for repair, Cooper didn't have the car assessed by an independent repairer.

Instead, he told the hearing he considered that it was too expensive to have the problems diagnosed and he was of the opinion Tandarra Enterprises should have taken responsibility for that cost.

However, the tribunal wasn't satisfied that the trader had an obligation to pay to have the Musso's faults assessed. It stated that, in some cases, the cause of damage to a vehicle was so obvious that a dealer should immediately assume responsibility for its diagnosis and repair, but this wasn't one of those.

The information provided by Cooper and his partner Kayleen Buchanan didn't clearly show that the SUV had any faults that Tandarra Enterprises would immediately assume liability for. In particular, photographs of the Musso sent by the buyer failed to clearly identify the cause of the snapped timing chain.

Accordingly, the trader was within its rights to ask the purchaser to have the vehicle assessed before it would decide what, if any, responsibility it would take to repair it.

But because the Musso had not been assessed, the adjudicator didn't know what had caused the timing chain to snap.

The tribunal's assessor told the hearing that there was a number of reasons that would cause a timing chain to snap.

Some of those might be related to a lack of durability in the vehicle, such as a worn timing chain or a tensioner fault, which could cause a timing chain to lose tension and snap.

If the timing chain snapped for either of these reasons, the tribunal would have been satisfied that the Musso hadn't been acceptably durable and was in breach of section six of the CGA.

However, there were other possible explanations for the snapped timing chain.

The assessor told the hearing that the timing chain might have snapped due to the vehicle regularly being driven while the chain was loose due to a lack of oil pressure because the car's oil levels were too low, or because the Musso was consistently being driven while the engine was operating at high revolutions per minute.

If the timing chain snapped for either of those reasons, the tribunal wouldn't have been satisfied that the vehicle breached the guarantee of acceptable quality.

That was because – under section seven of the CGA – damage caused because of the way in which the vehicle had been used didn't breach the acceptable quality guarantee when that use was inconsistent with the manner in which a reasonable consumer would have used the Musso.

The assessor told the tribunal that the evidence presented by Cooper and Buchanan didn't enable him to diagnose the underlying cause of the snapped timing chain.

The finding

Although the tribunal found that the Musso had a snapped timing chain, which had punched a hole in the engine's rocker cover, it wasn't satisfied that the buyer had proven that this damage breached the CGA's guarantee of acceptable.

The adjudicator ruled that in the absence of any diagnosis from a suitably qualified third party – or sufficient evidence to enable the tribunal to draw any firm conclusion as to what caused the timing chain to snap – it wasn't satisfied that it was a defect that breached consumer legislation.

Order

The application was dismissed.

Couple granted refund of deposit paid in judgement based on contract law

The case: The buyers agreed to purchase a 2006 Nissan from the trader on the condition that they were happy with a pre-purchase inspection. They paid a $1,000 deposit to the dealer, but asked for their money back when the inspection identified a number of faults. The dealer refused to do this saying the car was in an acceptable condition when it was supplied.

The decision: The tribunal ruled the buyers were entitled to get their deposit back.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Matthew Rush and Amy King entered into a vehicle offer and sale agreement (VOSA) to purchase a 2006 Nissan Cube for $4,980 from Moom Group Automotive on June 5, 2019.

They paid a deposit of $1,000, which was conditional on the couple being satisfied with a pre-purchase inspection performed by West Auckland Nissan.

However, the inspection identified several issues, which were estimated to cost more than $2,000 to fix. As a result, Rush and King decided not to purchase the Cube and asked for a refund of their deposit.

The trader declined to do so. It claimed the car was in an acceptable condition and the faults identified didn't exist or wouldn't become a problem for some time.

Rush and King applied to the tribunal to obtain an order for the dealer to return the deposit, and pay for the inspection and hearing filing fee.

The case

Rush wanted the matter considered under the terms of the Consumer Guarantees Act because the car's faults identified in the inspection showed the Cube wasn't of acceptable quality.

However, the tribunal disagreed, saying the facts of this case were best considered under the Contract and Commercial Law Act (CCLA), which dealt with the right to cancel a contract when one party had misrepresented rights the other party had under it.

Under section 37 of the CCLA, a party to a contract can cancel it if it was induced to enter into it by a misrepresentation – whether innocent or fraudulent – made by or on behalf of another party to the contract.

In the VOSA next to the heading "special conditions" was a clause stating the buyers' deposit was refundable subject to an inspection by West Auckland Nissan.

The trader's finance manager, Roger Luo, said the dealer refused to pay back the deposit because the inspection was incorrect. He said the Cube didn't have the faults as claimed and added further enquiries questioned the reliability of the inspection.

The tribunal also considered Rush and King's request to recover the cost of the inspection and the hearing filing fee from the trader.

It was the buyers' decision to perform the inspection. The tribunal said the couple received real benefit from doing so because they decided not to buy the Cube after learning of its outcome. In those circumstances, the tribunal didn't consider it appropriate the dealer should pay for the inspection.

As for the filing fee, under the Motor Vehicle Sales Act this cost could be awarded against a party when the matter ought to have been settled before the hearing, but that party failed to participate in pre-hearing settlement discussions – or after receiving notice of the hearing, failed to attend without reasonable cause.

The trader appeared at the hearing, so the purchasers weren't entitled to recover the filing fee on that basis and the tribunal wasn't satisfied this case should have been settled before it was heard.

It said there was some merit to arguments raised by the dealer in that it genuinely believed the defects identified by West Auckland Nissan didn't exist or weren't sufficient to enable the buyers to recover their deposit.

The finding

In the tribunal's view, the special condition clause regarding the inspection was inserted into the VOSA for the buyers' benefit. It amounted to a representation by the trader that the deposit would be refunded if the couple weren't, on reasonable grounds, satisfied with the results of the inspection.

The tribunal found this representation was misleading because the dealer didn't intend to pay back the deposit on those terms. Instead, the trader considered the $1,000 was only refundable if it was also satisfied with the inspection.

The adjudicator said Luo might be right that the car didn't have the problems listed on the report. But even if he was correct, the purchasers were entitled to recover the deposit because the inspection identified several costly faults. The sale agreement was conditional on the buyers' satisfaction with the inspection alone.

Also, the tribunal was satisfied that by representing the deposit was refundable subject to the buyers' satisfaction with the inspection without advising them it would decline to refund the deposit if it wasn't satisfied with the inspection, the trader made a misrepresentation as to their right to have the deposit paid back.

The tribunal was also satisfied the purchasers were induced to enter into the agreement by this misrepresentation. It accepted the couple's evidence they only agreed to pay the deposit and sign the VOSA because they were led to believe the deposit would be returned if they were unhappy with the inspection.

Therefore, Rush and King were entitled to cancel the contract under the terms of the CCLA and recover the deposit. However, the tribunal didn't consider it appropriate to award costs against the trader.

