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Government urged to drive greening of fleet

Industry organisations say uptake of low-emissions vehicles is simply a matter of supply and demand

Politicians are being urged not to delay and lead by example when it comes to promoting the uptake of low-emissions vehicles in the fight against climate change.

Organisations representing the automotive industry believe government departments, agencies and local bodies can help stimulate the market by opting for greener models as fleets are purchased.

When fleets are then renewed, this would in turn boost the supply of second-hand stock enabling dealers to meet burgeoning demand.

The call for action comes as Prime Minister Jacinda Ardern has declared a climate change emergency in New Zealand and pledged the whole public sector fleet – which currently totals about 16,000 vehicles – will be carbon-neutral by 2025.

All government agencies are now required to only purchase electric vehicles (EVs), or hybrids when EVs are unsuitable, such as for some military purposes.

These four marques have been added to the all-of-government vehicles catalogue

While the wholesale transformation of the fleet in just a few years is a big ask, some progress has been made in recent years by New Zealand Government Procurement (NZGP) when it comes to the all-of-government (AoG) motor-vehicles contract.

For example, it recently announced Tesla, Kia, MG and Volvo have been added to the AoG vehicles catalogue.

"This will give agencies more choice as they work towards having an emissions-free government fleet," says a spokesman for the NZGP.

There are now 18 suppliers on the motor-vehicles contract with 14 of those able to provide electric vehicles (EVs) for AoG.

Nissan and Motorcorp Distributors, which represents Jaguar Land Rover, were added to it in October 2019 when they joined Audi, BMW, Ford, Holden,

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GUEST EDITORIAL

Diversion of holiday season welcomed

Frank Willett ponders the year that was, from shipping disruption to auction prices booming

FRANK WILLETT
Chief executive, Autohub NZ

Thank goodness the end is nigh because most of us will be glad to see the back of 2020.

During my 25-plus years in the used imported-vehicle industry, I've never experienced such a deep and prolonged impact as that which Covid-19 has created.

The ongoing "wake" caused is continuing to the point where we are unable to see its end.

And because the planet has essentially become "one market" for many things, the global interruption to getting anything from anywhere – and quickly – has profoundly impacted on people.

As for used-imported cars, the industry has suffered over the past year with the final phase of the ESC rule for all light vehicles.

It has effectively removed 30 per cent or more of what was being imported mainstream and, simultaneously, the coronavirus lockdown froze business in its tracks.

There have been unexpected post-shutdown buying frenzies, stock shortages, no good used vehicles available and or higher priced stock in Japan, and "will I be able to open tomorrow".

The current "wake" now being seen in shipping is freight-movement issues. China is back on-stream and "hoovering" much of the global container stock for exports. Roll-on, roll-offs previously at our disposal have, in some cases, been rerouted to service China's and South Korea's new-car shipments.

Nothing in shipping is "normal" at present and this may continue through 2021's first quarter.

When it comes to stock, there are signs auction prices in Japan are easing up.

One positive coming out of this major disruption and the ESC rule is we're now seeing a higher proportion of hybrids and electric cars being imported.

These vehicles were destined to become mainstream due to the used-import trade here following the trends of Japan's domestic fleet – albeit eight years or so behind. Things have, however, been accelerated.

And thanks to the Japanese market's metabolism re-awakening with more new-vehicle sales releasing more used stock, the pressure of finding quality product at the right price-points appears to be easing. This will hopefully continue.

Set to further help the used market is the apparent lag some distributors have in acquiring new stock. Anecdotally, some new-car retailers are changing their business models to survive, such as recycling trade-ins and buying used stock locally and offshore. In fact, anything to ensure they have something to offer clients during these times.

Some high-end suppliers have mentioned they cannot get stock of some new models. All this will contribute to the vacuum of stock being created at this time. I am starting to feel quietly positive there will be a boom coming…

I'm sure everyone is looking for a diversion from "life". Christmas is a good chance to spend quality time with family and friends – and hopefully get some mental relief from the year that was.

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Hyundai, Mazda, Mercedes-Benz, Mitsubishi, Renault, Suzuki, Toyota and Volkswagen.

"The new catalogue offers agencies the choice of 19 models of battery EVs available, an increase of nine," says the NZGP with 11 plug-in hybrids (PHEVs) also added.

"The government is committed to achieving positive environmental outcomes through sustainable procurement by buying low emissions and low-waste goods and services."

In addition, flexibility has been added to procurement criteria with emissions and environmental outcomes able to be considered as well as total cost of ownership.

David Crawford, chief executive of the Motor Industry Association (MIA), describes the previous government's action to boost the number of low-emissions vehicles in its own fleet, and generally, over the past three years as "more talk than action".

He says the number of EVs going into government fleets – central and local – has been low. It has been "bemusing to hear a big game" by encouraging and sometimes shaming others to reduce their emissions profiles, "yet they have done little to reduce theirs".

When asked – prior to Ardern's announcement on December 2 – if there has been much change in activity around this area since October 2019 when the government announced new rules to encourage a greater transition to low-emissions vehicles, car sharing and flexible rental arrangements, Crawford replies, "the simple is answer is not really".

Government fleet purchases – low-emissions vehicles

VEHICLE TYPE	TOTALS	2017	2018	2019	2020
GOVERNMENT BODY					
Fully electric	201	20	60	77	53
Petrol hybrid	1,378	140	175	620	721
Plug-in petrol hybrid	224	60	42	41	87
Totals	**1,803**	**220**	**277**	**738**	**861**
LOCAL BODY					
Fully electric	137	37	26	56	24
Petrol hybrid	313	30	45	151	107
Plug-in petrol hybrid	41	8	6	16	14
Totals	**491**	**75**	**77**	**223**	**145**

Source: MIA. Up to and including October 31, 2020

Statistics supplied to Autofile by the MIA show that in 2019 government and local bodies purchased 133 EVs, which was up by 54.7 per cent on 86 in 2018. To the end of October this year, the number was 77.

As for PHEVs, the combined total was 48 in 2018 and 57 during 2019. Up to October this year, the total was 101 for a 77.2 per cent increase.

Government and local bodies purchased 220 hybrids in 2018 and 771 in 2019 for a jump of 250.5 per cent. They increased by 7.4 per cent up to October 31, 2020, thanks to 828 registrations.

"In terms of government purchases, earlier in the year and ahead of this year's budget, the MIA called on the coalition to increase departmental vote for purchases so agencies could afford to purchase EVs," says Crawford.

However, with prices of electric cars significantly more compared to those with internal combustion engines (ICEs), it is feared Ardern's latest move will hurt the budgets of many agencies.

Crawford adds: "In terms of general EV and PHEV uptake, our view remains the same – the government should implement a feebate scheme to address affordability issues.

"As for the AoG contract, it should… amend departmental votes to empower agencies to afford EVs. For the country, it could introduce incentives or a feebate scheme.

"In our view, if the government contributed as little as $10 million a year to incentivise low-emission vehicle uptake, then you could support that with a modified feebate scheme whereby only the worst of poor fuel performers are targeted."

The MIA's feebate idea is one version of many variations. It isn't quite revenue-neutral because it would cost the government $9m a year, but it would make a "substantial difference" to sales of cars with low emissions.

"The basic idea is to penalise – through higher first-registration costs – vehicles with CO_2 [carbon dioxide] output of more than 250g. Then there would be a large neutral section through to 100g with incentives in place over two levels under that."

Crawford notes "a few caveats" would need working through. "For example, used imports would be subject to the same regime so are there any unintended consequences from that?

"Also, it wouldn't be feasible to have commercials involved at present, but they could be in the future.

"The attraction of the idea for politicians is this proposal is more public than a supply-side penalty regime, so it would be seen to be doing something. It would be self-funding – or nearly so, year by year – and controllable in a post-Covid-19 world.

"The attraction for our industry is penalties for high-emitting cars would have a small impact on sales of those vehicles, yet the incentives would have a massive boost for lower-priced, lower-emitting models and change the business case for importing some plug-ins and EVs from negative to positive."

Crawford says the government ▶

Changing wheels

Prime Minister Jacinda Ardern is swapping diesel power for electric with an Audi e-tron 55, pictured, set to become her new ministerial vehicle.

The government is adding three of the battery SUVs to its fleet to replace the BMW 7 Series cars for ferrying around top politicians.

The Audis are not expected to be dedicated to Ardern on a full-time basis, but are likely to be used by her when in Wellington and Auckland on government business. Also joining the ministerial fleet are three new BMW X5 plug-in hybrids.

Ardern is already familiar with EVs because her personal car is a Hyundai Ioniq.

The government has set a goal of having a 100 per cent green fleet by 2025. It is expected to soon tender to replace its entire fleet of VIP vehicles.

It was towards the tail-end of 2019 that the government pledged to ditch some diesel-powered ministerial cars.

"Low-emission and fit-for-purpose transport is an important priority," said Chris Hipkins, Minister Responsible for Ministerial Services at the time.

"We're playing a leadership role and intend to transition the full crown fleet to emissions-free vehicles by 2025/26."

He added such a shift over this timeframe will allow the market for EVs to grow and help ensure taxpayers get value for money.

is right to set an example on the uptake of low-emissions vehicles because "it is a credibility issue".

"The government has a large fleet across all of its agencies," he adds. "In time, as low-emission vehicles come through its fleet, it would accelerate the uptake of one-owner vehicles to the public at affordable prices at three years of age.

"Price is critical. Every agency is trying to maximise output from a fixed budget with many more calls for their spending than they have."

As far as the Motor Trade Association (MTA) is concerned, it says the uptake of low-emissions vehicles in New Zealand is a simple matter of supply and demand.

"Unfortunately, global supply is still low," Greig Epps, advocacy and strategy manager, told Autofile. "This means the higher price for scarce goods makes demand low.

"The government, as a large purchaser, is in a great position to take the lead by investing as an early adopter and to encourage large corporates to do the same.

"It has, however, hit the same hurdle as many potential low-emission and electric vehicle buyers, which is finding one that suits the wide needs of an organisation. As such, it hasn't progressed far with EV ownership."

Trying to affect supply is difficult for a small country, so the government needs to look at incentives and standards, says Epps.

"In the clean car discussions over the past 18 months, the MTA has been supportive of the industry and government agreeing to reasonable CO2 emissions standards and incentive schemes to encourage purchases of low-emission vehicles, especially EVs.

"Those discussions did not progress well. In fact, it was disappointing to see Labour come out with a policy that simply mimicked the clean cars consultation paper. It didn't account for the vast amount of evidence and argument put forward by the industry for a more measured approach."

As the MTA raised during the consultation over the clean car proposals, as tabled by former Associate Minister of Transport, Julie Anne Genter, it agrees with incentives for buyers and a standard for importers to affect market change.

"But we need to recognise the low level of supply, high prices and time it will take to shift attitudes and behaviours so we can refresh our current fleet with lower emission and higher safety-rated cars," says Epps.

He adds a clear roadmap, which has been developed with the industry to ensure it is reasonable and practicable, is needed to make the government's fleet and the whole country's fleet cleaner.

"For example, should we be considering an end to ICEs? It may be necessary to achieve carbon-reduction goals.

"However, the date at which that would take affect needs to be worked out with a view to providing for a 'just transition' for the industry – for businesses, their employees, suppliers and customers. It is not as simple as saying '105g/km of CO2 emissions by 2025' or 'no ICEs from 2032'.

"At present, the government has approached the purchase of low-emission cars in the same way as any business – what does the vehicle need to do, what its cost is and what its residual value will be.

"Fleet managers will be looking to balance these factors to find the best vehicle at the best price and retain best value at the end of its useful business life.

"Clearly, the government needs to emphasise to its purchasing officers that environmental goals have a 'value' that counts for more than the dollar value being spent.

"As for the automotive industry, it knows its customers have a range of demands and thus has a range of vehicles on offer.

"Manufacturers and retailers that have invested in providing low-emission offers are advertising those products and customers are

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making decisions. The market has shown the level of choice for low-emission vehicles."

The most critical part of accelerating the shift to low-emissions vehicles will be consumer behaviour and demand needing to change, opines Epps. Then the industry will shift to meet that new demand.

