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Virtual solutions help to keep trade flowing

Companies across the motor-vehicle sector are conjuring up high-tech ideas to survive and grow in the 'new normal'

The automotive industry is showing its creative side with a range of innovations to help companies continue to do business during the coronavirus pandemic.

Changing Covid-19 alert levels, restrictions in travel and the need to conduct contactless trading have all forced many businesses to rethink how they run their operations.

It has led to apps, video-call systems and biometric programs being developed specifically for commercial purposes across the motor-vehicle sector, from those importing from Japan through to finance companies issuing car loans.

While some fresh approaches have been short-term solutions, others look set to stay and are being further enhanced by service providers across the supply chain.

The innovations have been driven by necessity. The inability to travel overseas is one factor, while ideas have grown in response to the changing expectations of consumers looking to purchase vehicles post-lockdowns.

Biometrics are being used in contactless transactions – find out why inside this issue

With dealers unable to get to Japan because of the closure of international borders to select and buy stock, Autoterminal NZ has innovated to continue doing business and maintain the flow of used imports across the border.

It is now effectively bringing Japan direct to its customers by developing a virtual buying experience that uses video calling to allow traders to look around auctions and make their decisions on what they want to buy – while still in New Zealand.

Mike Tyler, chief executive officer, says the company hopes that by embracing a digital approach it will make it easier for dealers to carry on doing their jobs.

"The system we've developed uses technology to give dealers a similar experience to what they would have if they went to Japan," he told Autofile.

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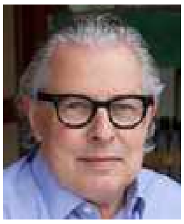
GUEST EDITORIAL

Greener fleet needs to be top priority

What's the plan to cut transport emissions? New Zealand must agree one soon, says Mark Gilbert



MARK GILBERT
Drive Electric

I don't wish to be alarmist, but here's the deal – the EU has been rigorous in its desire to lower emissions.

Up until 2020, its target for the fleet was 130gCO_2/km and most marques selling there seemed to achieve this.

After January 1, 2020, this became 95gCO_2/km. Over the next five years or so, it will go down to about 75g with big implications for car makers if they miss it. The potential for fines is about NZ$22 billion. Fossil-fuelled cars cannot contribute much to this target, hence the move to more low-emission vehicles.

Failing to meet targets will result in one of two outcomes. One is paying those huge fines by lowering shareholder returns or increasing prices to recover costs from customers. Both are unpalatable. The other is to not sell products in what's one of the most profitable markets for marques.

The EU isn't interested in delaying the introduction of these measures, which is why the likes of Porsche, Ferrari, Audi, BMW, Daimler and Volkswagen are advancing models that are mostly battery electric or plug-in hybrids.

All very interesting, I hear you say, but what's the point? Many European countries have signalled bans on pure fossil-fuel and non-plug-in hybrid vehicles between 2025 and 2040. This includes the UK, which has stated this will happen from 2032. That's not far away in lifecycle terms and, being one of the largest right-hand-drive markets, it will likely influence models available here in New Zealand.

Little has been said about the future make-up of our fleet, which is surprising given our commitments to decarbonise transport and achieve net-zero carbon by 2050.

Hence my question, what's the plan? Over the past three years, the government has brought little or no change to National's initiatives from 2016.

To stimulate debate, Drive Electric Inc has pushed out a call to action to the main parties contesting the election. Ambitiously, it suggests our fleet will need to have 250,000 EVs on our roads by 2025 to have any hope of achieving our net zero-carbon target.

It is based on this country needing to cut emissions by about 60 per cent by 2030 to stay within the 1.5 degrees of warming, the target in the Zero Carbon Act.

The overall goal is to achieve a plan for our automotive industry that also signals to consumers, fleets, and finance and lease companies that changes are coming.

We need a plan that signals the where and when, and to inform Kiwis about options they will have – options that factor in all forms of mobility be that a bicycle, public transport, car-sharing and others. The automotive world is changing fast. That's why we need a plan.

Drive Electric's EV discussion document in depth; why we need a bipartisan roadmap to decarbonise its light fleet and five key policy platforms – page 18

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"We've decided to do this because a good portion of our customers purchase vehicles by going to Japan and buying them, but in this Covid-19 world they can't do that. They're now 100 per cent reliant on us and the guys in Japan to buy cars for them.

"By using video calls, they can still see everything at the auction while getting immediate feedback on vehicle condition from our auction staff. With our set-up, they are easily able to do the market and pricing research.

"This isn't a magic bullet to solve all the problems for buying vehicles, but it's a solution to help meet customers' needs in changed circumstances."

Autoterminal has trialled the system with a handful of dealers and is now looking to expand it and set up a permanent site in central Auckland where it can host traders and have them fully focused on buying cars.

Tyler says the technology is flexible enough that it may also be taken to anywhere else around the country.

Restrictions on travelling in and out of New Zealand mean businesses are having to get smart with technology, such as video conferencing. Photo: Brett Phibbs / Auckland Airport

"A benefit of taking customers to Japan was they could see vehicles and we had their full attention. They were out of their yards and not distracted by the goings-on of car dealerships. If we take them out of that usual work environment and into a space dedicated to buying cars, then everyone will get a better result.

"We hope to have a permanent base in Auckland in the long term or alternately take the technology around the country and mix in some leisure activities between the auctions. We have already trialled the system in Queenstown and it worked well."

Tyler estimates about 10 to 15 per cent of business has previously been done through buying trips, with those dealers preferring to see vehicles for themselves in Japan.

However, Autoterminal's innovation aims to maintain an effective method of buying until international borders reopen. The company began working on the virtual set-up as soon as it became clear the government was committed to an elimination strategy for Covid-19 and overseas travel was going to be off-limits for a considerable time.

The pandemic has forced many parts of the automotive industry to try new approaches and Tyler expects some of those developments will become long-term features of how businesses operate.

"We all have to work harder, be smarter and try new things. We're trying something new and trying to find a way to buy vehicles and service our customers' needs in what are challenging times.

"Previously, if you were able to travel to Japan and you mentioned this kind of digital approach to someone, they would ask what's the point. Now people can't travel and we've got to find the new normal. People are more accepting of these alternatives because there's no other choice.

"I imagine what we have created will be an intermediary approach for most customers. But as technology gets better, we may reach a point where it becomes a viable long-term alternative because it can reduce costs and mean less travel and time away from the business and family."

Tyler says despite Covid-19 having a "massive impact" on every aspect of the supply chain, the car industry is proving surprisingly resilient with auctions, port facilities and shipping seeming to cope well.

The main challenge, which no-one expected, is stock supply from Japan. The volume of sales in New Zealand and reduced supply in Japan has put huge pressure on suppliers to secure stock for customers.

"The virus hasn't stopped anything. It's just created a different way of doing business. It has made the process of buying cars harder because there are things you have to think about that maybe you didn't need to before.

"Our industry is doing better at this stage than anyone anticipated when the pandemic first emerged. There were dire predictions about what would happen and the level of business so far is something that has surprised everyone.

"The second lockdown for Auckland slowed the momentum, but it's still ticking along and most of our customers are relatively happy so far."

REMOTE VISION

A flexible approach to doing business has been essential for JEVIC Japan to maintain its border-inspection work at a time when international travel is mostly off limits.

It has taken innovative action after the Covid-19 pandemic forced Ministry for Primary Industries (MPI) staff to leave Japan and return to New Zealand.

Whereas officials would previously have made site visits in person to the company's facilities overseas, they are now conducting them remotely by video calls.

Gordon Shaw, director of JEVIC Japan, says the company has had to find a way around the problem because there is no definite date for the reopening of international borders.

"We were faced with the scenario that the MPI is now doing all verifications onshore in New Zealand and has no staff in Japan, and the NZTA doesn't have permanent people in Japan either," he explains.

"If they need to do an on-site verification or inspection, regulators are asking someone from the New Zealand embassy to visit our Japanese sites on their behalf.

"They link up via video – be it WhatsApp, Teams or Skype – and while the embassy staff member uses his or her phone or device, someone from the regulatory agency can see everything and be part of the process while sitting in Auckland or Wellington."

Shaw says embassy staff have previously helped facilitate online meetings, but doing it on behalf of the MPI and NZTA is new and part of the "next normal".

He adds this approach for JEVIC involves more planning and poses a few challenges around providing site access to someone who is not a member of one of the regulatory agencies. Otherwise, embracing technology to keep operating has been "relatively easy".

"JEVIC, as a border inspection organisation and solutions provider, is flexible in how we do business at a time when we can't get on a plane and go to Japan.

"It's about being innovative and showing there's a willingness on both sides to keep the process going. We can't do what we normally do in the current environment and this approach means business doesn't stop."

Shaw predicts it will be at least six months before normal travel to Japan resumes and says the automotive industry, as a whole, has adapted well to the impact of coronavirus.

"If we look back, even though numbers are down year on year, it could have been far worse and a lot of businesses are learning how to do business differently in a new environment.

"Work across our inspection business, both in Japan and New Zealand, has changed. Some of those changes will be permanent. The new normal is now the next normal. We want to be able to keep on doing what we do so we need to adjust to the different conditions."

Clients can use SMS to sign forms via SMS via AutoPlay's platform

SECURE SYSTEMS

Oxford Finance has used the coronavirus pandemic to sweep away lots of paperwork and conduct most of its business with clients digitally.

The company is now completing its lending process by using the latest technology for ID verification, and to check bank statements and sign documents.

Shannon Beech, national sales and marketing manager, says it was already looking at digitalising the delivery of documentation to consumers, but Covid-19 has accelerated putting those plans into action.

"Lockdown was a good motivator to look at doing things better, particularly knowing that face-to-face sign-ups weren't allowed and not knowing how long that would continue.

"We had already been working towards a contactless procedure for loans. The country going into level four made us realise how important that was and so we fast-tracked that work.

"We looked at how a broker or dealer, when arranging a contactless delivery of a vehicle, could issue loan documents and have the customer sign up without being face-to-face and sharing a pen, all while ensuring full disclosure."

One of the first innovations to be adopted by Oxford Finance was the use of Cloudcheck, an electronic verification system that confirms the identity of customers in seconds using biometric checks.

"Customers take two photographs, one of their face from the front and one at a 45-degree angle," explains Beech. "Cloudcheck then measures distances and points on the face and confirms if the photographs match the person pictured in the photo ID they have provided, such as a driver's licence.

"We feel it's a more secure process than before. Even with face-to-face sign-ups, there was a risk of fraud and sometimes people are not confident to say to a client that they don't look like the person in their photo ID. With digital, it tells you straight away and we have already caught a couple of fraudulent customers by using Cloudcheck.

"Another benefit is that if a dealer or broker is not doing face-to-face sign-up, then customers are sent a form and need to visit a JP or lawyer who has to sight the person and witness them signing their name, but you couldn't send them off to do that in lockdown."

Oxford Finance is also using software created by an Australasian data and analytics company that allows it to securely retrieve customers' bank statements before approving finance. It has sped up the approval process because it means customers no longer need to print and scan pages of bank documents.

The final part of digitalising the process for completing a loan has been introducing Secured Signing, which again eliminates the need for lots of paperwork. Electronic documents sent to customers have secure sign fields and the technology uses multiple methods of verification, such as emails and cellphone numbers.

What safety rating does a car with seven airbags have?

A 1-star
B 2-star
C 3-star
D 4-star
E 5-star
F Any of the above

*Check **page 27** for the answer*

[continued from page 5]

Besides ensuring a contactless procedure, Beech adds it is convenient for those customers who can't easily print, sign and scan documents.

"We no longer need people to be face-to-face to sign documents. A lot more clients are using it than we thought, partly because of Covid-19 but also because of ease.

"There's a great deal of security around it. Some of the older generation aren't so comfortable with digital, but more are picking it up. Covid-19 has encouraged people to have more faith in the process because digital was the only option during lockdowns."

Beech says feedback from intermediaries and customers on Oxford Finance's new approach has been positive. Having fully digitalised the process for consumer loans, it is now looking to roll out those systems for commercial loan documentation.

"The dealers and brokers love what we've done and had been asking for this sort of innovation before Covid-19 came along. We haven't removed the ability to manually sign documents, that is still there, but so far we're really happy with the uptake of our digital processes."

ENSURING SOLUTIONS

Dealers have had to turn to contactless methods for selling cars during this year's lockdowns and AutoPlay is investing in developing more tools to help that process.

The company, part of the Marque Group, delivers a lead-management tool to about 80 per cent of New Zealand's franchised dealerships and original equipment manufacturers (OEMs).

Matt Darby, national product and operations manager, says AutoPlay was busy during the national lockdown in March and April looking at how it could help businesses trade while maintaining social distancing.

Customers can sign forms via SMS through the AutoPlay platform

Additions to its management platform since the pandemic began have included a system for digital signatures, electronic visitor books and tracing customers, employees and vehicle cleaning.

"We had a product roadmap that we were locked into, but a lot of that had to be reviewed and postponed so we could look after our customers and dealers who were quite stressed in March, April and May," explains Darby. "We looked at increasing the speed of our release cycle to deliver ways to help them keep trading.

"Once businesses were able to open sales departments, the need to be more contactless was evident. Some of the contactless developments are things we're looking to invest in more in the future because there seems to be a demand for that from dealerships."

Customers being able to digitally sign documents, such as for test drives, was one of the areas AutoPlay focused on early during the Covid-19 crisis. It designed a system that allows people to sign forms on their own devices rather than having to use those belonging to a dealership.

"Our normal system is a pure self-management tool and that has functions for signatures for test drive forms or appraisal forms," Darby told Autofile. "Getting someone to sign an iPad touched by 50 people isn't such a good idea, so we did work to make the signing process more contactless.

"Now the system fires off an SMS to customers' devices, which they can then sign and send back. As a result, the buyer doesn't have to touch the dealership's or salesperson's phone or tablet."

AutoPlay's other initiatives include its management platform being able to track the cleaning and sanitisation of vehicles during alert levels two and three. It has also developed a visitor book to allow traders to keep a record of people going in and out of their premises.

"That has since become obsolete because New Zealand has the government's tracer app that everyone should use," says Darby. "However, it's an example of something we did during the shutdown period in response to what dealers were asking us for.

"After the initial lockdown, it was a choice of not trading or doing things a little differently to operate however they could."

Supplying clients with data trends and market reports this year has also been in high demand because dealers are keen to have a broad picture of pre-sales activity to see if any changes are particular to their business or affecting the whole industry.

"They see what's happening with the stats in sales, but having access to pre-sale activity is important for them. We did work around our market level reports so customers could see key performance indicators over three or four months in test drives, appraisals and log-ins to systems.

"The big brands are hanging out to see what's happening with pre-sale activity. They can see if a trend is specific to them or if other brands are experiencing the same peaks and valleys.

"It has been a challenging time for dealers and the least we can do is provide them with tools to help with leads they get and maximise them because sales volumes have definitely gone down. Some ideas stuck and had merit. Others will not be something we carry on going forward, but we try to respond to what customers need."

Ambitious target for electric cars

The emissions profile of New Zealand's light-vehicle fleet has become a political football with the country's two major political parties revving up the issue in the run-up to the general election.

National and Labour launched their policies within 24 hours of each other last month ahead of polling day on October 17.

The Nats are pledging to make electric vehicles (EVs) cheaper as it targets having 80,000 of them – almost four times the current number – on our roads by 2023.

Labour is also aiming to accelerate the uptake of low-emission vehicles and has put the clear car standard, which was originally tabled a few years ago by Julie Anne Genter, Associate Minister of Transport, back on the agenda.

National claims it can hit its ambitious target for EVs by making them free of fringe-benefit tax (FBT) until 2025 and road-user charges until 2023.

Jacinda Ardern

Judith Collins

It also proposes shifting one-third of the government's light fleet to electric in three years' time, and allowing EVs to be driven in bus and high-occupancy lanes.

Party leader Judith Collins says: "Our plan will encourage the purchase of EVs to create a thriving second-hand EV market and support sustainable transport infrastructure."

The price-tag of National's EV package is some $93 million over four years, including $55m in lower revenue from FBT and $38m to electrify the government's fleet.

Labour, meanwhile, wants to accelerate the uptake of low-emission vehicles as part of bringing forward its goal of 100 per cent renewable electricity generation by five years to 2030.

In addition, it pledges to increase electrification of the transport and industrial sectors, invest in emerging technologies such as green hydrogen, and strive to make energy affordable.

Prime Minister Jacinda Ardern says: "Labour's clean-energy plan is a critical element of our Covid-19 recovery plan that will prepare New Zealand for the future while boosting jobs and the economy now."

Ardern has outlined key steps to transforming the energy sector. These include speeding up the second stage of a pumped hydro-storage solution at Lake Onslow in Otago with an extra $70m allocated upfront and a commitment to smaller renewable schemes.

Other policies are supporting businesses to shift away from fossil fuels and improve energy management, accelerating the uptake of low-emissions vehicles, and continuing work on electricity and fuel-pricing fairness.

The government is already working with other countries, including Japan, and has invested in a nationwide green hydrogen fuelling network, and will pump $10m into a roadmap and further opportunities.

In addition, half of Genter's so-called clean car proposals will be retained by Labour – and that's the clean car standard, which is based on fuel economy. But the clean car discount, which is better known as the feebate scheme, has failed to make it into Ardern's election manifesto.

The clean car standard would require importers to reduce the average emissions of vehicles brought into New Zealand from about 180g/km of CO_2 travelled last year to 105g/km by 2025. Subsequent targets would be set by future governments with importers failing to meet them being pinged with fines.

What's a safer car – a small hatchback or a large SUV?

A SUV

B Hatchback

C It depends on the safety rating

*Check **page 27** for the answer*

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Companies eyeing up road to future

The Christchurch Southern Motorway – stage two is due to open in early 2021

A $195 million motorway project designed to cut travel time and ease congestion around Christchurch is helping to create a hub of automotive activity in the town of Rolleston.

The second stage of the Christchurch Southern Motorway scheme, which began in October 2016, is now slated to be completed in early 2021 due to progress being disrupted because of Covid-19.