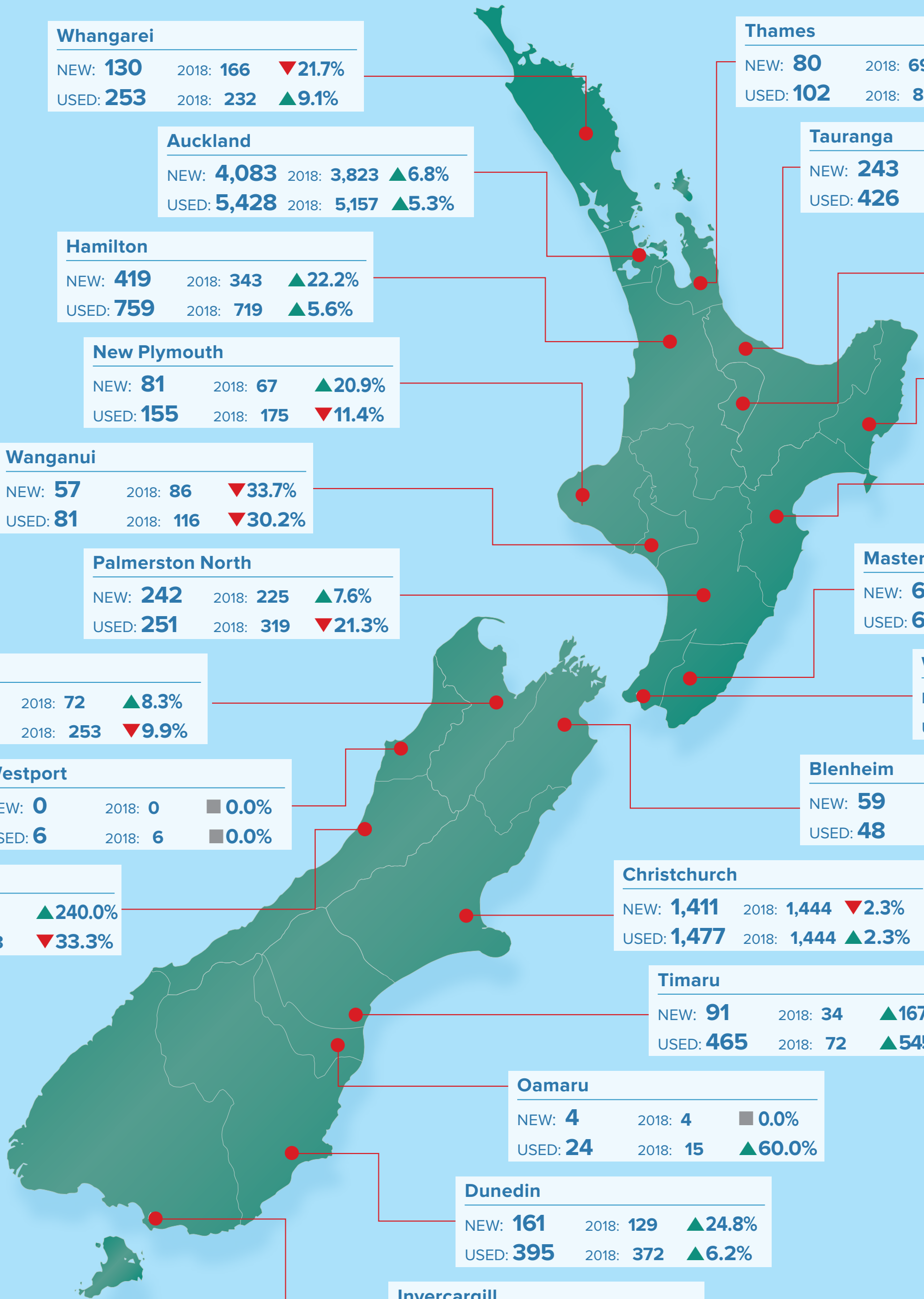
Order

The tribunal ordered the trader to refund $1,000 to the buyers.

AROUND THE COUNTRY December 2019

Total new cars	
8,159	
2018: 7,681	▲ 6.2%

Total imported used cars	
11,628	
2018: 11,061	▲ 5.1%



	NEW	2018		USED	2018	
Whangarei	130	166	▼21.7%	253	232	▲9.1%
Auckland	4,083	3,823	▲6.8%	5,428	5,157	▲5.3%
Hamilton	419	343	▲22.2%	759	719	▲5.6%
New Plymouth	81	67	▲20.9%	155	175	▼11.4%
Wanganui	57	86	▼33.7%	81	116	▼30.2%
Palmerston North	242	225	▲7.6%	251	319	▼21.3%
Nelson	78	72	▲8.3%	228	253	▼9.9%
Westport	0	0	■0.0%	6	6	■0.0%
Greymouth	17	5	▲240.0%	22	33	▼33.3%
Thames	80	69	▲15.9%	102	81	▲25.9%
Tauranga	243	229	▲6.1%	426	432	▼1.4%
Rotorua	124	105	▲18.1%	191	167	▲14.4%
Gisborne	24	20	▲20.0%	75	60	▲25.0%
Napier	155	171	▼9.4%	225	311	▼27.7%
Masterton	60	60	■0.0%	63	79	▼20.3%
Wellington	575	475	▲21.1%	756	818	▼7.6%
Blenheim	59	46	▲28.3%	48	52	▼7.7%
Christchurch	1,411	1,444	▼2.3%	1,477	1,444	▲2.3%
Timaru	91	34	▲167.6%	465	72	▲545.8%
Oamaru	4	4	■0.0%	24	15	▲60.0%
Dunedin	161	129	▲24.8%	395	372	▲6.2%
Invercargill	65	108	▼39.8%	198	148	▲33.8%

Imported Passenger Vehicle Sales by Make - December 2019

MAKE	DEC'19	DEC'18	+/- %	DEC'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,932	2,419	21.2	25.2%	31,610	22.5%
Nissan	2,118	2,239	-5.4	18.2%	27,155	19.3%
Mazda	1,954	1,846	5.9	16.8%	22,943	16.3%
Honda	1,231	1,181	4.2	10.6%	15,614	11.1%
Subaru	729	563	29.5	6.3%	8,442	6.0%
Suzuki	498	579	-14.0	4.3%	7,151	5.1%
Mitsubishi	491	520	-5.6	4.2%	6,342	4.5%
BMW	375	408	-8.1	3.2%	4,923	3.5%
Volkswagen	323	334	-3.3	2.8%	4,389	3.1%
Audi	192	222	-13.5	1.7%	2,552	1.8%
Lexus	119	89	33.7	1.0%	1,546	1.1%
Mercedes-Benz	106	153	-30.7	0.9%	1,617	1.2%
Ford	96	68	41.2	0.8%	927	0.7%
Volvo	53	65	-18.5	0.5%	700	0.5%
Land Rover	45	38	18.4	0.4%	450	0.3%
Chevrolet	41	41	0.0	0.4%	440	0.3%
Holden	38	27	40.7	0.3%	434	0.3%
Jeep	34	21	61.9	0.3%	317	0.2%
Jaguar	30	46	-34.8	0.3%	448	0.3%
Mini	26	18	44.4	0.2%	316	0.2%
Hyundai	23	29	-20.7	0.2%	322	0.2%
Kia	23	4	475.0	0.2%	146	0.1%
Chrysler	20	20	0.0	0.2%	252	0.2%
Dodge	19	14	35.7	0.2%	283	0.2%
Porsche	14	10	40.0	0.1%	190	0.1%
Peugeot	12	15	-20.0	0.1%	115	0.1%
Daihatsu	8	7	14.3	0.1%	73	0.1%
Pontiac	7	5	40.0	0.1%	41	0.0%
Citroen	6	4	50.0	0.1%	63	0.0%
Fiat	6	5	20.0	0.1%	38	0.0%
Alfa Romeo	5	4	25.0	0.0%	31	0.0%
Renault	5	7	-28.6	0.0%	87	0.1%
TVR	4	0	400.0	0.0%	7	0.0%
Cadillac	3	5	-40.0	0.0%	56	0.0%
Infiniti	3	5	-40.0	0.0%	22	0.0%
Others	39	50	-22.0	0.3%	548	0.4%
Total	**11,628**	**11,061**	**5.1**	**100.0%**	**140,590**	**100.0%**

