www.autofile.co.nz

AUGUST 2020

autofile

THE TRUSTED VOICE OF THE AUTO INDUSTRY FOR MORE THAN 30 YEARS

Association unveils its first board of directors

Experts working in the used-imports industry will oversee governance with council setting organisation's agenda

Four well-known members of the car industry have become directors of the Imported Motor Vehicle Industry Association (VIA) as it moves into a new era.

The appointments follow the organisation's annual general meeting last month and form part of revamping its structure.

The board members are Matt Battle, general manager at Moana Blue, Ken Quigley, managing director of Jacanna Customs & Freight, Sean Stevens, chief executive officer of Vehicle Inspection NZ (VINZ), and Chris Stephenson, chief executive of Enterprise Motor Group.

Under VIA's new constitution, which has been introduced following three years of budget deficits, the directors will oversee governance with chief executive David Vinsen reporting to them.

There is also a council made up of 16 members, which is responsible for the association's strategy and direction, particularly around industry matters and issues.

> "This is the next stage in the evolution of VIA" – Chris Stephenson

VIA's overhauled structure follows its AGM in Auckland on July 21, which was the last time it was to have a national executive with co-chairmen representing its two-branch system.

Sean Stevens has put up his hand to sit on VIA's board because he and VINZ believe the industry needs a strong association to help it steer through the challenges "that constantly come at us".

"In the past, VIA has led the industry through emissions-rule changes, frontal impact and – more recently – the brown marmorated stink bug and Takata airbags," he told Autofile.

While the industry and its member base have changed a great deal over the years, the association has worked hard to stay relevant.

"The new council structure is about looking to the future and continuing to stay relevant to its members," adds Stevens. "It allows for improved participation and engagement from all sectors of the membership base.

"My personal aim is to continue to assist our chief executive and council to ensure this relevancy always stays front of mind, and that the association is putting its time and efforts into the right projects to benefit members and the industry as a whole."

Chris Stephenson, of the Enterprise Group, has been among those working on VIA's new

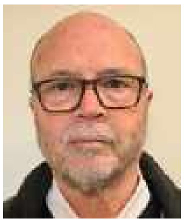
[continued on page 4]

GUEST EDITORIAL

Port is 'plaything' of our politicians

Auckland has become the victim of shameless bids to influence voters, Chris Carr believes

We live in an island nation at the bottom of the Pacific. We are connected to the world by wire on the seabed, ports doing heavy lifting and airports looking after the light stuff.



CHRIS CARR
Managing director of Carr & Haslam Ltd

Given that almost everything we use, eat and enjoy is imported, you would assume people would recognise the strategic importance and economic value of essential lines of trade.

But you'd be wrong. In recent times, Ports of Auckland has become the plaything of politicians and victim of shameless attempts to influence voters, which have cost taxpayers millions of dollars.

In the past, the port has been criticised for failing to fully consult with Aucklanders and take on-board their views. In turn, this resulted in a situation that a few politicians could abuse and created fodder for the "build a park and boulevard" brigade to align themselves with those same self-interested politicians.

It is interesting to note the value of a seat in parliament. The cost of moving Auckland's freight to Northport has been reported as up to $10 billion. In the latest report, by Sapere, Northport's expansion has been calculated at about $7.2b.

The coalition government committed to having the Upper North Island Supply Chain Strategy (UNISCS) working group, chaired by Wayne Brown, produce a report. With its vested interest, its outcome was of no surprise to any of us. Seeing the justifications was interesting, as was the hypocrisy of consultants producing two reports about two years apart drawing opposite conclusions.

The Ministry of Transport recognised errors in UNISCS' report, activated the "MMP cash register" and commissioned Sapere, which has come up with the same answers as about 20 other reports. We are back where we should have been and it is aligned, in principle, with other reports – except the one from UNISCS.

Sapere has looked out 60 years, but in my view that's still not far enough. Our current port has served us for 150 years and that's the kind of forward capacity needed. Indeed, if it were not for the sensibilities of some logistically challenged Aucklanders, we would simply increase capacity there and save ourselves a fortune. However, that's not the world we live in today. Some people would rather move the port, sit in a café overlooking the harbour and complain about the increase in costs of daily life.

Moving the port north has always been a dumb idea, but building roading infrastructure north and using Northport's facilities in the future is not silly. Shifting millions of tonnes of cars and cargo north, and shifting them south again is the dumb part.

All of this was finalised under the shadow of Covid-19 – a tragic pandemic that has reinforced to anyone sensible enough to see that ports need to be where the people are. Auckland is our only city of scale in world terms. Why would we attempt to increase costs and reduce efficiency in our country's largest city?

autofile

DIRECTORS
Brian McCutcheon
brian@autofile.co.nz
ph. 021 455 775

Darren Wiltshire
dazzz@autofile.co.nz
ph. 021 0284 7428

DESIGNER
Adrian Payne
arpayne@gmail.com

EDITOR
Darren Risby
ris@autofile.co.nz

JOURNALISTS
Sue Brebner-Fox
sue@autofile.co.nz

Matthew Lowe
matthew@autofile.co.nz

MOTORSPORT
Mark Baker
veritas.nz@xtra.co.nz

Autofile magazine is also available online as a readable file or downloadable as a PDF. Subscriptions are available at Autofile Online – www.autofile.co.nz. Back copies are also available on the website.

 ISSN 0112-3475 (print) ISSN 2350-3181 (online)

[continued from page 1]

structure over the past 18 months and served on its interim board.

"I'm really happy and excited to be involved, and to have worked on this as part of the team helping to design the new structure."

He notes some experienced people have now stepped back from VIA, such as co-chairmen Lloyd Wilson and Graeme Macdonald, and Nick Owens, vice-chairman of the South Island branch.

"Now is a chance for us all to try to fill their big shoes in our association," says Stephenson. "The difference now is that we have the council, which will be making those weighty decisions on issues, with those on the board of directors holding governance roles.

"This is the next stage in the evolution of VIA. Like any organisation, it needs to keep changing as it continues along its journey to ensure members have a strong advocacy group working on its behalf. We have a cohesive group from across the industry coming together to tackle issues for the industry and we will do just that."

Matt Battle, of Moana Blue, believes the organisational changes signal a new era for VIA.

"With already having worked with Sean Stevens and Chris Stephenson as co-opted members on the previous executive, that will give us some continuity going forward, and I'm also looking forward to working with Ken Quigley.

"Now is the time we can all move forward officially as a team and drive VIA's future direction alongside our council. It's great news that we are carrying on as an organisation from a stable platform, and can continue to work for the whole of the used-imports industry and its long-term future."

As for who will be chairman and deputy of the board, that's a matter to be worked through this month.

VIA's chief executive, David Vinsen, is looking forward to working with the four board members and says they are "people successful in their own businesses".

"They will bring plenty of new and fresh ideas to the table, and they were also key figures in bringing about the change in structure," he says.

"I have always taken the view that I will work with whoever is appointed. Over the years, the board has changed a number of times with different chairmen, and I've always had good working relationships with the elected board and chairmen.

"We have a much smaller board under the new structure than we previously had and they are all new members apart from Matt Battle, who has been on there 18 months. After the council was first appointed last month, they went through an electronic nomination process to select the board.

"I will be meeting with the new board as soon as possible to discuss the next steps and how frequently they want to meet.

"We now have a system with industry issues being the property of the council, which will give instructions to the association as to how we act on those. The role of the board is to ensure I execute those instructions, and manage the finances and funding of VIA."

Vinsen notes the association has completed "the phasing-out of the old and phasing-in of new systems", with the council having to go through voting in the board.

"We had an interim arrangement from the time of the annual general meeting, so the old executive had responsibility until the new board was in place.

"Changes don't come without a ▶

Matt Battle, general manager of Moana Blue

Sean Stevens, chief executive officer of VINZ

There are four members on VIA's board of directors, which will oversee the organisation's future governance

Farewell from chairmen

VIA's national executive has worked to ensure changes the organisation are now going through are made with the best interests of the industry moving forward, say outgoing chairmen Graeme Macdonald and Lloyd Wilson.

"The environment we face nationally and globally is a very different one to that anticipated 12 short months ago," they say in their annual report.

"Not only must VIA be financially secure to continue operation in these extraordinary times, it will surely be a critical force to ensure the fight to allow the continued access of quality used vehicles from other global jurisdictions.

"We have confidence the structure we have built will serve the interests of members, large and small, into this new phase of advocacy.

"We sought the support of members to begin the process of restructure against the uncertainty of a government with support-partner ideology running at times against the principles of our business, the final step-change of mandatory ESC, and the ongoing management of biosecurity risks and strategic ▶

Ken Quigley, managing director of Jacanna Customs & Freight

Chris Stephenson, chief executive of the Enterprise Group

few issues along the way, but you don't change procedures that have been in place for more than 30 years lightly or easily.

"The council is a mix of self-selection of those who chose to go into tier one, with proportionate voting for the other tiers. There is a good cross-section of people across the industry on the council, from service providers to dealers and importers.

"We've had a good response to the changes. We have people in place who want to be there and be involved."

VIA's members have signed off on a budget that forecasts zero losses for 2020/21 after three consecutive deficits.

The announcement at the AGM is linked with its revised structure. With a council and board replacing the national executive, some members have increased how much they will contribute annually to the association.

Members have been allocated a spot in one of five different tiers, with those in tier one – of which there are 10 – paying $26,000 per annum and having guaranteed a council seat. Tier two costs $13,000 a year with membership then stepped downwards to tier five, which costs about $1,500-$1,600 per annum.

"We were able to present a balanced budget with the possibility of a slight profit for this financial year," says Vinsen. "We are into the new financial year and are already growing our reserves. I'm confident we will be able to bring in, at worst, a nil-loss result for the current fiscal year."

Although VIA recorded a $180,619 loss during 2019/20, it was significantly down on deficits recorded in the two previous years. With new subscriptions kicking in and cost reductions already made, there will be a zero loss during 2020/21 and "hopefully, money in the till".

Vinsen adds: "With the restructure and people being appointed to council, it shows members are interested and some members nominated themselves for higher tiers to guarantee a seat on the council. They clearly see merit in this new way of operating and, as a result, we've got increased revenue."

He describes the council as a "nice mix" with a good geographic spread and representation from different sectors.

"The whole supply chain and every sector is represented under our new structure. We have dealers with big and small businesses, exporters from Japan, shipping lines, inspection companies here and overseas, auction companies, insurance companies and importers."

The 16-member council was chosen ahead of July 21's AGM, with voting only necessary to choose tier-three representatives.

A revision of the association's rules was needed to move away from its previous system. The new rules were circulated to members and adopted unanimously at a special general meeting in February.

DEPTH OF KNOWLEDGE

Alistair Sheard has been appointed as VIA's patron. He takes over the role from the late John Nicholls.

David Vinsen, chief executive, says: "Alistair, our retiring secretary, has been around for 32 years since the formation of the association.

"He's a chartered accountant from Christchurch with wide experience in a whole variety of motor-industry organisations.

"We think Alistair's appointment and acceptance is very appropriate considering his length of involvement, depth of knowledge and overall contribution throughout the years."

management of our borders."

After canvassing VIA's corporate supporters and members for solutions to the issue of funding the association's essential functions, the national executive put in motion a plan to restructure governance and funding, "accepting the future would see an increased role to be played by the majority of financial supporters towards the direction and board management".

They stress: "In essence, the governance model that gave VIA direction and member accountability needed to change to suit the needs of 2020 and beyond."

Wilson and Macdonald have retired from being involved in the association's governance "to provide for fresh faces to the table".

"Being involved at a chairman level has been a privilege for us both, never taken for granted and always with only the best outcomes possible for members at the heart of every decision we've made.

"At the heart of VIA are people – the one real 'asset' membership derives real value from every day you can open the doors to your business and buy, import, sell, clean, inspect, ship, transport, verify, comply, prepare, finance, insure, wholesale and retail.

"Thank you for the honour of being able to represent you as your chairmen. We look forward to seeing the association continue in strength for the years beyond."

Tyre decision pumps industry

Dumping tyres will become a thing of the past with them finally being declared a priority product under the Waste Minimisation Act (WMA).

It means a product stewardship scheme will now come into force for them and five other product groups – refrigerants, plastic packaging, electrical and electronic products (e-waste), agrichemicals and their containers, and farm plastics.

About 73,700 tonnes of end-of-life (ELTs) are disposed of in New Zealand each year. That's the equivalent of more than 7.75 million tyres from passenger vehicles. In future, they will be managed by recovering resources from them.

"This will end illegal stockpiling and dumping, which has cost ratepayers and the environment heavily," says Adele Rose, chief executive of 3R Group, which heads up Tyrewise. "This is what we have been working towards for eight years. We're delighted to have got this over the line, despite setbacks."


Adele Rose, of 3R Group

It was in 2012 that stakeholders, including the car industry, established Tyrewise and called for an industry-led framework for the regulated stewardship of ELTs.

"We can now forge ahead with the scheme that has been designed," adds Rose. "The key impact of regulated product stewardship is ensuring there is a level playing field for all manufacturers and distributors without free-riders choosing not to participate in a voluntary scheme. ELTs represent a huge potential resource."

Ian Baggott, sector manager for energy and environment at the Motor Trade Association, welcomes the government prioritising a range of automotive products.

"This announcement provides our members with a solution to problem products they've been grappling with for years," he says.

"Establishing a product stewardship scheme ensures all participants are required to contribute to costs associated with the responsible disposal of tyres, refrigerants, car batteries and associated e-waste at the end of a vehicle's useful life.

"It will remove barriers preventing the sector from doing the right thing. We're especially pleased Tyrewise can move forward to implement an effective solution for this serious problem."

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association, says: "We're disappointed it has taken so many years to be announced, so we are fully in support of it and welcome the announcement."

John Staples, director of Bridgestone NZ, says there will now be an opportunity to maximise the economic and environmental benefits of how ELTs are recovered and processed.

"We are committed to sound environmental management and product stewardship," he adds. "The ongoing development of a sustainable circular economy for tyres is a global priority for us."

Eugenie Sage, Associate Minister for the Environment, who revealed the way forward on July 29, says: "Regulated stewardship helps put the responsibility for waste and what happens to products at the end of their useful lives on manufacturers, importers, retailers and users rather than communities, councils, neighbourhoods and nature.

"We need new approaches to help reduce the environmental impacts of waste by ensuring products and materials lost to landfill or pollution are recovered, reprocessed or reused. This encourages new businesses and jobs."

The proposed scheme for ELTs has an advanced disposal fee built into the cost of tyres, which will fund the project. This is not an extra fee for consumers. It replaces existing disposal fees charged by most retailers without any surety of good environmental management at end of life.

The charges will be used to incentivise end markets and the processing and collection of tyres, along with an auditing and compliance programme to monitor compliance.

The next step will be for the Ministry for the Environment to work with the manufacturers and retailers of priority products, and with stakeholders, to co-design product stewardship schemes and regulations.

"Much of what is sent to landfills could be recycled, composted or reused," adds Sage. "Increased investment in waste reduction and resource recovery infrastructure will ensure New Zealand emerges from Covid-19 with a far better resource recovery and recycling system, creating jobs and incomes."

Study sinks Northport shift

Lead organisations in the automotive industry are relieved proposals to move Ports of Auckland's freight operations to Northland have been torpedoed in a report commissioned by the government.

The Motor Industry Association (MIA), Imported Motor Vehicle Industry Association (VIA) and Motor Trade Association (MTA) have welcomed the Sapere Research Group recommending against relocation to Northport.

The economic consultancy says issues with such a shift from the country's biggest city include taxpayers having to foot a massive bill, extra supply-chain costs being created and failure to solve long-term port-capacity issues.

Sapere was asked by the Ministry of Transport (MoT) and Treasury to independently review the recommendation of Northport by the Upper North Island Supply Chain Strategy (UNISCS).

A new port at Manukau Harbour in south Auckland has now been established as the best option after the Firth of Thames, Port of Tauranga, and Northport and Tauranga sharing the load were also considered.

Manukau is the highest-ranked option based on a cost-benefit analysis, but consenting could be "problematic", while costs outweigh all options' economic benefits.

To date, the MIA, VIA and MTA have opposed Ports of Auckland Ltd (POAL) losing its vehicle imports to Northport. There are also reservations about building a new facility at Manukau, although this would better suit the supply chain.

"We have previously been scathing about the UNISCS working group's findings," says David Crawford, chief executive of the MIA. "This Sapere review puts into perspective how poorly thought-out those original findings were."

The latest report is based on predicted freight levels over the next 60 years, while UNISCS only considered the next three decades and there is capacity at POAL for 30 years before major expansion is needed there.

"The Sapere report has got the timeline pretty well spot on," adds Crawford. "It will take 15 to 20 years to get through planning consent and building infrastructure for wherever the new or shared facilities are.

"We've got to make planning decisions in the next five to 10 years. Looking across 60 years is the right approach. The longer the time horizon is estimated over, the better key decision-making is."

There is still some way to go before any decision is made. Phil Twyford, Minister of Transport, and Associate Transport Minister Shane Jones say that needs to be informed by policy analysis yet to be completed because officials have been focused on Covid-19, so it will be up to a future government to determine a preferred location.

NO TO NORTHPORT

There is no avoiding Sapere's cost-benefit analysis of UNISCS' recommendation to shift POAL's freight – including the importation of motor vehicles – to Northport.

UNISCS claims this is the only scenario that results in significant gains to society. But Sapere states: "All options for moving freight from Waitemata are a net economic loss when a long-term societal perspective is taken into account."

Northport has capacity to grow to meet Auckland's freight task, says UNISCS. "Northport

[continued on page 10]

Cost-benefit analysis – moving Ports of Auckland's freight

	Manukau	Tauranga	Northport	Tauranga & Northport	Firth of Thames
Option	New port	Expansion	Expansion	Sharing freight	New port
Rank	1	2	3	4	5
Total benefits	$1,579m	$957m	$957m	$957m	$1,009m
Total costs	$3,561m	$4,661m	$7,209m	$7,804m	$8,303m
Net benefits	-$1,982m	-$3,703m	-$6,252m	-$6,847m	-$7,294m
Cost-benefit ratio	0.443	0.205	0.133	0.123	0.121

Source: Sapere Research Group – analysis of the UNISCS's working group options for moving freight from Ports of Auckland. The fourth-ranked option involves Tauranga and Northport sharing POAL's freight. This analysis takes a long-term societal perspective for each option relative to the base case in which port activities are assumed to remain in place. All options for moving freight from POAL are likely to involve a net economic cost.

ATNZ

(09) 257 0050

Welcome to ATNZ !