The upgraded route will bypass the built-up areas of Hornby and Templeton and extends 7.5km from the first stage of motorway work at Halswell Junction Road to near Robinsons Road on SH1.

As part of the NZTA project, about 5km of Main South Road (SH1) will be expanded to four lanes from near Robinsons Road to just before Rolleston.

The work will improve access to the town, which is already attracting a mix of industries. An inland port, known as IPort, has been established by a 188-hectare business hub called Izone.

The Izone site and its immediate surroundings are home to a range of companies. They include automotive businesses, such as a branch of the olGo Motors dealership, Global Bus and Rolleston Truck Centre.

One of the latest enterprises to establish itself at Izone is Vehicle Inspection New Zealand (VINZ), which opened a testing station there at the end of last month.

Sean Stevens, chief executive officer, predicts increased demand for automotive services in the area and says the motorway project will improve accessibility between Rolleston and central Christchurch.

"The bulk of the heavy-transport market on that side of town is based around Hornby," he told Autofile. "It's getting harder to find land in Hornby and prices are sky-rocketing. A lot of heavy-vehicle companies have been looking to shift out of Hornby for those reasons and Rolleston was a place they have been looking at.

"There's a lot of industrial and warehousing already there, the IPort is set up and, combined with the motorway that's close to completion, it all brings Rolleston closer to Christchurch than it was."

VINZ's facility on Link Drive has three testing lanes. It will employ four inspectors and two part-time reception staff. Two of the lanes feature pits, with one dedicated to heavy vehicles and another catering for light and heavy. The third lane has a flat floor, which is suitable for light vehicle and motorbike compliance inspections.

The facility will serve residential and business customers and the ease of access to the area helped influence the company in being based at Izone. Its main focus will be on heavy vehicles but with about 20,000 homes in the growing town, an increasing demand for inspection of light vehicles is anticipated.

"A couple of car yards have already set up shop out there," says Stevens. "There will be a pool of heavy vehicles in the area, a reasonable and growing pool of light vehicles, and there's no other key service delivery partners out there.

"We think it's going to be a great place to be in the future. We have continued our thinking around 'hubs' and co-located with Carters Tyres for this station."

VINZ's Rolleston project has hit its deadline despite the Covid-19 pandemic – a September or October opening was always on the agenda.

VINZ's new testing station in Rolleston, which has three testing lanes

Are older cars safer than new cars?

A 100%

B Yeah, right

C It depends

*Check **page 27** for the answer*

Future more digital

Turners Automotive Group is set to invest $2 million in an offsite data centre to consolidate two existing centres in Hamilton and Auckland, and provide a "further plank" in its protection strategy.

The company's plan for more digital investment includes enhancing its online offering, which helped to sell 600 vehicles during the Covid-19 lockdown.

Chairman Grant Baker told shareholders at the company's annual meeting on September 23 that it will continue plans to reduce its auction offerings and focus on more this dealerships, while economies of scale are being built on "to win in the digital space because we know this is key to future success".

He adds: "This is a key competitive advantage that we can expand on and certainly something that Covid has reinforced – if you can't offer a customer experience centred on a digital or virtual experience, then you are vulnerable.

"We pivoted strongly in this direction several years ago and, for example, have almost doubled our annual technology investment over the past three years."

Reminder over airbag recalls

The owners of more than 3,400 vehicles are putting themselves and others at risk because they are still fitted with potentially fatal airbag systems, warns the NZTA.

More than 78,000 cars have had their Takata devices replaced since a compulsory safety recall was issued in April 2018.

About 82,000 New Zealand-new and used vehicles were fitted with faulty airbags, which under the call-back need to be remedied by the end of March 2021 to avoid being banned from on-road use.

Cars still fitted with alpha-type Takata systems – there were 3,402 as of September 21 – will fail their warrants of fitness (WOFs) until they have been replaced.

BMW, Honda, Lexus, Mazda, Nissan and Toyota, which are affected by the recall, will replace the airbags free of charge, and affected vehicles can be searched for online at www.rightcar.govt.nz. People with the alpha airbags in their cars need to arrange for free replacement work to be carried out.

To date, there have been no serious injuries or deaths here related to Takata systems, although more than 20 people globally have died after their inflators exploded.

Meanwhile, the deadline for WOFs to be renewed after expiring due to the Covid-19 crisis is approaching.

Motorists are being urged to book slots now while testing stations may still have capacity with increasingly long waiting times expected in the run-up to October 10.

As of September 14, there were about 620,000 WOF extension tests still to be completed on top of warrants expiring last and this month as a matter of course. The deadline also applies to certificates of fitness, driver licences, vehicle licences and some certifications.

"This is going to put huge pressure on the industry," says Greig Epps, manager of advocacy and strategy at the Motor Trade Association. "There is only so much capacity in the system."

The 620,000 extension-related checks are only part of the story. "On top of those, you have 500,000 WOFs naturally expiring each month. That takes us to 1,620,000 inspections to be completed between now and the end of October – or more than 231,000 a week."

Expert checks on vehicles at border

With the high-risk season for the brown marmorated stink bug (BMSB) kicking in, border inspection organisations (BIOs) in Japan are in full swing with the mandatory treatment of used vehicles bound for New Zealand.

Measures to prevent them hitchhiking into New Zealand became compulsory after the industry's supply chain was brought to a standstill by BMSBs in early 2018.

Since then, the Ministry for Primary Industries (MPI) has required all used vehicles and machinery from Japan during the high-risk period – from September 1 to April 30 – to be heat-treated before shipment.

Bordercheck, a New Zealand-based company with its operations in Japan, is among the BIOs providing heat-treatment services after opening a site in Osaka in October last year. The company is fully MPI-approved and awaiting NZTA border-inspection approval. Its facility at Tsukematsu Port, Osaka, can process up to 3,000 units a month.

"We came up with the idea of heat treatment before 2018's stink-bug outbreak and always thought it was the way of the future, especially with regulations changing," says Keisuke Nagashima, Bordercheck director. "We've been working on this since 2016. It involved two years of background work before putting our plans into place and opening at Osaka."

Bordercheck offers biosecurity and full gate-in vehicle inspections, detailed photos and odometer verifications. It has secured exclusive rights to use heat-treatment systems developed for vehicles by BioVapor, another Kiwi company.

Bordercheck

Lance Dear, managing director, says: "We've also developed a paperless system from the ground up including in-house IT systems, digital technology and QR codes to create an efficient data capture and reporting platform across our entire process. This approach is world-leading and provides customers with accurate and timely information through the complete logistics chain."

Bordercheck is "striving to be the innovator of technologies for treating and inspecting vehicles". Nagashima adds: "A point of difference for us is our partnership with BioVapor. Its equipment is world class and we have set the bar with our technology. Importers have surety of knowing vehicles we handle will exceed standards that New Zealand requires."

Staff at Bordercheck have been busy since its facilities opened at Osaka in October 2019

The company has two staff in New Zealand and 12 in Japan, but is looking to expand.

"We're looking to grow the business in Osaka to full capacity, and then look at expanding in Japan and other regions such as Australia," says Nagashima. "With the uncertainty around the world economy because of Covid-19, there's a little caution about how fast we grow but we're happy with the success we've had so far."

Moves to make fleet greener

A lead organisation in Japan's car industry says its members are working to reduce pollution created by the transport sector by improving vehicles' fuel efficiency and expanding the supply of more environmentally friendly models.

The country's carbon dioxide (CO2) emissions came in at 1.27 billion tonnes by the end of 2018. Transport accounted for nearly 19 per cent – a proportion not dissimilar to New Zealand's – with motor vehicles being responsible for about 90 per cent.

Since peaking in 2001 following a decade of growth, CO2 volumes from transport in Japan have witnessed a steady decline, mainly resulting from better fuel efficiency in passenger vehicles and greater efficiency when it comes to the supply chain for goods.

The Japan Automobile Manufacturers' Association (JAMA) says fuel-consumption targets for cars, trucks and buses are formulated by applying "top runner" criteria, whereby a target value for a vehicle is established based on the leading performance to date for its weight category.

"JAMA's member manufacturers have been making continuous efforts to increase fuel efficiency and expand the supply of alternative-energy vehicles," says the association. "This has been to comply with tough targets set by the government in recent years and for the next decade."

For example, stringent average levels for small trucks, buses and heavy-duty vehicles were laid down in 2015 and followed by targets for cars this year. As for the future, there will be stricter targets – in 2022 for small trucks, 2025 for heavy vehicles and 2030 for cars.

Progress has also been made in Japan with electric vehicles (EVs) and plug-in EVs now being taken into account when calculating the average target of 25.4km/l for new cars in 2030, which represents a 32.4 per cent increase over actual values four years ago.

When it comes to technologies to boost fuel consumption, improved efficiency is high on the agenda with the likes of direct-injection engines, variable mechanisms such as cylinder activation and downsized supercharging.

Systems are also being developed to reduce piston and piston-ring friction loss, and to fully realise the benefits of low-viscosity lubricating oil.

Reduced vehicle weight is being tackled by adopting more lightweight materials and improving body structure, while better body configuration can lessen aerodynamic drag.

Improved powertrain performance can be achieved by expanding the number of transmission gears and increasing the use of continuously variable transmission. Low-rolling resistance tyres, electric power steering and idling prevention also boost fuel-consumption rates.

It is not just developing better vehicles that reduces pollution, it's how they are made that's important too. To this end, marques along with Japan Auto-body Industries Association (JABIA) members have been taking measures to slash energy consumption and cut CO2 emissions at production plants.

Having more recently expanded voluntary CO2 reduction activities to include administrative and research facilities, their combined facility-emitted emissions in 2018 totalled 5.72 million tonnes. That's down 317,500 tonnes on the previous year to surpass 2020's target of 5.83m tonnes – or a 35 per cent reduction from 1990.

JAMA and JABIA members are now aiming to cut their combined facility-emitted CO2 to 5.59m tonnes by 2030 for a 38 per cent drop from 1990.

Debate rages in New Zealand as to whether the likes of EVs should be subsidised in the market to boost uptake.

But since 2009, when the Japanese government's tax incentive and subsidy programmes to encourage consumers to buy eco-friendly models were introduced, new registrations of "next-generation vehicles" have been steadily increasing. These include hybrid, plug-in hybrid, full electric, fuel cell, cleaner diesel and other new-energy models.

As a result of car makers' increased efforts to develop the ranges of such models, the share of next-generation vehicles in new car registrations last year exceeded 39 per cent.

JAMA says their more widespread use requires not only further advances in technologies, but also – among other government initiatives – the fuel and energy supply infrastructure needed, and the continued provision of incentives for buyers.

To help speed up the shift to low-carbon road transport to curb global warming and improve air quality, the Japanese government has applied automotive-related tax incentives to promote the wider use of eco-friendly vehicles for the past 11 years.

Updated incentives and eligibility requirements came into effect in April and May 2019. Their effective periods were extended for two years except for incentives through acquisition tax, which expired at the end of September 2019 when the latter was abolished.

Japan's regulations governing exhaust emissions are among the world's most stringent and its car makers have developed advanced

Next-generation new-vehicle sales in Japan

YEAR	HYBRID	PLUG-IN	PURE ELECTRIC	FCEV	CLEAN DIESEL	TOTAL
2008	108,518	0	0	0	0	108,518
2009	347,999	0	1,078	0	4,364	353,441
2012	887,863	10,968*	13,469	0	40,201	952,501
2015	1,074,926	14,188	10,647	411**	153,768	1,253,760
2019	1,472,281	17,609	21,281	685	175,145	1,687,001

*Source: JAMA – The Motor Industry of Japan 2020; * indicates second year after 15 sales in 2011, ** indicates second year after seven sales in 2014*

Toyota's Mirai, as a fuel-cell electric vehicle, is classed as a "next generation" model in Japan

New Zealand's first 5G-connected driverless vehicle was tested in Auckland in March last year as a result of a collaboration between Spark and Ohmio Automotion, which developed it following trials at Christchurch Airport. As well as improved on-road safety, such vehicles with low emissions will also reduce pollution and congestion

How often do vehicle safety ratings change for a specific make and model?

A Never

B Annually

C It depends

*Check **page 27** for the answer*

technologies required to comply with them.

As a result, nitrogen oxides and other atmospheric pollutant levels have been, even in urban areas, on a steady decline, reports JAMA.

Japan has taken part in international discussions on the global harmonisation of emission test cycles and introduced the United Nations' test cycle for motorcycles in 2010.

Two years ago, the country adopted the UN's WLTC (worldwide harmonised light-vehicles test cycle) to measure emissions from new petrol-powered cars and light commercials.

This followed it adopting the WHTC (world harmonised transient cycle) in 2016 for measuring diesel emissions from heavy vehicles.

"Japan not only promotes the international standardisation of test cycles for measuring fuel consumption, CO2 and other emissions, but has contributed to developing the WLTC," says JAMA.

In-line with that initiative, Japan is set to replace its JC08 test cycle for light vehicles with the WLTC, which incorporates three driving modes – urban, rural and expressway. Declaring fuel-consumption rates in these modes, as well as the certified mean average, has been required since October 2018.

An area likely to soon affect New Zealand's car industry is the government here extending product stewardship schemes to include tyres, refrigerants, car batteries and associated e-waste at the end of a vehicle's useful life.

The cradle-to-grave approach aims to ensure all sector participants are required to contribute to costs associated with the responsible disposal of these goods.

Suffice to say, systems in Japan are well-advanced in this area. Under its end-of-life vehicle (ELV) recycling legislation, which came into force 15 years ago, manufacturers and importers are responsible for the recovery, recycling and appropriate disposal of hydrofluorocarbons used are used in air-conditioning units, airbags and automobile shredder residue (ASR).

The shredding of cars is a process in which its materials are grinded into fist-sized pieces. This results in a mixture of ferrous and non-ferrous metal, such as copper and aluminium alloys and shredder waste, while ASR consists of glass, fibre, the car's liquids, plastics and dirt.

Compliance with legal requirements in Japan was anticipated to enable ASR to be recycled at a rate of 70 per cent by 2015, resulting in an automobile recycling rate – by vehicle weight – of 95 per cent compared with 80 per cent before its ELV legislation came in. Those rates were surpassed in 2008.

Japan's mandated vehicle-recycling infrastructure is a world-first in administering the process of recycling from recovery to final disposal based on electronic manifests or compliance checklists.

In-line with ELV legislative provisions promoting the so-called 3R initiatives of "reduce, reuse and recycle", marques in Japan are also striving to design vehicles using lightweight materials that are easy to dismantle and recycle, and to reduce and recycle waste generated in the manufacturing process.

In 2018, the volume of automotive plant-generated waste destined for landfill disposal totalled 181 tonnes. Having long surpassed the target of 907 tonnes set for 2020, JAMA will continue to promote the reduction of plant-generated waste going to landfill.

AUTONOMY IS 'GREEN'

The adoption of intelligent transportation services (ITS) in the car industry is gaining major traction in Japan with major environmental benefits being predicted.

In April 2018, the government released an outline of measures needed to create legal frameworks for the practical application of level-three automated driving technologies by this year.

Its public-private ITS initiative and roadmaps policy, which represents Japan's strategy on ITS, formulates a plan to commercialise level-four automated driving on expressways and expand its use in freight transport by 2025.

As a result, JAMA is now taking part in initiatives being undertaken for their practical use. On the back of this, JAMA formulated its mid and long-term mobility vision in March 2018. This establishes 2030 as a "critical milestone in the evolution of mobility".

There are four major strands to the association's vision. One is to reaffirm the role of motor vehicles to date in enhancing people's lives, which includes improving road-transport safety, reducing environmental impact, optimising efficiency and accessibility, as well as "creating emotional value".

JAMA's policy proposes solutions for priority issues based on using automated driving systems, electrification and connectivity technologies over the next decade.

It advocates solutions to expedite achieving zero accidents by eliminating human error, zero environmental burdens, optimal efficiency in transport on-road mobility thanks to more efficient road and vehicle use via telematics impacting on congestion, and showcasing the real-world operation of ITS during the Tokyo Olympics.

The Japanese government has established a timeline for promoting automated driving in cars. From the early 2020s, it wants progress with level two and three systems so they are in widespread use by 2025 with the aim of having fewer road accidents.

In a bid to cut congestion, it hopes to expand the use of level-two advanced driver-assistance systems on regular roads through to 2025. When it comes to logistics, the Japanese government wants to see truck platooning during the early 2020s and level-four self-driving on expressways by 2025 to boost productivity.

As for JAMA, its ITS roadmap envisions the expanded application of automated driving technologies between 2020 and 2030 and, by 2050, the comprehensive deployment of advanced levels of driverless vehicles.

It wants to "go beyond the limits of human ability with technology by 2030" in the areas on ITS, electrification of the fleet and connectivity.

Counting cost of port plans

The chief executive of Port of Tauranga says which way a decision on the future of Auckland's cargo eventually goes is likely to hinge on whether ratepayers in New Zealand's biggest city and the government are willing to fork out billions of dollars on a new facility.

The future of Ports of Auckland – and, in particular, its motor vehicle and other imports – has been the focus of the Upper North Island Supply Chain Review over the past few years.

A report into that working group's recommendations was published by Sapere, an economic consultancy, in July. It essentially put the idea of shifting cars to Northport to the sword.

The Sapere report, which was commissioned by the Ministry of Transport and Treasury, concluded a new port at Manukau Harbour


Imported cars dockside at Tauranga

in south Auckland was the best option at a cost of $3.56 billion with expanding Tauranga coming second at $4.66b. However, a decision by the government has been deferred until after the general election.

"A detailed feasibility study would be required to test whether Manukau is even possible given the major shipping issues, costs and environmental impact," says David Pilkington, chief executive of Port of Tauranga, in the NZX-listed company's annual report.

"Sapere's report is the latest of more than 20 reports to examine this issue in the past 15 years. In our view, if all port companies simply priced and invested to achieve a cost of capital return, a natural hierarchy of ports would emerge quite quickly.

"Ultimately, Auckland City ratepayers and the government need to decide whether they wish to fund a major new port or utilise the well-performing and efficient assets at Northport and Tauranga."

Pilkington adds that in the meantime, Port of Tauranga will continue to boost capacity.