"The used market is a key source of transport for low to middle-income families. It would seem ill-considered for the government to compete against those families in the used market.

"As well, for a corporate or government purchaser, a used vehicle presents drawbacks such as maintenance, which is mostly covered by new-car servicing deals, and older technology. Health and safety considerations may be pertinent if the purchaser has policies requiring advanced safety features."

SHIFT IN EMPHASIS

A policy shift in the government procurement regulations came into force in October last year. It places emphasis on emissions and environmental outcomes in addition to total cost of ownership.

"Many agencies have work under way to use contracts to increase public value," says John Ivil, general manager of New Zealand Procurement and Property.

"For example, we've seen agencies start to transition to low-emission vehicles to travel and explore car shares or use more flexible rental arrangements."

Rule 20 for government procurement states agencies should support acquiring low-emissions and low-waste goods, services and works, and encourage innovation to significantly reduce emissions and waste impacts.

The government also has its fleet-emissions dashboard, which provides a greenhouse gases emissions profile.

The AoG motor-vehicle contract is now among those defined as a type of "collaborative contract" approved by the Ministry for Business, Innovation and Employment (MBIE).

"These rules are essential in reforming procurement to support broader social, economic, cultural and environmental outcomes, as well as continuing to represent standards of good practice," says Carolyn Tremain, MBIE's chief executive.

The policy framework for procurement is based on a charter, principles, rules and good-practice guidance.

"Public value" is defined as getting the best possible result from procurement, using resources effectively, economically and without waste.

The procurement charter sets out priority outcomes. One is to "support the transition to a net zero-emissions economy and assist the government to meet its goal of significant reduction in waste by 2020 and beyond".

The guidelines state: "Climate change is one of the greatest challenges of our time. When we do the recycling, fuel up or decide whether to insulate, we are making decisions that will help or hinder the transition to a net zero-emissions economy.

"As procurement practitioners for government, this challenge is increasingly a core part of our jobs as well."

The procurement rules say agencies must change their fleets by 2025/26 to hit a zero-emissions target. This presents a shift in focus, "but there is now a strong urgency to take action".

"New Zealand has agreed to international commitments at the World Trade Organisation on driving down our emissions, consistent with achieving no more than 1.5 degrees of global warming," the rules state.

"In 2019, the Zero Carbon Bill was established, including binding carbon budgets for the government.

"Government procurement has an important role to play and is doing its part to lower emissions. It accounts for 12 per cent of GDP, so how we engage with suppliers and set priorities under contracts can have significant effects on net carbon emissions.

"The AoG vehicles contract includes more EV options and will continue to be refreshed as technologies emerge, giving agencies access to the newest innovations."

The document continues that officials need to think about how a purchase will impact an agency's carbon footprint, not just its budget.

"This is now part of best practice for commissioning significant government projects and is reflected in a new requirement for cabinet papers to include climate-impact assessments.

"For example, every time you buy an EV instead of a combustion engine not only do you reduce fuel consumption during the time your agency owns the vehicle, these carbon savings continue when you on-sell supporting the development of an affordable second-hand market for EVs.

"In this way, the government can be a catalyst for change. And at the end of the day, when the government picks up its bill for its mandated carbon budget, it might be a bit lighter thanks to efforts of procurers and property managers."

Cutting pollution profile

Statistics supplied to Autofile by the MBIE show low-emissions vehicles now represent 9.4 per cent of the government fleet – as of June 30, it had 108 battery electric vehicles (BEVs) and 944 petrol hybrids.

By the end of September, there were 146 BEVs and 1,291 hybrids with that quarter also seeing the total size of the fleet drop by 106 vehicles.

"This is a reflection of the work fleet managers are doing to rationalise the fleet and reduce their emissions profile where practicable," says a MBIE spokeswoman.

Statistics for each quarter are published by NZ Government Procurement and Property, which collects and holds data on about 140 agencies mandated to apply the procurement rules.

The overall fleet for mandated agencies comes in about 15,000 units.

Light vehicles, as of July 31, 2020, on mandated agencies list

YEAR	DIESEL	ELECTRIC	PETROL	PETROL HYBRID	PLUG-IN HYBRID	TOTAL
2016	246	3	1,291	1	1	1,542
2017	455	18	1,576	62	14	2,125
2018	556	43	1,959	89	6	2,653
2019	423	32	1,238	528	21	2,242
2020	171	7	592	273	35	1,078

Note: The table does not include vehicles that may no longer be in the fleet. Data is supplied to MBIE by the NZTA on an annual basis. Agency breakdowns can be found on an emissions dashboard online at www.procurement.govt.nz/broader-outcomes/reducing-emissions-and-waste/reducing-government-fleet-emissions/

Winston Peters getting out of his diesel-powered ministerial BMW 7 Series 730Ld before the general election

Kit Wilkerson, of the Imported Motor Vehicle Industry Association, investigates the likely impacts of the government's clean car proposals – turn to page 16

Bouncing back after crisis

The successful management of cash control and having a strong balance sheet are among the factors that have helped a major player in the car industry to weather the Covid-19 storm.

The Colonial Motor Company, as other businesses across New Zealand, saw trading halt in March as the country went into lockdown as coronavirus "quickly moved from someone else's problem to a real threat".

Jim Gibbons, chairman of NZX-listed Colonial

Chairman Jim Gibbons says its impact was sudden as consumer confidence dropped in what he describes as a challenging year.

The group saw its revenue in March drop by 37 per cent on the previous year, an indication of what to expect when lockdown was announced at the end of that month.

"It had a dramatic impact, especially on car dealerships. There would be little income for the duration of the lockdown and probably weak demand after that."

Gibbons told shareholders at the annual general meeting in Wellington last month that while the company had money in the bank and unused credit lines, the issue was how long that would last.

"The immediate focus was our cash control. That was the context of the decision to cancel the previously announced dividend.

"At dealership level, cash control is a combination of operating expenses and managing inventory. Both were managed exceptionally well.

"Dealerships' management faced unprecedented problems, pressures and huge uncertainty. In addition, as individuals they had to cope with personal pressures that arose."

Gibbon cites past experiences – such as Christchurch's earthquakes in 2010 and 2011, the global financial crisis of 2009 and 2010, and market upheavals in the 1990s – helped shape awareness of what to do, and Colonial retained cash, its staff and customers.

Group revenue for the fiscal year's second half fell by 24 per cent and 17 per cent for the full year, with April's nosediving by 82 per cent on the previous year.

Despite those decreases, by the end of June the company had 965 employees – only three per cent down compared to 12 months earlier.

Total remuneration paid for the full year, including the government's wage subsidy, rose from $75.9 million to $76.1m.

"The revenue bounce after lockdown ended started unevenly, but soon was stronger than expected," says Gibbons.

"Revenue in March, April, and May were all materially down, but June was only down two per cent on the previous year. Revenue in the first quarter of this year is down by the same two per cent.

"We've bounced back to a level of revenue similar to last year. But the significant revenue lost in March, April and May hasn't been recovered."

He notes there are now few new rental cars so total industry numbers, by comparing 2020 to 2019, "give a confusing picture".

However, sales of nearly-new vehicles are strong, which signals a reversal to predictions in April.

"It all adds up to good numbers, but it could all slow down if consumer confidence is hit again. For now, to use a concept familiar to salesmen, 'buyers are buying, not just looking'. It's day-by-day trading, but adds up."

Gibbons highlights two key strengths that have helped Colonial get through the past six months. One is its strong balance sheet. The other is its management.

"The company has two major asset groups – inventory and property. There is little goodwill or long-term right of use leases. Borrowing is short term and used to fund current inventory.

"Our balance sheet doesn't lock us into yesterday's trading patterns. Our assets are all marketable. We can expand or reduce as conditions dictate.

"The second strength is the management. The company has a small Wellington office with only six employees. Most operational decisions are made at dealership level by experienced managers who thrive on autonomy.

"The shareholding has been stable, and there has been stability at director and chief executive level. Over the past 100 years, there have only been four CEOs and nine chairmen."

Another contributing factor for Colonial is "the long-term nature of the franchise relationships especially, but not restricted to, Ford".

"Senior-level stability filters down to individual dealership managements. The result is a stable core of people with huge experience."

Gibbons stresses the coronavirus lockdown for Southpac was less severe than car dealerships with many of Colonial's heavy-truck customers classified as essential.

Parts, servicing and some replacement trucks continued under strict controls. Primary producers, in particular, continued working during the shutdown.

Consequently, Southpac didn't get dramatic revenue falls experienced by car franchises, "but nor did it get the dramatic rebound after lockdown".

Its two brands, Kenworth and DAF, have different ordering cycles, with Kenworth mainly manufactured to specific requirements and DAF being standard builds.

Australian assembly of Kenworths continued through Victoria's lockdowns and the pre-build of the new model DAF-insulated Southpac from build shortages in Europe.

"Southpac's forward-order position is improving month by month. Logs are being milled, livestock moved and goods transported."

Gibbons notes the current financial year has started on a positive note. Despite a two per cent drop in revenue, trading profit for the first quarter, from July to September, was up compared to 2019.

"This reflects ongoing skilled management of details to ensure the best result from available activity. It is not a growing market, but it's much stronger than earlier economic projections. There are some forward orders, some supply shortages.

"But it can all suddenly slow down again. Confidence is fragile. We all live for today and start again tomorrow."


Grant Baker, Turners' chairman

MAJOR OPPORTUNITIES

Turners Automotive Group hasn't been resting on its laurels this year. "As the saying goes, never waste a crisis," is chairman Grant Baker's view.

"We are operating in unprecedented times. Nonetheless, this is an exciting time for the business as we are well-positioned for uncertain times.

"It has been a year of challenges for our nation, and we operate in conditions of great uncertainty and volatility. We haven't and aren't sitting back. While we have to be aware of risk, we see significant opportunity.

"By operating a diversified business and driving performance in each part of it, we've created a resilient model with managed risk. We have diversification in geography and business type, which serves us well."

Baker describes the used-car market as robust – with about four million on Kiwi roads, some 25 per cent turn over annually.

"New Zealand also has an ageing fleet of cars. Around one million are more than 20 years old, and the scrapping age is dropping due to repair costs and tougher warrants. This means hundreds of thousands will need replacing in coming years, providing steady demand."

He notes consumers often release capital from vehicles by trading down during an economic downturn.

"We've also seen, with overseas travel foregone due to Covid-19, some Kiwis are upgrading to new and luxury cars if they have the spending power.

"Basically, a change of circumstances often results in a change of cars, so dynamic times can support transaction volumes for used.

"We don't mind whether people are trading up or down as long as they are trading. A lot of the used market is structural and needs-based with buying and selling happening throughout the cycle."

As for Oxford Finance, Baker says its strategic review of last year as well as its and EC Credit's testing of the market have shown their value.

"Our annuity businesses – insurance, finance and credit – have underpinned fluctuations in the automotive market. Although the used-vehicle market is subject to economic cycles, it's worth noting that compared to many other retail categories it is relatively stable."

Turners' finance division and work to improve the quality of its loan book means that, so far during the Covid-19 crisis, there has been good performance for arrears.

The benefits of a business with annuity earnings at a time of volatility have come "more clearly into focus" with insurance renewals proving to be valuable during lockdown with recurring premiums paid up-front.

Baker says continued investment to deliver in digital and online environments is essential.

"We are outspending competitors in this area and, more importantly, delivering tangible outcomes. As well as providing existing services in this new environment, we've launched BuySafe and Turners Car Subscription.

"A future focus is optimising digital marketing and increasing value by better understanding customer, vehicle and technical data.

"While it has been a challenging year, and while we will continue to face challenges in coming months and years, what is heartening is the stress-test of Covid-19 has demonstrated we are on the right track in terms of strengthening and diversifying."

Dealers feel shipping squeeze

Some importers are experiencing delays in getting vehicles shipped to New Zealand as international supply chains face ongoing Covid-19 disruption.

Container ships and roll-on, roll-off vessels are being affected by changed schedules and a surge in demand in the pandemic's wake, which in turn is impacting the transportation of cars.