New Zealand's best source of Japanese used cars

Are you a registered motor vehicle dealer looking for the best quality cars from Japan? Then look no further than ATNZ.

ATNZ is a Kiwi-owned and operated company, with full sales and support services here in New Zealand. Highly experienced auction teams operating in Japan chase the highest quality cars at the best prices.

Backed by our exceptional administration and operational staff in the Philippines, ATNZ will deliver the right cars for your dealership.

[continued from page 8]

cannot provide sufficient capacity to accommodate the long-term, 60-year freight task," retorts Sapere. UNISCS says Northport would result in cost savings to road users, Sapere claims the opposite.

In addition, Sapere has held talks with supply-chain participants, such as shipping lines, freight-forwarding companies, and critical industry and freight owners.

"Distance to market is critical to supply-chain costs," it reports. "Northport is generally considered too far from main markets to function as a primary import port given industrial activities, warehousing and distribution hubs in south Auckland, the Waikato and Bay of Plenty.

"A clear message from participants importing or exporting break-bulk or general cargo is they rely on current port proximity. Break-bulk tends to be low-margin freight and, in the absence of a nearby port, additional landside transport costs could make some of this trade prohibitive and increase costs."

So, what's the reaction of the automotive industry to Northland being lampooned?

"We thought it was silly moving up to Northport," says Crawford. "It has limited capability to expand and takes imported products further away from the population triangle of Auckland, Tauranga and Hamilton. We would rather see options in those areas investigated.

"Any other option, such as looking at Northport, would need to have clear justifications and benefits. If not, then it will simply increase the costs of importing vehicles, which will get passed onto customers.

"If you move port operations outside of the Auckland area, a significant number of vehicles will still have to be shifted back there at some stage of the supply chain."

David Vinsen, VIA's chief executive, describes UNISCS' suggestion of moving POAL operations to Northland as being "politically driven".

"Talk of moving the port is ridiculous and the whole issue is just stupid. It's floundering around and trying to deal with a noisy

OPTIONS FOR PORTS OF AUCKLAND'S FREIGHT OPERATIONS

Photo: Jason Dorday
Photo: Jay Farnworth, Auckland Council
Photo: Northport Ltd
Photo: Port of Tauranga Ltd

minority who think they have some right to the harbour.

"Maritime cities are built because they are ideal ports. Things can change over time, but from a logistics point of view you discharge imported goods as close to your largest market as you can."

He notes POAL projections show it can sit on the same footprint of land and – with increasingly modern technologies and equipment – still service import demands for a much larger population than Auckland has now.

"The outcome of most of these reports about the port moving appear to be predetermined by whoever has commissioned them," adds Vinsen.

"Even with the best will in the world, it will take 20 years to get resource consent and who knows how long to get infrastructure built for any new port. Moving POAL won't happen in my professional lifetime, nor I doubt in my actual lifetime."

Greig Epps, the MTA's advocacy and strategy manager, says: "We can see the potential to affect not only vehicle traders, but also related businesses. Should a decision be made to move, affected businesses might have up to 10 years or so in which to make preparations based on timings for obtaining consent suggested in the Sapere report.

"A move to Northland would have the greatest impact. Ancillary services will be greatly impacted. There might be issues with the relocation of entry-certification services and availability of sufficient buildings. Will the necessary experienced staff follow a company to a new location, especially if out of Auckland?"

Epps adds the NZTA would need to work hard to approve such new sites before the first ship arrives, while car transportation companies would have to set up new operations. "Depending on location, panel and paint services for any structural repairs might be stretched in Manukau or Northland. It won't be a cheap or easy exercise."

The views of the motor-vehicle industry stack up with consultation with supply-chain stakeholders, which Sapere summarises as "Northport does not make intuitive sense".

"Distance from and to market is critical as is avoidance of double-handling," its report states. "Increasing the length of the supply chain increases costs.

"While many cities have relocated their ports, most moves have been within 50km. Northport is considered too far from main markets – especially the hubs of south Auckland, Waikato and the Bay of Plenty, but also from sizeable export markets."

BUILDING FOR FUTURE

Constructing new ports on the Manukau Harbour or Firth of Thames would have sufficient long-term capacity and well beyond 60 years, according to Sapere.

An island port close to shore would allow for capacity to be extended in response to freight growth, but obtaining consent for any coastal change is difficult.

"A port on the Manukau stands out as the highest-ranked option on the basis of being the least costly over the long term, accounting for upfront capital expenditure and ongoing supply-chain operating costs of $1.982 billion," states Sapere's report.

"Its proximity to destinations in south Auckland is the major reason with relatively short distances being favourable for freight movement and, to some extent, landside infrastructure costs."

The Firth of Thames has a higher net economic cost of $7.294b due to constructing longer road and rail links, and the greater distance to south Auckland.

Manukau has been cited by

supply-chain operators as being right beside industrial activities, and warehousing and distribution hubs, allowing for transport costs similar or lower than POAL. While shipping lines would prefer a new facility on the Firth of Thames, "a container port on Manukau Harbour could work well for routes from Australia and Asia".

Relocating POAL's freight to Manukau was taken off the table early in processes set up by UNISCS' working group, which is chaired by Wayne Brown, the Far North's former mayor.

As a result, no analysis and modelling were done because of perceived barriers, such as risk and insurability, but Sapere describes issues associated with Manukau as "not insurmountable".

Vinsen prefers Manukau because it is not far away from POAL, "but a narrow channel would need to be dredged to bring in large ships and there are the problems of the bar at the harbour's entrance".

He adds: "Manukau is close to south Auckland and the centre of where most used-imported vehicles go. If the port were to end up there, the industry will do whatever it has to do and make adjustments that are needed. However, I can't see any real advantage of relocating the port because of the huge capital costs it would involve."

Epps says: "We can also see some issues with Manukau. Dealers will be concerned about potential transport-cost increases in bringing stock to their yards.

"This might be less of an issue with a move to Manukau, but we would need to see the effect on delivery schedules if ships need to map out stops at ports on both the east and west coasts of the North Island."

In addition to dredging the harbour, Crawford flags up conditions on the west coast with significant swells making it difficult for vessels to get through the Manukau Heads.

"I would be concerned if they were plugging for Manukau to be the only solution. It's technically possible, but we would need some big sea walls to ameliorate conditions sufficiently."

That said, such a move would mean little change for the car industry because most of the supply chain is already Auckland-centric and "it would be closer to some inland storage areas". Crawford adds: "Logistically, it's an ideal location if they could make it work safely from a shipping perspective."

The Sapere report stresses it is necessary to differentiate between Manukau's current entrance and future state with a dredged and maintained channel, which sediment-flow modelling shows would be achievable and stable.

"On the basis of the gateway test of capacity and a cost-benefit analysis to determine long-term economic cost, Manukau emerges as the option that can provide sufficient long-term capacity at least cost," the report adds. "There is no sound basis for excluding it as viable."

SHARING FACILITIES

The Sapere report says neither Port of Tauranga nor Northport can provide sufficient capacity to process predicted freight levels over the next six decades.

Tauranga would need to expand into nearby industrial areas to cope with its own long-term requirements and those of POAL, while Northport could provide sufficient berth capacity until around 2060 – not much longer than Auckland's estimated 30-year capacity.

A shared increase in capacity at Tauranga and Northport could fulfil needs for the next 60 years after which both would likely have little or no room to expand.

The Tauranga option would have a net economic cost of \$3.703b, followed by Northport at \$6.252b. The option of a shared increase at both would be \$6.847b. Then there is the possibility of reduced, or no, competition without ownership changes.

"Increased port charges due to increased market power might range between six to 32 per cent relative to current POAL and five to 24 per cent relative to Tauranga," the report states. "A new port may increase or decrease competition, depending on ownership."

SHORT DECISION WINDOW

With large-scale investment and consenting challenges, it may be tempting to stay at POAL. But Sapere warns "this direction presents a risk of an economic bottleneck emerging sooner than expected and sub-optimal responses to supply-chain resilience".

"POAL's freight operation is constrained on several fronts, including terminal capacity and the berths and channel access to accommodate larger container vessels," the report states.

"Assuming consents can be obtained, the container terminal may have sufficient capacity for around 30 years under reasonable assumptions about freight growth. At that point, substantial land reclamation will be necessary.

"Long lead times for planning, consenting and constructing capacity elsewhere mean there is a shorter window of time for a decision about long-term strategy. That window is 10 to 15 years."

Tony Gibson, POAL's chief executive officer, has welcomed Sapere's report. "We are heartened to find it has drawn on the knowledge of a wide range of people with deep expertise in port planning, transport and the supply chain.

"The conclusions of the report are no surprise to us. They are in-line with the conclusions of all but one of many reports on this topic commissioned over the past decade. We are also pleased to see any future decision will be informed by robust policy analysis.

"A decision of this magnitude is one for our owner, Auckland Council, and future governments."

Working out capacity

What experts refer to as "the future freight task" represents the volume capacity likely to be needed over 60 years – at Ports of Auckland or elsewhere.

Sapere's report focuses on calibrated forecasts, which assume medium growth at a compounding annual rate of 2.26 per cent.

Using this method, container freight is predicted to expand to 3.84 million TEUs, or 20-foot equivalents. This is 3.8 times volumes for 2020.

Bulk freight will probably increase by 4.63m tonnes in 2079 – or 2.7 times this year's volume.

Vehicle imports are expected to reach 1.68m in 2079, which is up by a factor of 5.3 times.

Even at lower annual growth of 0.75 per cent, vehicle imports will reach about 480,000 by 2079, or 1.6 times that of 2020.

To put these rates in context, annual growth in container freight in Upper North Island ports has averaged out at more than four per cent from 2012-19.

Need to wise up on safety ratings

Dealers are being encouraged to swot up on vehicle-safety ratings to avoid accidentally misleading customers when selling cars.

The NZTA has created an online resource – www.rightcar.govt.nz – to help the industry and public better understand the ratings and how they apply to different vehicles.

Tony Everett, sector manager – dealers with the Motor Trade Association (MTA), which supports the campaign's intention, warns businesses should never "wing it" when giving out safety information to prospective buyers.

Ratings can change and in a worst-case scenario a salesperson might inadvertently mislead a customer. That's never a good idea, so look them up or direct prospective buyers to the source – the RightCar website.

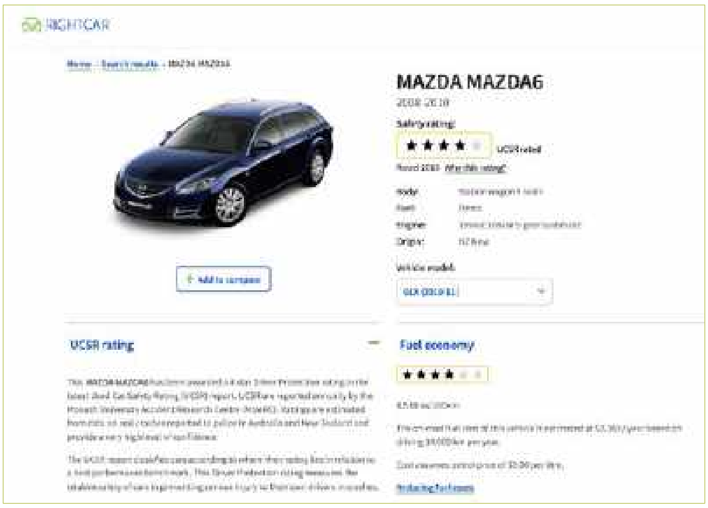
"The website and associated information are not about identifying problems, it's about guidance for salespeople," explains Everett. "They should look at the data, understand what it's telling them and be aware of it because they don't want to be ignorant about cars on their yards that they're trying to sell."

A vehicle's rating in New Zealand comes from one of three sources. Most new cars entering the market receive a rating from ANCAP, which conducts crash tests to measure the safety of occupants.

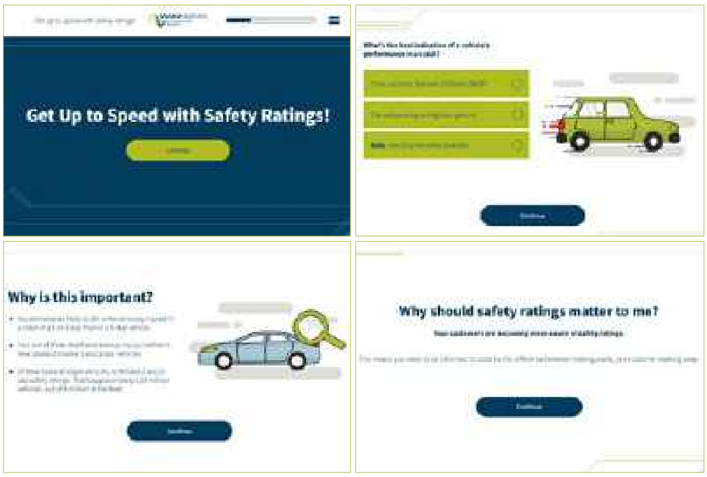
This rating can last up to six years. But if a model is upgraded, the new model receives a fresh ANCAP score and the old model is moved into the next level of assessment, which is the Used Car Safety Rating (UCSR).

The UCSR ratings are calculated by Monash University, Melbourne, and are based on real-world crash data about how well occupants are protected.

Finally, there is the Vehicle Safety Risk Rating (VSRR) for models not covered by ANCAP nor the UCSR. This is applied to cars when there are too few of those models being driven to provide enough crash and injury data, so



The safety rating for a model year 2011 Mazda6 at www.rightcar.govt.nz



A series of images from the NZTA's training module for car dealers, which can be found online at https://dealer.rightcar.govt.nz

the rating is based on the average of similar vehicles from the same year of manufacture.

GAINING THE KNOWLEDGE

Traders were sent guidance earlier this year about the scheme and information included a dealer training module on the Rightcar website.

That module, which can be found online at https://dealer.rightcar.govt.nz, provides background information on the various ratings and their application.

"Much of that information was included in various industry media channels during the Covid-19 lockdown so whether dealers acted on it or not is difficult to know," says Everett. "If dealers and sales staff are not up with the play, they should log onto the NZTA or Rightcar website to look at the vehicle-safety information.

"Traders need to understand how different systems for different cars have come about and what the information is telling them. Otherwise, any prospective question from a consumer may expose the salesperson's lack of knowledge."

A rating under ANCAP can be sometimes quite different to that applied under the UCSR scheme. "That's when confusion can arise – a car can do well in a specific scenario, such as during its ANCAP test, but it may not perform as well in real-world accidents," explains Everett.

"For example, a new vehicle may have a five-star ANCAP rating, but once it has got a real-world accident rating across a range of situations in New Zealand and Australia it may only achieve three stars under the UCSR.

"Most new small cars get five stars under the ANCAP programme because they have been designed and built to perform well in those tests, and in a broad sense ANCAP reflects a crash against a similar-sized vehicle.

"But many small vehicles do not rate so well under the UCSR scheme because in the real world many accidents may be against larger ones. The laws of physics take over and, in a big versus small situation, big usually wins."

CONSUMER AWARENESS

Safety ratings, unlike fuel-consumption figures, do not have to be legally displayed on vehicles. However, this might change at some point in the future. Regardless, dealers should be ahead of the game.

"The NZTA is putting a fair bit of energy into promoting safety ratings and Rightcar so salespeople should expect customers to raise the issue," says Everett.

"Consumers will often do their research, so salespeople need to know what those resources are so they can talk intelligently about them. If a customer asks what a car's safety rating is, answering, 'I don't know, you'll have to look it up', isn't going to look very good.

"Dealers don't need to become experts on safety or the ratings, but should understand where the ratings can be found, provide an overview of how they came about and, importantly, how they differ."

The NZTA launched a campaign in February as part of its Safer Vehicles programme urging customers to consider safety ratings when choosing which car to buy, warning it can be a "life and death" decision.

"The agency is bringing these ratings to the fore and saying, 'there's all this data, so go and look at it and understand what it's telling you'," says Everett.

For more information, visit rightcar.govt.nz. Simply enter the vehicle's number plate, or a make or model, to access the safety rating.

ANCAP's work on safety ratings – page 19

Levy plea to tackle emissions

The AA is campaigning for the government to use money raised from the emissions trading scheme (ETS) levy on fuel to help create a greener fleet and cut transport pollution.

Officials from the organisation claim the levy currently delivers about $420 million annually into Beehive coffers and that could double by the end of 2025 following reforms to the ETS.

The AA wants a substantial chunk to go towards developing synthetic fuels, increasing the uptake of electric vehicles (EVs) and other action to reduce carbon dioxide (CO_2) emissions from transport.

It estimates motorists currently pay an ETS levy of 6.7 cents per litre on 91 octane petrol and 7.8c on diesel. If the price of CO_2 rises in 2020 from its present $25 a tonne to $35, that will add another three cents per litre. If it doubles to $50 from 2021-25, the AA warns the charge will be 13.5c for petrol and 15.6c for diesel.

Mark Stockdale, principal adviser – regulations, says up until now the levy has essentially been a tax on fuel, while the objective of the revamped ETS is to cut emissions and the transport sector needs to play its part.

“Rather than increased levies going into a consolidated fund, which we estimate is worth $420m a year, we want it invested in things to offset transport emissions,” he says.

“One example is to develop synthetic fuels, which can be used in internal combustion engines [ICEs] without modification. The Forest Research Institute in Rotorua believes it’s feasible to make synthetic fuels from pine trees and slash. We would like to see that development funded by the ETS.

“The issue for the AA is that after five years we have 21,000 EVs, while there are nearly four million ICE vehicles in the fleet, which will be on roads for a number of years yet. We must reduce emissions from the fleet and that means looking at cleaner fuels.

> “We must reduce emissions from the existing fleet and that means looking at cleaner fuels”
> – Mark Stockdale

“In time the electricity distribution network will need upgrading to support more electric cars, so there’s another development that could be funded.”

Stockdale adds the reforms voted in by politicians in mid-June will make the ETS more transparent. The changes coming into force next year mean fuel companies can no longer treat its levy like a carbon tax.

The scheme will set a new cap of 160m tonnes of CO_2-equivalent greenhouse gases from 2021-25, along with a provisional emission budget for the same period of 354m tonnes.

It works by requiring companies in the scheme to match each emissions unit they report with an allowance, or credits, payable to the government. People who plant forests can report CO_2 they take out of the air and claim credits, which they can sell, creating a trading market and an incentive to lower emissions.

James Shaw, Minister for Climate Change, says that until now the ETS has not fulfilled its primary purpose of reducing emissions and “action to fix this puts us further ahead on climate action than many other parts of the world”.