Imported Passenger Vehicle Sales by Model - December 2019

MAKE	MODEL	DEC'19	DEC'18	+/- %	DEC MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Mazda	Axela	584	584	0.0	5.0%	7,342	5.2%
Mazda	Demio	509	479	6.3	4.4%	5,323	3.8%
Honda	Fit	507	487	4.1	4.4%	6,719	4.8%
Toyota	Aqua	421	174	142.0	3.6%	3,584	2.5%
Nissan	Tiida	421	500	-15.8	3.6%	5,604	4.0%
Suzuki	Swift	415	500	-17.0	3.6%	6,106	4.3%
Toyota	Prius	374	315	18.7	3.2%	4,173	3.0%
Mitsubishi	Outlander	282	296	-4.7	2.4%	3,659	2.6%
Subaru	Legacy	267	224	19.2	2.3%	3,185	2.3%
Toyota	Vitz	258	279	-7.5	2.2%	2,972	2.1%
Subaru	Impreza	252	191	31.9	2.2%	2,999	2.1%
Mazda	Atenza	240	212	13.2	2.1%	2,977	2.1%
Toyota	Corolla	240	130	84.6	2.1%	2,042	1.5%
Nissan	Leaf	219	260	-15.8	1.9%	3,293	2.3%
Toyota	Wish	215	276	-22.1	1.8%	3,070	2.2%
Mazda	Premacy	212	247	-14.2	1.8%	2,692	1.9%
Volkswagen	Golf	199	219	-9.1	1.7%	2,814	2.0%
Nissan	X-Trail	198	157	26.1	1.7%	2,164	1.5%
Nissan	Dualis	189	221	-14.5	1.6%	2,635	1.9%
Toyota	Auris	168	153	9.8	1.4%	2,018	1.4%
Nissan	Note	167	213	-21.6	1.4%	2,385	1.7%
Nissan	Serena	161	128	25.8	1.4%	1,502	1.1%
Honda	Stream	160	155	3.2	1.4%	1,827	1.3%
Toyota	Blade	129	127	1.6	1.1%	1,363	1.0%
Toyota	Vanguard	126	72	75.0	1.1%	1,187	0.8%
Mazda	CX-5	119	61	95.1	1.0%	1,288	0.9%
Toyota	Ractis	116	72	61.1	1.0%	1,310	0.9%
Honda	CRV	114	76	50.0	1.0%	1,287	0.9%
Nissan	Juke	107	77	39.0	0.9%	1,167	0.8%
Nissan	Bluebird	105	91	15.4	0.9%	1,301	0.9%
Honda	Odyssey	105	93	12.9	0.9%	1,081	0.8%
Toyota	MarkX	99	86	15.1	0.9%	1,218	0.9%
Nissan	Skyline	97	113	-14.2	0.8%	1,470	1.0%
Nissan	March	95	81	17.3	0.8%	1,117	0.8%
Mazda	Verisa	92	90	2.2	0.8%	1,241	0.9%
Others		3,666	3,622	1.2	31.5%	44,475	31.6%
Total		**11,628**	**11,061**	**5.1**	**100.0%**	**140,590**	**100.0%**

Tough year for used imports

There were 140,590 used-imported passenger vehicles sold last year for a drop of 4.8 per cent compared to 2018's total of 147,637.

The Mazda Axela topped the models' ladder on 7,342 units for a 5.2 per cent share of the market.

Honda's Fit ended the year with a market share of 4.8 per cent and 6,719 sales, while the Suzuki Swift came third with 6,106 sales and 4.3 per cent.

Toyota was 2019's top brand for used-imported cars. It sold 31,610 units for a market share of 22.5 per cent. Nissan and Mazda were second and third with 27,155 and 22,943 units.

In the main centres, Christchurch saw used-imported car sales fall by 7.7 per cent from 19,073 units in 2018 to 17,597 in 2019. It was followed by Wellington and Auckland, which suffered 7.6 and four per cent drops respectively.

Gisborne, by 2.9 per cent, and Invercargill – by two per cent – were among the few areas to see annual increases.

Meanwhile, Timaru experienced a 545.8 per cent rise last month with 465 registrations – up from 72 units in December 2018, and probably due to dealer price reductions and write-offs following late November's hailstorm.

As for the future, Turners Automotive Group is aiming to secure a larger share of the used-car market as some smaller rivals may have to rethink operations.

The company is focusing on organic growth in all its business divisions, and boosting its slice of vehicle sales by expanding its retail operation and optimising its existing network.

It says the used-car industry has "softened due to reduced consumer confidence", but is optimistic its growth plans will deliver after reporting an 11 per cent rise in underlying net profit before tax from $13.3 million to $14.8m for the six months ending September 30, 2019.

"Our largest segment, automotive retail, outperformed conditions as we continued to succeed in growing market share," says Todd Hunter, chief executive officer.

Turners Cars, which has about a six per cent share of used-car retail transactions nationwide, aims to expand investment in "auto-tech critical to building competitive advantage, particularly in the areas of data and digital".

"While the used-car industry has softened due to reduced consumer confidence, Turners is confident its growth plans will deliver for the company," says Hunter.

Trader numbers down

The number of dealers in New Zealand dropped by 199 during 2019 to 3,220 by the end of December, according to the Motor Vehicle Traders' Register. This represents a 5.8 per cent fall in registered trader numbers from 3,419 in December 2018. It also continues the steady decline since they peaked at 3,536 in November 2017.

"Further consolidation is expected as a result of regulatory changes. The insurance, finance and credit businesses have all performed at or above expectations."

Automotive retail saw revenue climb by four per cent to $115.9m reflecting a higher number of owned cars sold.

But operating profit dropped by eight per cent to $7.3m due to reduced margins on used imports, a drop in lease-consignment vehicles and the six-month closure of its branch on Auckland's North Shore.

Inventory values fell by 15 per cent to $36m with the focus on being more efficient and ensuring a high-turnover operation. Unit sales of owned stock increased by six per cent, but per-unit margins tumbled by 11 per cent.

Margins on locally sourced vehicles increased by five per cent, but used-import margins fell by 16 per cent due to extra supply-chain costs and the weakening New Zealand dollar.

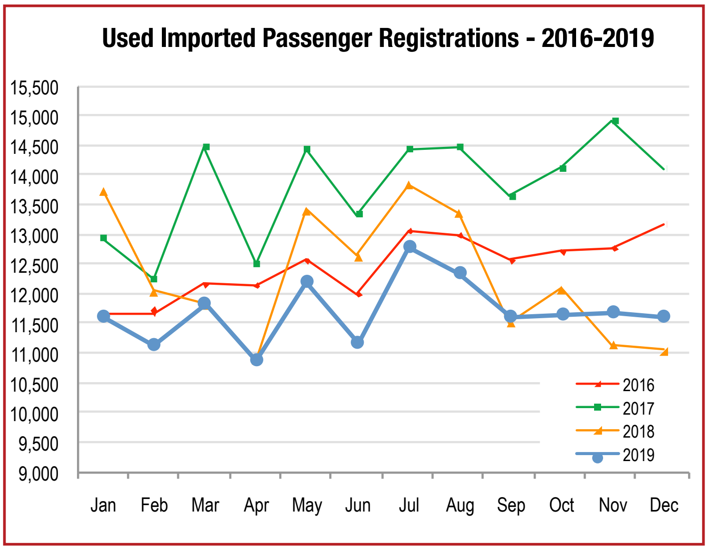
Oxford Finance's half-year revenue climbed by six per cent to $22.8m and operating profit jumped by 20 per cent to $6.5m.

"Initiatives including the introduction of comprehensive credit reporting and a three-tier risk pricing model have contributed to the improving quality of new business,' says Hunter. "Turners Cars lending was strong, ramping up to $24m in half a year from $7m.

As for Autosure, revenue fell by 13 per cent, while operating profit – excluding property profit – climbed by 16 per cent to $2.6m thanks to improvements in claims-loss ratios and risk-pricing work.

Turners remains confident in medium-term demand in the broader market. "We have just under four million cars registered on our roads and we're churning these at about 25 per cent per year.

"Hundreds of thousands of vehicles are expected to need replacing over the next decade. On top of this, immigration and population numbers are driving up demand."



Industry will ‘cope’ with changes

A car dealer who has been in the industry since the early 1960s believes 2020 will not be as tough as predicted.

Neil Cottle, of Auto Court in Dunedin, thinks some traders may be over-reacting about the market hitting a major speed bump because of electronic stability control (ESC) regulations coming in on March 1.

“We’ve had other major changes to the industry other the years,” he says. “It has never turned out quite as bad as some thought and we always cope.”

“Each year, dealers are bringing in newer cars. It was from 2006 that ESC really started being installed in cars in Japan, so importers will just substitute cars without this safety system with later models that have it.”

Cottle told Autofile there has been some stocking up of vehicles without ESC because dealers know they will be unable to bring in certain models come March.

“This means there will be stock sitting around for months waiting to be sold, but many customers may not want to buy cars without stability control,” he opines.

“In the future, dealers will be unable to import Nissan Tiidas or Toyota Vitzes because they don’t have ESC. Used-imported Hiaces don’t have it either because the Japanese only started to install it in them this year.”

As for 2019’s statistics, 141,218 used passenger vehicles were imported into New Zealand, which was a 1.1 per cent drop compared to 142,773 in 2018.