There have been reports of a number of ro-ros being rerouted from Japan to service new-vehicle shipments out of China and South Korea, while much of the global container stock is being snapped up for exports from China.

Logistics providers say factors such as congestion at domestic ports, industrial action in Australia and political uncertainty in other countries are adding to the problem.

It means cars being imported to New Zealand are sometimes being taken on longer routes than usual or are bumped onto later sailings because of a lack of space.

Experts say the delays for ro-ros from Japan have been no worse than a few days so far, but vehicles being shipped in containers can be stuck in transit for weeks longer than usual.

Ken Quigley, managing director of Jacanna Customs & Freight, told Autofile many vessels are being packed with new cars before they arrive in Japan and that's leaving little room to import used stock.

He says the hold-ups come as the automotive industry is performing above expectations following the coronavirus outbreak.

"A lot of vessels are full before they even get to Japan and they're being filled with new cars," says Quigley. "I've never seen anything like it before.

"Buyers here are struggling to ship vehicles because there's no space. People are getting frustrated because you can buy the car, get it prepped and heat-treated but can't get it on a vessel.

"There are fewer vessels around and new cars are taking up a lot of the space. It comes at a time when most people are busier than anticipated a few months ago.

"New vehicles often get priority because of contracts to fill and it appears a lot of stuff is being moved before the end of the year.

"The shipping lines need to get more vessels on because, at the moment, new cars or other destinations are taking priority over used vehicles and New Zealand."

The monthly number of used-imported cars coming into New Zealand slumped this year to 4,048 in May and 5,021 in June. Those figures have since leapt with the tally averaging more than 9,200 in the following four months.

Meanwhile, the number of new passenger vehicles crossing our border tumbled to 2,765 in May, but soared to 8,440 in September and 8,998 in October. The latter figure eclipsed the monthly total from October 2019 when 8,122 new cars came into the country.

Quigley says that besides schedules being trimmed back during 2020, some lines have been operating smaller vessels and this has put further pressure on capacity.

He predicts the market will eventually correct itself, but until then he says shipping lines appear nervous about committing too many vessels.

"It's about a lot more than just Covid-19, it's also related to port strikes in Australia, congestion at the ports in Auckland – everything is happening at once. There is probably room to put another vessel onto the schedule.

"If you went back six months, you'd have thought the market wouldn't rebound quickly. But it has and if you had said you wouldn't get a space on a vessel because they were all full, you'd laugh. And yet here we are in that space."

PERFECT STORM

Frank Willett, chief executive officer of Autohub, agrees many different factors have impacted shipping this year and it has "resulted in a perfect storm".

Describing the current situation, he notes ro-ros from Japan may suffer delays of three to four days if stopping in Australia. With container vessels, delays of 10 to 14 days are common and, in extreme cases, they can extend to weeks or months.

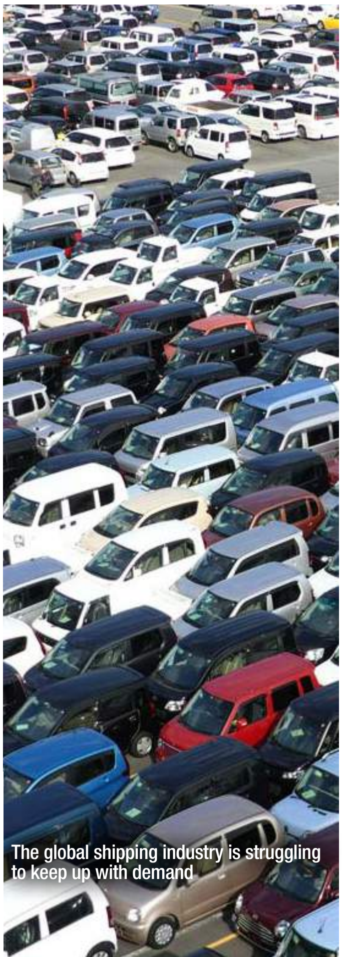
"The main market for us is still Japan and ro-ro at the moment has been at fairly high capacity," says Willett.

"So far that hasn't been detrimental to the trade because purchasing volumes have been subdued. However, they're looking likely to pick up as New Zealand dealers are back to buying at auctions in Japan again.

"Other vehicle markets, if reliant on container services, are competing with the general freight market and that's the main difference."

He describes the current shipping situation, particularly for containerised cargo, as "fairly flat". As a result, those prepared to pay a premium are getting access to containers easier than those who won't.

Willett notes shipping lines can at any time also add congestion fees and variable charge rates for cargo being moved by container.



The global shipping industry is struggling to keep up with demand

He says logistics operators are doing their best to work with lines to mitigate additional costs and delays when possible.

"It makes it tough for dealers to work with their customers, particularly with import to order, when arrival times and final costs may not be known.

"At present, it's difficult for someone who has a car or two in a box to determine what their final costs will be and when they will see their vehicles.

"It's frustrating for all concerned. Some vehicles coming from Europe are fairly high-end and whereas your capital outlay timeframe used to be fairly consistent, it can now vary significantly.

"The message to our clients is be prepared for delays and variable costs and try to work with us when you can. Becoming stressed and angry doesn't change anything, unless they're prepared to pay considerable extra costs or consider air freighting, but even that has limitations.

"It's the way of global freight at the moment. Import and export markets have been affected with a large backlog in both directions, and the marine industry is struggling to keep up."

Container shipments can be held up depending on which ports they stop at with industrial action across the Tasman causing a "choke point and delays".

Willett says the number of vessels operating globally has also changed because of coronavirus and businesses in China are dominating cargo movement capacity.

He adds it is difficult to forecast when shipping will get back to "normal" and predicts current disruptions may continue for many months yet.

"We have got bow waves from the initial impact of Covid-19, we have got potential political unrest and trade agreements are up in the air with major markets.

[continued on page 12]

ATNZ

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Welcome to ATNZ !

New Zealand's best source of Japanese used cars

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

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

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

IN BRIEF

Petrol and diesel ban in UK brought forward

The sale of new light vehicles powered by petrol and diesel will be banned in the UK from 2030.

Prime Minister Boris Johnson has also announced hybrid sales will come to an end in 2035 as part of a 10-point plan to tackle climate change.

His government has set aside £4 billion – or about NZ$7.7b – for the proposals. The funding includes a £1.3b investment in electric vehicle (EV) charging points and grants for EV buyers will increase to £582m.

Johnson's announcement on November 18 brings forward a previous policy to scrap new petrol and diesel car sales by 2035.

As countries race to cut emissions from motoring, the UK is now only second to Norway, which has a fossil-fuel vehicle abolition target of 2025. Visit www.autofile.co.nz for the full story.

Sustainability key in concept's production

Polestar has announced its Precept will enter production after the company, which believes there is a market for its sporty, all-electric car, received positive feedback on the concept from consumers.

The vehicle will be made in China, the fledgling marque's home market, in a plant that is currently in its planning stages. The factory will not only be carbon neutral, but also one of the world's most connected automotive production facilities.

An important part of the Precept will be its lightweight carbon-composite construction. Its interior will feature a mix of sustainable materials, such as recycled plastic bottles, reclaimed fishing nets and reworked cork vinyl.

South Korean marque drives rugby support

Kia Motors has teamed up with Auckland Rugby to bolster the national sport in New Zealand's most-populated region.

The deal boosts the marque's position as a key supporter of the code with it also sponsoring Eden Park since 2016.

Kia Motors has provided a fleet of Sportages to Auckland Rugby in support of its efforts in driving community engagement and fostering the sport across the region, from grassroots to senior competitions.

In return, Kia's logo will appear on Auckland's Mitre 10 and Farah Palmer Cup jerseys, and on vehicle signage.

Organisation hits record year for membership

The Financial Services Federation (FSF) has signed up UDC Finance as its most recent member.

Under new owner Shinsei Bank, it is poised to continue as the country's largest non-bank lender with about 82,000 active borrowers and loans of some $3.3 billion.

"UDC's growth is an example of the importance of the non-banking sector in our economy," says Lyn McMorran, the FSF's executive director.

"What we consider in a prospective member isn't the size of its loan book, but that we can be satisfied its commitment to responsible lending matches ours."

The FSF also welcomed AA Money, Auto Finance Direct, Happy Prime, Collection House Ltd and 255 Finance in its 2019/20 fiscal year.

[continued from page 10]

"It's hard to tell when things will start evening out. We just keep on keeping on doing the best we can with what we have got."

RO-ROS KEEP ROLLING

Matt Battle, general manager of Moana Blue, acknowledges the pressures facing used-vehicle imports, but remains upbeat about the overall situation.

"When you consider the impacts on ro-ro services and schedules compared to what is happening with containers and other sea freight, it's pretty positive," he says.

"In general, our services haven't been affected in the same way other freight operations have.

"We have been fortunate compared to what we're seeing with the rest of the world. We recognise our industry isn't going to be immune to those pressures and vessels are running at high capacity."

STRETCHED SYSTEM

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association, says the coronavirus pandemic has meant normally efficient supply chains internationally have been tested to their limit.

While this is having an impact on New Zealand's car industry, he notes it is a global issue and needs to be treated in that context.

"During Covid there's been a problem with international supply chains. As a result places such as Ports of Auckland are struggling with scheduling and processing, not just cars but particularly containers, some of which are being diverted.

"In terms of supply-chain management, efficiency and resilience are inversely proportional so when we have a very efficient supply chain, by definition, it becomes relatively fragile.

"The stink-bug crisis showed us there's no fat in the system. When the supply chain stops, everything stops. That's been proven again with Covid-19.

"Logistically, supply chains are being stretched to twanging point, and Ports of Auckland and New Zealand are getting caught up in that."

After the number of vehicle imports dropped because of New Zealand's lockdown, fewer ships have headed to our shores and there is more time between sailings.

Vinsen notes some lines are presently code-sharing to save costs and ensure vessels operate as close to capacity as possible while import and export markets build back up after suffering a hit from coronavirus.

As a result, some ships are embarking on longer journeys that may include different source markets and destination markets.

He describes the process for getting vehicles from auctions in Japan to dealers' yards here as a "fine juggling act".

"It's like food. There are three criteria – quality, speed and price. You can have two of the three, but you can't have them all. You can have quick, cheap food but it may not be very good.

"It's a bit the same with logistics. We can have a robust, resilient system but it probably won't be the cheapest, or we can have a cheap system that breaks down as soon as it hits a major problem. Ultimately, the market decides what it wants to pay.

"Everyone in the chain is doing their best to provide the best possible service at the best possible price, but at the same time acknowledging these stresses and strains on the system."

While the present situation is difficult to manage, Vinsen says dealers need to continue operating as close to normal as they can.

"Dealers are focused on buying stock they need to replace stock they have sold. It's down to everybody else in the supply chain to organise things as efficiently and effectively as possible.

"Other factors will come into play with professionals further up the system and that's why we had the development of the supply chain that we have to make the process as efficient and smooth as possible.

"Dealers just have to press the button and their agents, brokers and logistics partners will do their thing. My advice to people is to get on with business as best you can, dealing with what's in front of you."


A very Merry Christmas and happy holidays from the team at
autofile
It's been a tough year, but we've got through it. And it's all thanks to you – our readers, our supporters and, most of all, our advertisers.
If you're in a position to do so, please support companies that advertise in Autofile magazine and on our website.
We're all in this together and we wouldn't want it any other way, so a special thanks from all of us.
Have a great festive season.
We look forward to working with you again in 2021.

Industry movers


Sara Pastor Ruprichova

SARA PASTOR RUPRICHOVA, formerly marketing manager for Volkswagen NZ, is now leading a centralised customer engagement team for multiple brands represented by European Motor Distributors (EMD).

Greg Leet, Volkswagen passenger general manager, says: "The team is focusing on the complex online customer journey.

"We had been thinking about the best use of our marketing resources for some months, then a certain worldwide pandemic arrived that interrupted the process for a few weeks."


Helena Schultz

HELENA SCHULTZ has replaced Pastor Ruprichova. She has three years' experience with Volkswagen NZ as a senior marketing executive before which she worked for Maori Television.


Shannon Pentecost

SHANNON PENTECOST, who joined the marque working on its digital, events and public relations efforts about a year ago on a temporary capacity, has joined the marketing team on a permanent basis.