He adds the current fixed-price cap of $25 means if the price exceeds that, businesses can buy units at $25 from the government. For 2020, that cap will increase to $35.

From next year, an auction system will come into play, but the government will hold units in reserve. If the unit price tops $50, it will release them onto the market to decrease the price. The system aims to keep prices low and encourage businesses to cut emissions to avoid the cost of paying for units.

With the general election happening in September, the AA plans to call on the next government to develop a road map to transform the fleet.

“We want the government to develop a plan on how we can get our fleet to be cleaner and safer,” says Stockdale. “That includes developing short and long-term strategies.

“It could include strategies for EVs, safety equipment on vehicles entering the fleet and increasing the uptake of alternative fuels, which incorporates spending some ETS levy revenue.”

Split over electric incentives

The team at EV City in Christchurch. From left, Nick Haines, Ran and Dave Boot, Jordan Wyatt. Photo: MTA

With electric vehicles (EVs) representing a small fraction of New Zealand's fleet, you may think specialist dealers would be singing from the same song sheet.

But opinions in the industry often differ and that's the case about what can be done to encourage motorists to switch to electric.

There is plenty of talk worldwide of scrappage schemes and other financial incentives to get people into zero-emissions vehicles as governments strive to cut pollution levels.

New Zealand has yet to decide if it will follow the likes of the UK and Germany with substantial cash offers to tempt consumers to buy hybrid or electric cars, and EV dealers here have differing views on the best way forward.

Auckland's Henry Schmidt is eager to see a scrappage scheme or incentive payments – and for them to be introduced as soon as possible.

Dave Boot, of Christchurch, believes it is too early to use big-money offers to encourage people to go electric because there aren't enough models on the market.

And Hayden Johnston, also based in Auckland, suggests the fleet can be made greener without resorting to any government offers.

"With the introduction of ESC [electronic stability control] laws, we're going to see cleaner vehicles coming in and we're going to see newer vehicles – and more hybrids and EVs – simply because of that change," says Johnston, general manager of Genuine Vehicle Imports in Penrose.

"That will be enough, but if the government really wants to make changes it could simply put the price of fuel up. With a shift to EVs, you need buy-in from everybody.

"However, the ESC rule change will be the biggest single change for the make-up of the fleet from an emissions point of view."

At the end of June, there were 21,098 EVs nationwide, according to the Ministry of Transport. Meanwhile, annual registrations of new and used electric cars climbed from just 505 in 2015 to 7,018 in 2019.

The statistics represent major progress for promoters of such technology, but EVs remain a small portion of the 4.4 million vehicles registered.

SUPPORT FOR SUBSIDIES

As nations grapple with how to cut their levels of carbon dioxide (CO_2) emissions, the electrification of fleets is coming into sharper focus.

UK Prime Minister Boris Johnston was toying with the idea in June of introducing a £6,000 (NZ$11,550) incentive scheme to get more people into electric cars. This has since been ruled out because of high costs to implement the plan, which was also being considered to boost vehicle sales in the wake of Covid-19.

However, the UK government has been offering a £2,000 incentive since 2009 to people who trade in cars for less-polluting, newer models. There are also grants of up to £3,000 for those who buy EVs or plug-in hybrids.

Schmidt, who owns Autolink Cars in Grey Lynn, has been selling only hybrids and EVs for the past six years and describes the scrappage scheme the UK had been considering as a "good incentive". He is eager to see a similar deal here, but doubts anything will happen until next year at the earliest.

"I think the car industry supports such subsidies but our government, which has talked about doing something with nothing happening, is not going ahead with it for some unknown reason," he told Autofile.

"New Zealand has no incentives around vehicles. It's amazing

Eye on EVs

Live EV listings on Trade Me:

-4.8% Compared to last month

-12.2% Compared to prior year

New EV listings on Trade Me:

-3.3% Compared to last month

-25.3% Compared to prior year

because we want people to change, but nothing has been done around that in the past three years. We push ourselves as being a green country but aren't always very green with our policies.

"If we can copy part of the UK's scheme, that would be a good idea. The future for EVs is good, but we just need some assistance from the government."

DIFFERENT INCENTIVES

One political push to help clean up the fleet has been delayed until at least until after the election, after NZ First blocked the clean-car policies introduced by Julie Anne Genter, Associate Minister of Transport, last year.

Her plans were double-pronged – a feebate scheme offering discounts for EVs and penalising high-emitters, alongside a fuel-economy standard aimed to encourage people to buy more low-emitters and cut the number of fossil-fuel cars. The Greens look set to take the policies to September's general election.

Boot, owner of EV City, believes there are plenty of other measures politicians and decision-makers can introduce to get more Kiwis driving EVs and to benefit the wider economy.

Among his suggestions is a power credit for people when they first register an electric car that could cover the cost of charging for a year, making EVs exempt from road-user charges and allowing them to be driven in transit lanes in major cities.

"These are things that don't cost much, but offer a range of different incentives," says Boot. "With a power rebate, we create that power here in New Zealand so it's still money being spent in this country. However, with the feebate scheme you are ultimately just seeing money go through a dealer and then overseas to a Japanese manufacturer."

Henry Schmidt on his yard in Auckland

He says this year's Covid-19 lockdown has helped people appreciate how more EVs on our roads can improve air quality, but warns a government scrappage scheme is only worth introducing once more electric models are available locally.

"Not many people at this stage are buying EVs to save money. It's more about making a statement to businesses or about that customer's principals. You do not need to stimulate that principal-focused market.

"Until we have the means of greater supply, we shouldn't be pushing for substantially more sales. If it developed that people can suddenly get a $5,000 credit to buy an EV, we would be unable to deliver those vehicles for about three months. The problem with discounts or feebates is ultimately you aren't getting free money – you're paying for increased demand and truncated supply of the market.

Hayden Johnston

"The Japanese are good at currency manipulation and if auction houses know there's free money to buy EVs in New Zealand, things will get more competitive and prices will escalate."

Johnston shares Boot's concerns about the lack of supply and range for cars and commercials if a financial incentive is ever introduced. He also cautions about the impact it may have on other parts of the market.

"There's no point having people ready to go, but not being able to supply them vehicles," says Johnston. "The time will be right when more options are available. We also need more vehicles in that commercial space to encourage people out of diesels.

"It would be nice to switch to electric today. However, it would disadvantage a lot of economies, including a negative impact for parts and servicing of internal combustion engines. I'm a huge advocate for EVs, but I'm also an advocate for people's jobs. Whatever we do needs to be a balanced approach."

NEGATIVE PROPAGANDA

Whatever subsidies, feebates or incentives do or don't come the way of Kiwis, educating motorists about the rise of EVs remains key for the industry.

Johnston explains that a lot of people's fears about the cost of and running them are unfounded, as is the perception owners will eventually be forced into buying electric.

"There still remains negative propaganda that EVs are expensive, batteries break and there aren't enough places to charge them but none of that is true," he says. "Batteries don't break, there are many places to charge your EV and they've never been cheaper. There is an affordable option for everyone.

"Some people think they're going to be forced to drive EVs and, in the near future, people are going to be taking their double-cab utes off them. It's not how things operate but that's the attitude of many people. While it makes a lot of sense to drive an EV, you don't have to.

"New Zealanders are passionate about vehicles, but we're at a stage where we need to be sensible and realistic about our vehicle use."

IN BRIEF

Responsible lenders helping consumers

The Financial Services Federation (FSF) is encouraging borrowers affected by Covid-19 to talk to their loan providers and find out if they have credit-related insurance policies.

"Unpredictable events can affect people's ability to make repayments and circumstances for which responsible lenders will have hardship processes," says Lyn McMorran, executive director. "Lenders don't want customers to suffer in silence because that's not a good outcome for either party."

The FSF's advice to consumers who are concerned about repayments is to keep in touch with their providers so they can work together on the best way forward.

The federation's members are also supportive of work done by Fincap. It has in place a memorandum of understanding – based on the shared value of good outcomes for consumers – to accelerate hardship applications linked to coronavirus effects.

This includes developing processes to speed up communication between financial mentors and FSF lenders, and implementing privacy waivers so consumers can be helped quickly.

Advance orders for all-electric Pony sell out

Ford has filled all reservations for its high-end Mustang Mach-E First Edition electric SUV, which was first unveiled in Los Angeles last November.

There are four other versions of the crossover in addition to the First Edition. It sells for about US$60,000, which is around NZ$100,000. The marque is limiting global production in the first 12 months for all variants to about 50,000 units.

The Mach-E is the first of more than a dozen all-electric vehicles Ford plans to launch by 2022 and is aimed as a challenger to Tesla's line-up.

Electric and hybrid vehicles on port's agenda

Port of Tauranga has secured accreditation from the Certified Measurement and Reduction Scheme for how it measures and manages carbon-dioxide emissions.

It has set an initial short-term goal of a five per cent reduction in scope-one emissions per cargo tonne and is targeting net-zero emissions by 2050.

Chief executive Mark Cairns says: "This year we have set aside $1 million to invest in more expensive battery-hybrid straddle carriers. We're also replacing light vehicles with electric or hybrid models where available and using biodiesel when we can."

He adds a multi-disciplinary approach "has proved valuable" in keeping stink bugs and other pests out of New Zealand, with the port, importers, Ministry for Primary Industries and fumigation contractor Genera working together to screen, fumigate and process cargo.

German marque lands 'most valuable' crown

Mercedes-Benz has been named the world's most valuable automotive brand for the third year in a row after increasing its worth by eight per cent to US$65 billion – or about NZ$102.4b.

Toyota has retained second place with an 11 per cent rise from 2019 to US$58.1b, according to Brand Finance, while Volkswagen completed an unchanged top three with a 7.6 per cent jump to US$44.9b.

Mark Notman with Honda's dealer of the year trophy. Photos: Abby Harrison

Customer service key to business success

The director of Hawke's Bay Honda describes the Napier-based business becoming the marque's dealer of the year as a "huge achievement" after going up against the country's big-city franchises.

Mark Notman says the days leading up to level-four lockdown were a busy time for his team as it rushed to get new vehicles to owners and secure the numbers required to take the trophy home.

He adds the win can also be put down to how important it is for a dealership to be a welcoming place for people thinking about buying a new car.

"It starts with a coffee when you walk through the door. When you buy a vehicle from us, you leave as part of the family. We always say, 'if you're driving past, pop in for a coffee', and a lot of people do and are our friends now. They just pop in when they have a moment."

Notman, who hails from Oamaru, trained as a mechanic before spending most of his career selling cars in London and Christchurch. He and his young family moved north so he could take over Hawke's Bay Honda five years ago.

Peter Ashley, general manager of Honda NZ, says Notman's background in the service side of the industry has helped him become a successful dealer. "He is a real people person. We're absolutely proud of him and have been from day one."

Notman adds it is important to maintain relationships through after-sales servicing, which results in many repeat customers. The business also has the national contract to provide companion driving service Driving Miss Daisy with its vehicles.

The winning Hawke's Bay Honda team. From left, Karen Tawhai, service receptionist; Stephen Brown, sales consultant; Brett Paton, customer care manager; Mark Notman, dealer principal; Mark Wilson, marketing manager; Scott Kyle, technician; Jimbu Zhang, technician; Nathan Moetera, car groomer

Days of 'set and forget' are over

How long has it been since you thought about your website? Did you have it built a few years ago and – apart from occasionally updating home-page banners and new-vehicle pages – assume it would do the job for a good five or more years without the need for review?

The issue with this "set and forget" attitude to your site is that it risks causing your business to be left behind, and may result in missed sales opportunities due to continual industry changes and technological innovations.

Our recommendation to dealers is to thoroughly audit your website every two to three years. This gives you the opportunity to upgrade the technological features and design to ensure it is functioning well and meets the most current consumer expectations, as well as preferences around usability and aesthetics.

It also gives you the opportunity to ensure your "digital face" accurately reflects your dealership's current brand, vision and messaging.

So, what has changed over the past few years to warrant an upgrade to your existing website?

MOBILE RESPONSIVE

In 2014, mobile visitors made up 15 to 20 per cent of website traffic. However, by 2019 that had increased to 60 to 70 per cent.

This highlights the priority that needs to be placed on mobile-friendly design and layout. Modern sites are now built so they respond to the user's device – be it a desktop, tablet or mobile – to ensure an optimal experience.

DESIGN FEATURES

Automotive website design has changed significantly over the past five years and, along with that, so have consumers' expectations.

Elements such as sticky navigation bars that anchor to the top of the page while being scrolled, clean lines and attractive layouts with minimal text, and quality imagery and videos are all now standards of industry-leading sites that promote and prolong browsing.

OPTIMISING SEARCHES

Over the past few years, search-engine optimisation (SEO) techniques have had to adapt as Google's ranking algorithms have become more sophisticated.

For example, websites built a few years ago may only rank based on the code written into home pages, whereas modern sites are constructed in such a way that search engines will rank them based on every page. This emphasises the importance of upgrading outdated coding that may be in your site's back-end.

CONVERSION POINTS

The more opportunities customers are given to convert, the more likely it is they will book a test drive or make an enquiry.

TODD FULLER
General manager
AdTorque Edge NZ

Modern websites maximise conversion opportunities by including multiple enquiry forms, live chat, SMS messaging and click-to-call.

LOADING SPEEDS

The rate at which a web page loads has an impact both on user experience and your site's SEO.

Newer sites are coded up to deliver faster load speeds, fostering better search-engine ranking. This in turn drives more traffic to the site and increases the likelihood of conversion.

ONLINE SECURITY

Older websites may not be hosted on the most secure servers nor have the most up-to-date firewalls to prevent a cyber-attack, so it's important your provider runs a security audit for you.

Customer data supplied through online forms must also be protected. The addition of secure socket layer (SSL) certificates on sites has become the norm in the past few years. However, many dealer websites still do not have them, meaning visitors' personal details are not secure.

DATA REPORTING

Modern coding techniques, along with using Google Tag Manager, give website providers the ability to deliver more accurate and detailed data on customer behaviour – both while on your site and before landing there.

Dealers with newer sites have access to this data, which is invaluable for marketing planning.

STOCK LOCATORS

Over the past few years, stock locators have evolved significantly with the key aim of promoting engagement and conversion. Most recent has been the addition of e-commerce functionality that enables vehicles to be reserved with an online deposit.

Website providers have been adding "book a test drive" and "trade-in valuation" options over the past 12-18 months, as well as the ability to create campaigns on certain stock and functionality to save and compare selected vehicles.

Digital agencies are now at the mercy of the global giants Google and Facebook. They continually update their algorithms and change advertising models, which requires us to adapt and innovate accordingly with new features and technology.

For this reason, our advice to dealers is to remain nimble when it comes to websites and all your digital marketing. The days of set and forget are over. A modern site is an ever-evolving beast that needs regular review, reflection and upgrade to ensure it performs its core function – to drive leads to your dealership.

Greener transport solutions needed

A major study, Insights Into Future Mobility, has been released by a premier research university.

The work by the Massachusetts Institute of Technology explores potential impacts on the future of personal mobility and starts with some interesting global statistics.

- There are about one billion passenger vehicles on the world's roads.
- These vehicles burn about 1.5 trillion litres of fuel annually.
- Forty per cent of carbon dioxide (CO_2) emissions come from light commercials, quite a small portion of the fleet.
- About 1.35 million people die each year because of vehicle-related crashes.
- Once adjusted to socio-economic factors, there is no significant difference in car ownership or use between millennials and previous generations.

Looking to the future, it's a given that as populations increase, so will demand for mobility solutions that are even more convenient and flexible than those available today.

It is estimated that by 2050 it could take up to 500 million additional vehicles to meet extra demand, while it's noted this increase overlaps the same period many jurisdictions, including New Zealand, have promised to become carbon neutral.

The authors of the report argue that because of the factors given above – and the seemingly incompatibility between demand, usage and the need to mitigate other risks, such as climate change – we can expect to see real changes in the transport sector. These will be related to consumer behaviour and buying preferences, as well as transport policies.

The challenge becomes building a system that offers "more environmentally sustainable mobility options while also satisfying consumer requirements with respect to cost, convenience, flexibility and preference".

The report's authors used scenario-based modelling to explore the potential impact of several possible futures and were able to use those models to make some predictions. Examples include:

- If no further climate-change mitigation actions are taken, CO_2 emissions would be 35 per cent higher in 2050.
- Even if all Paris Agreement obligations were met, global emissions would still increase by 11 per cent.
- If we have any hope of limiting global warming to the recommended 2°C increase, we will need much more aggressive policies aimed at cutting the current trajectory by 60 per cent.

In addition, electric vehicles (EVs) will likely not reach cost parity with internal combustion engines (ICEs) before mid-2030. This means market forces alone will not drive substantial EV uptake without a meaningful differentiation in operating costs.

KIT WILKERSON
Policy adviser and analyst
kit@via.org.nz

The volume of EVs expected to be added to the fleet is directly tied to the aggressiveness of government policies supporting or driving the transition.

Without introducing new policies, we could expect to see our light commercial fleet to consist of one-third EVs by 2050. With aggressive policies aiming to reduce emissions by 60 per cent, our light commercial fleet could be half EVs.

Even though the transport industry continues to be targeted as "low-hanging fruit" by policies designed to cut emissions, modelling by this report's authors argues that mitigation options for the power sector are "more abundant and less expensive".

Put together, the most optimal results can be gained in transport by placing focus on the decarbonisation of power production and aggressive policies aimed at electrifying light commercials. The availability of abundant, cheap, clean electricity is all that's needed to encourage the uptake of private, or shared, passenger EVs.

The report goes into more detail about the worldwide cost of meeting some decarbonisation obligations. For instance, the authors suggest necessary global-warming mitigation policies will slow economic growth by up to 3.3 per cent – a potential NZ$4.5 trillion loss globally.

They do note, however, that they haven't compared this cost to potential savings from not having climate change-related damages, known as "avoided adaptation costs", and other benefits, such as savings to public health from a cleaner environment.

Taking into account a potential economic slowdown, the authors still project more than 140 per cent growth globally between now and 2050 – even in the scenario with aggressive mitigation policies.

Whatever strategy New Zealand embraces as we drive into the future, we can assume, as a society that embraces personal vehicles, there will continue to be significant support for the status quo for personal vehicle ownership and use.

Most countries have taken similar approaches to encourage EVs. That's namely make everything that's not an EV more expensive through taxes and fees. This report hints at the possibility of other approaches.

The solution? Invest in clean energy and produce enough to make electricity more affordable than fossil fuels as a power source for vehicles. While many people prefer to focus on the upfront cost difference of electric cars, that preference would likely shift as the difference in running cost of an EV versus ICE vehicle becomes more extreme.