International experts have indicated it can accommodate up to 2.8m TEUs [20-foot equivalent units] on its current land.

As for financials for 2019/20, Tauranga's profit after tax was $90m – down from $100.6m on the previous year – while revenue fell by three per cent from $313.3m to $302m.

Exports and imports, including all bulk shipments such as logs, dropped by eight and 7.8 per cent respectively. Transhipment volumes remained steady. TEU volumes increased by 1.5 per cent despite the overall decline in volumes.

"We are better positioned than most due to our track record of strong capital discipline, our conservative balance sheet and capacity headroom," says Pilkington. "Our diversity of cargo gives us some resilience in terms of revenue."

Dealers see e-commerce benefits

There is no doubt that the coronavirus pandemic will have a lasting impact on businesses across all industries around the world.

Whether it has been the introduction of Covid-safe procedures and equipment, managing staff remotely or setting up a home-delivery service, enterprises have been forced to pivot to survive during times of tight restrictions and social distancing.

Many companies have embraced this period by using it as an opportunity to fast-track what were once pipeline dreams of "going digital" and introducing e-commerce solutions in order to remain a viable option for their customers during the pandemic.

The automotive industry is no different with dealerships adding online stores and digital vehicle-sales functionality to their websites to reach customers even when they are unable to enter showrooms.

A study undertaken by the Bank of America, US Department of Commerce and ShawSpring Research found that, in the past decade, e-commerce sales grew at a gradual rate from six per cent of retail sales in 2009 to 16 per cent last year.

Over an eight-week period in March and April 2020, however, online sales climbed from 16 to 27 per cent – without a doubt the result of widespread lockdowns and reduction in face-to-face business operations.

Despite these being US figures, we can confidently assume our own statistics for digital sales would show a similar trajectory over the past few months, particularly during Covid-19 lockdown periods.


TODD FULLER
General manager
AdTorque Edge NZ

This demonstrates just how important it is for businesses, no matter what they are selling, to be ready and able to transact online when customers are searching.

Like other sectors, the automotive industry has quickly adapted its operational models to continue generating revenue during these complex times.

Many dealerships have introduced contactless vehicle service, car sanitising and at-home test drives in response to the imposed restrictions and health recommendations. There has also been a real push toward e-commerce, driving automotive customers toward online purchases.

Our own investigation has shown that in the first week following the easing of restrictions in April, visitors to dealership websites increased by 42.5 per cent. In July this year, we also saw 156 per cent growth in digital enquiries received by dealerships compared to pre-pandemic figures from January.

These results demonstrate that – despite the pandemic – there remains a strong level of interest in purchasing vehicles. However, due to the ongoing need to social distance, customers are seeking to do so remotely.

So, how can dealers be best placed to meet the needs of customers in this increasingly digital world?

The first priority for dealers should be introducing online vehicle-sales functionality on their websites. Over the past few months, many of our clients have added "hold car now" or "reserve" buttons to their inventory listings so they secure deals online.

Let's get digital

- In April, online sales grew from 16 to 27 per cent of retail sales.
- In July, there was a 156 per cent increase in digital enquiries to Kiwi dealerships.
- Dealers are adding "reserve a car" functionality to start sales online.
- Automotive online stores can sell accessories, parts and merchandise.
- E-commerce allows dealers to transact regardless of restrictions or lockdowns.

This hybrid sales process allows customers to start a purchase online by putting down a credit-card deposit to hold a car. The vehicle is then blanked out from the stock locator and the sale is completed in person – either at the dealership or customer's home or office.

Given the significance of a vehicle purchase, and the other associated elements such as finance and after-market, it is important for a salesperson to be involved to some degree.

However, to give people that initial control and ability to commence the process from behind their screen presents dealers with an opportunity to reach the modern, digitally savvy customer who is well-versed in shopping online and the instant gratification that comes with it.

Another consideration for traders is the addition of an online store to their websites. Such pages can be utilised for the sale of vehicle accessories, parts or even brand merchandise. Establishing a virtual shop sets a dealership apart from their competitors because this is a fairly new concept in our industry.

It also enables dealers, quickly and easily, to build a database of customers to whom they can advertise, promote products and offers, and encourage repeat business. Furthermore, they can use these databases to build lookalike audiences of in-market consumers to target on digital-advertising platforms.

Most importantly though, during these unprecedented times, e-commerce – be it an online store or a reserve-a-car option – presents dealers with a means of transacting that never has to close down regardless of any future restrictions or lockdowns that may be imposed.

The month that was... October

October 13, 1997

Dealers grab initiative with code

A code of practice was about to be adopted by the Imported Motor Vehicle Dealers' Association (IMVDA) that would see its 470-plus members maintaining minimum business standards.

The move was viewed as a fightback by the used-imports sector, which had been under considerable pressure since the odometer media war broke out in May.

As a result of continued skirmishes, the market for used imports had suffered heavy losses with fewer vehicles being sold during September than in any other month during that year.

In fact, cars sales were down by 18 per cent during September 1997 when compared to the same month in the previous year. To the end of the third quarter, 76,605 used vehicles had been registered compared with 82,649 in 1996 for a difference of about 6,000 units or seven per cent.

Objectives of the code included ensuring vehicles sold by the IMVDA's members met high quality standards of presentation and servicing, were accurately and fairly described, were supported by available documentation verifying their history and complied with all safety requirements.

In addition, customers were to be fully, fairly and adequately informed, and association members would promote and sell vehicles responsibly.

October 8, 2004

VTNZ buys on road business

In a move with major implications for the new entry-inspection process for used imports proposed by the Land Transport Safety Authority (LTSA), an agreement was signed by VTNZ to purchase the assets and business operations of fellow transport service delivery agent (TSDA) On Road.

However, while VTNZ had bought On Road's assets and business, the latter's existing management would continue to actively pursue a role in the LTSA's entry-inspection process.

Kevin Pugh, managing director of On Road, said that the main reason for the sale was to "clear the decks" for management to tender for the border-check role. "We are tendering for the zone of independence [the initial inspection process] and want to be squeaky clean," he explained.

The purchase came one week before tenders for roles in the entry process were due, prompting speculation about the effect on the other TSDAs' proposals.

VTNZ's chief executive, Mike Walsh, said he would review the operations of On Road to understand the business before making a decision on whether to integrate it.

October 18, 1999

Car price rises on the cards

The prices of vehicles in New Zealand were predicted to never again be as cheap as they were in 1999 in the wake of a weakening Kiwi dollar and no sign of a turnaround – until perhaps the middle of the following year.

Bank of New Zealand's chief economist, Tony Alexander, said our currency was likely to stay as it was or even weaken further.

"The New Zealand dollar is overvalued from too many imports and not enough exports," he said. "I believe that long term, that's to say in the next 10 to 20 years, our dollar will drop by between 10 and 15 cents."

John Osborne, managing director of Penrose Vehicle Importers Ltd, expected both new and used-import prices to increase between 10 and 20 per cent over the next 12 months following a possible further 10 per cent depreciation in the kiwi.

"It's going to make the industry tougher and tighter," he told Autofile. "What it hasn't done is stop the junk coming in. By junk, I mean 1991 or 1992 cars that – honestly – have done more than 100,000km."

Alexander added the risk that New Zealand's dollar would weaken further was fuelled by an impending general election.

October 14, 2005

Trade Me motors into market

Two years after exploding on to the car auction scene in 2003, Trade Me Motors announced plans to challenge traditional dealer-only auctioneers in what it saw as "the lucrative wholesale market".

The new operation had the potential to take business away from existing auction houses, such as Turners and Hammer.

Since launching with 5,000 cars at an average price of $5,000, Trade Me Motors had grown to 32,000 vehicles at an average price of $11,000. The site claimed to facilitate the sale of 300 units each day.

Trade Me founder Sam Morgan said there was room in the market for an online platform on which importers – both new and used – could list stock for dealers.

Hammer Auctions' managing director, John Boswell, said there was a place for electronic sales, but dealers would continue to use auction houses because they liked the peace of mind on offer.

He added: "Clients come here because they like to touch and feel before they buy, because they know we have qualified staff who are able to give a heads-up on quality, and because they know Hammer gives a 48-hour full warranty to dealers from the time a car arrives."

From bandwidths to car standards

I had the pleasure of calling in to see a few used-car dealers last month. As usual we got into routine chats about how the market is, how are they going and if they are up with the play on two issues that could pose significant industry disruption – not that we haven't had enough of that already this year.

One of those topics is the evolving introduction in Japan of intelligent transportation systems (ITS) based on using the 760Mhz transmission frequency and the potential impact this puts on the choice of used vehicles that can be legally imported into New Zealand.

The other issue is the Labour party's announcement to proceed with the introduction of a clean car standard, which will impact new and used imports – if it is re-elected.

This column only serves to alert you to the matters so you can keep an eye on developments because their impacts could be significant.

ITS are bringing in the next wave of on-board safety developments by allowing cars and the roading system to communicate with each other. Traffic alerts, speed control, accident events and so on can be relayed to the vehicle allowing early remedial action.

Unfortunately, for us, Japan has elected to use the 760Mhz band as the basis for ITS communication.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Its selection of this band seems to be unique – in global terms – with most other countries using or likely to use frequencies at or near 5.9Ghz. Europe, for example, has locked in that frequency.

A communication band has yet to be set for New Zealand, but we can't use 760Mhz because that band is already owned here by Spark for its mobile phone network.

Cutting to the chase, no other party can either import or use a transmitter based on 760Mhz in this country. This means we cannot bring in vehicles from Japan's domestic market with devices operating on this frequency unless a way can be found to resolve the legal and technical issues involved.

Chopping out any transmission devices might not be as simple as it sounds because that may impact other vehicle systems and type-approval certification.

So, at this time, how big is the issue? The ITS technology was first introduced in Japan in or around 2016, but in the initial stages only a small number of vehicles were fitted with it – mostly variants of the Toyota Prius.

In subsequent years, some other Toyota and Lexus models were added to the list and we expect the technology will become much more common in the future.

Now for the second item on the list of issues dealers need to be aware of – the clean car standard. This will affect the new and the used-import sectors if introduced.

Labour recently declared its intent to proceed with its introduction. It stated: "Labour will introduce a vehicle fuel-efficiency standard for new and used light vehicles entering New Zealand of 105gCO_2/km, gradually phased in from 2021 to 2025. The standard would apply only to the supply of vehicles entering New Zealand and not the resale of existing vehicles in New Zealand, which account for 74 per cent of annual sales."

You might recall this was a hot topic of discussion in the latter half of 2019. Industry submissions at the time covered real concerns about the aggressiveness of the respective target of 105 grams of carbon-dioxide emissions by 2025.

Based on the limited detail provided in the recent announcement, it seems that industry concerns have been largely ignored.

To give you a bit of context, 105gmCO_2/km is broadly equivalent to a fuel-consumption rate of about 4.5l/100km. Only a small number of internal combustion engine (ICE) vehicles achieve that level of efficiency. Below that level is largely the preserve of electric vehicle (EVs), plug-in hybrid EVs (PHEVs) and petrol hybrids.

We don't yet know details of the plan and how it will be applied, but a review of last year's proposals may give you some idea.

At a high level, a clean car standard sets a declining annual target. Importers will earn credits for any vehicles operating below the annual target and penalties for those operating above the target.

At the end of a specified term, such as a calendar year, importers will have to add up respective net credits and penalties and then pay any outstanding debts. Scope might exist to sell credits or to carry them forward to the following year.

Speeding up shift to electric

A not-for-profit organisation is calling for the powers-that-be to lead by example and switch to electric vehicles (EVs).

Drive Electric also wants more action to be taken to encourage corporate and commercial fleets to shift to emissions-free driving.

All up, it has come up with five key policies it has been encouraging the next government to adopt so electric cars become more mainstream.

Its policy ideas are aimed at road transport, which is the second largest source of emissions in this country, and it is hoped they will help meet targets set by legislation.

"To meet New Zealand's climate ambitions, we will need to see at least 250,000 new EVs on the roads by 2025 and for this trend to continue through to 2030," says chairman Mark Gilbert. "Active and public transport will also form an important part of a future transport system that's safe, healthy, accessible, resilient and decarbonised."

The key policy platforms set out by Drive Electric are:

- Developing a bipartisan pathway for the transport sector to deliver New Zealand's climate-change objectives.
- Encouraging businesses to purchase EVs for their fleets.
- The government to demonstrate leadership on using electric cars in its fleets.
- Making New Zealand a globally attractive market for EVs.
- Encouraging Kiwis to make the switch to electric.

There could come a time when EV chargers are almost as common on our streets as parking meters

Gilbert's letter to political parties urges a bipartisan pathway to be considered as a key policy item in the lead-up to polling day. He also explains Drive Electric's ambitions to increase the number of EVs on our roads to reduce the volume of petrol and diesel vehicles being imported.

CROSS-PARTY CALL

Drive Electric says developing a cross-parties pathway for the transport sector, including the light and heavy fleet, to deliver New Zealand's climate-change objectives is needed to make an important contribution in meeting ambitions set out in the Zero Carbon Act.

For transport, clear targets and a well-defined transition pathway are required to also engage industry. It is anticipated this will create investment certainty for future governments, transport agencies, businesses and individuals, and for transport to be safe, healthy, accessible, resilient and decarbonised.

BUSINESS PURCHASES

EV fleets will play an important role in the fleet's transition, according to Drive Electric.

Sales-data analysis suggests around one-third of vehicles are sold to corporate or commercial fleets, which boost availability in the second-hand market when on-sold.

However, new EVs are yet to reach price parity with petrol and diesel, so companies may need extra encouragement to go electric.

Part of the answer is a national target and transport transition pathway for investment certainty. Businesses also need to understand shifting to EVs is the easiest way to decarbonise, particularly when climate-related financial disclosures come into play.

Policy initiatives, such as changing fringe-benefit tax to enable private use of corporate EVs or ramping up the depreciation rate for electric cars, may incentivise further uptake and could be time-limited. Other tax and purchase incentives could be explored based on overseas markets.

Costs and emissions

Dr Paul Winton, founder of climate-action group the 1.5 Project, says having 250,000 EVs in our fleet in five years' time is a realistic target.

There were 11,788 used and 4,680 new EVs registered in New Zealand by start of September, according to the Ministry of Transport.

"If New Zealand were to achieve adoption rates similar to Norway for new-to-fleet vehicles by 2025, this would result in 250,000 EVs by 2025 in the light fleet," says Winton. "If we continue at that rate, our light fleet would comprise of 30-40 per cent electric or zero-emissions vehicles by 2030."

He notes Auckland Council's climate-action plan outlines a target of 40 per cent of the fleet to be electrified or zero emissions by 2030.

"For New Zealand, this transition will be easier than when Norway started 10 years ago. EVs are becoming less expensive and more capable. By 2025, there will be no clear reason for consumers or businesses not to buy them."

In five years' time, a petrol or diesel vehicle may be more expensive to buy, run and repair, have a shorter lifespan and perform worse with higher emissions.

"The target we propose also assumes we use cars the same way as we do today into the future," says Winton. "In practice, we should need fewer vehicles as we advance active and public transport."

Eye on EVs

	Compared to last month	Compared to prior year
Live EV listings on Trade Me:	+3.1%	-6.8%
New EV listings on Trade Me:	-2.3%	-2.9%

SETTING AN EXAMPLE

Drive Electric is calling for more leadership from the top on EV use. The government fleet, which includes mandated agencies, has about 16,000 vehicles but less than one per cent are electric.

The government's procurement body has a goal "that, where practicable, the government's fleet should be emissions free by 2025/26".

It's suggested the government can take a leadership position by moving its entire fleet to electric. This would signal change to businesses, councils and individuals, and make more second-hand EVs available to Kiwis longer term.

CLEAR TARGETS NEEDED

"Make New Zealand a globally attractive market for EVs", is another strand to the call to action as this country – along with the UK, Japan, Australia – are among the few right-hand-drive (RHD) markets.

Some European countries have introduced phase-out dates for fossil-fuel powered vehicles. They include the UK, which is considering bringing this forward to 2032.

Without a clear target and pathway, our country risks being overlooked by marques as a market for new technology, competitive pricing and ranges in EVs.

Worse still, says Drive Electric, without government guidance on EV targets and emissions standards, New Zealand risks becoming a "dumping ground" for cheap petrol, diesel and hybrid vehicles from the UK and Japan as they move to electric.

ENCOURAGE KIWIS

In 2018, only one-in-100 light vehicles were petrol-electric hybrids and fewer than two-in-1,000 were fully electric.

"Setting a bipartisan target and transition pathway will create certainty for New Zealanders to consider EVs, especially as costs of ownership reach parity," says Drive Electric.

"Government and corporate fleet leadership will create a second-hand market. When targets and pathways for transport are set, incentives and education programmes will need to be considered to encourage individual uptake of EVs.

"Policy choices need to be bipartisan, time-bound and could be designed to be self-funding. For many, a car is one of an individual's largest assets. With technology changing and shifting towards EVs, it is equitable to let New Zealanders know this change is coming to inform future investment decisions."

Gilbert says Drive Electric's policies have been devised by members who have been supported by external experts, such as investment consultant Dr Paul Winton, economist Shamubeel Eaqub and sustainability consultant James Walker.

He stresses increasing the number of EVs on our roads will benefit the environment and consumers may also make substantial savings.

"New Zealand must reduce emissions by around 60 per cent by 2030 to stay within 1.5 degrees of warming, the target contained in the Zero Carbon Act. Road transport is the second largest source of emissions. The light fleet constitutes more than 90 per cent of travel on our roads.