MICHAEL WOODHOUSE has been promoted to become National's transport spokesman.

The list MP, who also shares finance with Shadow Treasurer Andrew Bayly, replaces Chris Bishop, who now holds the Covid-19 response portfolio.

Before entering parliament in 2008 and serving as a minister, Woodhouse, pictured, was an accountant in Dunedin.

He has experience as a senior manager at HealthCare Otago and ACC, and was the chief executive at Mercy Hospital in Dunedin.

Barbara Kuriger is the opposition's associate transport spokeswoman. Her other responsibilities include energy and resources.

Todd McClay retains economic development and tourism, and also has the small business, and commerce and consumer affairs portfolios.

VHARI McWHA has been made an associate member of the Commerce Commission.

McWha is an experienced economist and advises on public policy and regulation, including competition analysis. She is currently a director at Sapere, where she has worked since 2011.

Her previous positions include deputy director at the economic consultancy NZIER and manager of regulatory affairs at Meridian Energy.

CHRIS GLEDHILL, pictured, has been appointed managing director of Michelin Australia and New Zealand. He succeeds David Issautier, who has returned to the parent company's head office in France.

Gledhill, who has been with the tyre giant since 2011, was previously Michelin's commercial director for Oceania with that position now being filled by Nathan Flynn.

PETER KELEY has retired as GM Holden's sales director. He was previously managing director of Holden NZ from 2005-08.

Keley was behind setting up General Motors Specialty Vehicles across Australasia.

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


Lando Norris trying out the Senna Ride-On with the full-size version as a backdrop

Something special for Christmas stocking

Have you ever thought of downsizing or shelling out about NZ$735 on a track-focused electric car for the junior racing driver in your family?

Thanks to the McLaren Senna Ride-On, well now you can and it's available in five colours – black, white, orange, blue and red.

A special-edition colour, exclusive to McLaren retailers, of yellow with green accents is a homage to the colours of Ayrton Senna's helmet.

The Ride-On is aimed at three to six-year-olds, although F1 driver Lando Norris did manage to squeeze into one for a test drive.

An authentic push-button start activates Senna engine sounds and it features working dihedral doors for easy access.

For precision handling, the model also features a working brake with brake-light function.

Junior journeys can also be accompanied by music, played via an infotainment system that can access files from a USB device or SD card.

Going further into its high-tech features, this ride offers a full-time, 360-degree view around the car, courtesy of the child's head sticking well above the Senna's body.

It's priced at £375 in the UK market, and is available to order from McLaren retailers and selected toy shops.

Time to pay back

Mitsubishi Motors NZ says it will pay back $456,000 in wage subsidies after coming through coronavirus stronger than anticipated.

It now hopes other companies experiencing favourable trading conditions will make the same decision.

Spokesman Reece Congdon says the marque applied for the wage subsidy during "severe and uncertain times" to protect jobs.

However, the company has since decided repaying the government pay-out is the "fair and right" thing to do because it has done better than anticipated.

"We hope other companies experiencing the same favourable trading conditions come to the same decision we have," adds Congdon.

During the height of the Covid-19 crisis in New Zealand earlier this year, employers could apply for the subsidy if they suffered or expected a revenue drop due to the pandemic.

About $14 billion has been paid to some 754,350 applicants and at its peak supported 1.8 million jobs.

Fast replies boost conversions

In last month's column, we looked at social advertising and the importance for car dealers to include it as a key element of their marketing mix.

Following on from this, it's pertinent to consider the leads generated by platforms such as Facebook and how traders should be handling them.

Best practice by some of the country's most successful dealerships indicates that systems and processes, specifically for digital leads, need to be established to maximise conversion opportunities while noting these may differ from the way more traditional lead types are handled.

Crucial to effective digital lead management is a prompt response rate.

If customers log enquiries from a Facebook advert, it means they are actively online at that moment and are likely considering purchasing a vehicle.

The longer it takes for you to respond to those queries, the more opportunities those potential buyers have to look at other brands' or competitors' websites or to even rethink their purchases altogether.

Our recommendation to clients, based on the practices of high-performing dealerships, is to set a key performance indicator of 15 minutes to address digital leads.

Although a seemingly tight timeframe, establishing a process amongst your sales team that prioritises prompt lead follow-up will have positive outcomes.

Prospective buyers will appreciate the quick service and will be more likely to engage you because you have caught them at a time when your business is front of mind.

This, in turn, will open the door to further discussions and make the sales process easier.

Many customers are likely to be online using Facebook and researching vehicles outside of business hours.

Although there is a certain level of expectation that queries logged after hours may not be responded to until the following day, why not surprise and impress a would-be client by getting back to him or her even when the dealership is closed.

The most successful dealers we work with assign certain team members the task of keeping an eye on their leads during the evening, ensuring they continue to adhere to the 15-minute response time even then.

For your dealership, this may be a particular team member or by weekly rotation. The important thing is, someone is always ready to take that enquiry no matter the time of day.

In order to efficiently respond to leads, it is imperative you have systems in place that ensure relevant staff are being made aware as soon as enquiries come in.

TODD FULLER
General manager
AdTorque Edge NZ

We recommend dealers capture leads immediately by pushing them into a centralised lead management system (LMS), and or by setting up alerts so staff are notified whenever an enquiry is submitted. If dealers have to log into individual platforms such as Facebook to see whether any leads have come through, delays will occur, which will result in lost sales.

Another process worth considering is how best to communicate with leads that come from Facebook Advertising.

Let's get digital

- Facebook leads should be responded to within 15 minutes to maximise conversion opportunities.
- Assign a team member to manage after-hours enquiries.
- Capture enquiries in your LMS to prevent response delays.
- Use Facebook's lead forms to establish how and when to contact your customer.

Unlike traditional sales training that directs you to pick up the phone and speak to a customer immediately, people who log digital enquiries tend to prefer to have control over how and when they communicate with you.

Lead forms can be set up within your Facebook Ads with customised questions and appointment requests. You can use these tools to find out how and when to best reach your customers.

Some may wish to be called. Others, however, may want to connect via SMS or Messenger given they were more than likely using their phones to look at Facebook when they saw and responded to your advert.

A few people may be available to talk immediately, but many will prefer you contact them during their lunch break or in the evening.

Giving prospects control over the way they converse with you delivers a positive experience, enables you to build rapport and improves your chance of conversion.

Every dealership is different as are the processes and systems they have in place for dealing with customer enquiries. What is consistent across the sector, however, is a desire to get the most out of every dollar spent on advertising.

There is little point in investing thousands of dollars with Facebook only to waste opportunities by responding too slowly – or not at all – to leads that come in.

Instead, your team members need to be armed with the right training, tools and processes to enable them to maximise these potentially lucrative sales opportunities so your business gets the best possible return on its investment.

Clean car idea 'flawed by design'

The writing is on the wall, we shall see if we are the modern-day Belshazzar's.

Global warming is real, but we are doing a horrible job managing it. Talk of making efforts to reduce it, which should have started 40 years ago, has led to nothing but tinkering around the edges.

The reality is we have no meaningful way to change the trajectory we're on over at least the next 30 years.

Because we have failed to act for so long, gradual lifestyle changes that could have occurred across several generations will now be forced into less than one. Even then, it's too late to prevent many negative effects. The alternative to inaction, however, would be even worse.

We like to think steps and sacrifices already taken are helping, but in reality they have only slowed the aggravation. Usually, when we hear about cuts in greenhouse gases (GHGs), we are actually hearing about drops in the rate of increase.

Over the past 10 years, average emissions of vehicles being added to New Zealand's fleet have decreased by 14 per cent.

This sounds great until you realise the fleet's size has increased by 23 per cent. The efficiency gains are only on vehicles added to it. And the total distance travelled by the entire fleet has risen by 20 per cent in the same period. The conclusion? A net gain in emissions.

This same doublespeak is used by those who like to use their progress in "reducing GHG emissions" to sell products and by governments to "greenwash" initiatives.

In some cases, decreases refer not to actual reductions in GHGs nor even cuts in the rate of increases in emissions. Instead, it sometimes refers to drops in the acceleration in the rate of increases. The only way to meaningfully mitigate the problem is to decrease our emissions.

Governments are being forced to act, even if they are doing a poor job of convincing the public of the problem. People don't like change and their lifestyles or businesses interrupted.

Without the will of the people, there is no political will no matter how necessary the change. This dynamic means democracies tend to act on issues only after they have become crises and long-term plans will always be relegated by short-term benefits.

It's difficult to mitigate long-term problems when the public balks at any pain and responds to necessary change by electing a government that promises to deny the problem.

The UK is now moving forward its deadline to cut off the sale of new internal combustion engine (ICE) vehicles to 2030.

This news comes a year before a meeting in Scotland where world leaders are expected to agree on targets more aggressive than the Paris Agreement, which requires New Zealand to be carbon neutral by 2050.

It is simple maths. If we are required to have a carbon-neutral transport system by 2050 and the average vehicle stays in the fleet for 15 years, 2035 is the cut-off for ICEs. If that 2050 deadline ups, so does our ICE cut-off.

KIT WILKERSON
Policy adviser and analyst
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Concerning the effect on the automotive industry, we have a duty of care to ensure any plan to reduce GHG emissions is maximally effective.

Take, for instance, the government's proposed "clean car" emissions standard. Its stated purpose is to cut emissions by penalising the supply of the highest-emitting vehicles through financial penalties on importers.

Penalties would be based on the difference between a vehicle's emissions, and a target set by the government and modified by its weight. This target will decrease annually to zero by around 2040.

Unfortunately, this standard is flawed by design. Its weight-adjusted aspect means lighter, less-emitting models end up subsidising heavy high-emitters.

This seems an odd design choice when the goal is to decrease emissions. It seems to be designed to drive down GHGs and drive up the fleet's mass. It's definitely not a systems approach to efficiency – we should be doing the opposite.

If the target were flat, then fewer low-emitting, light vehicles would be penalised. If we stopped importing all vehicles that receive the same penalty, say $5,000, we would find the GHG savings from a level target are significantly higher than the proposed weight-adjusted target.

Another problem with the standard is that it is a family tax. Sometimes people need low-efficiency vehicles. The government should classify people movers with light commercials and off-roaders, which will have a slightly higher target.

The standard also only addresses cars coming into the fleet. Remember the previous points about 14 per cent vehicle-efficiency improvements over the past decade? The conclusion was only a reduction in the rate of increase.

The standard will drive an increase in time that cars remain in service by upping the price of newer vehicles beyond the budget of most Kiwis.

Cars made today are designed to last 450,000km if well-maintained. At 12,000km per year, the distance an average car travels in New Zealand, vehicles brought in today could potentially last 40 years. If the only options for replacement are outside people's price ranges, "potentially" necessarily becomes "must" last for 40 years.

As we continue to import and sell ICE vehicles today, this already pushes the date we can achieve carbon neutrality to way beyond 2050.

The biggest fault, however, is that the proposed standard does nothing to educate the public about the connection between their choice of vehicle, behaviour and relevant GHG costs.

To address these failures, the government will need to couple the standard with other initiatives.

One place to start is to develop incentives to manage the fleet, such as replacing gross emitters – the small percentage of vehicles that emit a disproportionally high amount of GHGs, such as light commercials. After that, incentives should shift progressively to target ▶

the highest emitting vehicles.

Policies targeting the existing fleet should also include ideas that will have similar results, such as incentivising people to drive less.

Then we must address the question of how individuals will afford a mandated move to electric vehicles (EVs). The government and industry will need to explore creative financing solutions.

Together, all these necessary steps create an unwieldy beast of an initiative. Unfortunately, the costs will be borne by New Zealanders, likely hitting them hardest in times of personal crisis, such as when a vehicle failure requires them to buy a replacement.

The penalties from the clean-car standard for instance, even though aimed at and initially paid by importers and intended to control supply, will be passed onto consumers. If the public demands and is willing to pay for inefficient vehicles, guess what will be imported.

Again, costs from these different initiatives will be passed onto buyers and interpreted as a tax.