Last year’s total from Japan, which accounted for a 93.8 per cent share of the market, came in at 132,494 units. This was a 1.5 per cent decrease when compared to 134,510 arrivals during the previous year.

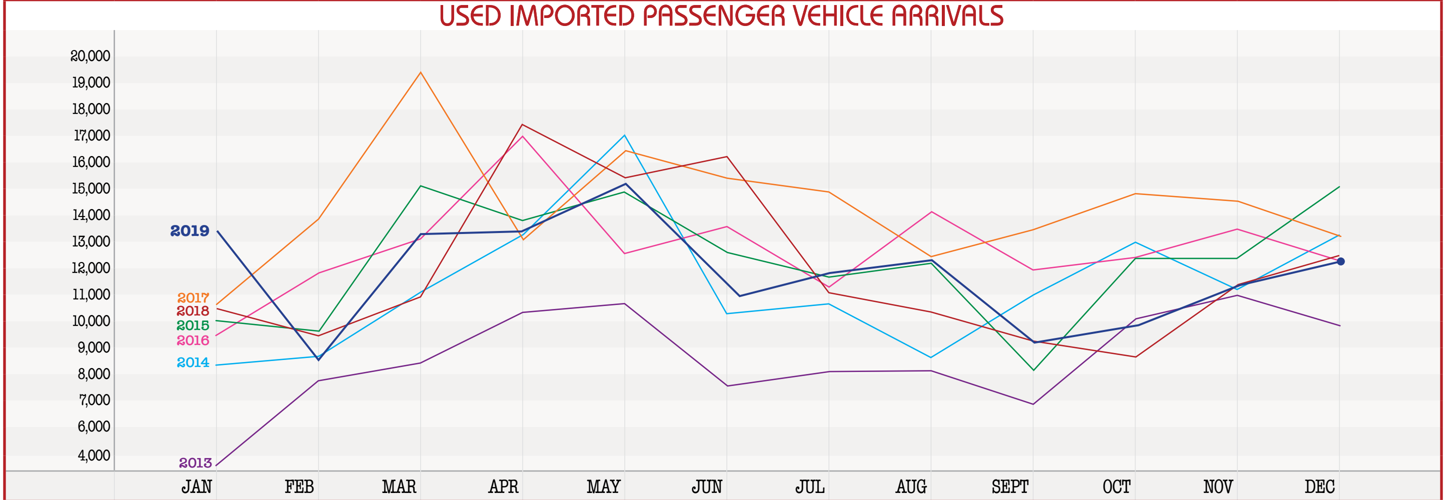
Second on 2019’s ladder was Australia with 5,148 units – up by 23.1 per cent on 2018’s total of 4,183. Its market share for last year was 3.7 per cent.

Third spot was taken out by Singapore with 1,678 used-car imports. This was a rise of 9.6 per cent compared to 1,531 units in 2018. Its market share last year was 1.2 per cent.

The UK came fourth with a market share of 0.63 per cent and 894 units – down by 12.9 per cent from 1,026 in 2018.

And there were 664 units imported from the US for a 40.1 per cent drop and a 0.16 per cent share of 2019’s market.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



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	DEC’19	DEC SHARE %	2019 TOTAL	2018 TOTAL	SHARE	2017 TOTAL	SHARE
Australia	277	399	644	487	397	665	527	415	349	301	356	**331**	**2.7%**	**5,148**	4,183	2.9%	5,540	3.2%
Great Britain	101	61	72	52	76	39	54	71	92	77	104	**95**	**0.8%**	**894**	1,026	0.7%	2,173	1.3%
Japan	12,823	7,839	12,259	12,554	14,404	9,997	11,078	11,594	8,515	9,258	10,670	**11,503**	**94.9%**	**132,494**	134,510	94.2%	160,822	93.8%
Singapore	141	174	144	158	131	117	113	116	156	127	172	**129**	**1.1%**	**1,678**	1,531	1.1%	1,202	0.7%
USA	58	44	71	39	59	58	60	41	58	72	65	**39**	**0.3%**	**664**	1,108	0.8%	1,419	0.8%
Other countries	33	20	46	26	26	37	25	16	13	40	34	**24**	**0.2%**	**340**	415	0.3%	387	0.2%
Total	**13,433**	**8,537**	**13,236**	**13,316**	**15,093**	**10,913**	**11,857**	**12,253**	**9,183**	**9,875**	**11,401**	**12,121**	**100.0%**	**141,218**	**142,773**	**100.0%**	**171,543**	**100.0%**

Trading in ‘feast or famine’

A dealership in the Hawke’s Bay says 2019 blew hot and cold when it came to selling vehicles.

Sam Kirk is the sales manager at the Wayne Kirk Motor Group, which has branches in Hastings and Napier, and Mitsubishi, Jeep and Ram franchises.

He says the up-and-down nature of monthly sales last year are best illustrated by looking back at two months in the second half of 2019.

“We were ticking along well all year, but when September came along it felt as though the whole month was a big grind,” Kirk told Autofile. “But at the end of that month, it picked up and we posted relatively normal results for used cars and new. It was patchy.

“We had the same in October. The first week was busy, but for the two weeks in the middle of the month you thought the world was going to end. It then picked up in the last week for really good results.

“It appears to be feast or famine with used cars. We put them out there and for some reason they sell really well or just become aged stock. I can’t find a pattern for second-hand vehicles at all.”

Being predominantly a new-car trader, when it comes to used vehicles the dealership focuses on late models and low-kilometre stock.

Kirk says: “We’ve bought rentals of other brands that have moved along nicely, but we send all of our older models to Turners because they’re not really worth our while.”

There were 17,837 trader-to-public transactions during December, which was a 2.6 per cent increase compared to 17,391 in the same month of 2018.

Timaru notched up a 164 per cent jump in dealer sales to 499 last month from 189 in December 2018, while there was a 26.1 per cent increase in Oamaru from 23 to 29 units over the same timescale.

As for public-to-trader transactions, there was a national increase of two per cent from 11,901 last month when compared to 11,663 during the previous December.

Blenheim was a stand-out performer with 92 trade-ins last month compared to 73 in the same month of 2018 for an increase of 26 per cent. Napier recorded a 24.7 per cent jump to 454 from 364.

When it came to public-to-public sales, they rose by 3.5 per cent from 39,691 in December 2018 to 41,061 last month.

SECONDHAND CAR SALES - December 2019

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	DEC’19	DEC’18	+/- %	MARKET SHARE	DEC’19	DEC’18	+/- %	DEC’19	DEC’18	+/- %
Whangarei	555	556	-0.2	3.11	1,930	1,896	1.8	199	234	-15.0
Auckland	6,068	6,001	1.1	34.02	13,363	13,324	0.3	4,702	4,541	3.5
Hamilton	1,335	1,345	-0.7	7.48	3,200	2,983	7.3	955	913	4.6
Thames	261	278	-6.1	1.46	606	613	-1.1	167	176	-5.1
Tauranga	823	825	-0.2	4.61	2,086	1,814	15.0	545	540	0.9
Rotorua	350	392	-10.7	1.96	950	919	3.4	114	129	-11.6
Gisborne	181	165	9.7	1.01	430	387	11.1	52	55	-5.5
Napier	644	653	-1.4	3.61	1,459	1,355	7.7	454	364	24.7
New Plymouth	366	383	-4.4	2.05	894	912	-2.0	164	200	-18.0
Wanganui	230	240	-4.2	1.29	564	567	-0.5	136	141	-3.5
Palmerston North	731	729	0.3	4.10	1,601	1,584	1.1	575	573	0.3
Masterton	238	204	16.7	1.33	481	457	5.3	106	102	3.9
Wellington	1,609	1,619	-0.6	9.02	3,108	2,889	7.6	1,000	969	3.2
Nelson	282	306	-7.8	1.58	982	1,033	-4.9	195	188	3.7
Blenheim	171	143	19.6	0.96	409	429	-4.7	92	73	26.0
Greymouth	70	63	11.1	0.39	157	163	-3.7	38	38	0.0
Westport	5	2	150.0	0.03	35	37	-5.4	0	0	0.0
Christchurch	2,279	2,159	5.6	12.78	4,807	4,778	0.6	1,674	1,697	-1.4
Timaru	499	189	164.0	2.80	835	464	80.0	70	96	-27.1
Oamaru	29	23	26.1	0.16	124	98	26.5	4	2	100.0
Dunedin	672	715	-6.0	3.77	1,972	1,949	1.2	393	379	3.7
Invercargill	439	401	9.5	2.46	1,068	1,040	2.7	266	253	5.1
NZ total	**17,837**	**17,391**	**2.6**	**100.00**	**41,061**	**39,691**	**3.5**	**11,901**	**11,663**	**2.0**