We could focus government programmes on efforts to drive down emissions on the class of vehicle that's the worst offender. And think of what else we could do, such as businesses we could encourage to move to New Zealand to meet their own climate-change obligations. Imagine all the other benefits of cheap, abundant clean electricity.

Putting on brakes for safety

Consumer uptake of autonomous emergency braking (AEB) is on the rise, which is just as well with experts likening its safety significance to that of the seatbelt.

ANCAP says fitment of the collision-avoidance technology has risen from 18 to 54 per cent of new vehicles sold in a two-year period, with 60 of the top 100 selling models now offering it as standard equipment.

This is seen a significant milestone for the industry and market, with supply and demand working together to provide positive safety outcomes.

ANCAP sees itself as having a key role to educate people about AEB's benefits, and encourages marques to include it as standard across ranges and price-points. Indeed, a new car will miss out on a top safety rating if it isn't fitted.

Many models and affordable ones, such as the Toyota Corolla, Mazda 3 and Kia Cerato, have the technology without consumers having to order it as an optional extra, while it also comes standard with the highest-selling light commercials – Ford's Ranger and Toyota's Hilux.

Objective performance testing of autonomous safety technologies is a key focus for ANCAP, with one element to improving the fleet being the improvement of vehicle affordability.

It says older vehicles are unlikely to be fitted with safety features now expected in new cars. If tangible safety benefits are to be realised, ways must be implemented and targets set to reduce the age of fleets.

ANCAP advocates for the rapid deployment and accelerated uptake of proven technologies and innovation, and works to achieve this by influencing the design, specification and availability of new models with such systems.

The Mercedes-Benz CLA Class was ANCAP's top performer for vehicle safety last year

RATINGS IN NUMBERS

Each year, ANCAP goes "beyond the stars" to look at its work's facts and figures – from costs to collaboration and engagement so consumers use its ratings when it comes to choosing models.

The production of star ratings may sound relatively easy, but a lot goes on to ensure they reflect the safety performance of vehicles and acknowledge significant advancements being made by marques to ensure models meet five-star standards.

ANCAP saw record investment from the automotive industry in the past financial year to support its tests with A$3.62 million in vehicle and test costs covered by manufacturers, and says its ability to influence market change and improve the safety of the fleet is a direct result of the continued support from member organisations and partners.

Some 37 models received ANCAP safety ratings during the reporting period, covering 205 variants. These tests cost more than A$18 million to produce and represented 11 per cent of new light-vehicle sales in Australasia.

About 991,000 new vehicles were registered in both countries with 96 per cent having ANCAP ratings. The split in New Zealand was 91 per cent with five stars, three per cent with four stars and two per cent with zero to three stars. Four per cent were unrated. The proportional splits across the Tasman were almost identical.

The average cost to produce a single ANCAP rating came in at A$571,276, while the most expensive models to rate were the BMW X5 at A$910,745 and Jaguar's I-Pace at A$989,841.

Eight models were assessed for alternative power ratings. These were Toyota's Corolla and RAV4, the Hyundai Kona and Ioniq, Lexus ES300h and UX, Jaguar I-Pace and the Nissan Leaf.

The Corolla, Mazda 3 and Suzuki Swift were the top-three models searched on ANCAP's website, with consumers saying safety is their most important consideration when buying a new car followed by price and reliability.

TOP OF THE CLASS

The Mercedes-Benz CLA-Class was ANCAP's top performer of 2019 when it came to vehicle safety. It received a "healthy five-star score" and performed "exceptionally well" in child-occupant protection by notching up 92 per cent.

When it came to vulnerable road-user protection, it achieved 91 per cent, which was the highest rating of all vehicles rated last year.

Second was Tesla's Model X with an overall score of 89.6 per cent. It received a record-equalling high of 98 per cent for adult-occupant protection with full points awarded for driver protection in all four full-scale crash tests, which are frontal offset, full-width, side impact and oblique pole.

Rounding out the top three was the Tesla Model 3 with an overall score of 89.4 per cent. Along with the Model X, it achieved the highest safety-assist scores recorded to date at 94 per cent, well-ahead of others rated by ANCAP last year.

Worthy of "notable mention" is Toyota's Hiace – the first commercial van to be assessed and perform exceptionally well against 2019's stringent criteria.

It achieved protection scores of 94 per cent for adult occupant, 88 per cent for child occupant and 84 per cent for vulnerable road user, while notching up 77 per cent for safety assist.

A top performer must demonstrate high scores across four key areas of assessment and of the 40 ANCAP safety ratings issued last year, 33 – or 83 per cent – achieved the market-driven five-star result.

Safest models

ANCAP has released the scores of the top performers in its safety-rating tests in different vehicle segments.

LIGHT CAR: **Audi A1 - 86.6%**
SMALL CAR: **Mazda 3 - 88.4%**
MEDIUM CAR: **Mercedes-Benz CLA - 90.2%**
LARGE CAR: **Audi A7 - 86.0%**
PEOPLE MOVER: **Toyota Granvia - 87.8%**
SMALL SUV: **Lexus UX - 89.0%**
MEDIUM SUV: **Toyota RAV4 - 88.6%**
LARGE SUV: **Tesla Model X - 89.6%**
UTILITY: **Toyota Hilux - 89.0%**
VAN: **Toyota HiAce - 87.4%**

The month that was... August

August 24, 1998

Renegades widen import net

A wide variety of new European stock was to be made available in New Zealand with parallel importing about to hit the automotive industry with the same force that it struck alcohol and television sales.

Intending vehicle importer Michael Clark was widening his net from Malaysian-sourced BMWs about which there had been a great deal of controversy.

He would soon be able to offer Volkswagen, Audi and Mercedes-Benz products sourced from Asia. Isuzu cars, trucks and buses were also on his shopping list.

Clark said he was confident he would get the Malaysian-built BMWs certified here even though BMW had "stifled" his efforts. He was counting on the help of the Imported Motor Vehicle Dealers' Association (IMVDA) help to find a solution.

He added the Land Transport Safety Authority (LTSA) would have to consider recognising the safety regulations of South Africa, Canada and Asian countries because New Zealanders were doing business with them.

August 2, 1999

Marques claim only fraction of pie

New-vehicle distributors were taking only a tiny amount of the used-imports pie despite a growing number entering that sphere of the car business.

Nearly 68,000 used imports had been sold to date in 1999, with new-vehicle distributors joining the fray on the premise that "if you can't beat them, join them".

However, despite the fact the sixth biggest franchise in the country was Toyota Signature Class, distributors were bringing in only a fraction of the total number of used Japanese cars. Between them, they accounted for a few hundred of the 10,000 to 11,000 units registered in New Zealand each month.

Toyota brought in the largest number, while Honda was importing regularly as was Daihatsu. Mitsubishi's imports were brought in and sold to dealers by Fowles Auctions. BMW had also entered the fray.

A further fall-out of the open market and the increasing age profile of used imports was the impact on the age of the whole of New Zealand's vehicle fleet, which was rapidly being pushed out.

At the beginning of the decade, more than 10 per cent of cars on Kiwi roads were less than two years old. By 1999, that had eroded to six per cent.

August 13, 2004

Used-vehicle crash ratings

Information from police reports of some 1,070,369 drivers involved in towaway crashes had been collated into a database of car-safety ratings distributed by the LTSA.

The accident research centre at Monash University in Melbourne had analysed the risk and severity of injuries suffered in crashes in New South Wales from 1987 to 2002, and between 1991 and 2002 in New Zealand, Queensland and Western Australia, to rate the protection provided to the drivers of 255 different models.

The database also rated protection provided to the driver of the other car involved in the crash. The ratings showed those behind the wheels of four-wheel drives (4WDs) were extremely well-protected, but such vehicles were far more likely to cause death or serious injury to other motorists.

Max Cameron, of Monash University, said the research also pointed out a number of small or medium-sized cars, such as model year 1997 to 2000 Ford Mondeos, offered the same protection as large 4WDs while offering average protection to other drivers as well.

The ratings also suggested that the most modern vehicles were not necessarily the safest. For example, the 2002 Toyota Corolla provided average protection compared to the much better than average protection of its 1998 to 2001 predecessor.

August 11, 2006

Restricting access to motor register

Harry Duynhoven, Minister for Transport Safety, was developing a policy to take to cabinet that would restrict access to New Zealand's motor-vehicle register.

He said the plan, to be carried out in consultation with interested organisations, was to ensure the register was only available to people for approved purposes connected with transport.

"A great deal of public concern has been expressed about how easily the register can be accessed and that such access is regarded as a breach of an individual's privacy," said Duynhoven.

"Under the Transport (Vehicle and Driver Registration and Licensing) Act 1986, people can pay a small fee to access the details about a vehicle, its owner and address. There have been reported instances of people using the registrar for criminal purposes. This has been confirmed by the police and Land Transport NZ."

Privacy Commissioner Marie Shroff welcomed the government's announcement that it was looking to restrict access to the register.

She said her office had been concerned for some years that personal information held on it was too readily available and could be used in ways that were never intended.

Time to focus on the details

Here in MTA land, we have celebrated Radiator magazine's 100th year and members will have already read the anniversary edition.

Although the association recognised its centenary in 2017, it was a few years later that the publication started.

The obvious irony is not lost on me now writing this short piece for another well-established, although not quite so old, magazine for the dealer industry – Autofile.

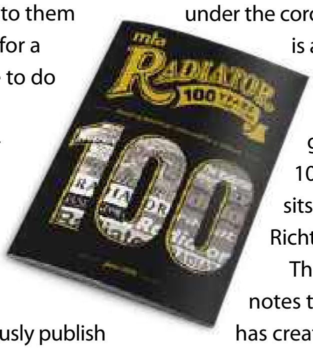
The first edition of Radiator focused heavily on the need for automobiles post-World War I. Shortages were the dominant issue of the day, including vehicles, fuel, tyres – you name it. One edition noted some 10,541 cars and 804 trucks were imported in 1920. Other early editions included articles on how to value and sell second-hand cars.

The October and November issues of 1920 reported the MTA setting up its first technical training scheme. Yes, there was a shortage of qualified mechanics in those days too. "New Zealand must undoubtedly endeavour to train its own recruits for its own industries," an article states.

If that wasn't enough, the need to build roads was being supported with calls for an ANZAC highway running the length of the country. It did eventually happen and became State Highway 1. Never a better time to recite the old line of "the more things change, the more they stay the same".

TONY EVERETT
Sector manager – dealers, Motor Trade Association

The centenary issue of Radiator in June 2020 was appropriately all about longevity. The MTA has used the magazine to keep members up to date with news, views and information relevant to them and their businesses for a century. We continue to do that to this day.



It may be a bit self-congratulatory, but there's something satisfying about being part of an organisation that has managed to continuously publish the country's oldest trade title.

As far as we can discover, Radiator is one of New Zealand's oldest print publications – the School Journal holds the actual title by a few years, but we're proud of our tradition and longevity.

While May 1920 was the first issue, its anniversary was marked in June thanks to a little disruption caused by Covid-19. It was somewhat disturbing that milestone celebration coincided with one of the most difficult periods in Kiwi automotive history.

While hard times, wars and pandemics have all been endured by our parents and grandparents, the sudden and dramatic yank on the reins of the world's economy under the coronavirus pandemic is a first. While many MTA members went through the global financial crisis 10 years ago, Covid-19 sits much higher on the Richter scale.

The anniversary issue notes the forced lockdown has created a time for people to work on their businesses, not just in them. Staying on top of every line item in their financials became critical to survival. Knowing what's making the money and what's not, what can be cut, where expenses are and how to curtail them is to take action early.

Looking back through the organisation's history, it's delightful to see many long-established business names still operating today.

These well-known entities include Cooke Howlison in Dunedin, which was founded in 1895, and Waggs in Masterton, which has been trading for more than 130 years.

Gisborne Motors was established in 1919. Schofield and Co in Newmarket – now part of the Giltrap Group – was founded in 1925 and the Colonial Motor Company in 1911. Armstrong Motors in Hamilton, unrelated to the current Armstrong Group, became Fairview Motors in 1967.

In Invercargill, we have GWD Russells, which was established in 1934 and was followed by Macaulay Motors a year later. Four years down the track saw the start of Macdonald Halligan in Ellerslie, Auckland, just after Hutchinson Motors in Christchurch in 1936. The list could go on and there are many others that will have been missed out.

Today, it's all about the here and now for obvious reasons. However, it can be fun to occasionally reflect on what went before and, in some cases, how little things have really changed.

Premium with personal touch

Suzuki's Baleno SE

Special editions of two hatchbacks boast extra individual character and add extra equipment into what are already good-value models, says Suzuki.

The Plus variant of the Swift, a long-time strong seller in New Zealand, is distinguished by side body mouldings, its body coloured rear-upper spoiler and unique badging.

It comes with 16-inch silver factory alloys and packs the high level of standard kit from the GL model that it's based on. This includes a Bosch entertainment system with satellite navigation, Bluetooth, Apple CarPlay, Android Auto and reverse camera.

Available only with CVT automatic transmission, the recommended retail price of $22,600 plus on-road charges for the Swift Plus is only marginally higher than the GL.

Powered by the marque's efficient four-cylinder Dualjet variable valve technology engine, the Swift has a factory combined fuel-test cycle of 4.8l/100km, while an independent test run on KIwi roads last year proved more frugal with an average of 4.5l/100 km.

A long-time number-one seller in its class, the Swift captured 37.7 per cent of its segment in 2019, which the company believes is attributed to its wide appeal and low cost of ownership.

"With its smart looks, spacious cabin, great economy and engaging drive, the Swift is something of an everyday champion," says Gary Collins, general manager of marketing for Suzuki NZ.

Meanwhile, the Baleno Special Edition automatic, priced from $23,990 plus on-road costs, is aimed at motorists seeking a well-equipped compact hatchback.

While based on the more expensive Baleno RS, the SE is equipped with the VVT engine and four-speed automatic transmission from the GLX.

The car has keyless entry and push-button start, climate-control air conditioning, telescopic adjustable steering wheel, and a multi-function information display detailing engine performance, g-force and economy data.

Standard equipment also includes LED projector headlamps, LED daytime running lamps incorporated into the headlights, fog lamps, side mirror indicators, chrome door handles and window strips, and 16-inch polished-face alloy wheels.

Despite no price increase over the Baleno GLX, the SE's braking system has been upgraded to four-wheel discs. The package includes reverse camera, satellite navigation, Apple CarPlay, Android Auto, guide-me convenience lights and rear-upper body spoiler.

Unique to this latest Baleno is a black-smoked finish bonnet protector, black side body mouldings, and front and rear weather shields.

Collins says: "This is a premium variant that stands out from the crowd and is full of innovative features at a highly affordable price-point. However, there will only be a strictly limited run of these models for our market."

The Swift Plus

Beefing up output

Subaru's second-generation Levorg will debut a new 1.8-litre turbocharged boxer engine later this year.

Potentially previewing the next WRX performance model, the station wagon shares design elements with the Vziv Performance STI concept, such as angular wheel arches, slim C-shaped headlights, and the sculpted junction of bonnet and front fenders.

The new petrol engine could also form the basis of a next-gen WRX drivetrain, and it is likely the marque will be targeting outputs that at least match the existing two-litre turbo's 197kW and 350Nm combined with the fuel efficiency of the 124kW/250Nm 1.6-litre turbo.

Subaru's EyeSight suite of active safety and driver-assist technologies will be upgraded on the new Levorg. Improved cameras and radars will extend its autonomous emergency-braking capability to sense and avoid crossing traffic when pulling out of intersections.

Also enhanced will be its adaptive cruise control system, which will use GPS data to adjust vehicle speed for corners.

The 100th Anniversary Edition MX-5 with Mazda's 1960 R360 Coupe

Back to the 1960s for birthday

Mazda New Zealand has unveiled 100th Anniversary Edition vehicles created to celebrate the marque's centenary this year.

The carmaker has built special-edition models across its range, which are available in limited numbers to mark the occasion.

They all follow a design theme that pays homage to the company's first passenger vehicle, the 1960 R360 Coupe, such as the MX-5 with its burgundy roof.

Each vehicle features snowflake white pearl exterior paint, a 100th anniversary badge and wheel caps, burgundy leather seat trim, and red carpet and floor mats.

A specially designed centenary overlays the current Mazda symbol atop the round "industry" badge created when Toyo Kogyo – the original name of the company – was first formed.

Mazda NZ has been allocated 100 of the anniversary models, which will be made available between August and January.

Special features of the 100th birthday models include unique interior trim, commemorative key fobs and embossed headrests

David Hodge, managing director, says: "From the development of the rotary engine through to winning Le Mans 24 Hours and the Skyactiv engine, Mazda has made its mark in the automotive industry and will continue to do so.

"Our customers can share in the celebrations by purchasing special 100th Anniversary Editions from our passenger and SUV range, starting from the MX-5 right through to the flagship CX-9."

Under the company's Sustainable Zoom-Zoom 2030 vision, for every 100th Anniversary Edition vehicle sold, Mazda NZ will purchase 50 trees from the Trees That Count programme to plant.

Hodge says: "This is a great initiative and builds on the work we have done planting trees at schools with Project Crimson since 2008 via the Mazda Foundation's TREEmendous School Programme.

"More recently, Mazda's association with Trees That Count, has seen a further 50,000 trees planted throughout New Zealand."

Trees That Count can provide updates to 100th Anniversary owners about their trees, including planting date and location, while Mazda will produce unique number plate surrounds with "Mazda" and "Trees That Count" branding.

From cork to cars

Mazda began as the Toyo Cork Kogyo Company founded in Hiroshima in January 1920. It was renamed Toyo Kogyo in 1927 and four years later moved from manufacturing machine tools to vehicles with the Mazda-Go auto rickshaw.

Toyo Kogyo produced weapons for the Japanese military during World War II. It formally adopted the Mazda name in 1984, although every automobile sold from the beginning bore that name. The Mazda R360 was introduced in 1960, followed by its Carol in 1962.

Mazda's name came into existence with the production of the company's first three-wheeled trucks. Other options for a model name included Sumera-Go and Tenshi-Go. The company says the name was also associated with Ahura Mazda (God of Light) "with the hope that it would brighten the image of compact vehicles".

Its website adds the name also derives from the name of the company's founder, Jujiro Matsuda. The other proposed names mean "god" (sumera) and "angel" (tenshi), which indicate Matsuda's strong interest in human faith.

Flagship gets flexible

Kia has revealed the first images of the fourth generation of its mid-sized people mover, which it says provides "a leading combination of innovation, flexibility and style".