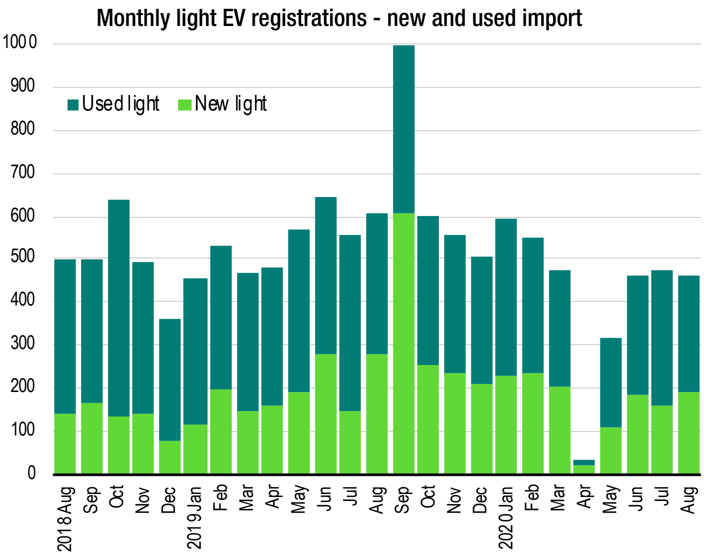
"Therefore, e-mobility is an essential part of our future and New Zealand is ideally suited given our high proportion of renewable energy."

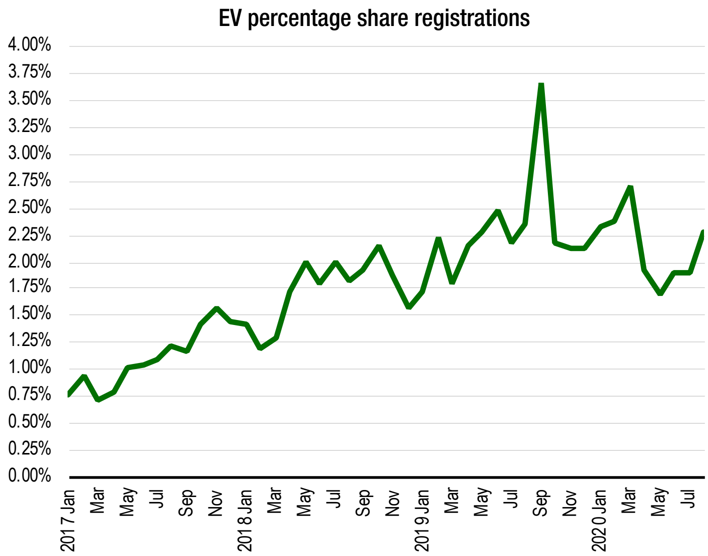
Looking at the bigger picture, Drive Electric says its policy ideas for EVs will result in co-benefits in a broader economic and social context. "Switching to EVs for light and medium vehicles will deliver net public savings. New Zealand will be less reliant on foreign oil, improving our balance of payments."

Total EVs by region

Region	Total
Northland	666
Auckland	9,093
Waikato	1,206
Bay of Plenty	777
Hawkes Bay	381
Gisborne	65
Taranaki	277
Manawatu/Wanganui	676
Wellington	3,182
Nelson/Marlborough	786
Canterbury	3,385
West Coast	31
Otago	1,326
Southland	167

Source: MoT, 4 September, 2020





Source: MoT, 4 September, 2020

EV watchlists on Trade Me:

+0.5% Compared to last month

-14.3% Compared to prior year

Top 5 EV models listed on Trade Me last month:

1. **Nissan Leaf**
2. **Nissan e-NV200**
3. **Volkswagen e-Golf**
4. **BMW i3**
5. **Hyundai Kona**

Average listing price for the month:

$28,998

trademe motors

* Figures as per the end of **September 2020**

When size may not matter

The all-new T-Cross R-Line

Coming in at about four metres long, Volkswagen wants its all-new T-Cross to stretch industry expectations and set a fresh standard for its class.

"It may be our smallest SUV, but it has what it takes to become a great one," Greg Leet, general manager of Volkswagen Passenger Vehicles.

"The T-Cross not only allows us to play in one of the largest segments of the automotive sector, but it has a lot to offer Kiwi customers. We're confident this model has what it takes to become one of the best small SUVs in the country."

Starting from $34,240, the range offers four model types. The Life, Style and 1st Edition variants host a one-litre TSI three-cylinder turbocharged petrol engine generating 85kW of power and torque of 200Nm.

The top R-Line model packs an extra punch with a 1.5-litre TSI four-cylinder turbocharged petrol engine producing 110kW and 250Nm.

The compact crossover design has been constructed to give its driver the versatility it needs to travel "in and outside the urban jungle".

Recognised with an ANCAP five-star rating, safety comes as standard across the range. Featuring numerous driver assistance systems, which were previously reserved for higher vehicle classes, the range includes autonomous emergency braking, pedestrian and cyclist-monitoring system, lane assist, and side assist with blind-spot monitor and rear-traffic alert.

"This car's outstanding crash characteristics and exemplary occupant protection increases safety, reducing the risk of a collision, and improves driving comfort," says Leet.

With a total vehicle length of 4.11 metres, the 2.56m wheelbase is comparatively generous, allowing a spacious interior with enough room for five people.

For the greatest possible versatility, the sliding rear seat can be adjusted by 14cm allowing more passenger legroom or luggage space. The rear backseat can be folded down to transform the hold from carrying 455 litres to 1,281l.

The new T-Cross provides a level of connectivity with the outside world. Even the operation and customisation of the on-board functions are intuitive. Smartphones can be charged inductively and up to four USB ports provide for digital convenience.

Along with the T-Roc, which is set to make its return to New Zealand later this year, the T-Cross, Tiguan, Tiguan Allspace and Touareg will make up five SUV formats across the brand, while the ID.4 will be its first fully electric SUV.

All this means "Volkswagen will offer one of the world's largest SUV ranges and cover practically all segments", the marque claims.

Life is sweet

The front-engined Roma is a departure in styling for Ferrari, embracing the Dolce Vita of the 1950s with sleek lines, slim headlights and minimalism.

Buyers desperate for one will have to wait because first deliveries are expected in the first quarter of next year.

The front grille is finished in the same colour as the body, while 20-inch wheels are standard. Rear quad tail-lights are embedded into the rear-lip spoiler.

The Roma generates 95kg more downforce at 250kph than the Portofino with only four per cent more drag. The 3.9-litre turbocharged V8 can produce 456kW from 5,750-7,500rpm, and 760Nm between 3,000 and 5,750rpm. Power is sent to all wheels via an eight-speed dual-clutch automatic transmission.

Completing the sprint from standstill to 100kph takes 3.4 seconds and onto 200kph in 9.3 with a top speed of 320kph.

Trident brand strides into new era


Maserati's Ghibli Hybrid

The spark of electrification will ignite Maserati's future next year when it launches the Ghibli Hybrid.

The choice to introduce the hybrid technology on the sedan is no coincidence with the model selling some 100,000 units since its launch in 2013.

And it is a deliberate drive by the Italian marque to expand its range so it's more competitive and responsive to market demands.

Its hybrid technology exploits kinetic energy the car accumulates when in motion, and recovers and transforms it into electricity during deceleration and braking before being stored in a battery.

The innovative powertrain is the outcome of in-depth engineering development work by Maserati's technicians and engineers in Modena.

It combines a two-litre turbo combustion engine with a 48-volt alternator and an additional electric supercharger – dubbed an "e-booster" – supported by a battery.

Maserati says this solution is unique in the Ghibli Hybrid's segment and is the first in a new generation of powertrains for a "perfect trade-off between performance, efficiency and driving pleasure".

The battery is mounted in the rear of the car, with benefits in terms of improved weight distribution, while it weighs in about 80kg less than the diesel version.

Thanks to maximum power output of 246kW and torque of 450Nm delivered from 1,500rpm, the hybrid boasts a top speed of 255kph and can make the 0-100kph dash in 5.7 seconds.

The marque has optimised the exhaust, which includes specially designed resonators for that "unmistakable" Maserati sound.

The Ghibli Hybrid benefits from an exterior and interior design makeover. The common denominator of the restyling, developed by the Centro Stile Maserati, is the blue colour chosen to identify all of its cars with hybrid technology.

On the exterior, the blue characterises the three side air ducts, brake calipers and thunderbolt in the oval that encloses the trident on the rear pillar. The same colour appears inside in particular on the embroidered seat seams.

The marque's intelligent assistant multi-media system is the latest generation. It's based on digital inputs from Android Automotive, software that delivers an innovative user experience customisable to the driver's preferences.

The hybrid represents the first step in a plan that will lead to the electrification of all Maseratis. The marque's first all-electric cars will be the GranTurismo and GranCabrio, which are slated for 2021.

The final countdown

Just 18 limited-edition Saigo WRXs have been allocated to New Zealand with some already pre-sold.

The latest version of Subaru's performance model, which arrived here in September, takes its name from the Japanese "saigo", which translates as "the last".

This variant is the final special-edition version WRX in the current generation. It features black exterior accents, 18-inch STI wheels, suede interior trims and Harman Kardon audio.

Powered by a two-litre direct injection turbocharged Boxer engine, the car produces 197kW at 5,600rpm and has maximum torque of 350Nm from 2,400-5,200rpm.

"While our current-generation WRX will continue to be on sale until late next year, the Saigo represents the end of an era," says Wallis Dumper, managing director of Subaru of NZ. "Initial feedback from our authorised centres suggests we may have underestimated its popularity."

The WRX Saigo is priced from $55,990, and is available with an eight-speed lineartronic transmission with paddle shift or as a six-speed manual.

Electrifying power

The Turbo S packs 560kW of power and 1,050Nm of torque into two electric motors for a 0-100kph time of 2.8 seconds. Range is claimed at 405km.

Porsche NZ has confirmed pricing for its all-electric and all-wheel-drive Taycan, which is due here later this year.

The base model 4S starts at $203,900, the Turbo $289,900 and the Turbo S, pictured, from $366,900.

It looks like the marque has left some gaps for future variants, such as the 2S and GTS. There's no official word on the 2S nomenclature, but Porsche is planning some entry-level models that may drop the price to less than $200,000.

Buyers of the Turbo non-S will get 500kW/850Nm to make the 100kph dash in 3.2 seconds. The output drop is balanced by a range of 450km.

The regular 4S will come with 390kW/640Nm for a 0-100kph time of four seconds. The optional "performance-battery plus" will boost battery capacity from 79kWh to 93kWh, which is same pack found in the Turbo twins. Range for that jumps from 365km to 414km, while power goes up to 420kW.

Podcasts share racing knowledge

Championing the fastest young Kiwi racers is nice work if you can get it.

And pushing race reports, banter and opinion out into the online world is a new step for the three wise men behind the new Racing World podcast – David Turner, Darcy Waldegrave and Bob McMurray.

It is the first time such a venture has been established in New Zealand, and it takes local motorsport media beyond radio, print and static website coverage.

The big difference could well be the diversity of the three identities, who muster between them about 150 years of motorsport experience. They each have a unique perspective on motorsport in respect to Covid-19, so who are they?

On air. From left, David Turner, Bob McMurray and Darcy Waldegrave

DRIVING WITH ANDRETTI

Broadcaster David Turner discovered motorsport at the age of six when his father took him to the old Levin circuit and onto the very first race meeting held at Manfeild.

"Then we moved onto racing gas-powered radio-controlled cars and by 14 it was karting," he says. "Apart from karting at national levels in the Yamaha class for many years, I did try Formula Ford via the Richard Lester Motorsport School. There was some talent but maybe not enough.

"Finding out I was not a hot-shot driver as such and, having started work, television became the main goal."

Turner edited coverage of the inaugural Nissan Mobil 500 street race and worked on motorsport coverage until 1998 when he launched TV One's motorsport programme. For many years, it was the mainstay and often only free-to-air programme covering the sport.

Scott's IndyCar debut

Team Penske has confirmed Scott McLaughlin will head to the US after the Bathurst 1000 endurance race to make his IndyCar Series debut.

McLaughlin, who leads the Virgin Australia Supercars Championship (VASC) and is lining up his third title, will contest the 2020 series finale on the streets of St Petersburg, Florida, on October 25.

He took part in the pre-season open test at Circuit of the Americas. He had subsequently tested at the Sebring International Raceway road course and the 1.5-mile Texas Motor Speedway oval in preparation for his scheduled debut on the Indianapolis Motor Speedway road course before Covid-19 forced its postponement.

McLaughlin says: "This is something I haven't stopped thinking about, but I wanted to ensure my focus was on winning our third straight Supercars championship for DJR Team Penske and our partners in Australia."

He has also been waiting for sign-off from the US authorities to travel amid the country's coronavirus response, and storms and floods have been affecting many southern states.

Meanwhile, the Bathurst 1000, this year's VASC final round, will be run in front of a tiny crowd of 4,000 due to Covid-19 restrictions.

Camping at the circuit, long a Bathurst tradition, is banned. Fans will be confined to reserved seating at the bottom of The Mountain at Murray's Corner, the pit straight and Hell Corner.

Spectator points on Mount Panorama from Reid Park through to Forrest's Elbow will be off-limits. The Chase, paddock area and back of garages will also be inaccessible to fans, and autograph sessions with drivers have been canned.

The event usually attracts more than 50,000. McLaughlin won in 2019 in his DJR Team Penske Ford Mustang.

His most memorable drive or ride was five laps of Fontana Speedway in the US in a two-seater Indycar with Mario Andretti at the wheel.

"The chance to actually feel the g-load, and the aero changes in and out of the banking and turns, really made the whole IndyCar thing take on another level. It was an instant session in how aerodynamics works that you simply can't explain until you have felt it."

So, what will be the saving of motorsport be in post-Covid-19 era?

"People will have to think differently and, while we have border controls, New Zealand has to improve its game on the domestic front," opines Turner.

"Covid's a chance to do this. All sports are competing for entertainment and sponsor dollars. We must do a good job to attract the market back to the sport and get back among the headlines for the right reasons."

Turner adds the mainstream media missed "a huge story" in Scott Dixon's hat-trick of IndyCar series wins.

"We were able to get him on Racing World right after the races, which is the beauty of a podcast. It's focused, agile, digital and, thanks to my co-presenters, also credible."

'FLUNG' BY D'ALBERTO

Darcy Waldegrave, radio sports presenter, got into motorsport through his father's insistence that he watched "the red cars" in Formula 1.

"Each round was two weeks old at the time, but he'd been a Ferrari fan growing up hence the Tifosi-tinged statement. I haven't looked back."

Waldegrave says he has never been tempted to have a go himself though.

"The more time I spend being exposed to hot laps and rally shakedowns, the more I realise that I have little talent behind the wheel. Being traffic is my only contribution."

A most memorable ride for Waldegrave came during the V8 Supercars' time in Hamilton and "being flung around the street circuit by Tony D'Alberto".

He also cherishes the memory of a rally shakedown with Andrew Hawkeswood that was "phenomenal, albeit a tad frightening – he's loose".

Waldegrave adds: "A day at Dale Atkins' rally school was terrific as well. The twin-seat Toyota Racing Series ride with Mitch Evans around Hampton Downs has to be up there too."

Waldegrave says the future for motorsport in New Zealand is about "communication and a desire to think outside the square".

There also needs to be "an ability to look for the greater good, not just what directly benefits yourself and your class. The sporting landscape is rapidly evolving under the duress of Covid-19, opening a chance to deconstruct and reconstruct".

David Turner will never forget his ride with Mario Andretti in a two-seater Indycar

One of Bob McMurray's fondest memories is riding with Denny Hulme at Goodwood in a McLaren Can-Am

Tuning in

Weekly Racing World podcasts can be found at its "home site at https://anchor.fm/david-turner43, as well as at https://radiopublic.com/racing-world-presented-by-race-c-G7J5kE and https://open.spotify.com/ow/6CKyao5SKwBCj14luckTen

THE OLD NURBURGRING

Bob McMurray, an ambassador for Toyota Racing and board member of the Kiwi Driver Fund, first discovered motorsport at Brands Hatch in the UK.

"Motorbikes – Minter, Duke, Agostini. Then seeing Jim Clark and Sir John Whitmore driving the Lotus Cortinas. First setting foot in McLaren Racing in 1968. And on it went."

McMurray did compete in rallies and driving tests in a Mini.

That said, "after some 'interesting' experiences I decided I had neither the talent nor the money to make it a profession."

As for his most memorable ride, he recalls that while working in F1, he was able to be driven by some of the best.

"Hulme at Goodwood in a McLaren Can-Am car, Patrick Tambay around the old Nurburgring in a BMW 3.0CSL, Batmobile style. Bernd Maylander around the old Nurburgring in a then-current DTM Mercedes.

"Laps in a W196 classic Merc racing car, Keke Rosberg driving me in a McLaren F1 road car, then me driving him!

"Colin McRae driving me around the Ford Rally proving ground and test track in the UK. Being driven by multiple F1 drivers in multiple cars on multiple tracks. Perhaps the most scary of all was being driven by Ron Dennis on the road though."

McMurray believes the de-escalation of cost is key to motorsport's future moving forward.

"International sport will continue to suffer for some time as the old story of motorsport being 'the last one to go into a recession, and the last one to come out of recession' is true. The cost of everything international, including and especially F1, is too high to be sustained.

"For domestic motorsport, that will follow a natural progression of coming back. Given a lesser number of events and classes for a while, and an attractive 'card' of classes at each event, club racers will find a way to self-finance and exist.

"I'm confident that the larger 'professional' classes will, as long as there are not too many of them, attract sponsorship funding. Minimal at first, but it will happen."

Owner unable to reject vehicle after damaging door trying to get child out

The case: The buyer wanted to reject his Nissan Tiida because it had a transmission fault and one of the keys didn't work. The trader said the car did not have such a problem and it wasn't obligated to provide a second key.

The decision: The purchaser lost the right to reject the vehicle because he had damaged its door. The dealer was ordered to fix the transmission and pay $556 costs to the buyer. The key issue was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Raj Kumar wanted to reject the 2008 Nissan Tiida he bought for $7,500 from P&C Trading Ltd on October 21, 2019.

He claimed it wasn't of acceptable quality under the Consumer Guarantees Act (CGA) because its second key didn't work and the vehicle had a significant transmission fault.

The trader said the car's transmission wasn't faulty and alleged Kumar was making a false allegation about it. It added it was common for used imports to be supplied with only one key and it wasn't obligated to provide an extra working one.

The case

Kumar provided the trader with a list of problems with the car within 14 days after purchase and most were promptly rectified.