New Passenger Vehicle Sales by Make - December 2019

MAKE	DEC'19	DEC'18	+/- %	DEC'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	2,730	2,176	25.5	33.5%	20,506	19.7%
Mitsubishi	676	504	34.1	8.3%	7,508	7.2%
Holden	526	772	-31.9	6.4%	7,219	6.9%
Hyundai	518	492	5.3	6.3%	7,401	7.1%
Mazda	513	712	-27.9	6.3%	8,685	8.3%
Nissan	481	425	13.2	5.9%	5,385	5.2%
Suzuki	476	330	44.2	5.8%	6,435	6.2%
Kia	324	327	-0.9	4.0%	7,083	6.8%
Ford	225	252	-10.7	2.8%	4,115	3.9%
Honda	215	225	-4.4	2.6%	4,956	4.8%
Volkswagen	176	366	-51.9	2.2%	3,629	3.5%
Subaru	152	179	-15.1	1.9%	3,477	3.3%
Tesla	115	15	666.7	1.4%	802	0.8%
MG	108	1	10,700.0	1.3%	681	0.7%
Audi	101	59	71.2	1.2%	1,636	1.6%
Mercedes-Benz	101	166	-39.2	1.2%	2,137	2.0%
Jeep	90	120	-25.0	1.1%	888	0.9%
BMW	79	40	97.5	1.0%	1,711	1.6%
Skoda	64	70	-8.6	0.8%	1,434	1.4%
Lexus	63	66	-4.5	0.8%	887	0.9%
SsangYong	54	47	14.9	0.7%	813	0.8%
Land Rover	52	58	-10.3	0.6%	1,229	1.2%
Volvo	49	30	63.3	0.6%	620	0.6%
Haval	40	63	-36.5	0.5%	692	0.7%
Mini	39	18	116.7	0.5%	748	0.7%
Jaguar	30	34	-11.8	0.4%	549	0.5%
Peugeot	28	25	12.0	0.3%	784	0.8%
Mahindra	26	0	2,600.0	0.3%	170	0.2%
Renault	17	16	6.3	0.2%	236	0.2%
Isuzu	16	15	6.7	0.2%	208	0.2%
Porsche	16	11	45.5	0.2%	416	0.4%
Citroen	14	5	180.0	0.2%	282	0.3%
Seat	14	8	75.0	0.2%	183	0.2%
Can-Am	9	7	28.6	0.1%	83	0.1%
Ferrari	4	0	400.0	0.0%	34	0.0%
Others	18	47	-61.7	0.2%	648	0.6%
Total	**8,159**	**7,681**	**6.2**	**100.0%**	**104,270**	**100.0%**

New Passenger Vehicle Sales by Model - December 2019

MAKE	MODEL	DEC'19	DEC'18	+/- %	DEC MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Corolla	907	732	23.9	11.1%	6,806	6.5%
Toyota	RAV4	747	515	45.0	9.2%	5,615	5.4%
Toyota	Camry	327	191	71.2	4.0%	1,363	1.3%
Holden	Trax	315	98	221.4	3.9%	1,364	1.3%
Toyota	Fortuner	228	30	660.0	2.8%	816	0.8%
Mitsubishi	Outlander	223	202	10.4	2.7%	2,844	2.7%
Nissan	Qashqai	220	169	30.2	2.7%	2,600	2.5%
Mitsubishi	ASX	218	166	31.3	2.7%	2,670	2.6%
Toyota	Yaris	214	160	33.8	2.6%	1,804	1.7%
Suzuki	Swift	212	163	30.1	2.6%	2,883	2.8%
Nissan	X-Trail	200	210	-4.8	2.5%	2,105	2.0%
Mazda	CX-5	199	252	-21.0	2.4%	3,317	3.2%
Mitsubishi	Eclipse Cross	160	66	142.4	2.0%	1,225	1.2%
Toyota	C-HR	135	45	200.0	1.7%	928	0.9%
Hyundai	Tucson	127	98	29.6	1.6%	2,410	2.3%
Hyundai	Kona	122	136	-10.3	1.5%	1,844	1.8%
Kia	Sportage	119	161	-26.1	1.5%	3,279	3.1%
Tesla	Model 3	103	0	10,300.0	1.3%	656	0.6%
Hyundai	Elantra	100	0	10,000.0	1.2%	303	0.3%
Hyundai	Santa Fe	94	126	-25.4	1.2%	1,482	1.4%
Mazda	CX-3	88	70	25.7	1.1%	1,094	1.0%
Subaru	XV	83	61	36.1	1.0%	1,249	1.2%
Kia	Seltos	79	0	7,900.0	1.0%	536	0.5%
Volkswagen	Tiguan	79	221	-64.3	1.0%	1,453	1.4%
Honda	CR-V	78	67	16.4	1.0%	1,478	1.4%
Kia	Rio	75	59	27.1	0.9%	1,029	1.0%
Ford	Escape	72	83	-13.3	0.9%	1,040	1.0%
Suzuki	Vitara	71	65	9.2	0.9%	1,364	1.3%
Mazda	Mazda2	69	91	-24.2	0.8%	1,054	1.0%
Toyota	Highlander	66	326	-79.8	0.8%	968	0.9%
Holden	Commodore	63	124	-49.2	0.8%	1,648	1.6%
Mazda	Mazda3	63	175	-64.0	0.8%	1,465	1.4%
Suzuki	Jimny	62	7	785.7	0.8%	486	0.5%
MG	ZS	61	0	6,100.0	0.7%	274	0.3%
Honda	HR-V	60	97	-38.1	0.7%	1,478	1.4%
Others		2,120	2,715	-21.9	26.0%	41,340	39.6%
Total		**8,159**	**7,681**	**6.2**	**100.0%**	**104,270**	**100.0%**

New car sales take tumble

Toyota completed a one-two on the ladder for top-selling passenger vehicles in 2019 as the market for new cars slipped back by 3.6 per cent compared to the previous year.

There were 104,270 registrations of new cars last year – down by 3,940 on 2018's total of 108,210.

Despite tough market conditions, Toyota repeated its double of two years ago with the Corolla taking out top spot followed by the RAV4, although Ford's Ranger took out the overall new-vehicle crown.

The Corolla sold 6,806 units last year for a market share of 6.5 per cent. That compared to 7,303 in 2018 for a decrease of 6.8 per cent in 2019.

There were 5,615 RAV4s sold in 2019, which was 5.4 per cent of all new passenger vehicle sales. That represented an increase of 13.1 per cent when compared to 4,966 registrations in 2018.

Mazda's CX-5 took out third spot with 3,317 registrations for a 3.2 per cent share of the market. Kia's Sportage was fourth on 3,279 units and 3.1 per cent, while the Suzuki Swift claimed 2.8 per cent of the market thanks to 2,883 sales.

Toyota was the country's best-selling marque of 2019 for new cars with 20,506 units for a market share of 19.7 per cent.

Next up was Mazda with 8,685 units and 8.3 per cent, with Mitsubishi third thanks to 7,508 registrations and a market share of 7.2 per cent. Hyundai and Holden rounded out the top five with 7,401 and 7,219 sales – and 7.1 and 6.9 per cent – respectively.

When it came to 2019's top segments, medium-sized SUVs claimed a 19 per cent share of the market with 27,154 registrations, reports the Motor Industry Association (MIA).

Next up was the pick-up/chassis four-by-four category with 24,606 sales, while third spot went to small SUVs on 20,830 units. Large SUVs and small cars rounded out the top five with 18,567 and 16,810 units.

As for last year's top three rentals, they were all Toyotas – the Corolla with 3,990 units, the RAV4 on 1,963 and the Camry with 809.