We should find a New Zealand solution, one with public buy-in, instead of borrowing models from jurisdictions with different fleet dynamics, a solution that can be applied universally.

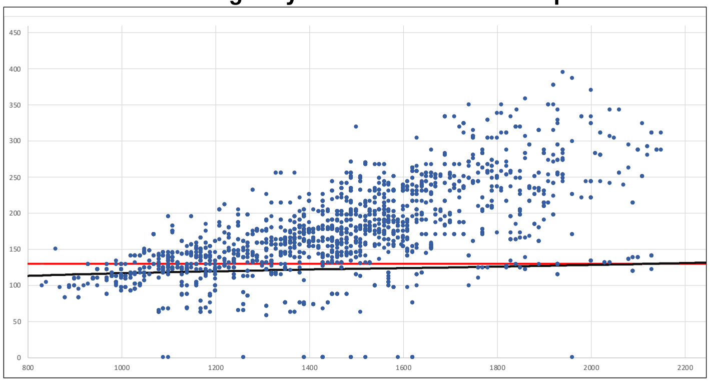
For instance, we could implement a single simple solution, which has surgical precision in targeting emitters, will create demand for lower-emitting goods, educate consumers, is fair across industries and costs a fraction as much to manage.

We should follow the Productivity Commission's recommendation and implement a meaningful tax on GHG-emitting fuels. This tax should be tied to the price of carbon to create a level playing field and force a shift to low-carbon solutions.

Under such a solution, there is only one lever and that's raising the cost of carbon for an equal and fair effect on all industries.

Since consumers are paying the price of their lifestyles, there is a direct connection between behaviours and the social costs of those behaviours, assuming costs are applied fairly and equally to all who generate GHGs.

Vehicle weight by emissions for used imports



This graphic shows vehicle weight by emissions for used imports coming into New Zealand since April 2020. The weight-adjusted target of 130gCO2/km is in black with the level target in red. Source: VIA

> "The only way to meaningfully mitigate the problem is to decrease our emissions"

The primary objection to a carbon fuel tax – beyond the obvious public dislike of taxes – is its regressive nature of having a larger effect on low-income earners.

There are, however, potential fixes for that. For example, the government could periodically return the amount collected equally to the adult residents of New Zealand.

This might initially sound like a counter-intuitive solution. But consider the impact – people paying at the pump still feel the pinch, the connection between behaviour and cost is created, and the added cost at the time is a direct deterrent.

Most people, however, would get more back than they spend. Those changing their lifestyles to minimise emissions would be rewarded with the most benefit from the policy.

Extending this policy to include all GHG emissions, at today's price of $25 per tonne of CO2e – that being the carbon-dioxide equivalent, which includes all GHGs standardised to CO2's effect – means every adult in New Zealand would get about $500 annually with the average driver paying around $45 in petrol tax.

If the price of carbon were raised to the $75 per tonne as recommended by the Productivity Commission, the refund would increase to almost $1,500 annually with the average motorist paying about $125 in petrol tax.

Free money is not the goal. The goal is to reduce GHG emissions. Consumers would still have the added expense at the pump. This tax would help people understand the environmental cost of their choices and encourage them to change their behaviour appropriately.

This solution is not even wealth redistribution. It is the price we pay each other for the harm we're all causing to our shared resource – the planet.

Again, this is just an example of a full solution. It penalises emissions, educates people, creates public buy-in, rewards behavioural change and creates commercial demand for more efficient products.

Most importantly, this is all done transparently and with a single simple lever – if change does not occur fast enough, increase the carbon price. It's that simple.

In fact, if we want to make this solution even more elegant, we could pay this public reparation into KiwiSaver. If we did that, we would have every adult receiving money annually into a superannuation account.

Perhaps we could then address the EV cost issue by allowing people to make that purchase, and or an initial deposit, from their KiwiSaver accounts. This is logical if the savings the government claims all EV buyers will have are considered investments.

It comes down to this – we need a serious solution. But that solution needs to be fair and the pain of necessary changes shared relative to size of impact. No one and no industry should be exempt.

The government must do a better job of informing the public of expected and potential impacts from global warming and quantify the cost of inaction versus the costs of changes we will be required to make.

Public buy-in is necessary to drive support that hard decisions will require. There are no more excuses for half-measures.

If the government's proposed clean car standard is adopted, a target of 130gCO2/km could potentially give the 2011 BMW 550i a $9,000 penalty. The 2011 Mazda Premacy will have one of the biggest total costs to the industry with a $2,000 penalty multiplied by the volume of this model imported. Source: VIA

The month that was... November

December 2, 1996

Fowles' arrival sparks skirmishes


AUTOfile
SHIFT YOUR DEALER FINANCING INTO A HIGHER GEAR
UDC
Fowles' Arrival Sparks Auction Skirmishes
ALLIED FINANCE
Dealer Finance Specialists

Car dealers looked set to be the big winners following the setting up in New Zealand of Australian company Fowles, which was likely to put the auction market for vehicles on its ear.

Fowles had already conducted several auctions for Ford dealerships and was in negotiation with other manufacturers and distributors over their ex-rental and lease fleets.

The company had expanded into the dealer market with its first trader-only auction in Auckland on December 12.

Director David Fowles said his company would be conducting trade-only auctions – something not done in New Zealand before.

He was adamant auctioneers shouldn't be retailers because that was a real minefield saying when the pressure was on, volumes were drying up and incomes were dissipating, and auction houses were under enormous pressure from shareholders to keep revenues up.

The vehicles for Fowles' dealer-only auction would be supplied by Phoenix Autos, traditionally a supplier to Turners.

Peter Clark, Phoenix's managing director, said any ongoing relationship for supplying vehicles to Fowles depended on whether this auction was a success.

December 21, 1998

Year to sort out company's collapse


AUTOFILE
12 Months to Sort Out First Systems Collapse
ALLIED FINANCE
Dealer Finance Specialists

It might be 12 months before the affairs of collapsed vehicle warranty company First Systems, formerly Nationwide Guarantee Corporation, were completely sorted out. The company ceased trading on December 2, 1998.

An initial report prepared by liquidator Anthony McCullagh estimated a deficiency of up to $3 million might be owed to unsecured creditors.

It said there were a number of issues that required investigation and it was unlikely that the administration of the liquidation would be completed within the next six months – and probably not until December 31, 1999.

The report stated it appeared unlikely there would be sufficient funds from the realisation of the company's assets to pay more than a minimal dividend to unsecured creditors.

During the year, according to the liquidators, all but three of Nationwide's franchises were sold to Snap-on Tools of the US for some $4.6m.

While this gave the company a substantial cash injection, it was too late to overcome losses being incurred by the warranty side of the business.

December 8, 2006

Over 80,000 motor industry employees


autofile
Over 80,000 motor industry employees

The 2006 census figures released that week showed that out of the 4,027,947 people residing in New Zealand, more than 80,000 were employed in the automotive industry, with around one-quarter of those working in repair and maintenance.

The country's four-million-plus population had grown 7.8 per cent on 2001's figures, the biggest expansion recorded in a five-year period. Of those, 1,985,788 were employed of which 85,881 were motor-vehicle related.

The highest number of those employed in the automotive industry was those listed as road freight transport with 22,881 workers, followed by other automotive repair and maintenance on 14,790. Car retailing clocked in third with 11,259.

About 8,200 people worked in the parts industry – both retail and wholesale – 5,500 were in vehicle wholesaling, 3,900 in rental and hiring, and 2,000 listed themselves as employed within auto electrical.

Of the almost two million employed, just under half of these drove a private car, truck or van to work, and around 200,000 had a company vehicle.

December 21, 2007

Imported vehicles continue to increase


autofile
UDC
Imported vehicles continue to increase
Merry Christmas!

Imports of new and used vehicles into New Zealand increased by almost one-fifth in November 2007, but many experts believed only time would tell how exhaust-emission rules would affect the numbers.

New legislation was set to come into effect on January 3, 2008, which stated that all vehicles had to meet minimum emissions standards.

However, January 31 was the actual implementation date, allowing for cars that were already en-route or awaiting shipment to be imported without adhering to the rules.

The most recent figures released by the New Zealand Customs Service showed stark increases in import numbers, with total arrivals climbing by 17.8 per cent from 18,372 last year to 21,642 this time around.

This figure was also up on the 18,967 arrivals in October and was the second highest month for 2007.

Year to date, the total number of vehicles crossing the border was up 5.7 per cent from 203,736 to 215,276.

"Traders are buying up now," said David Vinsen, chief executive of the Imported Motor Vehicle Dealers' Association. "They are stocking their yards in preparation for the implementation of the rule."

Pitfalls of vehicle-year declarations

Heading into 2021, dealers need to be mindful about how they and sales staff represent vehicle ages because statements can be interpreted differently by the parties involved.

"New" to a customer might mean "just built", which is a world away from "never been registered".

It's not uncommon for operators to face disputes about vehicle year in the early months of every new year. And to confuse matters, the rules for new cars are different to used.

NEW VEHICLES

In the early months of the year most, if not all, of your new-vehicle stock will have been made in the previous year or even before that.

This situation might be worse than usual on the back of coronavirus-related supply shortages and delays, and might extend well into 2021.

The Commerce Commission issued guidance back in 2010 on the treatment of vehicle year and that remains relevant today. It stated new vehicles that have not been registered should be referenced by year of manufacture.

Dealers might often use "new", "latest model" or "2021 model year" and the like in discussions with customers, and in advertising and promotions, but these sorts of terms can be misinterpreted by consumers and that's where confusion can arise. "The salesperson told me it was a 2021 vehicle, but I've now discovered it was made in 2020", can be a typical outcome.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

It's important to recognise that "perception" carries some weight in dispute situations. The best way around this is to follow the commission's guidance and reference any unregistered new vehicle by its year of manufacture.

Also, don't forget to record all the relevant dates on the vehicle offer and sales agreement (VOSA).

This should include the year of manufacture, model year and, of course, actual date of first registration on sale. Full disclosure helps to reduce possible avenues for confusion and, therefore, dispute.

USED VEHICLES

The treatment of used vehicles is different. The "year" cited on the licence label usually refers to when it was first registered anywhere in the world.

For example, "2015 Toyota Aqua" means it was first registered in 2015 overseas, given that model wasn't sold new in New Zealand.

There are, however, exceptions. The "definition" of year was different before January 1, 2007, whereby vehicles loaded onto our motor-vehicle register reflected any one of three possible dates – year of manufacture, model year or year of first registration.

Refer to the back of the consumer information notice for more information on this aspect.

THE BIG PICTURE

If it's confusing for us in the industry, imagine what it is like for buyers.

And if you think it won't become an issue, remember vehicle-year disputes typically arise post-supply when customers receive the record of registration, which references the car by year in written form, or perhaps when the owner books the vehicle in for service or goes to purchase parts.

The service or parts staff member may well refer to it by its "model year", which best specifies vehicle content and inadvertently triggers a whole new conversation.

Members of your sales team need to understand these issues and consequences when discussing age. A poorly worded verbal response to a question from a consumer could come back to haunt you. Describing a car as three years old is different to saying it was first registered three years ago.

Disputes claiming misrepresentation can be costly. At worst, you might face buying a vehicle back some years after sale.

Key points

1. Dealers need to be vigilant in how they represent unregistered new vehicles, particularly at the start of any new year.
2. Full disclosure helps reduce scope for confusion and misinterpretation. Recognise a consumer might interpret information differently to how you intended.
3. A written record is the best mechanism. If age is discussed at any time during the sale process, then record all known and relevant dates on the VOSA. That could be handy if a dispute later arises.
4. It's essential your staff understand all of the sensitivities involved, and address customers' questions fully and frankly.

Gearing up to take on the world

Hayden Paddon is heralding in a "new era" in his sport after unveiling one of the world's first electric rally cars.

The Kiwi driver and his team of six engineers have spent 18 months developing the vehicle, which is based on the Hyundai Kona and is designed to cope with the rigours of motorsport.

Work on the 400kW-plus electric vehicle (EV) was started by Paddon Rallysport in March 2019 at a facility in Cromwell.

About 80 per cent of the car was designed in-house, such as its chassis, engineering, aerodynamics, steering, suspension, cooling and electrics.