However, he said the vehicle continued to surge under acceleration particularly when the engine was cold. He added the dealer told him that was normal for a Tiida.

On November 29, 2019, Kumar had the car assessed by VTNZ, which confirmed it had a "hesitation on acceleration at times". This was possibly due to a faulty throttle-position sensor or undiagnosed misfire. He returned the Tiida to the trader for assessment.

An individual representing the dealer, known only as "Sunny", told the hearing the vehicle was taken to Kiwi Motors. It identified an issue with the throttle-body sensor, which was resolved. The car was also assessed by Kaspa Transmissions but no engine faults were found. However, the trader provided no evidence of either assessment.

The transmission issue remained, so Kumar had the Tiida assessed by Lynfield Automotive in December. It also found it surged "under load" and the throttle body was dirty.

Rather than engage in further expensive diagnosis, it suggested Kumar clean the part to see if that fixed the problem. It didn't.

On January 9, 2020, he returned the car to Lynfield Automotive for a transmission service, but the acceleration surging continued.

At the tribunal's direction, Kumar had the vehicle assessed by The Gearbox Factory in May. It diagnosed a significant fault with the continuously variable transmission (CVT) and estimated it would cost up to $2,900 to remedy.

As to the issue regarding the supply of keys, the Tiida was sold with two, but only one worked so it was alleged the vehicle wasn't of acceptable quality.

The trader said it was common for used imports to be supplied with only one key and it didn't have any liability to supply a second one.

However, Kumar blamed the lack of a second key as the reason why he badly damaged a door on the car. His young child became locked inside it along with the keys. The child panicked and Kumar tried to prise a door open. He was unable to open it, so he smashed a window to rescue his child.

Section 20 of the CGA states a buyer is unable to reject a vehicle if damaged after supply for reasons not related to its state or condition when sold.

Kumar argued he was still entitled to reject the Tiida because had the trader supplied a second key, he would not have had to break into it.

The finding

It was ruled Kumar had proved the Tiida had a pre-existing CVT fault and, as a result, it was not of acceptable quality because it wasn't as free of minor defects as a reasonable consumer would expect.

Although a reasonable person buying a $7,500, 11-year-old vehicle with an odometer reading of 68,000km should have realistic expectations as to its quality and durability, that purchaser wouldn't expect such a fault to be present at the time of sale.

The fact that one of the keys supplied didn't work wasn't proof the Tiida was of unacceptable quality.

The tribunal considered a reasonable consumer buying a used import would understand it might not have a second key because it might have been misplaced in Japan or lost in transit.

Furthermore, Kumar lost the right to reject the Tiida under section 20 of the CGA because he damaged it following purchase. The damage wasn't related to its condition when sold, but was caused by his decision to try to prise the door open after the keys were locked inside.

Although his young child was in the car, the tribunal ruled Kumar's decision to break into it wasn't a reasonable one because other alternatives wouldn't have involved causing such extensive damage, such as calling a mobile locksmith or breaking a window, which he ultimately did.

Although the buyer was no longer able to reject the car, the tribunal ruled the trader had to fix its transmission fault. It also found that Kumar was entitled to recover the $160 for the VTNZ inspection, and money for the $117 throttle-body clean and $279 transmission service.

The order

The trader was ordered to rectify the transmission fault and pay the buyer $556.

Manufacturer and dealer are held jointly liable for replacing utility's rusted chassis

The case: The buyer wanted to reject his 2016 low-mileage Mitsubishi Triton after finding significant rust in its chassis. His expert repairers agreed this needed to be replaced, but the manufacturer and trader disagreed. They claimed the corrosion levels were "not excessive" although remedial action was required.

The decision: The tribunal agreed with the purchaser's expert witnesses that the chassis must be replaced by the dealer and marque.

At: The Motor Vehicle Disputes Tribunal, Palmerston North.

Background

Three years after purchase, Martin Tancock discovered a significant amount of rust on his low-mileage 2016 Mitsubishi Triton.

He said it had never been used on a beach or to launch boats, was driven for about 7,250km a year and was stored in a carport.

Tancock's company, Coaction Ltd, purchased the vehicle on February 1, 2016, for $37,990 from McVerry Crawford Motors Ltd.

In 2019, Coaction transferred its ownership to Tancock without payment. Under section 24 of the Consumer Guarantees Act (CGA), he was regarded as a "donee" and could exercise rights or remedies under the part two of the legislation as if he had acquired the car from the trader.

Tancock wanted to reject the vehicle after three repair experts said the chassis needed replacing, but the trader disagreed saying only the front bumper reinforcement panel needed to be swapped out.

Mitsubishi Motors NZ Ltd was joined as a party to the proceedings to enable the tribunal to determine questions arising from the application.

The case

In February 2019, Tancock noticed some rust around the Triton's front-right towing eye. When he had a snorkel fitted win September, the extent of the rust was discovered and he had it assessed by three different repairers.

Ashton Panel and Paint reported the chassis needed to be replaced due to extensive rust at a cost of about $15,100. Rolrich Panel and Spray's Steve Gaskin, a specialist repair certifier, agreed.

Tancock's hearing witness Alan Jefferies, a mechanic for 30 years and a former inspector for VTNZ, said he had never seen a relatively new vehicle with so much rust. He also said it needed a new chassis.

The trader's employee, Paul Brown, found surface rust to the front of the chassis, but said the front-bumper reinforcement panel needed to be replaced.

Brown advised buffing the chassis frame and respraying with two coats of matt-black paint and a coat of under-sealer.

The manufacturer's technical services manager, Lloyd Robinson, found high levels of corrosion on the reinforcement panel around bracketry welded on chassis rails and cross members.

He noted the ute's underside showed signs of off-road use and impacts with stones. He used a borescope to take several photographs from inside the chassis rails.

The tribunal's assessor said the photos showed the start of corrosion inside the chassis rails.

Robinson found no abnormalities in the vehicle's electro-coat cathodic dip chassis coating. He stated its corrosion levels were "not excessive", but agreed action was required to stop the rust from accelerating in the long term.

There was a strong suggestion in Robinson's technical reports and from the trader that environmental factors had contributed to or caused the corrosion.

In response, Tancock said he had driven the ute off-road on gravel forest roads, through a couple of fords and had dented the front bash plate driving over large stones. He added he had never taken it to the beach or used it to launch a boat.

He noted the warranty booklet had a picture of a Triton parked on a beach and suggested a reasonable consumer would assume the ute was designed to withstand rugged environmental conditions.

The finding

The tribunal found a reasonable consumer would expect a four-wheel-drive ute to last longer than four years from new without needing significant corrosion repairs.

It believed Tancock had used it in a way in which a reasonable consumer would have used such a vehicle, so it ruled it didn't comply with the CGA's guarantee of acceptable quality.

Tancock wanted to reject the car and obtain a refund of the purchase price.

Section 20 of the CGA states the right to reject doesn't apply if not exercised within a reasonable time from when goods are supplied.

The tribunal considered the eight-month delay between Tancock first noticing the rust and contacting the trader to reject the ute was too long to allow him this right.

The adjudicator was also influenced by the fact he rejected it about three years and nine months after buying the utility.

It was ruled Tancock was unable to reject the vehicle under the CGA because that right is lost if goods are damaged after delivery for reasons unrelated to their state or condition at the time of supply. As he acknowledged, the ute's bash plate had stone damage.

Tancock was still entitled to ask the supplier to fix the rust within a reasonable time, which the dealer was willing to do.

He was also entitled to require the manufacturer to compensate him for losses resulting from the vehicle's failure to comply with the guarantee of acceptable quality, so the tribunal made the trader and marque jointly responsible for repair costs.

The adjudicator accepted the recommendations for the chassis be replaced and visible corrosion neutralised, primed, painted and waxed, and the bolt-on cross-member reinforcement replaced.

The order

The dealer and manufacturer were ordered to replace the chassis at their expense.

Industry movers


Andrew Birkic


Kay Hart

ANDREW BIRKIC has been appointed president and chief executive officer of Ford Australia and New Zealand.

In his new Melbourne-based role, he is responsible for the marque's operations in both countries, including marketing, sales and service, dealer relations and customer satisfaction. He was previously chief product marketer for the Ranger and Everest.

Birkic previously spent three years in Detroit as manager of global advanced consumer-experience platforms manager, and two-and-a-half years in Shanghai with Ford Asia-Pacific.

Birkic, who started with Ford Australia in 1994, succeeds New Zealander Kay Hart, who has become the marque's global role of enterprise product-line manager – van and bus. Hart has also been appointed a member of the Ford Otosan board of directors and will be based in Dunton, UK.

Hart has held various roles on both sides of the Tasman, and in Thailand, China, the Philippines and the US, during her 21 years with the company.

DAVE MURDOCH has taken up the position of chief executive officer of TSI Group NZ.

The company includes automotive dealer management and support systems, such as CDK Autoline, Orion and SAM.

Before he joined TSI, Murdoch, who comes from a software background, held leadership roles at SimTutor and ANZ Bank. He started his career in the automotive industry at Castrol Lubricants.

MARK CAIRNS, pictured, is retiring as chief executive officer at Port of Tauranga in June 2021 having spent 15 years in the job.

"The port is in excellent shape," he says. "I'm incredibly proud of our people and positive outcomes we have achieved for our customers and community."

Chairman David Pilkington says Cairns' leadership has seen the company grow from a regional bulk-export port to New Zealand's international cargo hub and being successfully listed on the NZX.

Leonard Sampson, current chief operating officer, is now CEO designate. He has been with the port for seven years, the first six as commercial manager. Prior to that, he held senior roles at KiwiRail, Carter Holt Harvey and Mainfreight.

MARK DARROW has been appointed by Motor Trade Finance's board as an independent director. He replaces Scott Creahan, who retires after seven years' service.

Darrow, who sits on Armstrong Motor Group's advisory board, has gained governance and executive level experience over the past 30 years.

His positions in the finance sector have included being executive director for GE Money, chief executive officer of PGG Wrightson Finance, and holding directorships with GE Capital and AA Finance. Darrow has also held board roles with the Motor Trade Association, NZTA, Dekra NZ and MITO.

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

Weighty issue leads to recalls warning

The Imported Motor Vehicle Industry Association (VIA) is offering advice to dealers and importers following concerns about motorhomes coming into the country.

It has been approached by the NZ Motorhome Caravan Association (NZMCA), which has noticed major growth in registrations over the past decade.

The NZMCA says close to 50,000 units have been shipped to New Zealand with the majority imported from the UK and mainland Europe.

It is concerned most are based on a van chassis with a secondary manufactured caravan body attached. Many have a tare weight close to 3,500kg, but are imported with a 3,500kg gross vehicle mass (GVM) plate affixed, which is used for registration purposes in this country.

Malcolm Yorston, VIA's technical manager, says manufacturers' GVMs are often higher.

"Some customers see advantages of being registered as a light vehicle and running on a warrant of fitness [WOF]," he explains.

"However, this often leaves the purchaser with a ridiculously low payload. Sometimes it's hardly enough for two passengers let alone fuel, water, food, camping equipment, bicycles and so on. This could be construed as 'not fit for purpose' under the Consumer Guarantees Act [CGA].

"Many dealers are not pointing this out to purchasers, who are often inexperienced in these areas and only see the benefits of longer-term inspections and less-stringent regulations."

VIA recommends dealers and private importers apply to the NZTA for a chassis rating for such vehicles before putting them through for compliance, especially if the primary manufacturer's GVM is higher than that given by the secondary manufacturer.

"Many of the vehicles with lower GVMs have been imported at the behest of the customer who only wants a WOF and not the perceived hassle the certificate of fitness regime brings," adds Yorston.

"We also advise importers to have all recalls on vehicles purchased overseas actioned and closed out before export because the CGA defines the importer as the 'manufacturer'. Motor Industry Association [MIA] members will not action any recalls on these vehicles unless paid for by the importer or owner."

CALL-BACKS FOR SAFETY

When it comes to used imports, the MIA's code of conduct states the CGA, Fair Trading Act and Vehicle Standards Compliance Rule 2002 places responsibility on the importer and trader to ensure they are safe.

It adds traders or importers are "fully responsible for all safety-related recalls and costs associated with the rectification of used vehicles before they proceed through import compliance".

The code insets out minimum circumstances in which MIA members will voluntarily carry out a safety-related recall campaign.

"Members undertake to use reasonable endeavours, working with the manufacturer, to monitor campaigns that may affect vehicles in the New Zealand market," it states.

Because most vehicles are sourced from Japan, the MIA says the primary responsibility for monitoring Japanese safety-related recalls must rest with the NZTA.

"If the NZTA identifies a safety recall that may be applicable to used-imported vehicles, the NZTA may refer that recall to the member and the member may accept that by electing to carry out the recall in New Zealand.

"Members shall not accept responsibility for outstanding campaigns announced in the source market that have occurred prior to a vehicle being imported."

Mythbuster answers

What's a safer car – a small hatchback or a large SUV?

A SUV **B** Hatchback **C** It depends on the safety rating

A heavier vehicle will tend to have the advantage in a collision with a lighter vehicle, although the occupants of a smaller vehicle with better structural integrity may be better protected, so the safety rating of each car is the best indication of the crash outcome.

Smaller cars have less mass and can sometimes stop more quickly, which will mean any impact might be at a lower speed. In addition, size doesn't necessarily equate to greater strength in a side impact crash because if the doors are bigger, greater reinforcement is required to achieve the same protection.

What safety rating does a car with seven airbags have?

A 1-star **B** 2-star **C** 3-star **D** 4-star **E** 5-star

F Any of the above

Safety features alone - such as airbags - don't tell you about a vehicle's performance in a crash. Safety ratings indicate the likely performance of a vehicle in a crash, as the rating assesses structural integrity as well as safety features, indicating how well the vehicle is likely to protect occupants in the event of a crash.

Are older cars safer than new cars?

A 100% **B** Yeah, right **C** It depends

Advances in technology mean most vehicles are getting safer over time. Used Car Safety Ratings show that, on average, newer model vehicles provide their drivers with better protection from injury in a crash. This comes from better structural designs, an increase in the fitting of safety features and the quality and type of materials used in building the vehicle.

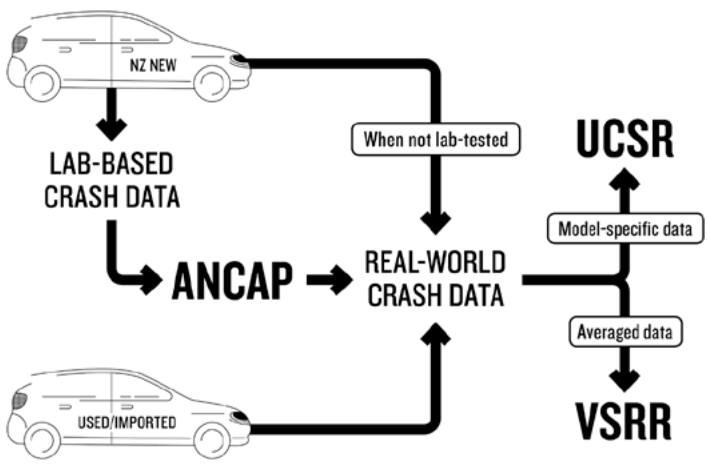
However, the age of a car doesn't guarantee the safety rating of a vehicle. We recommend people check the Rightcar website for the current safety rating of a vehicle and buy the vehicle with the highest safety rating in their price range.

How often do vehicle safety ratings change for a specific make and model?

A Never **B** Annually **C** It depends

When a vehicle is new, and for a number of years following, there's little real-world data available about its performance in a crash. To help assess a new vehicle's safety performance, ANCAP crash tests vehicles in a controlled laboratory setting. ANCAP ratings only apply to vehicles sold new in New Zealand or Australia, and only apply to specific versions of vehicle models. ANCAP makes the requirements for a 5-star rating more stringent as safety technology advances, so older vehicles don't have the same level of relative safety as a vehicle tested in 2020. For this reason, ANCAP ratings only have a short life, which is up to 6 years, but they can be replaced sooner when a new model generation is brought on the market. When an ANCAP rating is replaced, vehicles are assigned either a Used Car Safety Rating (UCSR) or a Vehicle Safety Risk Rating (VSRR) generated from a database of more than 8 million crashes held by Monash University. Both UCSR and VSRR ratings indicate a vehicle's real-world crash performance compared to the rest of the light vehicles fleet across Australia and New Zealand.