Neeraj Lala, chief operating officer of Toyota NZ, is delighted the marque retained its leadership of the new-car market – a position it has held for more than three decades – despite more challenging trading conditions in 2019.

"It was a year of major change for us," he says. "Not only did we have our first full year of the Drive Happy project, we shook up our product range to make it more exciting.

"Last year, we made a strategic decision to refocus on our channel share with a larger shift to gain more private-buyer share. We've seen this increase with the RAV4 and Corolla consistently in the top 10.

"Locally, we've been looking into new ways of operating. We have expanded our mobility-as-a-service offering through City Hop and have been looking into hydrogen technologies.

"Increasingly, customers are seeking fuel-efficient, low-emitting vehicles and the 2019 RAV4 hybrid is ticking many boxes for buyers."

The company now offers seven hybrid cars and SUVs with more coming in 2020, and is on-track to meet its target of hybrid-electric sales to be 30 per cent of Toyota and Lexus registrations by the end of this year.

"As a brand representing one-quarter of all cars on New Zealand roads, we have a key role to play as we move towards a low-emissions economy as a country."

Reflecting on sales in 2019, Lala says it was too steep a challenge to repeat record registrations of 2018.

"While we – as an industry and manufacturer – didn't break 2018's record, last year was strong for us. We're looking forward to a successful 2020. Domestic economic fundamentals are positive and we have a number of new vehicles on their way."

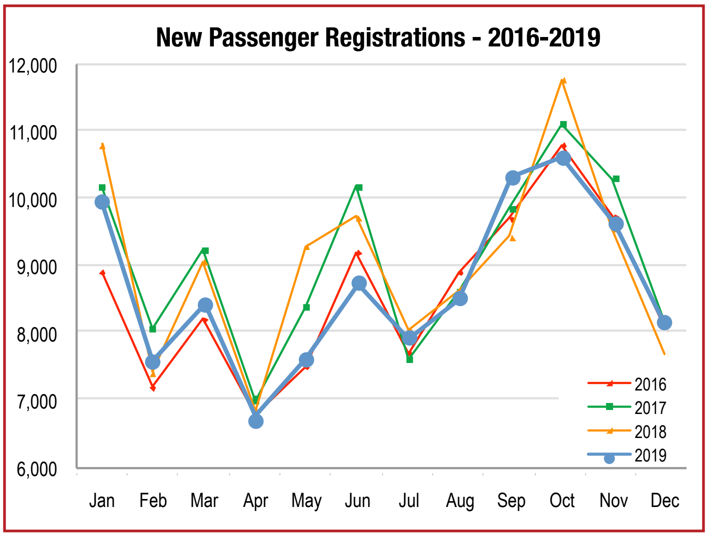
Tom Clancy, communications manager at Ford NZ, says: "We know we have to keep improving the product and ensure the buyer experience is great at all points. Whether first-time or returning customers, we have to treat them right from the start.

"The competition out there is fierce and 2019 was a good year for Ford NZ. It ended on a good note with the Focus winning the AA Driven NZ Car of the Year.

"The market did slow down a little, and we saw that for ourselves as well, but overall it was a successful year."

Commenting on the overall new-vehicle market, David Crawford, chief executive officer of the MIA, says: "Like 2018, the early part of 2019 was dominated by sales of utes, but the last quarter saw figures for those vehicles cool.

"In other developments, pure electric vehicles rose to the top three in [monthly] sales with the entry of the Tesla Model 3, while Toyota's RAV4 hybrid, which was introduced into the market in March, became New Zealand's most popular hybrid."



Ranger surges to number-one spot

Ford says it's not going to rest on its laurels as it engineers and designers look to improve the technology, design, ride and power of the Ranger.

The blue oval's ute has again been crowned New Zealand's best-selling new vehicle with 9,494 registrations – 2,352 ahead of Toyota's Hilux, of which 7,142 were sold.

The market share for the Ranger was 18.8 per cent compared to 14.1 per cent for the Hilux.

The Mitsubishi Triton with 5,331 sales, Holden's Colorado on 4,754 and Nissan's Navara with 3,319 rounded off the top five new commercials.

"The whole market was a bit off last year, but our Ranger and Transit did well," says Tom Clancy, of Ford NZ.

"The Ranger's ongoing success is a big nod to our engineers. Every year, they keep improving on the overall package, and our ute suits New Zealanders and Kiwi lifestyles well.

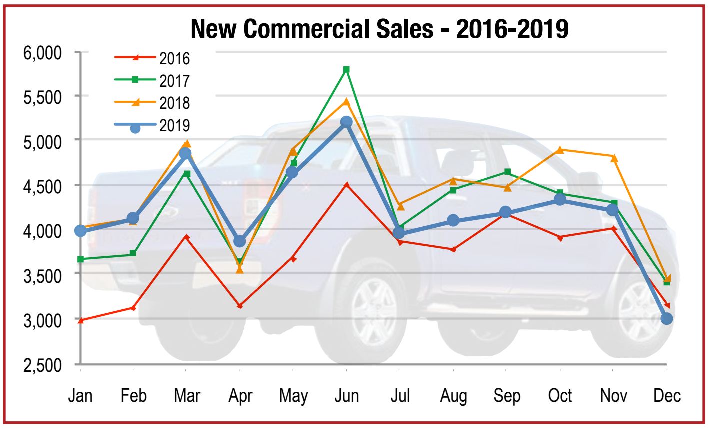
"A lot of its success is also due to customers talking to others. New Zealand is a pretty unique market in that it's so small. People chat to each other and word quickly gets around.

"This year looks busy for us with many things coming up, including the Ranger FX4 with 10-speed bi-turbo in four or two-wheel drive, which will be out there this January."

Neeraj Lala, of Toyota NZ, says: "Hilux sales continued to perform well in 2019 and, with the addition of the Workmate variant, there's something for every customer, and we launched an updated Hiace during 2019."

Sales of new commercials fell compared to 2018. Last year, there were 50,481 registrations for a 5.7 per cent drop against the previous 12 months' total of 53,555.

Ford was 2019's top marque with 10,674 units. Next up were Toyota with 9,673 and Mitsubishi on 5,335.



New Commercial Sales by Make - December 2019

MAKE	DEC'19	DEC'18	+/- %	DEC'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	677	725	-6.6	22.6%	9,673	19.2%
Ford	549	647	-15.1	18.3%	10,674	21.1%
Mitsubishi	338	405	-16.5	11.3%	5,335	10.6%
Holden	273	240	13.8	9.1%	4,825	9.6%
Isuzu	213	199	7.0	7.1%	3,100	6.1%
Nissan	205	240	-14.6	6.8%	3,320	6.6%
Mazda	130	116	12.1	4.3%	2,330	4.6%
Mercedes-Benz	91	188	-51.6	3.0%	1,420	2.8%
Hyundai	82	71	15.5	2.7%	960	1.9%
LDV	71	106	-33.0	2.4%	1,271	2.5%
Volkswagen	60	138	-56.5	2.0%	1,343	2.7%
Hino	39	37	5.4	1.3%	712	1.4%
Fiat	36	93	-61.3	1.2%	753	1.5%
Fuso	31	32	-3.1	1.0%	818	1.6%
SsangYong	28	7	300.0	0.9%	463	0.9%
Iveco	25	28	-10.7	0.8%	348	0.7%
UD Trucks	21	20	5.0	0.7%	260	0.5%
Great Wall	20	30	-33.3	0.7%	407	0.8%
Scania	20	3	566.7	0.7%	254	0.5%
DAF	13	10	30.0	0.4%	239	0.5%
Others	79	135	-41.5	2.6%	1,976	3.9%
Total	**3,001**	**3,470**	**-13.5**	**100.0%**	**50,481**	**100.0%**