The Carnival, dubbed a "grand utility vehicle", boasts an upgraded appearance that draws on the marque's design ethos matched with futuristic details.

It features a shorter front overhang with the A-pillar's base moved backwards to create a longer hood and its increased wheelbase contributes to greater cabin space.

The new model features an "island roof" with blacked-out A and B-pillars supporting the body-coloured roof. From the side, one of the vehicle's stand-out features is a new C-pillar signature design inspired by the Sorento.

The chrome fin, which wraps beneath the tapered rear windows and extends towards the tailgate, is finished with a subtle diamond pattern that is also reflected throughout the inside of the car.

The new Carnival

Full-width rear lines include combination lamps, which echo the same details as the daylight running lights, integrated into a full-width light. Further enhancing its SUV-inspired design, the Carnival is finished off with a metallic lower skid plate.

Domestic sales start in South Korea soon with its global release to follow thereafter.

Kiwis excel on global stage

New Zealand legend Scott Dixon is once more locked into the high-speed madness of the IndyCar season, truly a motorsport phenomenon.

And behind him, young Kiwi drivers are battling the world's best with their eyes on the prestigious FIA Formula 3 and 2 titles as another racer prepares for the switch to Formula E.

Cantabrian Marcus Armstrong continues his charge to the top echelons of motor racing with an aggressive F2 debut season. In the first four races of this year's championship, he has scored two podiums and helped push his ART Grand Prix outfit to the front of the team's competition.

Pressure in the F2 ranks is intense. Racing follows most of the Formula 1 championship and, due to Covid-19, is going ahead most weekends to squeeze in the number of rounds necessary.

F2 is also trialling new 18-inch wheels and tyres, the latter from Pirelli. F1 will adopt the bigger package from 2021 onward with the 3.6-litre single-turbo engine producing 466kW of power and 570Nm of torque. This is enough to propel the car to 100kph in 2.9 seconds and onto 200kph in 6.6 seconds. It boasts a top speed of 335kph.

Armstrong says one of the biggest changes is the performance of the brakes with F2 being the first category he has raced that uses carbon disc rotors.

His verdict is that they are "amazing". With more power – and increases in aerodynamic and "mechanical" grip, as well as multiple tyre compounds to grapple with on race weekend – the new cars are a significant step up from F3.

Marcus Armstrong celebrating his sprint-race podium and at speed on the Red Bull Ring circuit in Austria

Nick Cassidy

Liam Lawson

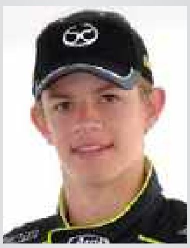
After those first four races, Armstrong was a handy fifth overall in grids of 22 of the world's best young racers, including his arch-rival Mick Schumacher.

Liam Lawson is in similar form in F3 with its cars sporting two-litre, four-cylinder turbo engines. He has won a race but missed out on points through a non-finish and was seventh overall after four races.

Meanwhile, Nick Cassidy kick-starts his year in Japan's Super GT and will again suit up for the 2020 Super Formula Championship. The Kiwi, who won last season's Super Formula, spent the coronavirus lockdown period racing e-Sports online against all-comers.

Cassidy's next big challenge will be in the ABB FIA Formula E championship with Envision Virgin Racing. He will be the second New Zealander on the grid in 2021 with Mitch Evans racing for the Jaguar team.

Covid pivot for teen racer



The Covid-19 pandemic has a long tail and plenty of sting left. It has derailed overseas racing plans for some Kiwi racers and forced change on others with the latest being Conrad Clark, pictured.

He dominated last year's Chinese Formula 4 Championship and was readying a jump to the US regional F3.

Instead, Clark finds himself preparing for a tilt at the Toyota Racing Series (TRS). He tested at Hampton Downs in mid-July after a layover of about seven months for what will be his first time on-track in New Zealand for more than two years.

The 17-year-old will need to find backing to meet some of the $200,000 cost, although the Kiwi Driver Fund is open for applications to cover part.

The 2021 summer series' dates await a decision on the shape of the TRS' five-weekend "core" series. It's understood South Island circuits have yet to agree their dates.

Putting track on offroaders' map

What has been a 13-year epic tale of passion, dedication and perseverance will be completed at the end of this year when Auckland's newest race circuit opens.

Kevin Hall, of Runciman near Drury, and Manukau racer Tony McCall – both national offroad champions – are launching the 1.2km Manukau International Offroad Raceway at Colin Dale Park with a "stadium" series in February to March 2021.

It will bear a New Zealand Championship title and attract the fastest racers in the sport. If the Covid-19 "travel bubble" process allows, it may also include two to three Australian teams.

Hall says what started as a simple mission to find a permanent track for Counties Manukau Offroad Racing Club expanded as the idea struck a chord with the former Manukau City Council, and then with the local board and Auckland Council when the "super city" was established.

"It has been a lot of hard work but it is very satisfying to look at the track today and see it about to fulfil its potential as an international motorsport venue," Hall told Autofile.

The course is a blend of the best parts of several American offroad tracks and has been "terraformed" onto a tract of council land at the park in Puhinui.

With cambered corners, "pop up" jumps and 20-degree berms constructed by a professional track-building company, the course is unlike anything built for the sport in this country.

Hall says drainage is the key to making the track able to manage Auckland's infamous "four seasons in one day" weather. Underpinning it is a massive $300,000 master network of drainage that will make the raceway less susceptible to bad weather.

Kevin Hall at the Manukau International Offroad Raceway

A further $500,000 has been spent terraforming the course and on safety barriers, while Counties Manukau Offroad Racing Club has supported design and professional services to the tune of $180,000.

The whole course is part of a dedicated motorsport or "wheel sport" park that includes jet-sprint boats and motocross. It will soon add a world-class BMX facility and kart sport to replace the recently closed course in Mount Wellington.

An 800-space sealed car park has been completed by Auckland Council to service all categories to make use of the facility.

Offroad racing stands apart from FIA category motorsport and has its own sanctioning body. The new series will be separate from the main national championship, which was terminated after one round because of Covid-19.

Hall raced at the top level of the sport for many years before handing over his car to son Nick – also a national champion, and who has helped to GPS map and develop the circuit.

The project started in the final term of the old Manukau City Council, and Hall has worked closely with Auckland Council and the local board ever since.

"Let's be clear, this kind of project simply could not have happened so close to a major population centre without the support of council and the local board," he says. "This track will put Manukau on the map both regionally and internationally."

McCall says while offroad racing is a vibrant sport, it tends to operate "in the boonies" too often with venues close to the city are almost impossible to find.

He enthuses: "Having Colin Dale Park designated for these activities on the doorstep of the biggest population centre in the country is pretty special. Now we're going to bring the show to the people."

Both agree the new track must appeal to the local community as well as the motorsport fraternity, and the venue will be crucial in developing youth-category drivers.

Spectator features include high-banked seating areas with a flat top where sun shelters can be placed, a food area, and bouncy-castle zone for youngsters.

"We're creating a new type of race event, spectator friendly and with its own television package," says McCall. "It's not easy after the pandemic. But one thing is certain, and that's when this track hosts its first race event it will put Manukau and Auckland on the global motorsport map as never before."

Tony McCall in action

Buyer fails to prove seller of two-wheeler with wrong mileage was registered trader

The case: A motorbike buyer sought compensation from the seller, who denied supplying it as a registered motor-vehicle trader, after the mileage was found to be wrong. The supplier said the vehicle was sold privately by an employee, who was also the director's son. The tribunal had to determine if it had jurisdiction to hear the claim.

The decision: The purchaser failed to prove he had bought the motorcycle from a registered trader, so his application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Palmerston North.

Background

Christopher Sarney bought a 2009 Harley-Davidson Softail, which was advertised as having travelled 6,000 miles, for $15,000 off Trade Me on July 15, 2019. After purchase, he discovered the bike had travelled more than 50,000 miles.

Sarney wanted compensation from registered motor-vehicle trader American Iron Ltd for the false mileage, but the company denied supplying it to him. It added the motorbike was sold privately by its employee and the son of director.

The case

The tribunal had to determine if it could hear Sarney's claim. This would only be the case if one party, but not both parties, was a registered motor-vehicle trader.

It was accepted American Iron was registered under section 10 of the Motor Vehicle Sales Act, but it was up to the buyer to prove the company sold the Softail.

There was no written documentation associated with the sale of the motorcycle, which was listed on Mitch Mitchell's personal Trade Me account.

Mitch Mitchell said Christopher Sarney's son, whose first name was also Mitchell, phoned him on behalf of his father within a couple of hours of the bike being listed. Negotiations then took place between Mitchell Sarney and Mitch Mitchell.

The purchase price was deposited into Mitch Mitchell's mother's personal bank account to be held for him as was his practice with any large sums he received.

The seller's evidence was that he had purchased the motorcycle in September 2018 for himself, not through American Iron, as a restoration project because it had been partly dismantled by someone in the US.

Mitch Mitchell reassembled the vehicle in his own time with the parts that came with it and built it with the intention of keeping for himself.

However, in June 2019 when the bike was near completion, he purchased a boat for the summer and sold the Harley because he couldn't afford to keep both.

If the evidence showed the motorcycle wasn't sold by American Iron, the tribunal could still have jurisdiction in respect of Sarney's application if the latter could show that Mitchell was himself a registered trader.

He would have to show that Mitchell either held himself out as carrying on the business of motor-vehicle trading, or that in the 12 months prior to the sale of the Softail to Sarney he sold more than six units or imported more than three vehicles for the primary purpose of gain.

The buyer referred to another motorcycle sale by Mitchell and the tribunal found evidence on Mitchell's Trade Me account that he was in the process of listing another at the time of the hearing.

Apart from these two vehicles, there was no evidence that Mitchell was otherwise involved in vehicle trading apart from being an employee of American Iron.

The finding

The adjudicator found all the evidence suggested Mitchell Sarney thought he was purchasing the motorbike from Mitch Mitchell.

Sarney told the tribunal that, at the time he bought it, he didn't turn his mind to whether he was buying it from a registered trader.

Rather, it appeared that Sarney had assumed subsequently, after he learned about the family association between Mitch Mitchell and his parents' vehicle-trading business, that the motorbike was being sold by American Iron.

The tribunal didn't accept that his assumption in this regard was soundly based on any evidence the Softail was sold by American Iron and all the evidence pointed to it having been sold by Mitch Mitchell in a personal capacity.

The tribunal rejected Sarney's claim that American Iron sold him the motorcycle and it didn't consider Sarney had established Mitchell was or should be treated as a registered trader in his personal capacity.

A further twist in this case was that Sarney no longer had the Harley because it was written off after an accident in November 2019. He had received an insurance settlement in respect of this.

These factors would have been an obstacle for Sarney's claim even if he had been able to establish the tribunal had jurisdiction to consider this dispute.

That was because the only remedy that could conceivably have been available to him would have been in the form of compensatory damages for losses suffered by him because the vehicle had a higher mileage than was advertised.

Following the insurance settlement for his written-off motorcycle, it was unclear to the adjudicator what – if any – losses Sarney suffered because the vehicle had travelled a greater distance than the odometer reading showed.

Sarney said his insurers paid him out for the full purchase price. But even if he suffered losses connected with the loan he took out to buy the motorbike, there was no evidence to allow the tribunal to calculate the quantum of any such losses.

Order

The application was dismissed because the tribunal ruled it had no jurisdiction to determine it.

Purchaser awarded repair costs after car's modified charging cable ruled to be unsafe

The case: The buyer claimed her 2015 Nissan Leaf wasn't fit for purpose under the Consumer Guarantees Act (CGA) because its charging cable was unsafe and its 12-volt battery needed replacing. The trader failed to attend the hearing.

The decision: The tribunal exercised its power under the Motor Vehicle Sales Act (MVSA) to investigate the safety of modified charging cables for electric vehicles (EVs). It found the modification was unsafe for all EVs, meaning the car purchased wasn't of acceptable quality.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Anastacia Bell purchased a 2015 Nissan Leaf X from Autowest Ltd for $18,990 on January 3, 2019.

She said the Leaf wasn't of acceptable quality for the purposes of the CGA because its battery-charging cable was unsafe and needed replacing soon after purchase, while its 12-volt battery required replacement in August.

Bell wanted Autowest to reimburse her for the cost of the cable and battery. The trader, despite being sent a notice advising it of the hearing, failed to attend.

The case

The Leaf was imported from Japan and its charging cable was modified for use in New Zealand. That modification appeared to have been performed by a registered electrician and certified to comply with the AS/NZS3760 standard.

But Bell and her husband Steven Perreau claimed the part was unsafe because WorkSafe NZ guidelines advised against using modified cables – even those that complied with the stated standard.

Photos provided by Bell showed the charging cable was made to an input and output voltage rating of 200V, less than the minimum New Zealand voltage of 230V.

A registered electrician also told the couple it didn't comply with WorkSafe's guidelines. They were concerned the modified cable was a fire risk and, therefore, any fire damage wouldn't be covered by insurance.

Following the hearing, the tribunal exercised its MVSA powers to make further investigations to assist in its determination of this claim.

The adjudicator suspected other imported EVs had modified charging cables certified for use in New Zealand, meaning this decision would have a wider application.

The tribunal sought submissions from WorkSafe, which is responsible for enforcing the Electricity and Safety Regulations (ESR) 2010 and promotes public health and safety with the use of electricity, and the Imported Motor Vehicle Industry Association (VIA) on the matter.

WorkSafe replied stating the AS/NZS3760 standard wasn't suitable for assessing the safety of EV charging equipment because it didn't provide the means to assess the critical functions charging equipment must have to ensure safe operation.

It also confirmed the safety of EV charging equipment shouldn't be assessed by a person, such as an electrician, relying on his or her professional registration – as it appeared to have occurred with this cable.

Instead, WorkSafe ruled charging-equipment safety was best determined with reference to the manufacturer's "claim of safety". If that claim didn't include the minimum New Zealand standard voltage of 230V or 50Hz, there was no certainty the equipment would operate safely here.

VIA provided the tribunal with a copy of a message it had sent to its members advising that a modified charging cable wasn't permitted under "the electrical wiring regulations" and if a charging cable didn't meet the requirements of New Zealand statutes, then it wasn't fit for purpose. It seemed from the VIA submission that it was best practice not to supply a modified charging cable.

As for the issue with the car's 12-volt battery, the buyers were concerned about its condition at purchase but were advised by Autowest that it was in good condition. To reassure the couple, the trader added a special condition to the purchase agreement to provide a 12-month battery warranty.

Despite providing that warranty, Autowest refused to refund the cost of replacement and told the buyers it only related to the Leaf's high-voltage battery.

The finding

The tribunal was satisfied there was no assurance the charging cable supplied with this Leaf was safe, and a reasonable consumer purchasing an EV would want the reassurance its high-voltage electrical components were safe and complied with New Zealand electrical safety standards.

Therefore, the adjudicator was satisfied the car wasn't of acceptable quality for the purposes of the CGA.

The vehicle's 12-volt battery failed in August 2019. Although its replacement was usually a maintenance cost, the tribunal was satisfied in this case it meant the vehicle wasn't of unacceptable quality.

The tribunal also accepted the buyers' evidence that the warranty was inserted into the sales agreement because of their concern about the battery's condition and ruled Autowest must pay Bell the $217 cost of replacing it.

The authority also found the unsafe charging cable was a failure of a substantial character, so Bell was entitled to obtain damages in compensation for the reduction in the vehicle's value.

If Bell sold the Leaf without replacing the charging cable, the reasonable cost of repair would be taken into account by the buyer.

In that regard, the tribunal was satisfied Bell was entitled to recover $517, which was the cost she incurred in purchasing a replacement charging cable.

Orders

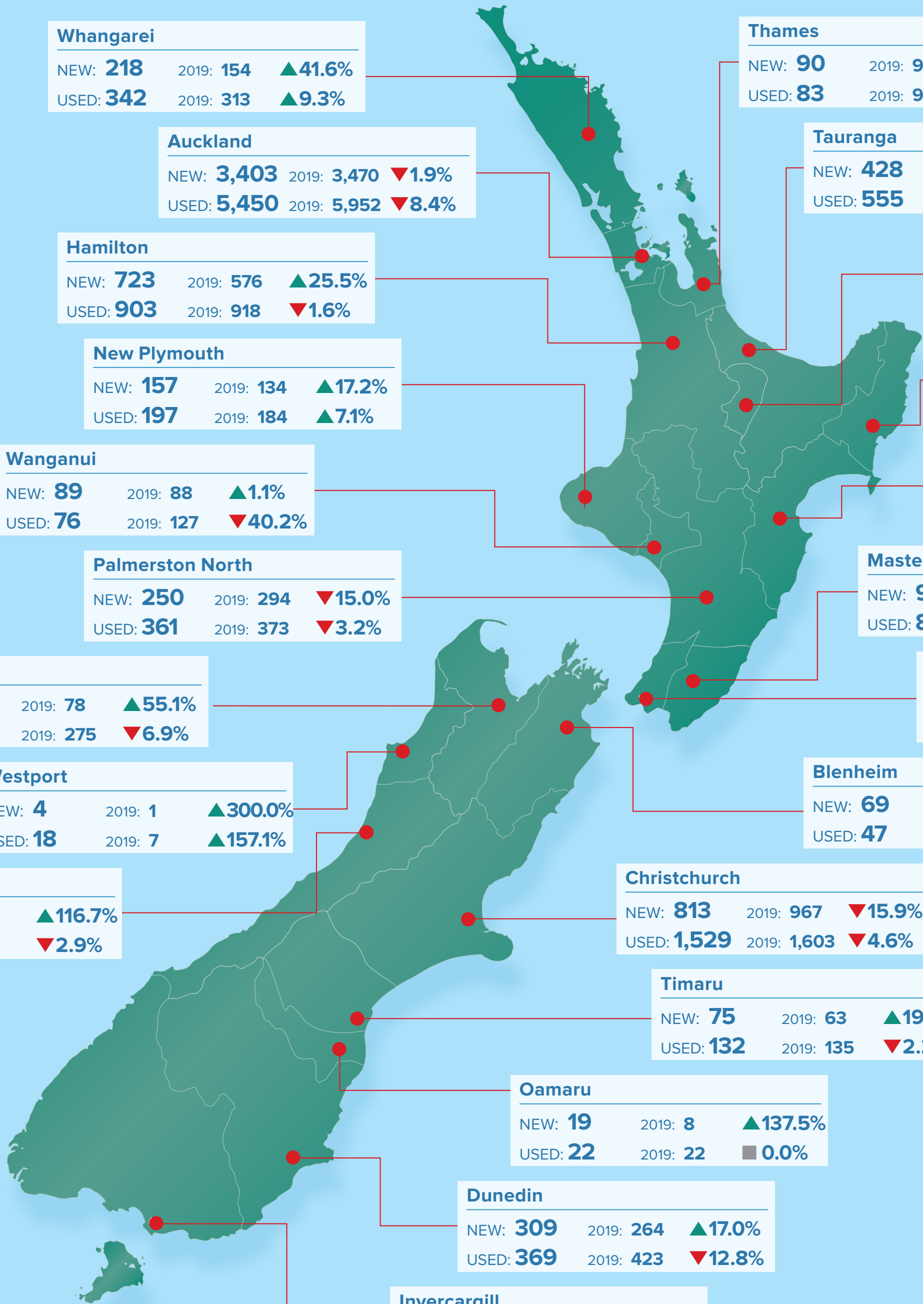
The trader was ordered to pay the consumer $784 for repairs.