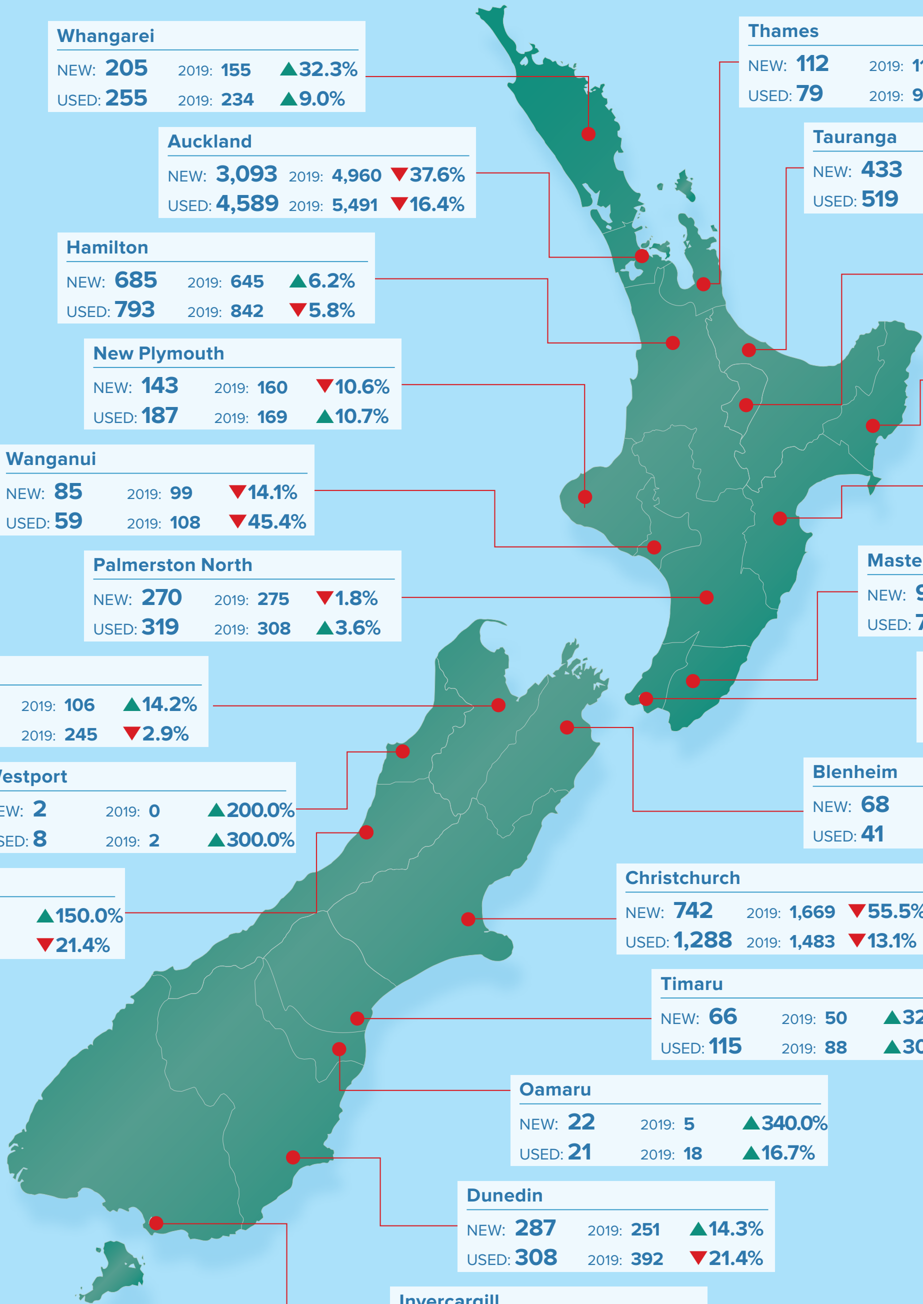
How do safety ratings change over time?



Around the Country – September 2020

Total new cars
7,735
2019: 10,322 ▼25.1%

Total imported used cars
10,339
2019: 11,630 ▼11.1%



			2019	
Whangarei	NEW	205	155	▲32.3%
	USED	255	234	▲9.0%
Thames	NEW	112	110	▲1.8%
	USED	79	93	▼15.1%
Auckland	NEW	3,093	4,960	▼37.6%
	USED	4,589	5,491	▼16.4%
Tauranga	NEW	433	360	▲20.3%
	USED	519	414	▲25.4%
Hamilton	NEW	685	645	▲6.2%
	USED	793	842	▼5.8%
Rotorua	NEW	89	122	▼27.0%
	USED	135	155	▼12.9%
New Plymouth	NEW	143	160	▼10.6%
	USED	187	169	▲10.7%
Gisborne	NEW	40	32	▲25.0%
	USED	58	73	▼20.5%
Wanganui	NEW	85	99	▼14.1%
	USED	59	108	▼45.4%
Napier	NEW	235	255	▼7.8%
	USED	258	257	▲0.4%
Palmerston North	NEW	270	275	▼1.8%
	USED	319	308	▲3.6%
Masterton	NEW	91	86	▲5.8%
	USED	74	85	▼12.9%
Nelson	NEW	121	106	▲14.2%
	USED	238	245	▼2.9%
Wellington	NEW	803	782	▲2.7%
	USED	788	887	▼11.2%
Westport	NEW	2	0	▲200.0%
	USED	8	2	▲300.0%
Blenheim	NEW	68	73	▼6.8%
	USED	41	50	▼18.0%
Greymouth	NEW	25	10	▲150.0%
	USED	33	42	▼21.4%
Christchurch	NEW	742	1,669	▼55.5%
	USED	1,288	1,483	▼13.1%
Timaru	NEW	66	50	▲32.0%
	USED	115	88	▲30.7%
Oamaru	NEW	22	5	▲340.0%
	USED	21	18	▲16.7%
Dunedin	NEW	287	251	▲14.3%
	USED	308	392	▼21.4%
Invercargill	NEW	118	117	▲0.9%
	USED	174	194	▼10.3%

Imported Passenger Vehicle Sales by Make - September 2020

MAKE	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,497	2,705	-7.7	24.2%	20,471	24.2%
Mazda	1,638	1,871	-12.5	15.8%	13,514	16.0%
Nissan	1,631	2,270	-28.1	15.8%	14,949	17.7%
Honda	905	1,313	-31.1	8.8%	7,928	9.4%
Subaru	781	707	10.5	7.6%	6,039	7.1%
BMW	486	418	16.3	4.7%	3,395	4.0%
Mitsubishi	470	500	-6.0	4.5%	3,647	4.3%
Volkswagen	386	384	0.5	3.7%	2,903	3.4%
Suzuki	333	531	-37.3	3.2%	3,389	4.0%
Audi	259	202	28.2	2.5%	1,839	2.2%
Lexus	174	120	45.0	1.7%	1,154	1.4%
Mercedes-Benz	173	120	44.2	1.7%	1,174	1.4%
Ford	83	62	33.9	0.8%	646	0.8%
Volvo	76	65	16.9	0.7%	529	0.6%
Holden	59	42	40.5	0.6%	288	0.3%
Jaguar	42	25	68.0	0.4%	282	0.3%
Chevrolet	35	29	20.7	0.3%	283	0.3%
Land Rover	35	49	-28.6	0.3%	295	0.3%
Mini	33	23	43.5	0.3%	234	0.3%
Hyundai	32	26	23.1	0.3%	204	0.2%
Jeep	26	26	0.0	0.3%	205	0.2%
Dodge	25	19	31.6	0.2%	160	0.2%
Chrysler	21	18	16.7	0.2%	134	0.2%
Kia	20	11	81.8	0.2%	101	0.1%
Porsche	18	13	38.5	0.2%	130	0.2%
Peugeot	13	8	62.5	0.1%	71	0.1%
Daihatsu	8	5	60.0	0.1%	33	0.0%
Citroen	7	3	133.3	0.1%	41	0.0%
Chrysler Jeep	5	1	400.0	0.0%	25	0.0%
Renault	5	4	25.0	0.0%	57	0.1%
Smart	5	3	66.7	0.0%	18	0.0%
Infiniti	4	4	0.0	0.0%	12	0.0%
Maserati	4	2	100.0	0.0%	12	0.0%
Rover	4	2	100.0	0.0%	10	0.0%
Cadillac	3	7	-57.1	0.0%	39	0.0%
Others	43	42	2.4	0.4%	311	0.4%
Total	**10,339**	**11,630**	**-11.1**	**100.0%**	**84,522**	**100.0%**

Imported Passenger Vehicle Sales by Model - September 2020

MAKE	MODEL	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Mazda	Axela	536	608	-11.8	5.2%	4,570	5.4%
Toyota	Aqua	512	368	39.1	5.0%	3,394	4.0%
Mazda	Demio	353	385	-8.3	3.4%	2,901	3.4%
Honda	Fit	337	571	-41.0	3.3%	3,301	3.9%
Toyota	Prius	334	393	-15.0	3.2%	2,762	3.3%
Suzuki	Swift	289	458	-36.9	2.8%	2,849	3.4%
Mitsubishi	Outlander	282	282	0.0	2.7%	2,024	2.4%
Subaru	Legacy	258	249	3.6	2.5%	2,012	2.4%
Volkswagen	Golf	242	242	0.0	2.3%	1,839	2.2%
Subaru	Impreza	241	244	-1.2	2.3%	2,136	2.5%
Nissan	X-Trail	224	190	17.9	2.2%	1,556	1.8%
Nissan	Leaf	210	305	-31.1	2.0%	1,670	2.0%
Mazda	Atenza	209	246	-15.0	2.0%	1,723	2.0%
Toyota	Corolla	183	155	18.1	1.8%	1,614	1.9%
Mazda	CX-5	173	114	51.8	1.7%	1,067	1.3%
Toyota	Vanguard	147	113	30.1	1.4%	1,079	1.3%
Nissan	Tiida	141	409	-65.5	1.4%	2,231	2.6%
Nissan	Skyline	137	128	7.0	1.3%	1,022	1.2%
Toyota	Wish	137	241	-43.2	1.3%	1,355	1.6%
Mazda	Premacy	132	236	-44.1	1.3%	1,333	1.6%
Toyota	Blade	131	114	14.9	1.3%	1,062	1.3%
Toyota	Vitz	129	251	-48.6	1.2%	1,325	1.6%
Toyota	MarkX	127	106	19.8	1.2%	808	1.0%
Nissan	Note	127	204	-37.7	1.2%	1,328	1.6%
Honda	CR-V	119	125	-4.8	1.2%	848	1.0%
Honda	Odyssey	110	73	50.7	1.1%	644	0.8%
Subaru	Forester	101	91	11.0	1.0%	732	0.9%
BMW	320i	90	66	36.4	0.9%	632	0.7%
Nissan	Serena	88	157	-43.9	0.9%	925	1.1%
Nissan	Dualis	87	221	-60.6	0.8%	1,191	1.4%
Nissan	March	86	101	-14.9	0.8%	723	0.9%
Nissan	Juke	84	112	-25.0	0.8%	835	1.0%
Toyota	Ractis	84	117	-28.2	0.8%	703	0.8%
Nissan	Fuga	82	58	41.4	0.8%	512	0.6%
BMW	116i	80	65	23.1	0.8%	521	0.6%
Others		3,737	3,832	-2.5	36.1%	29,295	34.7%
Total		**10,339**	**11,630**	**-11.1**	**100.0%**	**84,522**	**100.0%**

Fixed-price model launched

The New Zealand division of an ASX-listed company has identified south Auckland as its base for a new national business because of its "strong demographics" in the used-car market.

Eagers Automotive, which took over Automotive Holdings Group (AHG) last year, is hoping its experience across the ditch will ensure its venture in this country will be a success.

Easyauto123, which is based at the former Davie Motors Holden site in Cavendish Drive, Manukau, where a Holden service operation will continue, opened to the public on September 14. The brand was originally launched in Perth in 2016 and has since expanded to four other branches in Australia.

Mike Critchley, general manager of Eagers Automotive NZ, says the company's experience across the Tasman shows used-car buyers want a premium, hassle-free service.

"Eagers has always been a strong player in used cars. This knowledge and experience inspired us to bring this new concept of 'car buying made easy' to market."

He adds the Covid-19 pandemic failed to disrupt the company's plans to launch the used-car business here and adds the company may open more Easyauto123 stores because it is "always looking for new ventures".

The company's model is based on "people looking for ways to save money without compromising on quality or service".

Eagers Automotive NZ says Easyauto123 will enhance and complement its existing dealerships. The company sits at about 6.5 per cent of overall New Zealand-new car registrations with most of its franchises securing first or second place in volumes by the marques it represents.

Its parent company acquired AHG in September 2019 to make it the largest car dealership company across the ditch with more than 200 outlets there along with 13 in New Zealand. It also has 67 new truck and bus dealerships in Australia.

In this country, its franchises in Auckland include John Andrew Ford and Mazda, the Ford Store in Wairau Road on the North Shore, North Harbour Ford and Mazda, Manukau Nissan and Hyundai, and West Auckland Nissan.

Easyauto123's premises in South Auckland

Trade tumbles

There were 10,339 used-imported passenger vehicles registered in New Zealand last month.

That was down by 11.1 per cent compared to 11,630 sales in September 2019 to bring the year-to-date total to 84,522 – 20 per cent lower than for the same time last year.

Last month's best-selling model was the Mazda Axela with 536 registrations. It was followed by Toyota's Aqua with 512 and Mazda's Demio on 353.

MASSIVE TRADE DECREASE

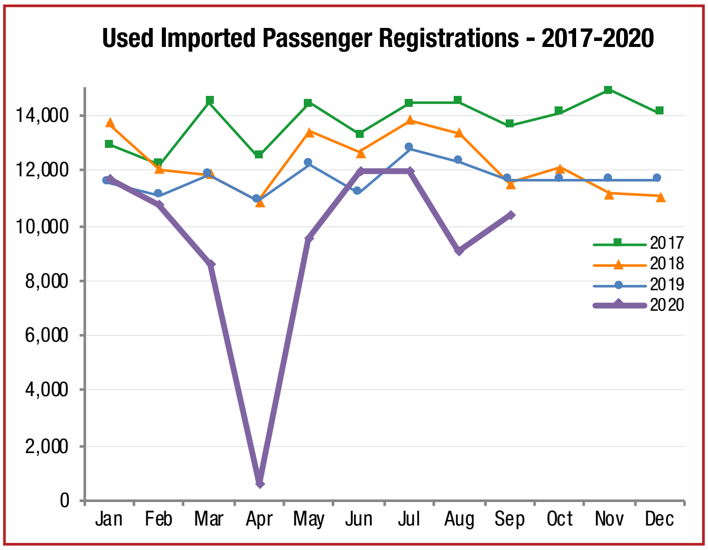
The wholesale trade of vehicles and parts plunged in 2020's June quarter to levels last seen in 2013.

Stats NZ reports industry sales fell by 33 per cent, or $917 million, between April and June compared to the same period in 2019 because most businesses, including dealerships, were forced to close during the Covid-19 lockdown.

It took the total value of sales in the automotive sector to $1.83m for the three months to June 30. This was also well down from the $2.53m achieved in the March 2020 quarter.

Overall, wholesale trade sales for the country plunged by $2.7 billion, or 10 per cent, during the June quarter.

Kathy Hicks, Stats NZ's business statistics manager, says: "This is the largest decrease in wholesale trade sales since the series began 25 years ago."



Concerns raised over write-offs

The chief executive officer of Vehicle Inspection NZ describes the Australian market as being "quite tricky" for used-car dealers in New Zealand to tap into.

Sean Stevens says the availability of vehicles from across the Tasman is generally no better nor worse than what it has been in the past, "and we are still not seeing huge numbers of imports out of there".

He told Autofile: "I don't think traders here see a financial benefit of pulling second-hand cars out of that market unless they happen to be statutory write-offs.

"That said, I don't believe any vehicle that has been written off in any part of the world should be allowed to go on the road in New Zealand.

"However, when it comes to Australia's flood and hail-damaged vehicles, often there's very little wrong with them even though they have been written off."

Stevens stresses it all comes back to supply and demand in the market.

"Do we have enough supply to then not need to import vehicles that have been statutory write-offs? I would say the answer to that question is yes, so why would we bring in write-offs in the first place."

IMPORTS TUMBLE

There were 8,424 used cars imported into New Zealand during September, which was down by 8.3 per cent compared to 9,183 in the same month of last year.

So far this year, 78,026 used passenger vehicles have crossed our wharves – down by 27.6 per cent from the 107,821 units imported during the first nine months of 2019.

There were 7,775 used cars brought in from Japan in September, which was an 8.7 per cent drop compared to 8,515 during the same month of last year.

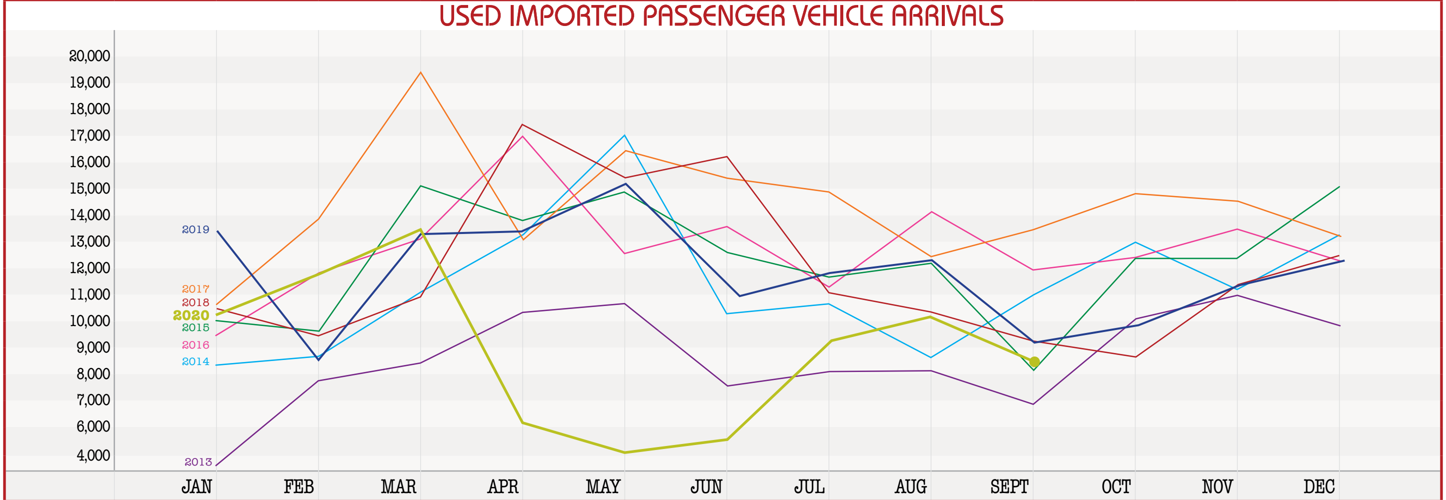
Japan's year-to-date market share is 93 per cent compared to 94 per cent for the whole of 2019.

As for Australia, 316 used passenger vehicles were imported into New Zealand from there last month, which represents a 9.5 per cent decrease from 349 in September 2019.

So far in 2020, Australia accounts for 3.77 per cent of imports into this country, which compares favourably to its 3.43 per cent share of the market last year.