New Commercial Sales by Model - December 2019

MAKE	MODEL	DEC'19	DEC'18	+/- %	DEC MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Ford	Ranger	473	604	-21.7	15.8%	9,494	18.8%
Toyota	Hilux	461	588	-21.6	15.4%	7,142	14.1%
Mitsubishi	Triton	338	405	-16.5	11.3%	5,331	10.6%
Holden	Colorado	271	233	16.3	9.0%	4,754	9.4%
Nissan	Navara	205	240	-14.6	6.8%	3,319	6.6%
Toyota	Hiace	192	121	58.7	6.4%	2,221	4.4%
Mazda	BT-50	130	116	12.1	4.3%	2,330	4.6%
Isuzu	D-Max	104	104	0.0	3.5%	1,803	3.6%
Hyundai	iLoad	79	69	14.5	2.6%	917	1.8%
Ford	Transit	76	43	76.7	2.5%	1,179	2.3%
Mercedes-Benz	Sprinter	61	58	5.2	2.0%	850	1.7%
Isuzu	N Series	55	40	37.5	1.8%	484	1.0%
Isuzu	F Series	39	38	2.6	1.3%	569	1.1%
Fiat	Ducato	36	92	-60.9	1.2%	749	1.5%
LDV	V80	31	29	6.9	1.0%	496	1.0%
Volkswagen	Amarok	30	59	-49.2	1.0%	654	1.3%
SsangYong	Rhino	28	1	2,700.0	0.9%	447	0.9%
Toyota	Landcruiser	24	16	50.0	0.8%	310	0.6%
LDV	T60	23	39	-41.0	0.8%	382	0.8%
Great Wall	Steed	20	30	-33.3	0.7%	407	0.8%
Others		325	545	-40.4	10.8%	6,643	13.2%
Total		**3,001**	**3,470**	**-13.5**	**100.0%**	**50,481**	**100.0%**

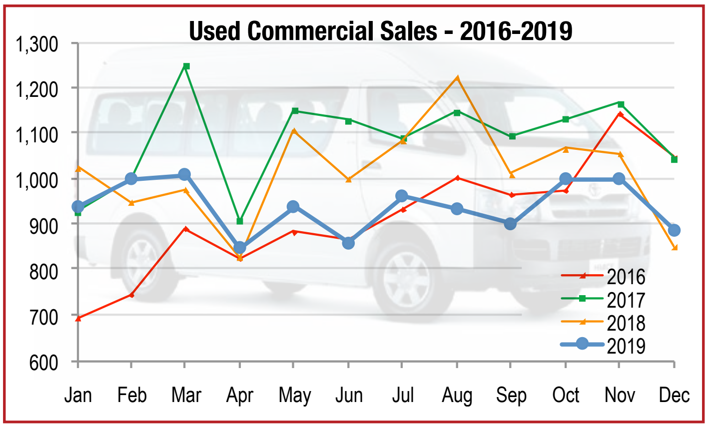
Used commercials in decline

Sales of used-imported commercial vehicles decreased by 7.3 per cent during 2019 with 11,281 first-time registrations – down from 12,167 in the previous 12 months.

Toyota was the top marque on 5,050 units last year to claim a market share of 44.8 per cent. Its Hiace secured 33.9 per cent of overall sales thanks to 3,828 sales.

Nissan came second on the marques' ladder with 2,579 units for a market share of 22.9 per cent, while Isuzu finished third with 519 units and 4.6 per cent.

The Nissan Caravan was runner-up in the models' chart with 706 registrations for a 6.3 per cent share of the overall total, and the marque's NV200 was third on 596 units to claim a 5.3 per cent slice of the market.



Most regions recorded losses in 2019 compared with 2018. Auckland was hit with an 11.2 per cent fall – from 5,666 sales in 2018 to 5,031 in 2019. It was followed by Wellington, which showed a decrease of 7.9 per cent.

However, Thames and Christchurch enjoyed 10.7 and 8.5 per cent increases in used commercial sales respectively last year.

As for last month, first-time registrations of used-imported commercials enjoyed a slight increase to 887 when compared to December 2018's total of 849.

Toyota again led the sector with 337 units last month for a market share of 38 per cent. Nissan and Fiat followed behind with 184 and 85 sales respectively.

In Auckland, registrations climbed by 19.3 per cent to 446 compared to 374 units in December 2018, while Wellington had 50 sales compared to 46 for an 8.7 per cent increase.

However, Christchurch recorded a 26.1 per cent drop.

Used Commercial Sales by Make - December 2019

MAKE	DEC'19	DEC'18	+/- %	DEC'19 MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	337	349	-3.4	38.0%	5,050	44.8%
Nissan	184	169	8.9	20.7%	2,579	22.9%
Fiat	85	28	203.6	9.6%	267	2.4%
Ford	64	48	33.3	7.2%	495	4.4%
Isuzu	33	45	-26.7	3.7%	519	4.6%
Mitsubishi	30	36	-16.7	3.4%	362	3.2%
Mazda	29	39	-25.6	3.3%	518	4.6%
Chevrolet	23	20	15.0	2.6%	164	1.5%
Hino	20	33	-39.4	2.3%	422	3.7%
Holden	13	19	-31.6	1.5%	176	1.6%
Dodge	9	5	80.0	1.0%	54	0.5%
Hyundai	8	0	800.0	0.9%	27	0.2%
Volkswagen	8	10	-20.0	0.9%	110	1.0%
Kenworth	6	3	100.0	0.7%	30	0.3%
Suzuki	6	4	50.0	0.7%	66	0.6%
Mercedes-Benz	5	5	0.0	0.6%	49	0.4%
DAF	4	1	300.0	0.5%	23	0.2%
GMC	3	4	-25.0	0.3%	41	0.4%
Iveco	2	2	0.0	0.2%	24	0.2%
Land Rover	2	3	-33.3	0.2%	14	0.1%
Others	16	26	-38.5	1.8%	291	2.6%
Total	**887**	**849**	**4.5**	**100.0%**	**11,281**	**100.0%**

Used Commercial Sales by Model - December 2019

MAKE	MODEL	DEC'19	DEC'18	+/- %	DEC MKT SHARE	2019 YEAR TO DATE	2019 MKT SHARE
Toyota	Hiace	254	269	-5.6	28.6%	3,828	33.9%
Fiat	Ducato	85	27	214.8	9.6%	266	2.4%
Nissan	Caravan	43	59	-27.1	4.8%	706	6.3%
Nissan	NV350	41	22	86.4	4.6%	487	4.3%
Nissan	NV200	38	29	31.0	4.3%	596	5.3%
Ford	Transit	32	11	190.9	3.6%	142	1.3%
Toyota	Dyna	27	17	58.8	3.0%	427	3.8%
Mazda	Bongo	24	29	-17.2	2.7%	385	3.4%
Nissan	Vanette	24	25	-4.0	2.7%	300	2.7%
Isuzu	Elf	22	26	-15.4	2.5%	360	3.2%
Ford	Ranger	22	15	46.7	2.5%	162	1.4%
Toyota	Regius	19	24	-20.8	2.1%	329	2.9%
Nissan	Atlas	17	20	-15.0	1.9%	260	2.3%
Mitsubishi	Canter	17	21	-19.0	1.9%	186	1.6%
Toyota	Toyoace	14	18	-22.2	1.6%	232	2.1%
Nissan	Navara	13	8	62.5	1.5%	112	1.0%
Hino	Dutro	12	16	-25.0	1.4%	278	2.5%
Toyota	Hilux	12	12	0.0	1.4%	120	1.1%
Holden	Colorado	8	11	-27.3	0.9%	93	0.8%
Toyota	Landcruiser	8	4	100.0	0.9%	48	0.4%
Others		155	186	-16.7	17.5%	1,964	17.4%
Total		**887**	**849**	**4.5**	**100.0%**	**11,281**	**100.0%**

Global demand affects Kiwi supply

Sales of new cars in New Zealand are tiny compared to the rest of the world. Indeed, the Motor Industry Association says last year's global light-vehicle production was about 92 million units, of which this country imported about 154,500 – or around 0.17 per cent.

So it comes as no surprise when marques here experience issues accessing stock for the local market.

Take Suzuki, for example. Demand for its products can be so high that its operation here can't always secure enough stock.

That has particularly been the case of late with some models especially its Jimny, of which the Japanese marque has sold about 2.85m units in 194 countries from its April 1970 launch through to last September.

"We have a long waiting list with paid deposits for our new Jimny, which comes out in July," says Tom Peck, president of Suzuki NZ.

"No one expected such huge demand for the Jimny, which is why the waiting list is so long. Suzuki expected to build about 30,000 of them a year, but got three years' worth of orders in the first three months.