Austrian company Stohl Advanced Research and Development contributed to the project as technical partner by providing guidance and advice.

The team wanted to create a vehicle that combines performance, range and reliability, and one capable of competing in a traditional rally format against those with internal combustion engines (ICEs).

It also features a modernised aerodynamics package reminiscent of current World Rally Championship (WRC) cars.

When in rally specification, it weighs in at about 1,400kg and has the same suspension travel as a WRC model.

Paddon says: "It is faster on paper than an ICE car, has better weight distribution and is more reliable because there are fewer moving parts.

"The potential with the technology, electronics and design of the car is endless. It's simply a new era of rallying that has new limits.

"The EV package is capable of more than 800kW, but we have focused on building this car to have comparable power to a current ICE rally car and we are aiming for it to be winning rallies against normal ICE competition from 2022.

"A lot of work needs to happen between now and then, and we are confident EV technology is going to work in a normal rally environment."

Another feature of the vehicle is that it produces a loud and distinctive sound for the safety – and enjoyment – of marshals, media and spectators.

Paddon Rallysport has created and maintained several long-term commercial partnerships over the years with several helping ensure the project could continue through the challenges of Covid-19 this year.

"We've been working with Hyundai NZ for six years now," says Paddon. "Its belief in us to deliver and to continue representing the brand makes us proud and humble.

"We are also proud to welcome Meridian Energy to our EV rally car programme along with battery-charger leader YHI Energy.

"And we've partnered with EECA to help promote GenLess, a campaign to showcase how one act or change can help reduce each person's carbon footprint."

Paddon Rallysport is now embarking on an eight-month development programme to get the most from the vehicle.

The team is also working with local motorsport bodies to make EV technology viable in a rally environment.

"This includes exploring how such cars can be serviced between rally stages, regulations on changing battery packs, charging systems, vehicle weight and chassis structure," says Paddon.

"Finding the way to move forward with EV technology is something we identify as being important for our sport's future, not only in New Zealand but globally.

"If the sport doesn't respond, it will be left behind commercially and technologically compared to other motorsports.

"The next phase of the project is focused on performance and reliability before we build up to a full-length rally in the second half of 2021."

Paddon Motorsport Hyundai Kona EV rally car

Motors: Brusa BLDC motor, potential configuration with two, three or four motors, each motor produces peak power of 200Kw and 1,100Nm torque, customised cooling system and front-rear torque vectoring.

Tyres: Pirelli range, 15-inch gravel and 18-inch sealed, EVO Corse lightweight alloys.

Cockpit: Racetech seats, belts, steering wheel, MoTec M1 management system, PDU and driver displays, keypad.

Chassis and suspension: Front-rear EXT MacPherson struts with five-way adjustable dampers, steering electric power-assisted rack and pinion, ventilated Brembo disc brakes – 355mm on tarmac, 300mm on gravel, air-cooled four-piston calipers, handbrake hydraulic control.

Transmission: Twin transmission, paddle-shift gear selection – MoTec controlled, driver-controlled torque settings.

Chassis, bodywork: Steel bodyshell with welded multi-point chromoly roll cage, extensive chassis strengthening, composite fibre panels, UC-designed aero package for combination of downforce and reduced drag.

Weight: About 1,400kg with battery.

> "The potential with the technology, electronics and design of the car is endless" – Haydon Paddon

The team: Mike Pittams, lead technician; Rory Callaway, mechanical engineer; Ben Fretwell, technician; Haydon Paddon; Ari Pettigrew, technician; Matt Bowater, plant manager; Matt Barham, project manager and electrical engineer

Preparing for electric charge

Ford New Zealand has begun the rollout of charging infrastructure at dealerships as it prepares to launch its first plug-in hybrid models.

It has partnered with electrical company Singer Group Ltd to prepare its network of dealerships around the country with charging stations and home or business charging solutions.

Ford currently offers two light commercial models as plug-in hybrid vehicles (PHEVs) – the Transit Custom SWB PHEV van and the eight-seater Transit Tourneo Titanium.

And local deliveries of the all-new Escapes in two variants – the FWD PHEV and Escape FWD ST-Line X PHEV – are anticipated sometime next year.

Phase one of the Ford and Singer partnership includes dealerships installing on-site charging stations, with sales and service staff being trained on the PHEV technologies.

Service and sales teams are also being brought up to speed on how to use the chargers and talking to customers about options at their home or business.

The first charging facility has been installed at John Andrew Ford in Grey Lynn, Auckland, with the rest of the blue oval's network under way.

Simon Rutherford, left, managing director of Ford NZ, and dealer principal Phil Saunders with a customer demonstration charging unit in the showroom of John Andrew Ford in Auckland

"Partnering with Singer for our dealer network charging-station installs and customer referral programme makes great sense," says Simon Rutherford, managing director of Ford NZ.

"It has a successful track record of installing chargers for businesses and homes, and providing fantastic after-sales support. It can work with our customers to assess the best options for them."

He adds: "The Escape PHEV has already made a big impact in Europe, so we are excited to be prepping our dealerships."

"Equally, as New Zealand's light-commercial leader and with the Transit Custom as the country's only PHEV van solution in the market, we've got a great option for businesses looking to run a cleaner, greener and more efficient fleet."

The Singer-installed charging stations are compatible with type one and two connections.

Most Ford dealerships will have the faster 22kW AC chargers on their forecourts, future proofing for battery electric vehicles to come.

Total EVs by region

Northland	695
Auckland	9,501
Waikato	1,282
Bay of Plenty	824
Hawkes Bay	397
Gisborne	69
Taranaki	289
Manawatu/Wanganui	700
Wellington	3,332
Nelson/Marlborough	834
Canterbury	3,527
West Coast	31
Otago	1,387
Southland	177

Source: MoT, November 11, 2020

The new charging bay at John Andrew Ford

Forecourt chargers are for customer use and most sites will also have a second charging station in service areas.

Each dealership showroom will also have a non-live charging demonstration unit on display to show consumers how to plug in their PHEV.

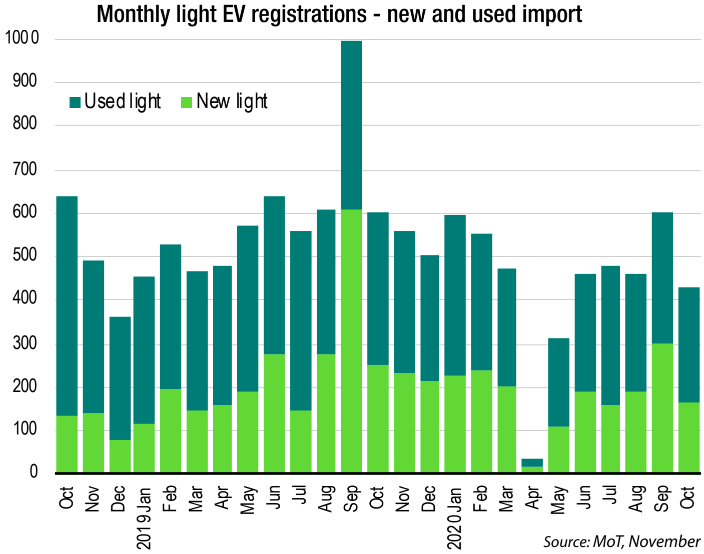
The charging stations can be networked back to Singer, which can monitor and report back on consumption as well as lock or unlock the station remotely.

"It's a fairly simple procedure and straightforward charging unit, which is another reason we went with Singer," says Rutherford.

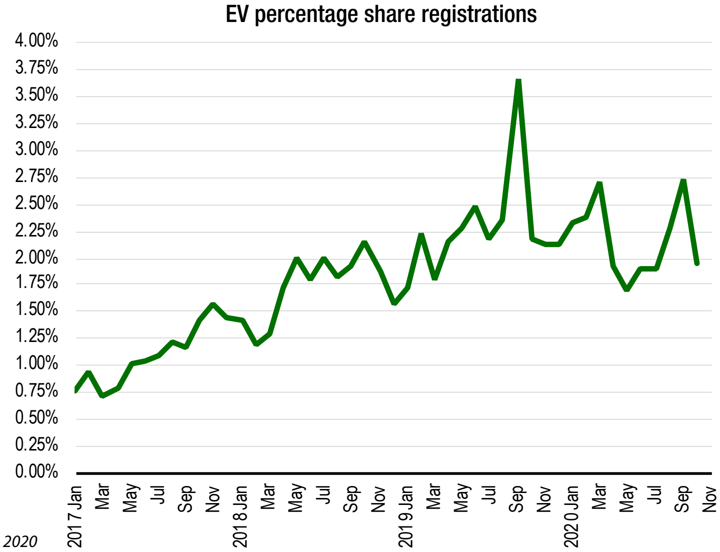
"Our focus is always on the customer experience. We want to ensure the charging process is simple and easy to use, and it is. If you can plug in a television you can plug in your Ford."

Ford sales and service teams will be able to refer customers to Singer for their home or business installations. Singer will conduct site assessments with clients and put together a plan for connecting the charging station on-site.

Monthly light EV registrations - new and used import



EV percentage share registrations



Source: MoT, November 11, 2020

Agile coupé ramps up appeal

The appeal of the new GLE Coupé range has been boosted with more cabin space, extra technology and greater agility thanks to a shorter wheelbase.

Its design and dimensions place a stronger emphasis on coupé-specific elegance and the extra agility of a wheelbase significantly shorter than the GLE SUV on which it is based, says Mercedes-Benz.

The GLE Coupé is now more spacious

At a total of 39mm longer and 7mm wider than its predecessor, including 20mm added to the wheelbase, the cabin feels more spacious with 40 more litres of stowage space to boot.

The wheelbase is, however, 60mm shorter overall than the original GLE SUV, a characteristic that boosts dynamic response in cornering and manoeuvrability.

The three-model range is also more aerodynamically efficient than the model it replaces, offering a nine per cent reduction in wind resistance despite having the same frontal surface area as its predecessor.

The GLE offers the choice of three potent petrol-powered engines, including two model variants tuned by Mercedes-AMG.

The 450 variant is powered by a three-litre turbocharged six-cylinder producing 270kW of power and 500Nm of torque.

This is supplemented by 48V EQ Boost technology that can add a further 16kW and 250Nm of electric output, and is allied to a 9G-TRONIC automatic transmission with 4MATIC all-wheel grip. It takes 5.7 seconds to reach 100kph and achieves economy of 9.2l/100km.

The GLE 450's parking package includes a 360-degree camera, Burmester surround-sound system, nappa leather upholstery, heated front seats with memory settings, a sliding glass sunroof, ambient lighting with 64 colours and smartphone integration with wireless charging for compatible devices.

The 450 also includes the keyless-go package, easy-pack powered tailgate, multi-beam LED headlights with adaptive high-beam assist plus, an 85-litre fuel tank, AMG Line body styling and 21-inch AMG multi-spoke light alloys.

The AMG GLE 53 adds to the 450 model's specification with a range of AMG performance equipment and AMG-inspired visual enhancements.

The AMG-fettled, 48V EQ-boosted three-litre turbocharged six outputs 320kW of power and 520Nm of torque in combination with an AMG Speedshift TCT 9G auto and the AMG Performance 4MATIC+ variable all-wheel-drive system.

From standstill, it can hit 100kph in 5.3 seconds with fuel economy coming in at 9.3l/100km.

Other enhancements include the Airmatic air suspension and adaptive damping system, a two-pipe selectable AMG Performance exhaust system, spoiler lip and the AMG night package, which includes heat-insulating dark-tinted glass.

Finally, at the heart of the Mercedes-AMG GLE 63 S 4MATIC+ Coupé is a potent four-litre twin-turbocharged V8 packing 450kW and 850Nm, now with 48V EQ Boost technology.

It's allied to the AMG Speedshift 9G auto and AMG Performance 4MATIC+. Acceleration from zero to 100kph takes just 3.8 seconds with economy rated at 12.6l/100km.

The Mercedes-Benz GLE 450 4MATIC Coupé starts at $159,300. The AMG GLE 53 4MATIC+ Coupé and AMG GLE 63 S 4MATIC+ Coupé start at $185,100 and $236,000 respectively.