Last month, 175 used cars came into this country from Singapore, while a further 82 arrived from the UK and 48 units were imported from the US.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2020											2019		2018	
	JAN '20	FEB '20	MAR '20	APR '20	MAY '20	JUN '20	JUL '20	AUG '20	SEP '20	SEP SHARE %	2020 TOTAL	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
Australia	278	449	326	254	274	348	415	284	316	3.75%	2,944	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	25	17	52	82	0.97%	457	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,554	5,678	3,603	4,381	8,453	9,485	7,775	92.30%	72,566	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	155	181	248	175	2.08%	1,325	1,678	1.2%	1,531	1.1%
USA	72	50	47	37	24	18	38	44	48	0.57%	378	664	0.5%	1,108	0.8%
Other countries	29	10	15	21	14	94	117	28	28	0.33%	356	340	0.2%	415	0.3%
Total	**10,101**	**11,789**	**13,145**	**6,136**	**4,048**	**5,021**	**9,221**	**10,141**	**8,424**	**100.00%**	**78,026**	**141,218**	**100.0%**	**142,773**	**100.0%**

Consumers factoring in depreciation

The owner of a Northland car dealership has noticed some consumers have been changing their buying habits this year.

Lyndon Lambert, of Allkars in Whangarei, has been selling more nearly-new stock because customers appear to be less concerned with odometer readings now than in the past.

"I like a near-new vehicle with high kilometres because the depreciation has been done," he told Autofile. "People are looking at that product more and thinking, 'yeah, that car is three years old and it might have done between 140,000km and 150,000km, but I'm saving about $5,000 or $6,000 on a similar vehicle that has done 90,000km'.

"I think buyers are not kilometres-orientated anymore because modern vehicles last longer. People can also buy better warranties with up to 160,000km so they have that cover."

Lambert notes that buyers also want connectivity through the likes of Bluetooth and more safety features. "To get that you need to buy a near-new car because even some five-year-old vehicles don't have those features. That's where a lot of the Japanese imports fall down because you have to change their systems to our system."

As for Covid-19, Auckland's level-three lockdown caused disruption for some Northlanders, but Lambert continued to sell cars during that time although business did slow down.

"We have been in business for about 33 years, so we have a lot of contacts and networks," says Lambert. "Funnily enough, we had more enquiries about cars from Aucklanders during August's level three because they were thinking they could go north, but business slowed and supply dried up although I could still buy wholesale and freight was still going.

"We closed during the first lockdown and when we reopened it was really busy. "If you don't have capital behind you, then you will be struggling right now."

BOOM IN BUSINESS

Cars dealers sold 20,530 second-hand vehicles to the public last month. That was up by 10.8 per cent compared to September 2019 when there were 18,534 changes of ownership.

There was also an increase in trade-ins – by 20.1 per cent. They rose from 12,325 to 14,802 over the same timescale.

SECONDHAND CAR SALES - September 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	SEP'20	SEP'19	+/- %	MARKET SHARE	SEP'20	SEP'19	+/- %	SEP'20	SEP'19	+/- %
Whangarei	701	503	39.4	3.41	2,317	1,914	21.1	263	197	33.5
Auckland	6,439	6,730	-4.3	31.36	14,723	13,697	7.5	5,684	4,865	16.8
Hamilton	1,841	1,355	35.9	8.97	4,192	3,309	26.7	1,397	910	53.5
Thames	266	279	-4.7	1.30	563	613	-8.2	99	200	-50.5
Tauranga	1,160	901	28.7	5.65	2,629	1,956	34.4	752	562	33.8
Rotorua	353	410	-13.9	1.72	886	913	-3.0	105	123	-14.6
Gisborne	195	152	28.3	0.95	448	427	4.9	55	47	17.0
Napier	733	722	1.5	3.57	1,546	1,413	9.4	455	452	0.7
New Plymouth	506	419	20.8	2.46	1,131	976	15.9	262	232	12.9
Wanganui	250	243	2.9	1.22	541	619	-12.6	117	129	-9.3
Palmerston North	981	735	33.5	4.78	1,918	1,697	13.0	736	706	4.2
Masterton	234	323	-27.6	1.14	502	513	-2.1	131	91	44.0
Wellington	1,932	1,560	23.8	9.41	3,339	3,136	6.5	1,205	1,003	20.1
Nelson	375	313	19.8	1.83	1,120	1,019	9.9	219	184	19.0
Blenheim	203	174	16.7	0.99	412	370	11.4	121	80	51.3
Greymouth	81	68	19.1	0.39	207	169	22.5	44	33	33.3
Westport	29	11	163.6	0.14	73	31	135.5	1	2	0.0
Christchurch	2,627	2,281	15.2	12.80	5,252	4,860	8.1	2,213	1,731	27.8
Timaru	281	200	40.5	1.37	706	513	37.6	123	91	35.2
Oamaru	79	43	83.7	0.38	192	136	41.2	6	0	600.0
Dunedin	893	657	35.9	4.35	2,009	1,989	1.0	552	401	37.7
Invercargill	371	455	-18.5	1.81	1,041	1,176	-11.5	262	286	-8.4
NZ total	**20,530**	**18,534**	**10.8**	**100.00**	**45,747**	**41,446**	**10.4**	**14,802**	**12,325**	**20.1**

New Passenger Vehicle Sales by Make - September 2020

MAKE	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	1,217	2,226	-45.3	15.7%	9,230	15.7%
Kia	801	602	33.1	10.4%	5,722	9.7%
Suzuki	625	560	11.6	8.1%	4,325	7.3%
Mitsubishi	618	707	-12.6	8.0%	4,229	7.2%
Mazda	604	711	-15.0	7.8%	4,373	7.4%
Hyundai	603	721	-16.4	7.8%	4,005	6.8%
Honda	350	410	-14.6	4.5%	2,687	4.6%
Volkswagen	339	386	-12.2	4.4%	2,324	3.9%
Nissan	268	521	-48.6	3.5%	2,697	4.6%
Subaru	211	281	-24.9	2.7%	1,877	3.2%
Mercedes-Benz	193	148	30.4	2.5%	1,461	2.5%
Ford	191	399	-52.1	2.5%	2,181	3.7%
Skoda	184	145	26.9	2.4%	989	1.7%
BMW	168	169	-0.6	2.2%	1,178	2.0%
Tesla	158	379	-58.3	2.0%	484	0.8%
MG	145	94	54.3	1.9%	743	1.3%
Audi	134	175	-23.4	1.7%	1,090	1.8%
Holden	125	877	-85.7	1.6%	2,930	5.0%
Jeep	109	78	39.7	1.4%	600	1.0%
Haval	103	55	87.3	1.3%	597	1.0%
SsangYong	84	61	37.7	1.1%	616	1.0%
Land Rover	83	96	-13.5	1.1%	805	1.4%
Peugeot	83	60	38.3	1.1%	618	1.0%
Lexus	75	83	-9.6	1.0%	589	1.0%
Volvo	53	50	6.0	0.7%	368	0.6%
Jaguar	32	62	-48.4	0.4%	295	0.5%
Mini	31	70	-55.7	0.4%	488	0.8%
Isuzu	20	17	17.6	0.3%	169	0.3%
Citroen	18	33	-45.5	0.2%	150	0.3%
Renault	18	13	38.5	0.2%	147	0.2%
LDV	13	12	8.3	0.2%	58	0.1%
Alfa Romeo	12	6	100.0	0.2%	111	0.2%
Porsche	11	33	-66.7	0.1%	266	0.5%
Seat	10	13	-23.1	0.1%	89	0.2%
Bentley	6	6	0.0	0.1%	38	0.1%
Can-Am	6	12	-50.0	0.1%	61	0.1%
Yamaha	6	4	50.0	0.1%	31	0.1%
Aston Martin	4	4	0.0	0.1%	33	0.1%
Ferrari	4	2	100.0	0.1%	32	0.1%
Chevrolet	3	11	-72.7	0.0%	36	0.1%
Genesis	3	0	300.0	0.0%	12	0.0%
Mahindra	3	19	-84.2	0.0%	100	0.2%
Maserati	3	4	-25.0	0.0%	31	0.1%
Rolls-Royce	3	1	200.0	0.0%	10	0.0%
Fiat	2	0	200.0	0.0%	28	0.0%
Others	3	6	-50.0	0.0%	49	0.1%
Total	**7,735**	**10,322**	**-25.1**	**100.0%**	**58,952**	**100.0%**

New Passenger Vehicle Sales by Model - September 2020

MAKE	MODEL	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	464	312	48.7	6.0%	4,161	7.1%
Suzuki	Swift	290	252	15.1	3.7%	1,912	3.2%
Kia	Sportage	285	306	-6.9	3.7%	2,047	3.5%
Toyota	Corolla	283	1,011	-72.0	3.7%	1,858	3.2%
Mitsubishi	Outlander	262	264	-0.8	3.4%	1,616	2.7%
Mazda	CX-5	242	310	-21.9	3.1%	1,679	2.8%
Hyundai	Tucson	232	204	13.7	3.0%	1,283	2.2%
Kia	Seltos	229	0	22,900.0	3.0%	1,909	3.2%
Mitsubishi	ASX	227	212	7.1	2.9%	1,489	2.5%
Nissan	X-Trail	201	166	21.1	2.6%	1,077	1.8%
Toyota	Yaris	182	432	-57.9	2.4%	686	1.2%
Hyundai	Kona	150	203	-26.1	1.9%	1,042	1.8%
Honda	CR-V	148	100	48.0	1.9%	737	1.3%
Suzuki	Vitara	143	119	20.2	1.8%	943	1.6%
Tesla	Model 3	139	359	-61.3	1.8%	414	0.7%
Toyota	C-HR	131	44	197.7	1.7%	972	1.6%
Kia	Rio	102	84	21.4	1.3%	699	1.2%
Honda	HR-V	94	131	-28.2	1.2%	877	1.5%
Ford	Focus	91	90	1.1	1.2%	416	0.7%
Haval	H2	83	35	137.1	1.1%	425	0.7%
Volkswagen	Golf	82	90	-8.9	1.1%	414	0.7%
Kia	Sorento	82	30	173.3	1.1%	300	0.5%
Skoda	Kodiaq	81	73	11.0	1.0%	377	0.6%
Hyundai	Santa Fe	81	113	-28.3	1.0%	735	1.2%
Subaru	Outback	80	67	19.4	1.0%	570	1.0%
Mazda	CX-30	78	0	7,800.0	1.0%	461	0.8%
Subaru	Forester	77	88	-12.5	1.0%	559	0.9%
Mazda	CX-3	76	88	-13.6	1.0%	533	0.9%
Suzuki	Jimny	75	37	102.7	1.0%	346	0.6%
Volkswagen	Tiguan	74	193	-61.7	1.0%	805	1.4%
Toyota	Highlander	71	48	47.9	0.9%	449	0.8%
Mitsubishi	Eclipse Cross	69	149	-53.7	0.9%	547	0.9%
Honda	Jazz	69	152	-54.6	0.9%	703	1.2%
Mazda	CX-9	68	80	-15.0	0.9%	503	0.9%
Holden	Equinox	63	207	-69.6	0.8%	565	1.0%
Mazda	Mazda3	62	75	-17.3	0.8%	481	0.8%
Mazda	Mazda2	49	90	-45.6	0.6%	382	0.6%
Volkswagen	T-Cross	49	0	4,900.0	0.6%	283	0.5%
MG	ZS	48	44	9.1	0.6%	297	0.5%
Volkswagen	Touareg	47	24	95.8	0.6%	308	0.5%
Peugeot	2008	46	6	666.7	0.6%	132	0.2%
Jeep	Grand Cherokee	43	36	19.4	0.6%	258	0.4%
MG	HS	43	0	4,300.0	0.6%	218	0.4%
Volkswagen	Polo	43	72	-40.3	0.6%	366	0.6%
Mercedes-Benz	A-Class	42	26	61.5	0.5%	288	0.5%
Others		2,159	3,900	-44.6	27.9%	21,830	37.0%
Total		**7,735**	**10,322**	**-25.1**	**100.0%**	**58,952**	**100.0%**

Marques expand across country

An artist's impression of the new Kia dealership in Pukekohe and, below, the interior of its franchise in central Wellington

Sales down by one quarter

There were 7,735 new passenger vehicles registered in New Zealand last month. This was a drop of 25.1 per cent when compared to September 2019, or by 2,587 units.

Last month's most popular model was Toyota's RAV4 with 464 sold. Next up was the Suzuki Swift on 290 units and Kia's Sportage with 285.

Kia Motors NZ is expanding its presence south of Auckland by teaming up with the Ebbett Group.

The new dealership will replace Ebbett's franchise for Holden with the marque's vehicle-sales operations due to be retired by the end of the year across Australia and New Zealand.

Dealer principal Ross Sheppard says the acceptance of Kia by Ebbett's existing customers has been pleasing.

"They know we look after them well through our high level of after-sales service, which is what we are known for, and our team is looking forward to forging a close relationship with those who already own a Kia."

The Ebbett Group has plans to build a new dealership complex in Pukekohe, which is slated to open in 2021, to capitalise on the area's major residential expansion.

Sheppard says this will boast more showroom space, while the service centre will occupy four times the space of the current workshop.

"We're investing heavily in the service department," he adds. "There will be 26 hoists and it will be the biggest workshop operation in the Ebbett Group."

Todd McDonald, managing director of Kia Motors NZ, says: "The Franklin district is growing. Plans by Ebbett to grow and develop its own business are a good fit with how we see Kia moving forward in this market."

Ebbett has formed a close bond with Kia across the country over the past year.

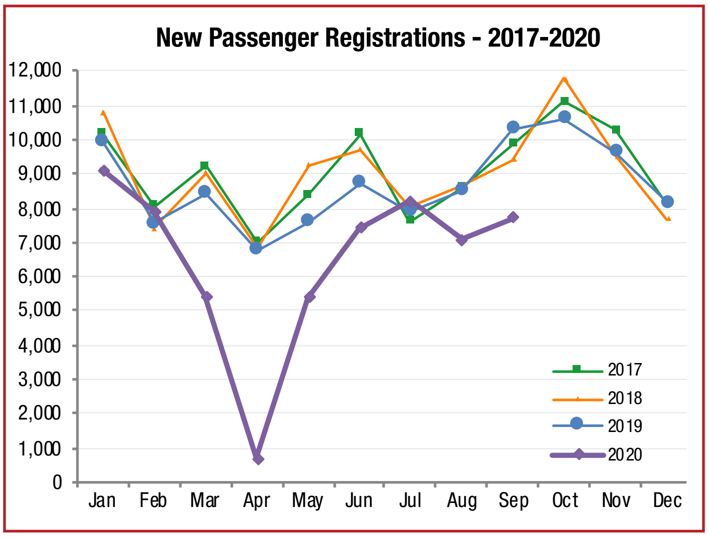
The opening of Johnston Ebbett Kia Wellington marks the first time the brand has been represented in the capital's centre. The dealership is housed in a two-storey building in Taranaki Street.

The site has undercover display for 25 vehicles and a lounge for customers, while the nine-bay service facility can cater for electric cars.

"It's more like the sort of dealership you'd find overseas," says David Johnston, managing director of Johnston Ebbett. "Customers love it and we've been told it looks more like a New York loft building when they come inside."

It's the fourth Kia franchise to open in the region and the second by Johnston Ebbett, which opened a showroom in Porirua late last year. The others are Brendan Foot Kia in Lower Hutt and HMC Kapiti Kia in Paraparaumu.

McDonald says expanding into the capital makes it "easier for buyers in the central city to access our products and have their vehicles serviced locally".



Meanwhile, Armstrong's Group is expanding with its new Nissan dealership in east Auckland expected to open in May next year.

Located on Ti Rakau Drive in Botany, it will be the company's seventh dealership in the city, and will neighbour Armstrong's Mercedes-Benz and Hyundai businesses.

Rick Armstrong, managing director, says the venture extends its Nissan representation and commitment to the city's east, "both of which have proven to be very successful".

The existing building will be partly demolished and rebuilt to produce what the company calls an "ultra-modern dealership", while the company is developing plans to create a "vehicle destination precinct" in east Auckland.

‘Solid’ base for big pick-ups

The Holden badge will be gone from New Zealand’s new-vehicle market in 2021, but its parent company will have a presence.

General Motors Specialty Vehicles (GMSV) is being established alongside GM’s existing business units – Holden Aftersales and Isuzu NZ – and is scheduled to start operations later this year.

The initial product line-up will feature the Chevrolet Silverado 1500 LTZ and other variants, which will be remanufactured to right-hand drive (RHD) by the Walkinshaw Automotive Group in Melbourne. It will also remanufacture the Silverado 2500 when it comes on-line in 2021.

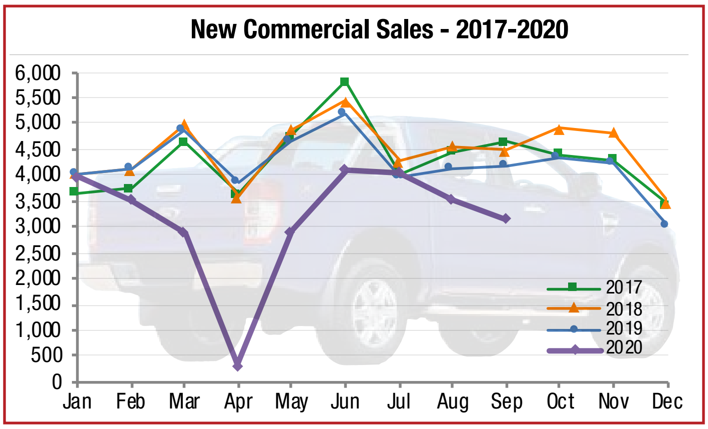
Next year, GMSV dealers will also get to market the mid-engine Chevrolet Corvette Stingray, which is built in RHD by the American giant’s plant in Kentucky.

The venture will create sales, marketing and after-sales roles at GM’s operations on both sides of the Tasman, and will indirectly support more than 150 jobs at Walkinshaw.

Joanna Stogiannis, director of GMSV, says: “Sales of large US pick-ups have been growing consistently. I believe the ongoing strength of that segment will provide a very solid basis for us to build a successful long-term business.”

The news follows an announcement in February when GM said it intended to focus its growth strategy for Australia and New Zealand on its speciality vehicles business and planned to immediately work with its partners to develop this plan.

As for last month’s statistics, there were 3,167 new commercial vehicles sold in New Zealand during September. This was down by 24.6 per cent on the same month of last year when sales came in at 4,203.