The dealer provided no excuse for its non-attendance, so Bell was entitled to recover her $50 filing fee and Autowest was ordered to pay $650 in hearing costs.

Around the Country – July 2020

Total new cars
8,200
2019: 7,925 ▲ 3.5%

Total imported used cars
11,975
2019: 12,791 ▼ 6.4%



	NEW	2019		USED	2019	
Whangarei	218	154	▲41.6%	342	313	▲9.3%
Thames	90	99	▼9.1%	83	97	▼14.4%
Auckland	3,403	3,470	▼1.9%	5,450	5,952	▼8.4%
Tauranga	428	373	▲14.7%	555	478	▲16.1%
Hamilton	723	576	▲25.5%	903	918	▼1.6%
Rotorua	98	114	▼14.0%	139	165	▼15.8%
New Plymouth	157	134	▲17.2%	197	184	▲7.1%
Gisborne	50	44	▲13.6%	71	73	▼2.7%
Wanganui	89	88	▲1.1%	76	127	▼40.2%
Napier	284	208	▲36.5%	260	287	▼9.4%
Palmerston North	250	294	▼15.0%	361	373	▼3.2%
Masterton	91	97	▼6.2%	81	84	▼3.6%
Nelson	121	78	▲55.1%	256	275	▼6.9%
Wellington	729	698	▲4.4%	881	944	▼6.7%
Westport	4	1	▲300.0%	18	7	▲157.1%
Blenheim	69	61	▲13.1%	47	72	▼34.7%
Greymouth	26	12	▲116.7%	34	35	▼2.9%
Christchurch	813	967	▼15.9%	1,529	1,603	▼4.6%
Timaru	75	63	▲19.0%	132	135	▼2.2%
Oamaru	19	8	▲137.5%	22	22	■ 0.0%
Dunedin	309	264	▲17.0%	369	423	▼12.8%
Invercargill	154	122	▲26.2%	169	224	▼24.6%

Imported Passenger Vehicle Sales by Make - July 2020

MAKE	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,881	2,847	1.2	24.1%	15,712	24.1%
Nissan	2,049	2,515	-18.5	17.1%	11,818	18.1%
Mazda	1,936	2,062	-6.1	16.2%	10,418	16.0%
Honda	1,050	1,443	-27.2	8.8%	6,269	9.6%
Subaru	902	766	17.8	7.5%	4,577	7.0%
Mitsubishi	585	570	2.6	4.9%	2,746	4.2%
BMW	526	450	16.9	4.4%	2,569	3.9%
Volkswagen	439	428	2.6	3.7%	2,174	3.3%
Suzuki	423	598	-29.3	3.5%	2,748	4.2%
Audi	280	231	21.2	2.3%	1,363	2.1%
Mercedes-Benz	184	138	33.3	1.5%	846	1.3%
Lexus	182	185	-1.6	1.5%	851	1.3%
Ford	88	69	27.5	0.7%	482	0.7%
Volvo	79	76	3.9	0.7%	392	0.6%
Jaguar	44	33	33.3	0.4%	201	0.3%
Land Rover	43	36	19.4	0.4%	230	0.4%
Chevrolet	41	33	24.2	0.3%	217	0.3%
Holden	37	47	-21.3	0.3%	201	0.3%
Mini	30	30	0.0	0.3%	179	0.3%
Jeep	23	30	-23.3	0.2%	144	0.2%
Hyundai	21	28	-25.0	0.2%	147	0.2%
Dodge	18	27	-33.3	0.2%	129	0.2%
Porsche	15	13	15.4	0.1%	92	0.1%
Chrysler	14	16	-12.5	0.1%	90	0.1%
Renault	10	17	-41.2	0.1%	47	0.1%
Peugeot	9	9	0.0	0.1%	54	0.1%
Kia	7	16	-56.3	0.1%	66	0.1%
Chrysler Jeep	5	3	66.7	0.0%	18	0.0%
Aston Martin	4	2	100.0	0.0%	14	0.0%
Daihatsu	4	10	-60.0	0.0%	21	0.0%
Bentley	3	4	-25.0	0.0%	12	0.0%
Buick	3	0	300.0	0.0%	8	0.0%
Cadillac	3	7	-57.1	0.0%	34	0.1%
Citroen	3	2	50.0	0.0%	30	0.0%
Fiat	3	7	-57.1	0.0%	22	0.0%
Others	31	43	-27.9	0.3%	208	0.3%
Total	**11,975**	**12,791**	**-6.4**	**100.0%**	**65,129**	**100.0%**

Imported Passenger Vehicle Sales by Model - July 2020

MAKE	MODEL	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Mazda	Axela	666	689	-3.3	5.6%	3,559	5.5%
Toyota	Aqua	484	321	50.8	4.0%	2,503	3.8%
Honda	Fit	411	604	-32.0	3.4%	2,664	4.1%
Toyota	Prius	385	372	3.5	3.2%	2,105	3.2%
Mazda	Demio	378	438	-13.7	3.2%	2,238	3.4%
Suzuki	Swift	352	507	-30.6	2.9%	2,305	3.5%
Mitsubishi	Outlander	340	343	-0.9	2.8%	1,503	2.3%
Subaru	Impreza	285	258	10.5	2.4%	1,683	2.6%
Volkswagen	Golf	282	266	6.0	2.4%	1,379	2.1%
Subaru	Legacy	274	294	-6.8	2.3%	1,510	2.3%
Nissan	X-Trail	259	205	26.3	2.2%	1,135	1.7%
Nissan	Tiida	255	559	-54.4	2.1%	1,919	2.9%
Mazda	Atenza	254	254	0.0	2.1%	1,341	2.1%
Toyota	Corolla	239	181	32.0	2.0%	1,214	1.9%
Nissan	Leaf	223	320	-30.3	1.9%	1,280	2.0%
Mazda	Premacy	201	235	-14.5	1.7%	1,054	1.6%
Toyota	Blade	189	117	61.5	1.6%	783	1.2%
Toyota	Vanguard	185	111	66.7	1.5%	808	1.2%
Toyota	Wish	169	273	-38.1	1.4%	1,087	1.7%
Mazda	CX-5	167	112	49.1	1.4%	733	1.1%
Nissan	Note	163	188	-13.3	1.4%	1,091	1.7%
Toyota	Vitz	153	285	-46.3	1.3%	1,078	1.7%
Nissan	Skyline	150	139	7.9	1.3%	767	1.2%
Honda	CR-V	145	117	23.9	1.2%	619	1.0%
Nissan	Dualis	143	225	-36.4	1.2%	1,000	1.5%
Nissan	Serena	138	138	0.0	1.2%	746	1.1%
Subaru	Forester	127	86	47.7	1.1%	555	0.9%
Toyota	MarkX	120	129	-7.0	1.0%	565	0.9%
Toyota	Auris	108	198	-45.5	0.9%	790	1.2%
BMW	320i	107	70	52.9	0.9%	485	0.7%
Nissan	March	104	104	0.0	0.9%	567	0.9%
Honda	Odyssey	101	94	7.4	0.8%	467	0.7%
BMW	116i	99	74	33.8	0.8%	386	0.6%
Nissan	Juke	96	95	1.1	0.8%	668	1.0%
Toyota	Ractis	85	125	-32.0	0.7%	553	0.8%
Others		4,138	4,265	-3.0	34.6%	21,989	33.8%
Total		**11,975**	**12,791**	**-6.4**	**100.0%**	**65,129**	**100.0%**

Leading charge against Covid-19

Working to secure the car industry's future in the wake of coronavirus after keeping its doors open during the national lockdown has been the unprecedented issue of 2020.

As soon as it became apparent the pandemic would affect the bringing in, processing and selling of used cars, the Imported Motor Vehicle Industry Association (VIA) convened working groups to tackle issues.

As David Vinsen, chief executive, explains: "At the request of Biosecurity NZ, we reactivated the biosecurity work group to deal with Covid-19-related issues when government biosecurity staff were brought back to New Zealand. The aim was to ensure the relocation of verification operations wouldn't impede the continuation of vehicle imports.

"We used this work group as the model for other industry sectors, including logistics, inspection and retail. There was a good representation of industry experts and government officials with excellent co-operation and collaboration. We were able to assist and advise the industry in working through the various stages of lockdown.

"In the NZTA's words, we were able to identify likely 'pinch-points' in the system and suggest pragmatic solutions to problems before they occurred. The work groups also prepared specific advice for various sectors based on the legal requirements of each lockdown level."

Vinsen also highlights VIA's "excellent relationships" with NZTA officials in his report to members at the association's annual general meeting at Eden Park in Auckland on July 21.

"The Covid-19 work groups we facilitated and chaired included agency officials. Their involvement proved beneficial – an opportunity for direct feedback and prompt action."

He highlights other notable issues in his review of the 2019/20 financial year. These included VIA participating in a work group set up by Associate Transport Minister, Julie Anne Genter, to advise on government proposals for initiatives to improve the average fuel economy and reduce carbon emissions of vehicles entering the fleet.

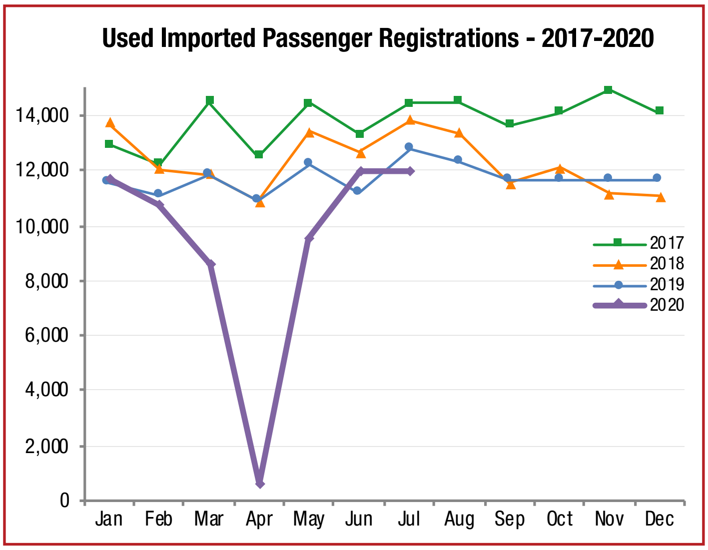
These are known as "the feebate scheme, the so-called 'clean car discount', and fuel-economy standards, the so-called 'clean car standards' scheme".

Recovery sustained

There were 11,975 used-imported cars registered in New Zealand last month, which was down by 6.4 per cent from July 2019, but the market is maintaining its recovery since Covid-19 restrictions were lifted. The total just pipped the 11,962 sales notched up in June this year and after April's low of 622. The Mazda Axela retained top spot as most popular model with 666 registrations for a market share of 5.6 per cent. It was followed by Toyota's Aqua and Honda's Fit on 484 and 411 units respectively.

"These initiatives would affect the supply of vehicles, but their development and implementation has been delayed by politics," says Vinsen.

The final phase of mandatory electronic stability control (ESC) was implemented on March 1, which coincided with the start of the coronavirus crisis and the shipment of much non-ESC compliant stock being delayed.



"VIA prepared detailed information on the identification of ESC-compliant vehicles, developing a database of the Japanese domestic fleet with standards and specifications for each vehicle.

"This database and search functions enabled purchasers, importers and inspection companies to easily check individual vehicles' compliance with ESC, and with any other standards before purchase and export from Japan."

VIA has also taken part – along with the Ministry for Business, Innovation and Employment, NZTA, Customs and Motor Industry Association (MIA) – in the minister's advisory group on dealing with the Takata airbags recall, which is the largest that the industry has had to tackle, with up to 600,000 vehicles affected.

"We received compliments from Minister Kris Faafoi for our contribution and negotiated with the MIA over claims for cost recovery by new-vehicle distributors."

Vinsen notes the brown marmorated stink bug as a seasonal biohazard.

"We continue to facilitate and chair a working group to share information, improve systems and procedures and prepare for each successive season. The group comprises representatives from relevant industry sectors and government officials."

As for electric vehicles (EVs), VIA continued to participate in the government's EV Leadership Group until its discontinuation earlier this year.

Inspectors find insects on vessel

A ship transporting vehicles from Japan spent almost four days berthed at Ports of Auckland while its cargo was inspected after contamination was found on-board.

Biosecurity NZ officers made the interception on the Beluga Ace, which departed Yokkaichi on June 12. It stopped at Yokohama on June 14, Kisarazu the next day and Kobe on June 17 before arriving in New Zealand early last month.

Plant material, soil and insects were discovered during verification inspections of cargo being carried by the vessel.

"The vehicles went through an approved biosecurity system in Japan before export," says a spokesman for Biosecurity NZ. "The verification checks are part of our multi-layered approach to ensuring imported vehicles meet our strict biosecurity requirements.

"In this case, the vehicles of concern were directed to undergo controlled discharge, further checking and cleaning as required, which resulted in clearance delays. We are continuing to work with system providers in Japan to improve their processes."

The Beluga Ace ended up spending three days and 18 hours dockside in Auckland before setting sail to Lyttelton for July 10.

It is understood some of its cargo included vehicles without electronic stability control installed that had been border-inspected before coronavirus lockdowns and had been stored due to delays in shipping.

MIXED RESULTS

There were 9,221 used passenger vehicles imported into New Zealand during July, which was a decrease of 22.2 per cent when compared to the same month of 2019. However, the total represented a jump of 82.3 per cent from 5,058 arrivals in June this year.

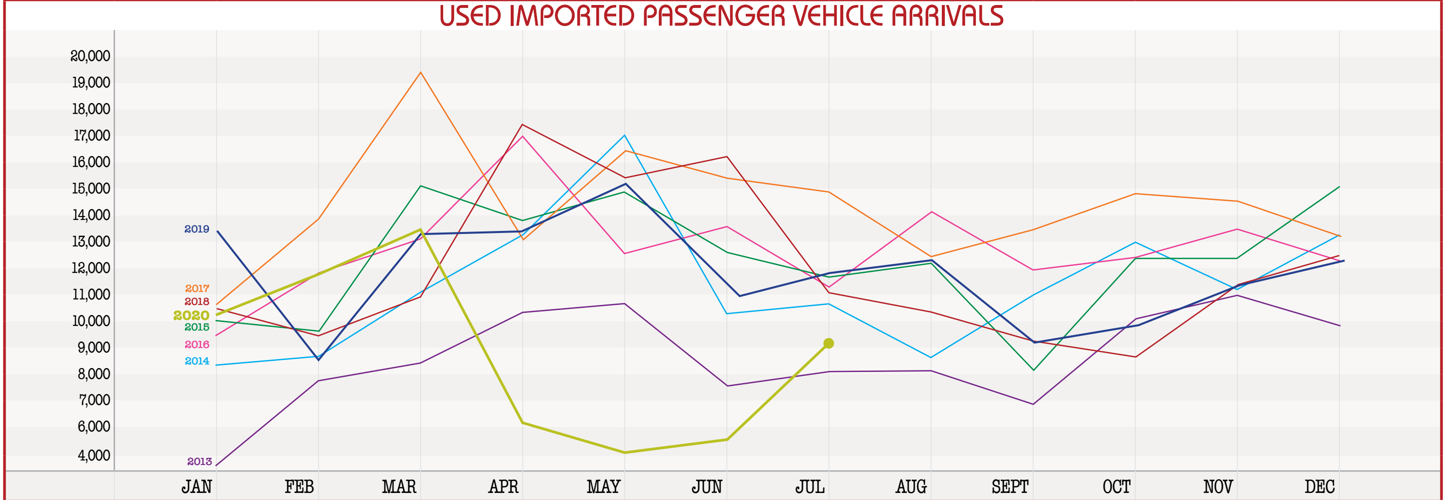
Of July's total, 8,453 came from Japan, which represented a market share of 91.7 per cent that was lower than its 93 per cent year-to-date share.

There were 415 used cars imported from Australia last month, which was down by 21.3 per cent on July last year.

That country accounted for 4.5 per cent of last month's overall total, slightly above its market share of four per cent for the first seven months of 2020.

So far this year, 59,526 used cars have been imported – down 31.1 per cent on 86,385 compared to the same period of 2019.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	JAN '20	FEB '20	MAR '20	APR '20	MAY '20	JUN '20	JUL '20	JUL SHARE %	2020 TOTAL	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
	2020									2019		2018	
Australia	278	449	326	254	289	352	415	4.5%	**2,363**	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	25	17	0.2%	**323**	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,554	5,678	3,614	4,413	8,453	91.7%	**55,349**	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	155	181	2.0%	**902**	1,678	1.2%	1,531	1.1%
USA	72	50	47	37	26	18	38	0.4%	**288**	664	0.5%	1,108	0.8%
Other countries	29	10	15	21	14	95	117	1.3%	**301**	340	0.2%	415	0.3%
Total	**10,101**	**11,789**	**13,145**	**6,136**	**4,076**	**5,058**	**9,221**	**100.0%**	**59,526**	**141,218**	**100.0%**	**142,773**	**100.0%**

Business reports good volumes

A dealership is currently trading at levels higher than it was this time last year.

Lance Warren, managing director of One Stop Cars in Onehunga, Auckland, says when the country entered alert level three for Covid-19, "business went off like a rocket".

"With government subsidies and money coming through but people not being able to spend, there was clearly some pent-up demand," he told Autofile. "People had that time in lockdown to look online. As soon as the lockdown eased, they knew what they wanted to buy straight away.

"We normally sell 35 to 40 vehicles a month, but so far this year we're above that. That said, November or December is when it's going to be a squeeze trying to replace stock."

Warren says dealers will then have to look at models that comply with the electronic stability control (ESC) rule and cheap light commercials locally to plug the gap, "but hopefully in a couple of years the market will be balanced again in terms of getting more affordable stock from Japan".