Electric first race

New Zealand has fully electric or plug-in hybrid models providing some form of competition to models with internal-combustion engines in most segments – and that may soon be the case with utes.

LDV has confirmed its double-cab T60 will have a pure EV fully electric variant in 2021. Production is slated to begin in the second quarter of next year, with Kiwi arrivals projected to arrive in the third quarter.

The marque already has a fully electric model in its range, the EV80 van, which will soon be complemented by the eDeliver 3.

"These are exciting times," says Andrew Bayliss, general manager of LDV importer Great Lake Motor Distributors. "To be at the cutting edge and leading the EV charge in the commercial sector is something we're delighted to be celebrating.

"Enquiry for commercial EVs has been particularly strong, so having an electric ute and EV vans on the market will bolster LDV's increasingly popular range."

What LDV's electric ute will look like has yet to be revealed, and that's also the case with the T60's capacity and possible range.

Hybrid boasts cheap price-tag

The most affordable new petrol-electric car in New Zealand has been launched by Suzuki.

Offered in GLX and LTD specifications, the self-charging Swift Hybrid is powered by a new petrol engine and assisted by a compact and high-performance 12-volt lithium-ion battery.

The marque says its lightweight package adds only 25kg to the vehicle's overall weight.

The company pioneered the system known as Smart Hybrid Vehicle by Suzuki (SHVS) four years ago and claims an improvement of 15 per cent in fuel economy to make it the most economical Swift model sold here.

In addition, carbon dioxide (CO_2) emissions drop by a generous 25 per cent from 110-94g/km.

Suzuki's official combined fuel-cycle consumption for the Swift Hybrid CVT automatic is 4.1l/100km compared to 4.8l/100km for the GL CVT automatic.

Suzuki's Swift Hybrid

SHVS combines a belt-driven integrated starter generator (ISG) and the 10Ah lithium-ion battery, with the ISG acting as both a generator and starter motor.

The ISG uses stored power to drive the motor and further improves fuel efficiency.

The long-life battery stores electrical energy recovered from deceleration and braking, while the ISG operates the idle stop-start function.

Suzuki says the hybrid requires no special maintenance but about 30 minutes of continuous driving is recommended every month to recharge the battery and prevent it from running out.

In place of the 1,242cm3 displacement K12C petrol engine, the hybrid has a new four-cylinder, 1,197cm3 K12D engine with a shorter stroke.

While the 61kW K12D has a slightly smaller capacity, it is assisted by the ISG system. Maximum engine torque of 107Nm is achieved at 2,800rpm instead of the standard Swift's top end of 4,400rpm.

Suzuki expects half of all Swift Hybrid sales in New Zealand will be to fleet and business customers, and predicts 24 per cent of all new Swift sales will likely be hybrid models.

"We have long been highly regarded for producing fuel-efficient cars and with the introduction of the Swift Hybrid this reputation is further enhanced," says Gary Collins, general manager of marketing for Suzuki NZ.

The Swift Hybrids are priced from $26,500 for the GLX and $28,500 for the LTD.

New low entry point

MG has lowered this country's entry point to new electric vehicle (EV) ownership with a sticker price of $55,990 for its first fully electric model.

In place of the one and 1.5-litre turbo engines powering conventional models, the ZS EV has a 44.5kWh, water-cooled, lithium-ion battery and synchronous electric motor. Its range is 262km using the WLTP combined cycle test.

MG Motor NZ has set a slightly lower range expectation of 250km based on real-world testing, conducted in urban traffic in Auckland excluding motorways.

With AC on and driver and passenger, MG achieved more than 250km on one charge, which was calculated including range to empty of 30km.

The electric powertrain develops 105kW with 353Nm of torque for a 0-100kph time of 8.5 seconds.

There are three levels of kinetic-energy recovery and three driving modes so owners can adapt to their driving needs and levels of energy conservation.

The ZS EV, pictured, can be rapid-charged to 80 per cent in 40 minutes using a 50kW rapid-charging point.

In New Zealand, MG has partnered with TransNet to supply and install the optional Wallbox range of home-chargers, which can fully top up the battery in seven hours.

Kiwi logs record Ring tally

It is a race in which drivers can clock up 3,000km in a day. It's where drivers can absorb the nature and direction of the track, but never memorise corners or braking areas.

And where Formula One safety measures are unknown and unforgiving Armco barriers await the slightest lapse of concentration.

Few New Zealanders can lay claim to having raced at Germany's infamous 24 Hours of Nürburgring. Fewer still have managed more than a couple of such ventures.

Only one Kiwi can say he has raced there 26 times and in most of those years for a factory or factory-supported team – and that's Wayne Moore, of Paekakariki near Wellington.

Defying this year's height of the Covid-19 pandemic, he returned to the race again and back to Volkswagen after six years in various BMWs with the Danish Scangrip team.


Wayne Moore, left, with some racing fans at the Nürburgring

Moore's long-standing involvement with VW at the race stood him in good stead when Scangrip decided against contesting it in 2020.

Travel restrictions introduced to thwart the spread of coronavirus meant some teams didn't have enough opportunities to conduct on-track driving tests at the Nürburgring, and this had a substantial impact on the development of their vehicles.

Scangrip wasn't the only withdrawal. Toyota's factory team also stayed away, Porsche withdrew the semi-factory Manthey-Racing entry and driver Robin Frijns opted out after catching a non-Covid-19 flu.

Moore's 2020 team was WS Racing from Trier, Germany, and the Giti Tire-backed car was a VW "customer racing" Golf GTI.

After all these years, he says the 2020 event was by far the strangest due mainly to the restrictions set in place to manage coronavirus.

And for the first time in 48 years, no camping was allowed at the 25.3km circuit, which robbed the event of much of its traditional festive atmosphere.

"I missed the fireworks and smell of steak cooking," Moore told Autofile. "I was quite sorry for the 230,000 fans who had to forgo their annual weekend-long adrenalin fix."

The race was broadcast live in many countries – although not New Zealand – and there were online opportunities for "engagement".

Moore's introduction to the Nürburgring's 24-hour race came through an invitation from then Wellington-based German driver Florian Schmidt.

Having navigated in local rallies for Schmidt, he got the call-up when the latter decided the 24-hour race would be a perfect practice opportunity for contesting Rally Isle of Man.

Eberhard and Norbert Rattunde, of VW, joined the duo and that partnership led to 17 years of driving a wide range of Volkswagens with support from the Wolfsburg company.

Moore has always had an empathy with VW thanks to numerous podium finishes and two class wins.

For 2020, the line-up was truly international with a Russian, an Englishman and a German as co-drivers.

By regulation, no driver can go for more than three hours without a two-hour break and many vehicles require refuelling before hitting that limit.

"I sleep easily between drives despite the background noise of a race although I'm not so sure I would sleep if I owned the car or the team," smiles Moore.

Apart from a handful of German nationals, no driver in the world has competed more times in this event than Moore.

He remains "thrilled" by the enormity of the race and of the Nordschleife circuit despite having raced more than 30,000km on its ever-changing surface.

"Over the years, I've trained many New Zealand and Australian drivers. I always find it very satisfying when their initial trepidation about such a formidable track turns to exhilaration and enjoyment."

Many drivers learn the direction of the track's 87 corners online but are still in awe of the 290-metre variation in altitude, the plethora of ▶

Wayne Moore assists his co-driver during a pit stop

The mother of all endurance races – Germany's Nürburgring 24 hours

Moore's WS Racing team brought the VW GTI home in 64th place

blind corners and bumps, and half-banked Karussell corners.

A series of shorter four and six-hour endurance races are conducted at the Nürburgring each northern-hemisphere summer and these were used this year to test Covid-19 protocols and systems before the 24-hour race from September 24-27.

Some 160 cars successfully completed the distance in a six-hour race at the end of August.

This year's event was disrupted by heavy rain. At 10.33pm on the Saturday, a torrential downpour made it unsafe to continue with the dual threats of poor visibility and water ponding on the circuit. It was only the seventh time that weather had led to the race being suspended.

Moore says: "Germany had high temperatures for weeks, but all that changed as race weekend approached.

"Rain was forecast and it came with a vengeance. Also, fog settled on the Eifel Mountains, which is not uncommon and creates hazardous racing because the edges of the track are hard to see."

Driving for his three-hour stint before the red flag was some of the most stressful laps Moore has ever experienced at the Nordschleife.

"The race is extraordinarily challenging now with fierce competition between the factory teams that head the field.

"Years ago, everyone slowed down in fog and heavy rain and now there's almost pressure not to.

"It's essential to have an intimate knowledge of the circuit because in those conditions you often can't see where the track goes. You have to rely on instinct."

Moore's 11 laps before the red flag were described as a "hero drive" by his French co-driver Tommy Fortchantre.

At 8am the following day, racing restarted with a lap behind the safety car in two groups.

The Rowe Racing BMW M6 entry – driven by Nicky Catsburg, Alexander Sims and Nick Yelloly – was the outright winner.

The WS Racing GTI driven by Moore, Niklas Kry, David Drinkwater and Fortchantre came home 64th.

"To bring the car home safely was incredibly satisfying," enthuses Moore. "Where we finished overall, as well as second in our class, was a great achievement. It was my first podium finish in class for three years, so it was a great result."

Police officer's bid to reject statutory write-off dismissed by adjudicator

The case: One month after supply, the purchaser wanted to reject his Nissan Navara because he felt he had been pressured into buying the statutory write-off and believed it had suffered chassis damage. The trader said it had provided all documents regarding the ute's repairs before supplying it and refused to accept his customer's rejection of the car.

The decision: The buyer's claims under the Fair Trading Act (FTA) and Consumer Guarantees Act (CGA) were dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

A month after purchase, Jackie Simeon wanted to reject the 2018 Nissan Navara he bought from MIK Autos Ltd in April 2020.

Simeon said the trader told him the ute was a statutory write-off from Australia and it had been repaired in New Zealand.

However, Simeon believed he had been pressurised into purchasing the vehicle and had since discovered it had suffered more damage than he was led to believe. He wanted the purchase price refunded.

The trader said it had provided all the documentation regarding the damage and repairs before Simeon agreed to buy the car, so it refused to accept the Navara's rejection.

The case

The buyer saw the ute advertised for sale on Trade Me as an Australian "stat write-off".

When Simeon viewed the Navara on April 18, the trader's director Mohammad Khan advised him on several occasions of its write-off history.

Khan also showed him a copy of the NZTA's light-vehicle repair record of certification dated February 20 and an AA inspection report.

The certification noted the ute had suffered damage to the left-front inner guard, radiator support panel, front bumper and beam, headlight, left-front guard, bonnet and left-front suspension. It also listed all repairs performed in New Zealand to manufacturer specifications.

Khan advised Simeon other potential buyers were interested in the vehicle. Simeon said that due to the "look" of the car and its price, which was cheaper than similar utes advertised for sale, he purchased the Navara because it was "a good bargain" and paid a deposit of $6,995 the next day.

The vehicle offer and sale agreement was completed on April 21 for the agreed price of $26,995. The balance was paid directly to MIK Autos by finance company MTF.

After purchase, Simeon said he was advised by an acquaintance, who had more than 30 years' experience in the automotive industry, that he should check the integrity of the chassis. He asked Khan whether it had suffered any such damage and Simeon said he was led to believe it had not.

He had the ute assessed by Hometune Mobile Mechanics on May 1. It found the left-front upper radiator support was pushed back too far and the left-front headlight bracket was damaged to line up fitment.

The front of the chassis appeared to have been cut off and a new section welded on. The Navara had passed compliance and an AA pre-purchase inspection with those repairs.

Hometune's report led Simeon to believe the vehicle was structurally unsound and unsafe. He contacted Khan seeking to reject it, but this was declined.

The finding

The buyer alleged the trader didn't adequately disclose the true nature and extent of the damage to the Navara or the significance of the repairs as was required under the FTA.

Under this legislation, the trader had an obligation to disclose the ute was written-off in Australia due to structural accident damage.