New Commercial Sales by Make - September 2020

MAKE	SEP'20	SEP'19	+/- %	SEP'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	803	892	-10.0	25.4%	6,444	22.6%
Toyota	406	781	-48.0	12.8%	5,586	19.6%
Mitsubishi	361	386	-6.5	11.4%	2,899	10.2%
Nissan	227	184	23.4	7.2%	1,655	5.8%
Mazda	206	173	19.1	6.5%	1,456	5.1%
LDV	146	110	32.7	4.6%	718	2.5%
Isuzu	112	260	-56.9	3.5%	1,547	5.4%
Holden	98	456	-78.5	3.1%	2,466	8.6%
Mercedes-Benz	96	202	-52.5	3.0%	797	2.8%
Fiat	95	87	9.2	3.0%	486	1.7%
Fuso	81	87	-6.9	2.6%	459	1.6%
Volkswagen	79	118	-33.1	2.5%	692	2.4%
SsangYong	58	20	190.0	1.8%	295	1.0%
Hino	53	56	-5.4	1.7%	397	1.4%
Hyundai	53	64	-17.2	1.7%	434	1.5%
Great Wall	52	44	18.2	1.6%	331	1.2%
Scania	39	38	2.6	1.2%	266	0.9%
Iveco	31	37	-16.2	1.0%	239	0.8%
Renault	24	31	-22.6	0.8%	184	0.6%
Ram	21	8	162.5	0.7%	150	0.5%
Others	126	169	-25.4	4.0%	1,016	3.6%
Total	**3,167**	**4,203**	**-24.6**	**100.0%**	**28,517**	**100.0%**

New Commercial Sales by Model - September 2020

MAKE	MODEL	SEP'20	SEP'19	+/- %	SEP'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	663	814	-18.6	20.9%	5,633	19.8%
Mitsubishi	Triton	360	386	-6.7	11.4%	2,895	10.2%
Toyota	Hilux	265	603	-56.1	8.4%	3,998	14.0%
Nissan	Navara	227	184	23.4	7.2%	1,655	5.8%
Mazda	BT-50	206	173	19.1	6.5%	1,455	5.1%
Ford	Transit	140	77	81.8	4.4%	811	2.8%
Toyota	Hiace	122	150	-18.7	3.9%	1,351	4.7%
Holden	Colorado	96	449	-78.6	3.0%	2,433	8.5%
Fiat	Ducato	95	86	10.5	3.0%	483	1.7%
SsangYong	Rhino	58	20	190.0	1.8%	293	1.0%
LDV	V80	56	43	30.2	1.8%	260	0.9%
Great Wall	Steed	52	44	18.2	1.6%	331	1.2%
Volkswagen	Amarok	50	58	-13.8	1.6%	345	1.2%
Hyundai	iLoad	48	59	-18.6	1.5%	412	1.4%
LDV	T60	46	27	70.4	1.5%	233	0.8%
LDV	G10	43	31	38.7	1.4%	211	0.7%
Isuzu	F Series	42	59	-28.8	1.3%	334	1.2%
Mercedes-Benz	Sprinter	42	143	-70.6	1.3%	275	1.0%
Isuzu	N Series	33	43	-23.3	1.0%	313	1.1%
Isuzu	D-Max	30	148	-79.7	0.9%	796	2.8%
Others		493	606	-18.6	15.6%	4,000	14.0%
Total		**3,167**	**4,203**	**-24.6**	**100.0%**	**28,517**	**100.0%**

Private outnumber business buyers

There continues to be pent-up demand from the first lockdown for Covid-19 in the Auckland market when it comes to used commercials.

"There has been inquiry from customers this year," says Pakuranga-based Martie Browne, general manager of Betta Value Vehicles, which specialises in utes and vans.

"From what I'm seeing, it's mostly private buyers because a lot of the business trade has stopped and it seems people are still getting their finance okay because of our lower interest rates.

"Companies are cautious at the moment. If they are buying, most of them appear to want fairly new vehicles, whereas the public are more interested in simply getting what they can get because there are hardly any used imports.

"I'm finding late-model, low-mileage in the second tier down from New Zealand-new seems to work well in the market. But it is getting harder.

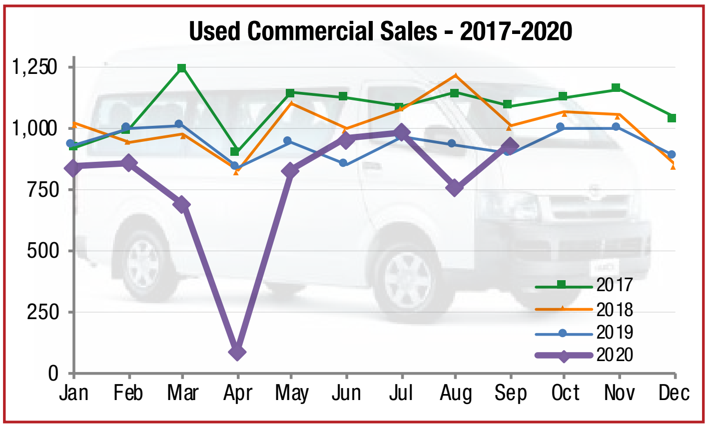
Browne hasn't seen many dealerships making a lot of money recently and he has "gone down to six models when normally I would be carrying about 15 to 20".

He told Autofile: "It's hard to do business with Covid-19 and everyone will have to update their ability to do transactions online.

"You have to upgrade your website to offer click and pay and arrange the finance, and to do it all online. It's not going to be easy.

"I don't have a yard. I got rid of that a while ago and I'm glad I did. If you have a yard at the moment and are tied into that for a couple of years, you may well be in trouble."

As for last month's statistics, 936 used-imported commercials were registered for the first time in New Zealand. This represented an increase of 3.8 per cent when compared to September 2019's total of 902.



Used Commercial Sales by Make - September 2020

MAKE	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	445	410	8.5	47.5%	3,145	45.1%
Nissan	205	233	-12.0	21.9%	1,673	24.0%
Isuzu	67	43	55.8	7.2%	338	4.9%
Hino	36	42	-14.3	3.8%	233	3.3%
Ford	34	25	36.0	3.6%	258	3.7%
Mitsubishi	31	30	3.3	3.3%	206	3.0%
Mazda	28	37	-24.3	3.0%	300	4.3%
Holden	20	12	66.7	2.1%	120	1.7%
Chevrolet	11	7	57.1	1.2%	95	1.4%
Volkswagen	10	12	-16.7	1.1%	68	1.0%
Daihatsu	7	2	250.0	0.7%	35	0.5%
Fiat	7	4	75.0	0.7%	119	1.7%
Dodge	4	2	100.0	0.4%	31	0.4%
GMC	4	4	0.0	0.4%	21	0.3%
Volvo	4	3	33.3	0.4%	29	0.4%
Dennis	2	0	200.0	0.2%	2	0.0%
Hyundai	2	2	0.0	0.2%	16	0.2%
Kenworth	2	3	-33.3	0.2%	13	0.2%
LDV	2	0	200.0	0.2%	9	0.1%
Mercedes-Benz	2	1	100.0	0.2%	25	0.4%
Others	13	30	-56.7	1.4%	233	3.3%
Total	**936**	**902**	**3.8**	**100.0%**	**6,969**	**100.0%**

Used Commercial Sales by Model - September 2020

MAKE	MODEL	SEP '20	SEP '19	+/- %	SEP '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	301	313	-3.8	32.2%	2,305	33.1%
Toyota	Dyna	59	32	84.4	6.3%	290	4.2%
Nissan	NV200	56	62	-9.7	6.0%	431	6.2%
Nissan	NV350	54	49	10.2	5.8%	400	5.7%
Nissan	Caravan	52	58	-10.3	5.6%	419	6.0%
Isuzu	Elf	36	31	16.1	3.8%	211	3.0%
Toyota	Regius	34	23	47.8	3.6%	258	3.7%
Hino	Dutro	25	29	-13.8	2.7%	167	2.4%
Toyota	Hilux	21	9	133.3	2.2%	85	1.2%
Toyota	Toyoace	20	24	-16.7	2.1%	146	2.1%
Mazda	Bongo	19	30	-36.7	2.0%	212	3.0%
Mitsubishi	Canter	19	13	46.2	2.0%	102	1.5%
Isuzu	Forward	19	6	216.7	2.0%	72	1.0%
Ford	Ranger	19	11	72.7	2.0%	110	1.6%
Nissan	Vanette	17	31	-45.2	1.8%	184	2.6%
Holden	Colorado	12	9	33.3	1.3%	74	1.1%
Volkswagen	Amarok	8	6	33.3	0.9%	40	0.6%
Nissan	Atlas	8	16	-50.0	0.9%	102	1.5%
Nissan	Navara	8	9	-11.1	0.9%	65	0.9%
Hino	Ranger	8	9	-11.1	0.9%	49	0.7%
Others		141	132	6.8	15.1%	1,247	17.9%
Total		**936**	**902**	**3.8**	**100.0%**	**6,969**	**100.0%**

Economic gloom starting to lift

Business sentiment among large Japanese companies between July and September turned positive for the first time in a year, recovering from a plunge due to the impact of coronavirus.

The confidence index covering firms capitalised at ¥1 billion-plus – or about NZ$14 million – came in at plus 2.0 in the third quarter of the 2019/20 fiscal year, up from minus 47.6 in the April-June period.

The outcome, which includes the motor-vehicle industry bouncing back, reflects gradual resumption of economic activity following the complete lifting of Japan's state of emergency.

Its declaration in May dealt a heavy blow to the world's third-largest economy with its reading for that quarter coming in at its lowest since early 2009 when it reached minus 51.3, which was in the wake of the global financial crisis.

The index had dropped for three straight quarters from the October-December term last year, when minus 6.2 was logged after the consumption-tax rate hike from eight to 10 per cent on October 1.

By sector, the large manufacturers' index was plus 0.1, up from minus 52.3 – positive for the first time in seven quarters. Notable rebounds were seen in the sentiment of car and automotive parts makers.

The Japanese government's indices are calculated by subtracting the percentage of firms reporting worsening conditions from those observing improvements.

Meanwhile, Japan has signed on the dotted line of a trade deal with the UK as the latter struggles to agree on a way forward with its trading partners in the European Union.

Big Japanese investors in the UK, such as Nissan, will benefit from reduced tariffs on parts from January 1. The deal removes Britain's tariffs on Japanese cars in stages to zero by 2026.

While these measures should ensure continuity of UK exports to Japan, the former may still lose a lot of Japanese production from companies using the country as a hub to export into the single market.

"Expanding free trade is an important issue for the Japanese automobile industry, which operates on a global scale," says Akio Toyoda, chairman of the Japan Automobile Manufacturers' Association.

"By taking advantage of this agreement, we intend to contribute to the development of even closer economic relations between Japan and the UK by providing a broader range of products to meet specific needs of customers there." ⊕

Stock levels edging up

Imports of new cars in September came in at 8,440. This was down by 23 per cent on the same month of last year, but represented an increase of 56.2 per cent on the 5,405 units that crossed the border during August.

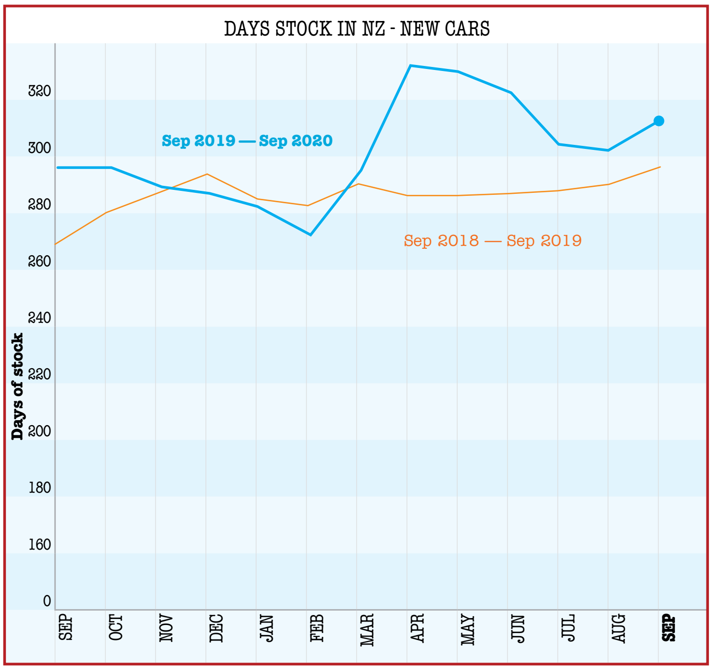
Registrations of new passenger vehicles amounted to 7,735 last month for a decrease of 25.1 per cent on September 2019. However, this was an increase of 9.4 per cent from August when there were 7,072 sales.

The numbers have resulted in the stock of new cars still to be registered increasing by 705 units to 74,948 – the second lowest monthly total in the past year.

Daily sales, as averaged over the previous 12 months, stand at 239 units per day. September's results mean stock at-hand has increased to 313 days, or 10.3 months, if sales continue at current the 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
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	2,765	5,400	-2,635	82,874	253	327
Jun '20	4,322	7,413	-3,091	79,783	250	320
Jun '20	4,327	8,200	-3,873	75,910	250	303
Aug '20	5,405	7,072	-1,667	74,243	246	301
Sep '20	**8,440**	**7,735**	**705**	**74,948**	**239**	**313**
Year to date	**52,135**	**58,952**	**(6,817)**			
Change on last month	**56.2%**	**9.4%**		**0.9%**		
Change on Sep 2019	**-23.0%** LESS IMPORTED	**-25.1%** LESS SOLD		**-11.3%** LESS STOCK		



Market tightening in Japan

The global impact of Covid-19 is affecting the supply chain of used vehicles from Japan, reports a car dealer.

Martie Browne, general manager of Betta Value Vehicles in Pakuranga, Auckland, believes prices there are unlikely to tumble in the wake of the pandemic.

"Japan is not likely to drop its prices because it has had a tough time themselves," he told Autofile. "Production there is down so they don't have a lot of stock and the Japanese public aren't purchasing new. They are buying second-hand, so they are effectively taking out supply for our market.

"It's also going to be a struggle finding the right models because of rules our government has put in around electronic stability control."

Browne describes the cross-rate between our dollar and the yen as "a big problem at the moment".

He adds: "It's going to be a challenging time for a while yet, and it's harder and harder to get stock. Unless the exchange rate increases to ¥75 to our dollar and we can exert some pressure on the New Zealand-new guys, we're going to be tracking south.

"Traditionally, the exchange rate has gone up towards Christmas, but whether that happens this year due to Covid-19 and the elections remain to be seen."

Accessing domestic stock is also proving problematic for Browne. "It's hard to find good stuff to sell. Most rental companies now have their own online profiles and are trying to sell their vehicles. It is getting harder for used dealers because you can't always buy from the usual sources.

"In addition, the public aren't prepared to pay what we need vehicles to be selling for to make money. Every time I list, customers want to pay $3,000 or $4,000 less, but I can't give them that.

"Most of the new-vehicle guys are working on slim margins as well. They are not offering used vehicles to dealers because many have opened what I call second-tier yards for trade-ins. They are selling them rather than putting them back through the trade.

"We're not seeing as many private trade-ins either because increasingly people think they can make extra money by selling vehicles online themselves.

"There's less stock, which plays into new-vehicle dealers' hands, and up go prices. I think lots of businesses are going to find it hard because margins are too tight." ⊕

New low for stock

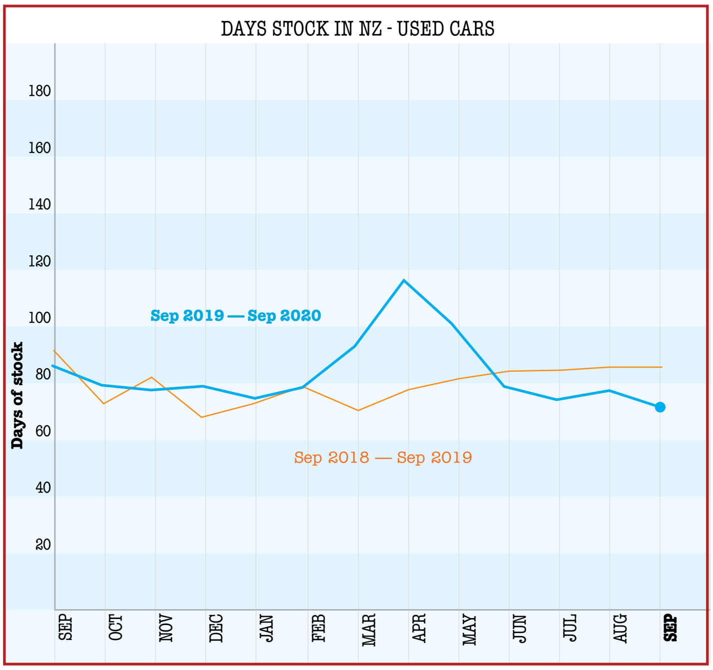
There were 8,424 used cars imported in September for a drop of 759 units, or by 8.3 per cent, on the same month of last year.

The monthly total was also a decrease of 16.93 per cent from 10,141 vehicles in August.

A total of 10,339 units were sold during September. This was down from 11,630 registrations during the same month of 2019, but shows a recovery from the 9,054 units sold in August this year.

With 1,915 fewer used cars imported than registered in September, this brought stock sitting on dealers' yards, or in compliance shops, to 23,802 units – more than 8,000 fewer than the total in September 2019 and their lowest level of the past 13 months.

With current average daily sales now at 327 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	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	4,048	9,565	-5,517	34,325	340	101
Jun '20	5,021	11,962	-6,941	27,384	342	80
Jun '20	9,221	11,975	-2,754	24,630	340	72
Aug '20	10,141	9,054	1,087	25,717	331	78
Sep '20	**8,424**	**10,339**	**-1,915**	**23,802**	**327**	**73**
Year to date	**78,026**	**84,522**	**(6,496)**			
Change on last month	**-16.93%**	**14.2%**		**-0.07**		
Change on Sep 2019	**-8.3%** LESS IMPORTED	**-11.1%** LESS SOLD		**-25.3%** LESS STOCK		