Hayden Johnston, of GVI in Penrose, Auckland, describes the roll-out of the ESC rule's final phase and coronavirus' impact as a "double whammy" for some car dealers.

"A lot of people who may not have been prepared for disruption or were relying heavily on non-ESC stock will be suffering," he says.

"The lockdown meant an amount of non-ESC stock has piled up. That supply would have run out sooner, but coronavirus means there's probably an extension on that stock of three months because of not being able to trade in lockdown."

Andrew Simms, managing director of Andrew Simms Newmarket and Botany, says: "As retailers, we now have a chance to compete for money New Zealanders would normally be spending on overseas travel. It sounds selfish, but retailers will be buoyed by money being spent in the local economy instead of other countries.

"People are also celebrating success at this stage of containing Covid-19 and it looks like our government may have saved the domestic economy."

TRADER SALES UP

Dealers sold 22,734 second-hand cars to the public last month. That was up by 14.7 per cent compared to 19,829 in July 2019.

Last month's trade-ins came in at 16,529, up by 22.9 per cent from 13,453 over the same timescale.

SECONDHAND CAR SALES - July 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	JUL '20	JUL '19	+/- %	MARKET SHARE	JUL '20	JUL '19	+/- %	JUL '20	JUL '19	+/- %
Whangarei	764	607	25.9	3.36	2,394	2,158	10.9	293	271	8.1
Auckland	7,455	7,422	0.4	32.79	15,657	14,466	8.2	6,466	5,543	16.7
Hamilton	1,965	1,541	27.5	8.64	4,298	3,620	18.7	1,412	1,017	38.8
Thames	296	319	-7.2	1.30	656	748	-12.3	128	234	-45.3
Tauranga	1,139	868	31.2	5.01	2,854	2,151	32.7	756	596	26.8
Rotorua	344	422	-18.5	1.51	943	1,089	-13.4	92	123	-25.2
Gisborne	206	197	4.6	0.91	487	446	9.2	56	73	-23.3
Napier	934	710	31.5	4.11	1,879	1,537	22.3	571	411	38.9
New Plymouth	571	387	47.5	2.51	1,380	1,103	25.1	275	201	36.8
Wanganui	262	277	-5.4	1.15	652	644	1.2	163	140	16.4
Palmerston North	1,095	819	33.7	4.82	2,290	1,765	29.7	888	730	21.6
Masterton	226	235	-3.8	0.99	460	490	-6.1	127	134	-5.2
Wellington	2,142	1,724	24.2	9.42	3,745	3,316	12.9	1,366	1,004	36.1
Nelson	372	277	34.3	1.64	1,140	1,088	4.8	230	193	19.2
Blenheim	223	198	12.6	0.98	507	447	13.4	155	103	50.5
Greymouth	114	68	67.6	0.50	245	201	21.9	59	29	103.4
Westport	26	10	160.0	0.11	94	48	95.8	1	0	0.0
Christchurch	2,780	2,243	23.9	12.23	5,657	5,355	5.6	2,453	1,858	32.0
Timaru	301	224	34.4	1.32	726	592	22.6	138	121	14.0
Oamaru	98	47	108.5	0.43	262	142	84.5	6	4	400.0
Dunedin	932	733	27.1	4.10	2,236	2,187	2.2	547	389	40.6
Invercargill	489	501	-2.4	2.15	1,291	1,212	6.5	347	279	24.4
NZ total	**22,734**	**19,829**	**14.7**	**100.00**	**49,853**	**44,805**	**11.3**	**16,529**	**13,453**	**22.9**

New Passenger Vehicle Sales by Make - July 2020

MAKE	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	1,416	1,432	-1.1	17.3%	6,650	15.1%
Kia	719	585	22.9	8.8%	4,186	9.5%
Mitsubishi	658	499	31.9	8.0%	3,176	7.2%
Mazda	580	713	-18.7	7.1%	3,217	7.3%
Suzuki	529	550	-3.8	6.5%	3,142	7.1%
Hyundai	509	457	11.4	6.2%	2,912	6.6%
Holden	385	555	-30.6	4.7%	2,647	6.0%
Nissan	380	455	-16.5	4.6%	2,198	5.0%
Honda	371	412	-10.0	4.5%	2,028	4.6%
Volkswagen	341	313	8.9	4.2%	1,686	3.8%
Ford	334	280	19.3	4.1%	1,702	3.9%
Subaru	257	304	-15.5	3.1%	1,456	3.3%
Mercedes-Benz	192	174	10.3	2.3%	1,090	2.5%
Land Rover	173	78	121.8	2.1%	625	1.4%
Audi	169	147	15.0	2.1%	814	1.8%
BMW	167	116	44.0	2.0%	881	2.0%
MG	118	58	103.4	1.4%	501	1.1%
SsangYong	118	81	45.7	1.4%	472	1.1%
Skoda	113	122	-7.4	1.4%	674	1.5%
Haval	92	50	84.0	1.1%	424	1.0%
Peugeot	81	57	42.1	1.0%	454	1.0%
Jeep	79	92	-14.1	1.0%	440	1.0%
Lexus	78	75	4.0	1.0%	448	1.0%
Jaguar	54	51	5.9	0.7%	243	0.6%
Volvo	53	42	26.2	0.6%	275	0.6%
Mini	47	44	6.8	0.6%	376	0.9%
Isuzu	29	7	314.3	0.4%	131	0.3%
Mahindra	23	10	130.0	0.3%	90	0.2%
Alfa Romeo	16	15	6.7	0.2%	87	0.2%
Tesla	16	6	166.7	0.2%	289	0.7%
Citroen	15	21	-28.6	0.2%	121	0.3%
Renault	14	22	-36.4	0.2%	92	0.2%
Can-Am	13	8	62.5	0.2%	52	0.1%
LDV	13	3	333.3	0.2%	35	0.1%
Seat	12	13	-7.7	0.1%	72	0.2%
Maserati	8	3	166.7	0.1%	25	0.1%
Porsche	6	28	-78.6	0.1%	223	0.5%
Fiat	5	2	150.0	0.1%	25	0.1%
Ferrari	4	4	0.0	0.0%	23	0.1%
Bentley	3	3	0.0	0.0%	29	0.1%
Genesis	2	0	200.0	0.0%	8	0.0%
Yamaha	2	4	-50.0	0.0%	20	0.0%
Aston Martin	1	2	-50.0	0.0%	25	0.1%
Chevrolet	1	8	-87.5	0.0%	30	0.1%
Fraser	1	0	100.0	0.0%	1	0.0%
Others	3	24	-87.5	0.0%	50	0.1%
Total	**8,200**	**7,925**	**3.5**	**100.0%**	**44,145**	**100.0%**

New Passenger Vehicle Sales by Model - July 2020

MAKE	MODEL	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	796	442	80.1	9.7%	3,059	6.9%
Kia	Sportage	320	302	6.0	3.9%	1,449	3.3%
Mitsubishi	ASX	265	251	5.6	3.2%	1,117	2.5%
Suzuki	Swift	251	269	-6.7	3.1%	1,402	3.2%
Toyota	Corolla	230	500	-54.0	2.8%	1,381	3.1%
Mazda	CX-5	222	288	-22.9	2.7%	1,241	2.8%
Mitsubishi	Outlander	220	147	49.7	2.7%	1,195	2.7%
Hyundai	Tucson	206	165	24.8	2.5%	863	2.0%
Kia	Seltos	184	0	18400.0	2.2%	1,437	3.3%
Toyota	C-HR	172	45	282.2	2.1%	641	1.5%
Ford	Escape	168	71	136.6	2.0%	531	1.2%
Honda	HR-V	163	116	40.5	2.0%	710	1.6%
Nissan	Qashqai	157	163	-3.7	1.9%	1,119	2.5%
Nissan	X-Trail	147	255	-42.4	1.8%	756	1.7%
Hyundai	Kona	118	120	-1.7	1.4%	788	1.8%
Volkswagen	Tiguan	110	81	35.8	1.3%	657	1.5%
Honda	Jazz	104	110	-5.5	1.3%	544	1.2%
Suzuki	Vitara	101	86	17.4	1.2%	646	1.5%
Holden	Equinox	97	91	6.6	1.2%	437	1.0%
Holden	Acadia	96	64	50.0	1.2%	546	1.2%
Hyundai	Santa Fe	93	80	16.3	1.1%	549	1.2%
Subaru	XV	90	113	-20.4	1.1%	484	1.1%
Mazda	CX-3	85	83	2.4	1.0%	408	0.9%
Mazda	CX-9	81	79	2.5	1.0%	368	0.8%
SsangYong	Korando	81	58	39.7	1.0%	292	0.7%
Mitsubishi	Eclipse Cross	76	48	58.3	0.9%	418	0.9%
Holden	Trax	75	107	-29.9	0.9%	552	1.3%
Subaru	Forester	70	86	-18.6	0.9%	422	1.0%
Mazda	CX-30	69	0	6900.0	0.8%	305	0.7%
Kia	Rio	66	83	-20.5	0.8%	532	1.2%
Land Rover	Defender	65	0	6500.0	0.8%	65	0.1%
Haval	H2	62	33	87.9	0.8%	292	0.7%
MG	ZS	62	28	121.4	0.8%	203	0.5%
Toyota	Highlander	61	50	22.0	0.7%	324	0.7%
Volkswagen	T-Cross	61	0	6100.0	0.7%	200	0.5%
Honda	CR-V	57	135	-57.8	0.7%	468	1.1%
Mazda	Mazda3	53	121	-56.2	0.6%	338	0.8%
Subaru	Outback	53	85	-37.6	0.6%	419	0.9%
Suzuki	Ignis	50	52	-3.8	0.6%	272	0.6%
Kia	Cerato	49	30	63.3	0.6%	218	0.5%
Hyundai	Venue	48	0	4800.0	0.6%	176	0.4%
Suzuki	Baleno	47	24	95.8	0.6%	313	0.7%
Volkswagen	Polo	47	85	-44.7	0.6%	288	0.7%
Volkswagen	Touareg	47	46	2.2	0.6%	180	0.4%
Toyota	Landcruiser	46	44	4.5	0.6%	195	0.4%
Others		2,479	2,889	-14.2	30.2%	15,345	34.8%
Total		**8,200**	**7,925**	**3.5**	**100.0%**	**44,145**	**100.0%**

Dealership changes around country

Oakwood Motor Group is buying out the Isuzu Truck sales division of Smallbone Ltd that covers mid and south Canterbury, and will continue its partnership with ACL Smallbone for service and parts in both regions.

Oakwood is a South Island-wide group. It consists of 13 car and truck businesses, including long-established Blackwells, Cooke Howlison and Arthur Burke dealerships with sites in Balclutha, Dunedin, Cromwell, Christchurch and Amberley.

John Marsh, Oakwood's group managing director, says the decision to purchase the Isuzu franchise is part of the company's strategic plan for developing its successful Isuzu truck business.

"We are pleased with the acquisition of the Timaru and Ashburton dealerships, which complement our existing Isuzu Master dealerships in Christchurch and Dunedin," he says.

"The purchase is also a show of confidence in the mid and south Canterbury economies, and the exciting future for Isuzu Trucks, which has been New Zealand's number-one selling truck for 20 consecutive years.'

The acquisition, which kicks in on August 10, takes Oakwood to 13 car and truck dealerships and 340 staff across the South Island, with the intention of continuing to operate from the existing Ashburton and Timaru sites.

Smallbone's chairman, Craig Carr, says: "The agreement with Oakwood will ensure Isuzu customers will continue to receive best-in-class sales support from the wide network of staff available, and world-class service and parts facilities."

Cooke Howlison was founded in 1895 in Dunedin. It was purchased by the Marsh family in 1963, and has franchises for Isuzu trucks, Toyota, Holden, Hyundai and BMW. Blackwells started in Christchurch in 1923. Its marques are Mazda, Isuzu trucks and Holden.

Smallbone has become a household name in mid-Canterbury since the Smallbone brothers, Harold and Frank, opened their first garage in Ashburton in 1919. It secured the agency for Chevrolet and General Motors in 1930. It celebrated 100 years in business in 2019 and is one of New Zealand's oldest dealerships.

Smallbone Ltd's premises in Archibald Street, Ashburton

Sales climb

Registrations of new cars increased by 3.5 per cent from 7,925 in July 2019 to 8,200 last month.

Toyota's RAV4 took top spot among the models with 796 registrations. Second on the ladder was Kia's Sportage with 320 sales and the Mitsubishi ASX was third with 265.

The honour of best-selling marque was retained by Toyota with 1,416 sales in July – a drop of 1.1 per cent from the same month in 2019.

Kia was runner-up after its sales jumped by 22.9 per cent over the same period from 585 units to 719. Meanwhile, Mitsubishi's numbers increased 31.9 per cent, from 499 to 658, to place it third.

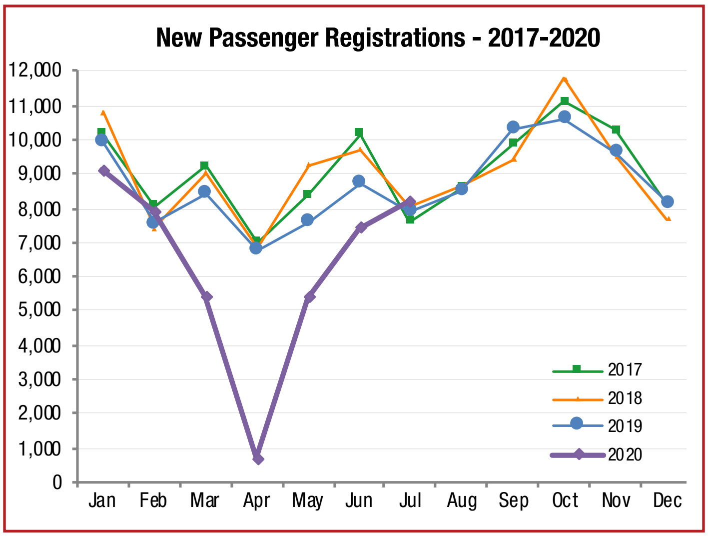
Meanwhile, Kia is now part of an Eastern Bay of Plenty dealership after the Covid-19 pandemic initially stalled the deal.

"Our strategy is to build on the reputation we have to enable our community to source vehicles in their own town," says Dean Nicholson, chief executive officer of Whakatane Kia.

"The brand has become strong, and complements our business and suits our image. We're also pleased to support local employment – we will be increasing our numbers slightly."

Adding the Kia franchise coincides with the 40th anniversary of the Nicholson family business. It was started by Graham Nicholson, the late father of brothers Dean and Ross, in Morrinsville in 1980 and has since grown.

The Whakatane Kia site in Commerce Street boasts a showroom and service centre that's being upgraded in-line with the marque's requirements.



Todd McDonald, managing director of Kia Motors NZ, says: "We are pleased to welcome the Nicholson team to the family and look forward to the expansion of our brand in the region."

The Ebbett Group, which is based in Hamilton, has continued its expansion after recently acquiring the Hyundai and Isuzu ute marques in Tauranga.

It will also have Hastings-based Karamu Holden, which has just taken on Renault, in its portfolio when the takeover kicks in on September 1. The company's name will change to Ebbett Hawke's Bay.

Finally, Grey Ford has become a satellite branch of Team Hutchinson Ford. The move allows the smaller Greymouth dealership to be backed up by the larger Christchurch operation. The transfer went through at the start of July.

Grey Ford has been operating in Greymouth since 1922, with Neil and Ann Smith owning its since 2006.

John Hutchinson, dealer principal of Team Hutchinson Ford, is "excited about the opportunity" and the strong team at Grey Ford has been offered employment.

Ford NZ's managing director, Simon Rutherford, acknowledges the marque's stewardship in Greymouth by the Smiths and wishes them well for the future. The branch model aligns with the brand's "hub-and-spoke market representation strategy" to drive scale, efficiencies and sustainability.

Variants beef up utes battle

RAM Trucks' offering in New Zealand's competitive ute market is ramping up with the 1500 Warlock, which increases the model range to five variants.

"We are continuing to grow the brand here in New Zealand with this new offering," says Sarah Williams, marketing manager for Ram Trucks NZ. Due to arrive here in September, it will be priced from $119,990.

"The Warlock is the start of a product offensive that allows us to broaden audience appeal," adds Jeff Barber, of Ram Trucks Australia.

The marque describes its growth down under over the past 12 months as "exponential" thanks to introducing variants, the expansion of and investment in its remanufacturing facility in Melbourne, and its expanding dealer network.

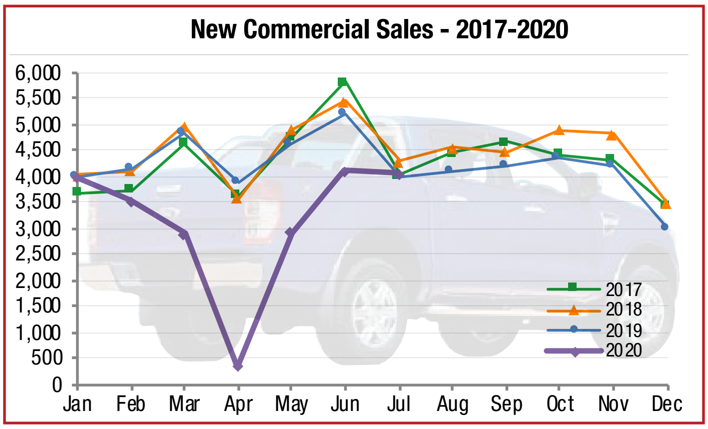
It intends to further expand its range with new models and variants. For example, the all-new 1500 Limited is on the horizon and the marque has 55 dealerships in Australia and 13 in New Zealand – the aim being to ensure it has sufficient coverage to match demand.

Williams says the marque has seen growth during 2020 in New Zealand with sales up by 22 per cent year on year. Across the Tasman, registrations of new Rams have jumped by 54.6 per cent over the same timescale.

Ram began remanufacturing left-hand-drive heavy-duty models in late 2015 before they went on sale in early 2016.

The number of new commercial vehicles sold during July came in at 4,063. This was up by 2.3 per cent on the same month of last year when they were 3,972 registrations.

Ford's Ranger led the way with 781 sales, up 18.9 per cent from a year ago. The Toyota Hilux was the second most-popular model, climbing by 17.4 per cent over the same period to 627.