"However, customers have just said they want one, have paid their deposits to get a Jimny and are willing to wait. I imagine some people will not want to wait and go elsewhere, but supply is beyond our control."

Suzuki is well-known for being the market leader in New Zealand's light-car segment thanks to the Swift, while the Ignis – its super-compact – is the marque's next best-seller here.

However, Peck experienced "some trouble" getting enough stock when it came to both the Ignis and Swift over the past 12 months.

"The factory just can't produce enough vehicles to meet world demand at the moment," he told Autofile.

"There's something like 22,000 Jimnys on back-order for the Japanese market. We are probably 400 units short of what we wanted from the factory last year for the Swift and Ignis – and that doesn't include the Jimny – so we've had to scale down our sales estimates because we can't get the product from the production line.

"Our plans for sales in 2019 was the same as 2018. The only reason we only just didn't to make that target was our own supply issues – not because the sales aren't there, so I think we're holding up pretty well.

"This year is going to be a bit tricky. We will still have issues getting product and it will take at least another 12 months to fix that."

As for December's statistics, new-car imports of 8,191 were down by 12.1 per cent on the same month of last year and down by 13 per cent on December's 9,408 units.

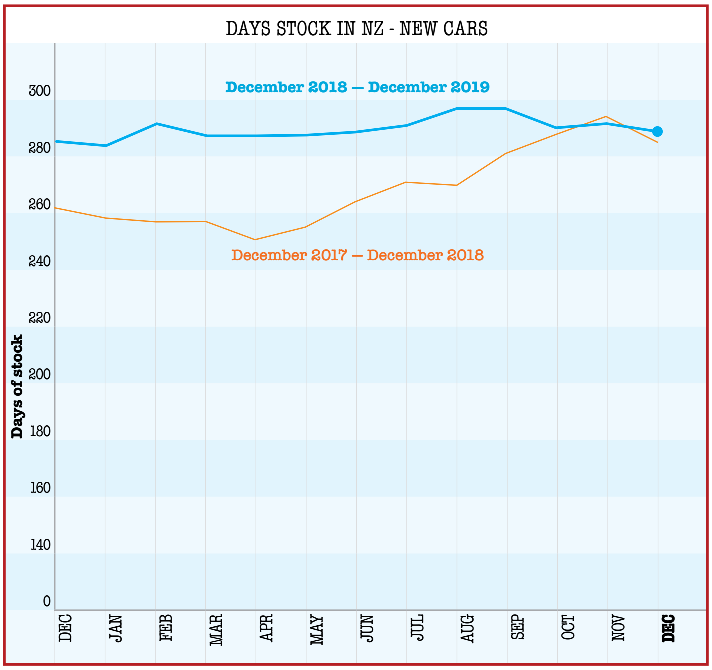
Registration of new cars came in at 8,159, which was up 6.2 per cent on December 2018, but down by 15 per cent on November's sales.

Last year, 103,966 new cars were imported while 94,328 cars have been registered for a variance of 2,486. However, there's 0.3 per cent less new stock on-hand compared to December 2018.

Daily sales have fallen throughout the past 12 months from 296 in December 2018 to 286 last month to leave unregistered stock sitting at 9.4 months if sales continue at their current daily rate.

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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	10,967	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
Dec '19	**8,191**	**8,159**	**32**	**81,804**	**286**	**286**
Year to date	**103,966**	**94,328**	**2,486**			
Change on last month	**-13%**	**-15%**		**0%**		
Change on Dec 2018	**-12.1%** LESS IMPORTED	**6.2%** MORE SOLD		**-0.3%** LESS STOCK		



Industry feeling headwinds

The automotive sector has experienced some great years in recent times, although factors that contribute to its health are changing.

That's the view of Chris Knight, sales director of Trade Me Motors, who describes its direction over the next five years as "tricky to pick".

"For example, the economy has slowed down and that's affecting buying behaviour, which is outside the industry's control," he told Autofile. "Dealers have experienced such slowdowns before. Some smart operators are doing well, but others not so much because they're working through market changes."

Knight says the industry isn't going to suddenly dry up and it's not panic stations by any means, although some importers may be nervous about March's final phase of the rule for electronic stability control.

"The industry has been through this type of change before and adapts," he says. "Some traders may start to stockpile certain cars before the law change.

"Overall, there are some headwinds at the moment – more so than we've had for many years. Most dealers are managing them well, others are struggling. But people are still going to change their cars and interest rates have never been lower."

As for the longer-term future, Knight notes there has never been so much advancement in technology and diversity in the industry.

"Ten years ago, we all said driverless cars would happen one day but no one needed to plan for it, whereas it's now becoming a reality," he adds.

"That said, there's still going to be a need for common cars. The industry is still going to stay the same in many ways. However, there are going to be other opportunities or directions that different areas of it will go into.

"Trade Me Motors has a strong focus on future developments. We're always looking for solid trends that will survive and be important to the business. We then start to plan in that space and understand it more.

"We also look at new technologies or start-ups that the business could buy or be a part of. There are many different things going on behind the scenes to ensure we're going in the right direction."

The amount of used unregistered stock sitting on dealers' yards at the end of 2019 increased by 2.1 per cent compared to the total at the end of 2018 and was 1.7 per cent up on November's tally. It currently sits at 30,366 vehicles.

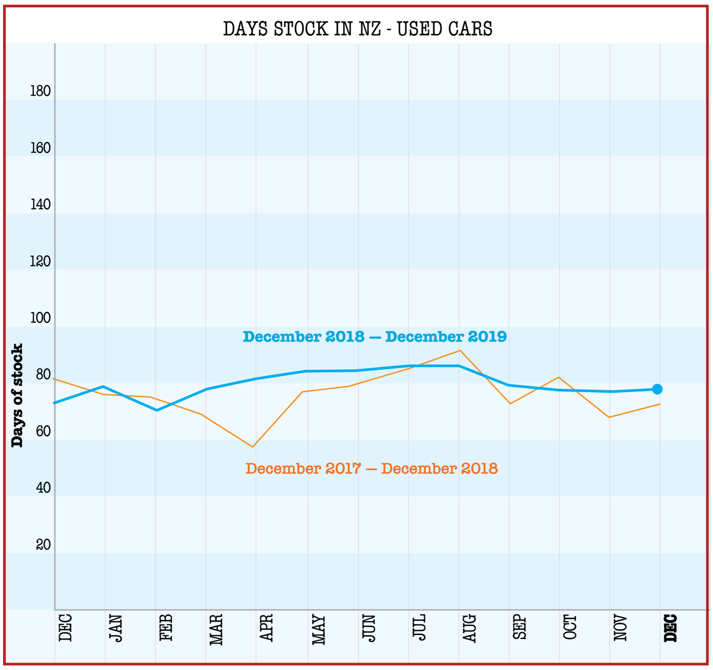
During 2019, some 141,218 used cars entered the country and 140,590 units were sold.

There were 12,121 units imported last month, an increase of 6.3 per cent from November's total of 11,401. The number of used-car imports for December was down 327 units, or 2.6 per cent, from the same month a year before.

The stock figures were also affected by a 5.1 per cent increase in registrations – a total of 11,628 units – during December when compared with the 11,061 in the same month of 2018. The latest monthly registrations were down just 0.4 per cent from November.

With 493 more imports than registrations, stock on-hand edged up slightly to 79 days – or 2.6 months.

Average daily sales for the previous 12 months stood at 385, which was 19 fewer units per day than in December 2018. ⊕



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	12,212	2,881	35,679	393	91
Jun '19	10,913	11,177	-264	35,415	389	91
Jul '19	11,857	12,791	-934	34,481	386	89
Aug '19	12,253	12,353	-100	34,381	383	90
Sep '19	9,183	11,630	-2,447	31,934	383	83
Oct '19	9,875	11,663	-1,788	30,146	382	79
Nov '19	11,401	11,674	-273	29,873	384	78
Dec '19	**12,121**	**11,628**	**493**	**30,366**	**385**	**79**
Year to date	**141,218**	**140,590**	**628**			
Change on last month	**6.32%**	**-0.4%**		**1.7%**		
Change on Dec 2018	**-2.6%** LESS IMPORTED	**5.1%** MORE SOLD		**2.1%** MORE STOCK		