New Commercial Sales by Make - July 2020

MAKE	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	912	760	20.0	22.4%	4,580	21.0%
Toyota	801	753	6.4	19.7%	4,495	20.6%
Holden	389	389	0.0	9.6%	2,173	10.0%
Mitsubishi	384	451	-14.9	9.5%	2,162	9.9%
Isuzu	250	231	8.2	6.2%	1,269	5.8%
Nissan	229	266	-13.9	5.6%	1,306	6.0%
Mazda	227	233	-2.6	5.6%	1,050	4.8%
Mercedes-Benz	125	102	22.5	3.1%	619	2.8%
LDV	124	71	74.6	3.1%	481	2.2%
Volkswagen	101	88	14.8	2.5%	551	2.5%
Fiat	70	53	32.1	1.7%	343	1.6%
Hino	55	54	1.9	1.4%	291	1.3%
Hyundai	53	86	-38.4	1.3%	304	1.4%
Fuso	48	71	-32.4	1.2%	344	1.6%
Scania	38	21	81.0	0.9%	191	0.9%
Great Wall	35	36	-2.8	0.9%	250	1.1%
SsangYong	33	56	-41.1	0.8%	211	1.0%
Iveco	28	30	-6.7	0.7%	175	0.8%
Renault	28	29	-3.4	0.7%	139	0.6%
DAF	25	27	-7.4	0.6%	87	0.4%
Others	108	165	-34.5	2.7%	796	3.6%
Total	**4,063**	**3,972**	**2.3**	**100.0%**	**21,817**	**100.0%**

New Commercial Sales by Model - July 2020

MAKE	MODEL	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	781	657	18.9	19.2%	4,006	18.4%
Toyota	Hilux	627	534	17.4	15.4%	3,209	14.7%
Mitsubishi	Triton	383	451	-15.1	9.4%	2,159	9.9%
Holden	Colorado	381	380	0.3	9.4%	2,144	9.8%
Nissan	Navara	229	266	-13.9	5.6%	1,306	6.0%
Mazda	BT-50	227	233	-2.6	5.6%	1,050	4.8%
Toyota	Hiace	147	188	-21.8	3.6%	1,105	5.1%
Isuzu	D-Max	146	123	18.7	3.6%	712	3.3%
Ford	Transit	131	103	27.2	3.2%	574	2.6%
Mercedes-Benz	X-Class	86	14	514.3	2.1%	309	1.4%
Fiat	Ducato	69	52	32.7	1.7%	342	1.6%
Isuzu	N Series	50	36	38.9	1.2%	237	1.1%
Hyundai	iLoad	49	81	-39.5	1.2%	294	1.3%
Volkswagen	Amarok	46	35	31.4	1.1%	267	1.2%
LDV	G10	45	27	66.7	1.1%	146	0.7%
Isuzu	F Series	42	56	-25.0	1.0%	235	1.1%
LDV	V80	42	25	68.0	1.0%	174	0.8%
Great Wall	Steed	35	36	-2.8	0.9%	250	1.1%
SsangYong	Rhino	33	55	-40.0	0.8%	209	1.0%
LDV	T60	33	14	135.7	0.8%	150	0.7%
Others		481	606	-20.6	11.8%	2,939	13.5%
Total		**4,063**	**3,972**	**2.3**	**100.0%**	**21,817**	**100.0%**

Electric options rare across market

Marques are failing to build enough electric vehicles (EVs) to meet demand, especially when it comes to light commercials, and that's having a knock-on effect when used dealers try to match enquires.

"When it comes to EVs, used commercials have always been a very small market because there's not much on offer and not much supply," says Dave Boot, of EV City in Christchurch.

"If you're running a big company wanting to electrify your whole fleet, you need a long timeframe to make that transition because manufacturers are not building these vehicles fast enough to meet that level of demand."

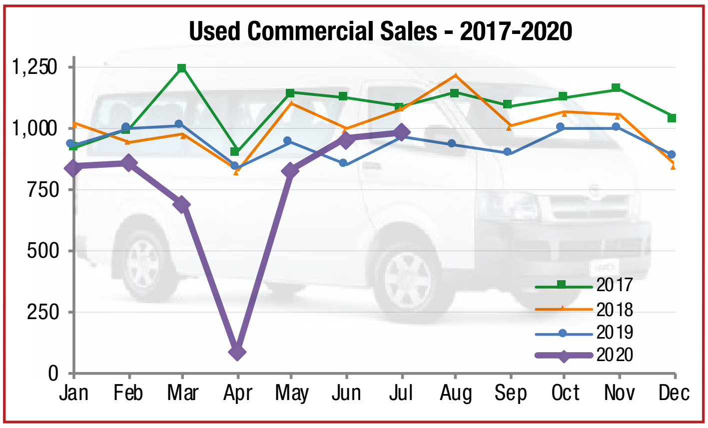
Boot is also wary of government-initiated policies that may be introduced later down the line, such as the clean-car proposals, which have currently stalled.

"I'm nervous of changes that will come in with the clean-car discount," he told Autofile.

"It would put an awful lot of stress on the EV supply chain in a quick space of time, force prices to rise and force people into EVs whether they're ready for them or not. Whenever the rebate is introduced, suddenly every used dealer will buy EVs. If you give people an incentive, people may go out and purchase them but there's not the level of new supply yet.

"Penalising people for buying something like a Ford Ranger when there's no other option on the market isn't the right thing to do. Every manufacturer is building electric models. But we need the whole range to be catered for and in reasonable numbers before we prod everyone into buying them."

As for last month's statistics, there were 990 used imported commercials registered for the first time in New Zealand.



Used Commercial Sales by Make - July 2020

MAKE	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	437	460	-5.0	44.1%	2,362	44.8%
Nissan	247	224	10.3	24.9%	1,312	24.9%
Ford	43	39	10.3	4.3%	194	3.7%
Mazda	43	26	65.4	4.3%	241	4.6%
Hino	36	42	-14.3	3.6%	172	3.3%
Isuzu	36	49	-26.5	3.6%	226	4.3%
Mitsubishi	36	28	28.6	3.6%	150	2.8%
Chevrolet	14	11	27.3	1.4%	70	1.3%
Holden	14	14	0.0	1.4%	82	1.6%
Volkswagen	12	7	71.4	1.2%	49	0.9%
GMC	8	6	33.3	0.8%	14	0.3%
Volvo	7	2	250.0	0.7%	19	0.4%
Daihatsu	6	1	500.0	0.6%	23	0.4%
Scania	6	1	500.0	0.6%	12	0.2%
Hyundai	5	1	400.0	0.5%	14	0.3%
DAF	4	4	0.0	0.4%	9	0.2%
Fiat	4	5	-20.0	0.4%	106	2.0%
LDV	4	0	400.0	0.4%	7	0.1%
UD Trucks	4	2	100.0	0.4%	13	0.2%
Mercedes-Benz	3	5	-40.0	0.3%	19	0.4%
Others	21	37	-43.2	2.1%	178	3.4%
Total	**990**	**964**	**2.7**	**100.0%**	**5,272**	**100.0%**

Used Commercial Sales by Model - July 2020

MAKE	MODEL	JUL '20	JUL '19	+/- %	JUL '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	333	352	-5.4	33.6%	1,751	33.2%
Nissan	NV200	66	47	40.4	6.7%	334	6.3%
Nissan	Caravan	65	58	12.1	6.6%	337	6.4%
Nissan	NV350	59	62	-4.8	6.0%	298	5.7%
Toyota	Dyna	37	37	0.0	3.7%	210	4.0%
Mazda	Bongo	31	18	72.2	3.1%	171	3.2%
Toyota	Regius	30	32	-6.3	3.0%	191	3.6%
Isuzu	Elf	25	28	-10.7	2.5%	148	2.8%
Nissan	Atlas	23	18	27.8	2.3%	81	1.5%
Hino	Dutro	20	31	-35.5	2.0%	123	2.3%
Ford	Ranger	20	11	81.8	2.0%	77	1.5%
Nissan	Vanette	20	20	0.0	2.0%	151	2.9%
Mitsubishi	Canter	18	12	50.0	1.8%	72	1.4%
Hino	Ranger	14	8	75.0	1.4%	36	0.7%
Toyota	Toyoace	13	26	-50.0	1.3%	108	2.0%
Toyota	Hilux	12	7	71.4	1.2%	57	1.1%
Mazda	Titan	10	6	66.7	1.0%	47	0.9%
Holden	Colorado	9	6	50.0	0.9%	51	1.0%
Volkswagen	Amarok	8	6	33.3	0.8%	26	0.5%
Ford	F150	8	8	0.0	0.8%	26	0.5%
Others		169	171	-1.2	17.1%	977	18.5%
Total		**990**	**964**	**2.7**	**100.0%**	**5,272**	**100.0%**

Car supply takes global hit

Nissan is reportedly looking at a 30 per cent year-on-year cut in worldwide production during 2020 as falling demand continues to impact on sales.

The company plans to produce about 2.6 million vehicles between April and December this year, down from 3.7m during the same period in 2019. It made 4.6m cars in the financial year ending March.

Manufacturers are struggling after factories were forced to suspend production following restrictions introduced by governments to try to limit the spread of Covid-19.

Registrations have also plunged with dealerships in many countries forced to close.

Before the pandemic hit, Nissan was already battling falling sales and a deteriorating cash position. It unveiled a restructuring plan in May after posting its first annual loss in 11 years.

The company's factories in Japan are likely to take the hardest hit in the July to September quarter with output set to drop an estimated 47 per cent compared to the same three months in 2019.

"The market outlook remains uncertain and we may see a further deterioration in demand due to a possible second wave of the pandemic," says Makoto Uchida, Nissan's chief executive. "The 2020 fiscal year will be challenging in terms of profitability and cash flow."

Toyota aims to cut global production during August by two per cent more than originally planned with output gradually recovering from a steep drop because of the pandemic.

It is looking to make 15,000 fewer vehicles than its initial plan, which was about 750,000. This month's reduction is smaller than the cut of 10 per cent seen in July and June's 40 per cent.

The updated production projection represents an output cut of nine per cent from a year ago. Toyota says it will produce 6,000 fewer vehicles at home and 9,000 less overseas.

The Japanese government, meanwhile, is calling for an early end to vehicle and automotive parts tariffs with negotiations on a post-Brexit trade agreement with the UK starting. The two countries hope to complete a deal by the end of this year when the transition period for the UK's exit from the European Union ends.

The talks aim to build on an existing Japan-EU deal, with the UK seeking benefits for its financial services and textile industries.

New low for stock

Imports of new cars in July came in at 4,327. This was down by 54.6 per cent on the same month of last year and a decrease of 6.3 per cent on June's 4,619 units.

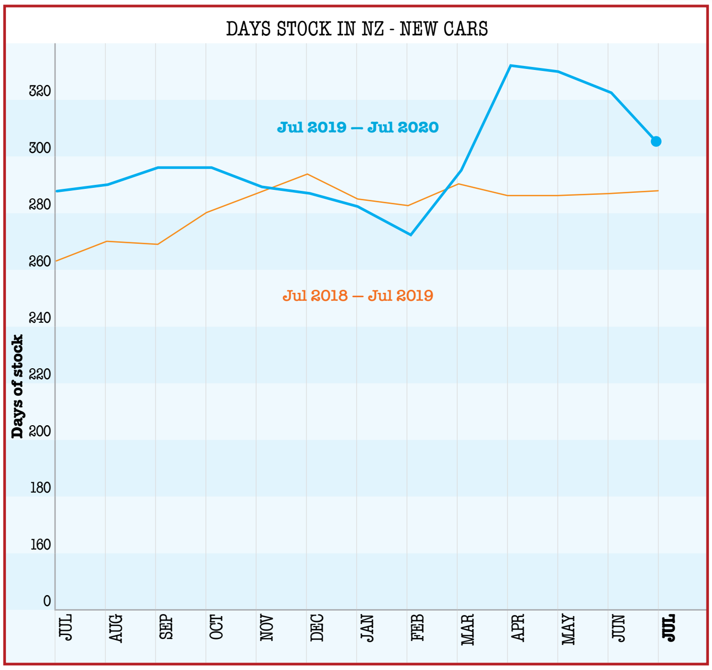
Registrations of new passenger vehicles amounted to 8,200 last month for an increase of 3.5 per cent on July 2019. This was also an increase of 10.6 per cent from June's 7,413 sales and continued the rise from just 707 registrations in April this year.

The numbers have resulted in the stock of new cars still to be registered dropping by 3,873 units to 76,300 – the lowest monthly total for 27 months.

Daily sales, as averaged over the previous 12 months, stand at 250 units per day. July's results mean stock at-hand has decreased to 305 days, or 10 months, if sales continue at this current rate.

Dealer stock of new cars in New Zealand

	Car sales – Imported	Car sales – Registered	Variance	Stock	Daily sales – 12-month average	Days stock at hand
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	645	84,466	287	294
Oct '19	8,122	10,622	-2,500	81,966	284	289
Nov '19	9,408	9,641	-233	81,733	284	287
Dec '19	8,191	8,159	32	81,765	286	286
Jan '20	6,750	9,099	-2,349	79,416	283	280
Feb '20	6,058	7,911	-1,853	77,563	284	273
Mar '20	8,531	5,415	3,116	80,679	276	292
Apr '20	5,537	707	4,830	85,509	259	330
May '20	2,858	5,400	-2,542	82,967	253	328
Jun '20	4,619	7,413	-2,794	80,173	250	321
Jul '20	**4,327**	**8,200**	**-3,873**	**76,300**	**250**	**305**
Year to date	**38,680**	**44,145**	**(5,465)**			
Change on last month	**-6.3%**	**10.6%**		**-4.8%**		
Change on Jul 2019	**-54.6%** LESS IMPORTED	**3.5%** MORE SOLD		**-7.4%** LESS STOCK		



Business trading well post-lockdown

A car dealer north of Auckland says "nothing much has changed" for his business since New Zealand came out of lockdown caused by the coronavirus pandemic.

Brad Keit, owner of Motive Trading in Silverdale near Orewa, also believes the motor-vehicle industry is "doing okay".

"We've just had seven sales in 11 days, which isn't bad for a small yard with 40 cars. It's business as usual or better. Sales haven't stopped since lockdown. When I talk to other people in town, business is going good for them as well."

Keit told Autofile he is still able to access the stock he wants by purchasing locally or via Trade Me, while customers are still spending their money and may also need finance.

He has also bought a few vehicles off people involved in water-blasting and house-cleaning businesses because they are no longer able to use Auckland's water due to the region's ongoing supply issues created by the summer's drought.

However, a motor-vehicle wholesaler he deals with is finding it hard to access and sell stock because used cars imported from Japan are getting more expensive.

Keit notes a rival Silverdale business shut up shop earlier this year, which means Motive Trading is the only used-car dealership in the area, including Orewa and Warkworth.

"It got too hard for them and the overheads were too big. I always thought it was better to have a number of used-car dealers in the same area, such as in Greenlane, Auckland, but being the only one in Silverdale has resulted in business getting better."

As for the bigger picture, Keit says: "I didn't know what to expect after lockdown and it's hard to know what will happen in the next six months, but at the moment it's business as usual. Finance companies are busy. If they are busy, then dealers are selling cars."

Nathan Ford, business manager of Macaulay Mazda in Queenstown and Invercargill, says: "We've had some really good months since lockdown.

"I'm not sure why business has been so good and June was our biggest month in the past 12 months. It was fantastic. It has come off the back of a strong used cars month for us. It's been good, no complaints at all."

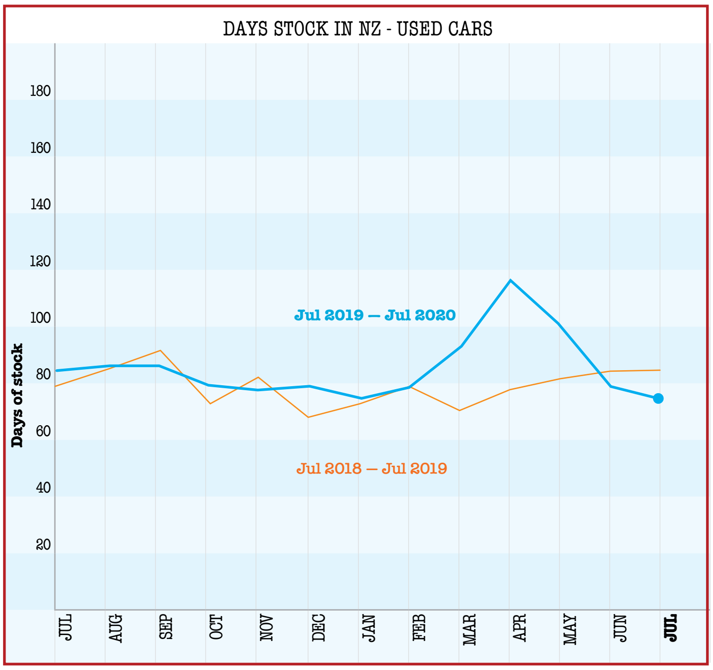
Import numbers rise

There were 9,221 used cars imported in July for a decrease of 2,568 units, or by 21.8 per cent, on the same month of last year. The monthly total was an increase of 82.3 per cent from 5,058 vehicles in June.

A total of 11,975 units were sold during July. This was down from 12,791 registrations during the same month of 2019, but it is the highest monthly figure since August last year as it just beats June's 11,962 units.

With 2,754 fewer used cars imported than registered in July, this brought stock sitting on dealers' yards or in compliance shops to 24,695 units – nearly 10,000 fewer than the total in July 2019 and their lowest level since March 2016 when stock came in at 24,633 units.

With current average daily sales now at 340 units per day, there would be 73 days' stock remaining if sales continue at this rate.



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
Jul '19	11,789	12,791	-1,002	34,413	386	89
Aug '19	12,253	12,353	-100	34,313	383	90
Sep '19	9,183	11,630	-2,447	31,866	383	83
Oct '19	9,875	11,663	-1,788	30,078	382	79
Nov '19	11,401	11,674	-273	29,805	384	78
Dec '19	12,121	11,628	493	30,298	385	79
Jan '20	10,101	11,693	-1,592	28,706	385	74
Feb '20	11,789	10,747	1,042	29,748	384	77
Mar '20	13,145	8,565	4,580	34,328	375	91
Apr '20	6,136	622	5,514	39,842	347	115
May '20	4,076	9,565	-5,489	34,353	340	101
Jun '20	5,058	11,962	-6,904	27,449	342	80
Jul '20	**9,221**	**11,975**	**-2,754**	**24,695**	**340**	**73**
Year to date	**59,526**	**65,129**	**(5,603)**			
Change on last month	**82.31%**	**0.1%**		**-0.10**		
Change on Jul 2019	**-21.8%** LESS IMPORTED	**-6.4%** LESS SOLD		**-28.2%** LESS STOCK		