This information was material to any reasonable consumer because it enabled an informed decision about the purchase to be made. This included the buyer then being able to make enquiries as to the future consequences of a vehicle being a statutory write-off.

Those future consequences were important because a stigma was attached to vehicles that had been written off and significantly affected resale values, the adjudicator said, irrespective of the nature of the damage that caused the car to be written off.

It was the fact that the Navara had been written off that created the stigma. However, in this case, the tribunal was satisfied the trader complied with its obligation to disclose the vehicle's history as a statutory write-off.

Simeon also alleged he was pressured into buying the ute without obtaining further information about it, such as getting a pre-purchase inspection done, and by Khan's representations other cash buyers were interested in it.

The adjudicator said Simeon, who was a police officer, came across as a robust and intelligent man and the tribunal was satisfied his decision was influenced more by his perception the vehicle was a good bargain than any undue pressure exerted by the dealer.

Therefore, the tribunal was satisfied the trader had not engaged in misleading conduct in breach of the FTA.

Simeon also alleged the ute was not of acceptable quality under the CGA because he considered it was structurally unsound and hadn't been adequately repaired.

He relied on Hometune's assessment in making that submission, but the tribunal wasn't satisfied that evidence proved the vehicle was structurally unsound.

Documents provided by MIK Autos showed its chassis hadn't been damaged or repaired and other structural repairs were of an acceptable standard to be certified for use on New Zealand roads.

The adjudicator was satisfied the vehicle was of acceptable quality taking into account it was a repaired statutory write-off and sold at a discount to reflect its history.

Order

The application was dismissed.

Failure to replace air-pump relay results in car trader facing extra repair costs

The case: A Subaru Legacy required repairs soon after purchase in March 2019. The trader had it fixed a few months later, but by March 2020 its secondary air pump needed to be replaced again. The dealer said it was not liable for the second round of repairs because the second fault happened too long after purchase.

The decision: The tribunal ordered the trader to remedy the problem affecting the operation of the vehicle's secondary air pump by replacing it.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Tyson Smith bought a 2007 Subaru Legacy for $7,569 from 2 Cheap Cars Ltd.

The vehicle needed repairs almost immediately and the dealer paid to replace the secondary air pump and other parts two months after supply.

Smith said the same fault reoccurred about 10 months later and claimed the Subaru wasn't of acceptable quality for the purposes of the Consumer Guarantees Act (CGA), so he lodged an application with the tribunal seeking a remedy.

The dealer said the second fault with the air pump had happened too long after purchase for it to have liability under the legislation.

The case

Within days of Smith buying the Subaru in March 2019, it developed a fault with its secondary air pump.

After weeks of discussing the issue with 2 Cheap Cars, it was taken to GT Automotive the following month.

The trader's chosen repairer diagnosed faults with the secondary air pump, one-way check valve, air-pressure sensor and air-control solenoid valve.

The dealer provided replacement parts, some or all of which were second-hand, and GT Automotive completed the job in May 2019.

Smith drove the vehicle for 10 months without any problems and drove it about 20,000km during that time.

But the Subaru developed similar faults during the first Covid-19 lockdown in March and April 2020.

Smith had it assessed by J & S Automotive, which found three diagnostic fault codes linked to the air-pressure sensor.

He said those codes showed the fault was the same as the problem remedied by GT Automotive in May 2019.

In that regard, he noted GT Automotive found a similar fault code when it assessed the vehicle in April 2019 and that it replaced the air-pressure sensor and air pump, which had become faulty.

2 Cheap Cars didn't dispute Smith's version of events. It said the Subaru was likely to have a fault with its secondary air pump, which might have been caused by a defect with the relay for that component.

The tribunal was advised by Steven Dufty, a mechanical claims consultant at 2 Cheap Cars, that Subaru Legacy models of that age commonly had a fault that caused the secondary air-pump relay to stay open, causing the part to "burn out" prematurely.

Dufty advised that the defect was so common that Subaru of NZ had implemented a recall in respect of this issue and "most mechanics" knew to replace the relay if a fault developed.

Although 2 Cheap Cars accepted the car was again defective, it denied liability. It said it had relied on GT Automotive to perform the appropriate repairs.

The trader added the most recent fault had occurred too long after purchase for it to have liability under the CGA.

The finding

The Subaru Legacy was defective at the time of sale with a fault that affected the operation of its secondary air pump. This became evident within days of purchase.

The evidence showed the underlying cause of the issue was likely to be a defective relay, which caused the pump to fail and was a common fault with models of this age.

Also, the evidence showed the trader's repairer GT Automotive didn't replace the car's faulty relay when it performed repairs. This problem ultimately damaged the replacement secondary air pump, causing the vehicle's second round of faults.

The tribunal acknowledged 2 Cheap Cars' submission that it relied on GT Automotive to perform the required repairs with reasonable care and skill, and that the secondary air pump didn't fail again until about 12 months post-purchase by which time Smith had driven about 20,000km in the vehicle.

Nonetheless, 2 Cheap Cars had obligations under the CGA to ensure the Legacy's pre-existing faults were properly rectified.

The tribunal was satisfied the car hadn't been of acceptable quality for the purposes of section six of the CGA because it had a pre-existing defect with its secondary air-pump relay that wasn't adequately repaired, causing further faults to occur.

However, when it came to remedies under the CGA, the tribunal ruled Smith wasn't entitled to reject the Legacy.

That was because the faulty relay was common in such Subaru models and was easily repaired. It didn't amount to a failure of a substantial character for the purposes of section 21 of the act.

Furthermore, 2 Cheap Cars hadn't unreasonably failed or refused to rectify the problem.

Given the length of time it took for the issue to return, the trader's denial of liability and refusal to repair was understandable in the circumstances.

However, the tribunal found that under section 18 of the CGA, Smith was entitled to have the Subaru's defects rectified within a reasonable time.

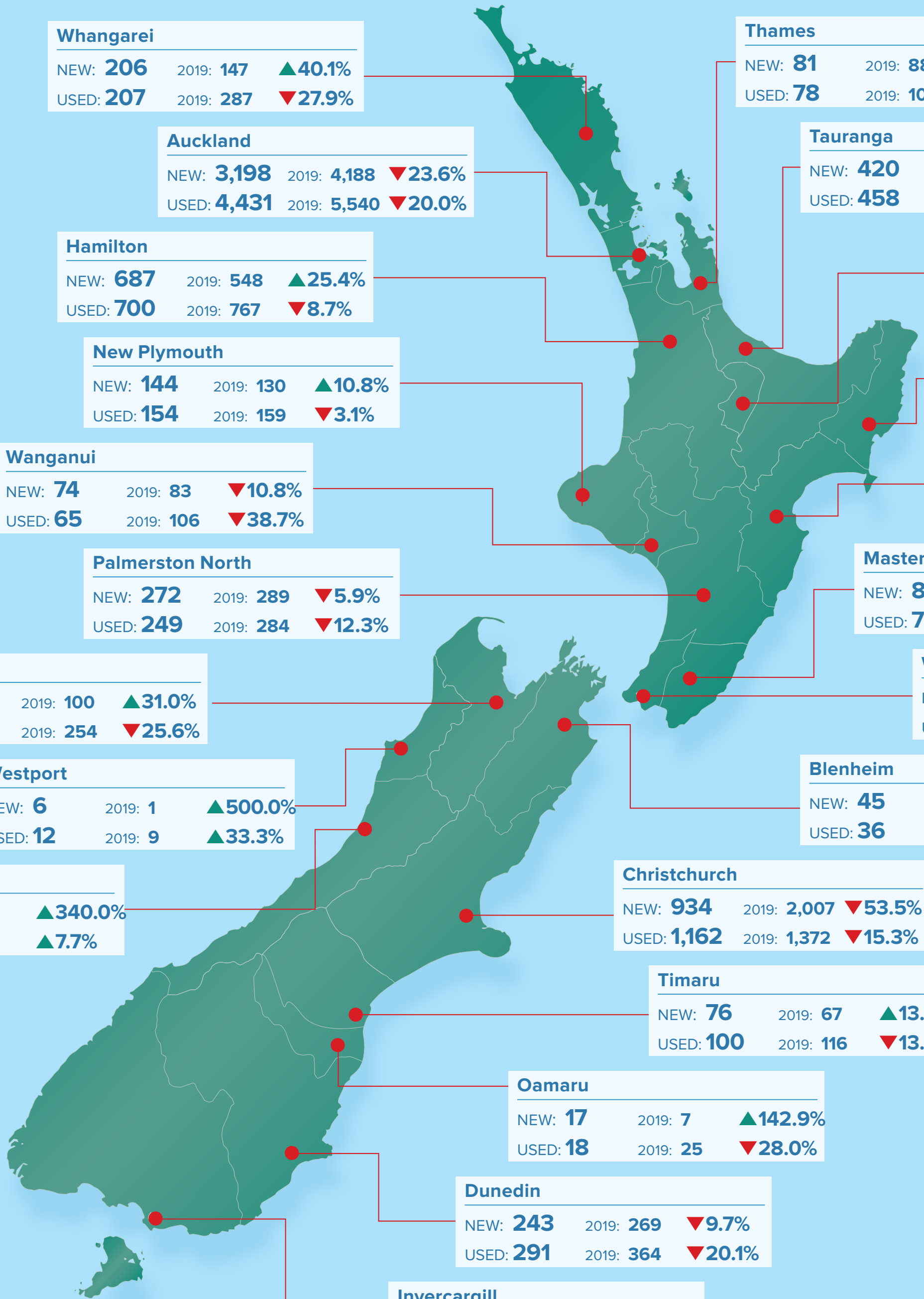
Order

The tribunal ordered 2 Cheap Cars to rectify the fault affecting the operation of the secondary air pump. This included replacing the pump and its relay.

Around the Country
November 2020

Total new cars
8,029
2019: 9,641 ▼16.7%

Total imported used cars
9,523
2019: 11,674 ▼18.4%



			2019	
Whangarei	NEW	206	147	▲40.1%
	USED	207	287	▼27.9%
Thames	NEW	81	88	▼8.0%
	USED	78	102	▼23.5%
Auckland	NEW	3,198	4,188	▼23.6%
	USED	4,431	5,540	▼20.0%
Tauranga	NEW	420	344	▲22.1%
	USED	458	507	▼9.7%
Hamilton	NEW	687	548	▲25.4%
	USED	700	767	▼8.7%
Rotorua	NEW	109	143	▼23.8%
	USED	110	181	▼39.2%
New Plymouth	NEW	144	130	▲10.8%
	USED	154	159	▼3.1%
Gisborne	NEW	66	36	▲83.3%
	USED	42	75	▼44.0%
Wanganui	NEW	74	83	▼10.8%
	USED	65	106	▼38.7%
Napier	NEW	230	220	▲4.5%
	USED	285	253	▲12.6%
Palmerston North	NEW	272	289	▼5.9%
	USED	249	284	▼12.3%
Masterton	NEW	86	79	▲8.9%
	USED	77	78	▼1.3%
Nelson	NEW	131	100	▲31.0%
	USED	189	254	▼25.6%
Wellington	NEW	871	715	▲21.8%
	USED	695	919	▼24.4%
Westport	NEW	6	1	▲500.0%
	USED	12	9	▲33.3%
Blenheim	NEW	45	59	▼23.7%
	USED	36	50	▼28.0%
Greymouth	NEW	22	5	▲340.0%
	USED	28	26	▲7.7%
Christchurch	NEW	934	2,007	▼53.5%
	USED	1,162	1,372	▼15.3%
Timaru	NEW	76	67	▲13.4%
	USED	100	116	▼13.8%
Oamaru	NEW	17	7	▲142.9%
	USED	18	25	▼28.0%
Dunedin	NEW	243	269	▼9.7%
	USED	291	364	▼20.1%
Invercargill	NEW	111	116	▼4.3%
	USED	136	200	▼32.0%

Imported Passenger Vehicle Sales by Make - November 2020

MAKE	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,662	2,844	-6.4	28.0%	25,694	24.8%
Nissan	1,441	2,117	-31.9	15.1%	17,854	17.2%
Mazda	1,369	1,925	-28.9	14.4%	16,412	15.8%
Honda	797	1,220	-34.7	8.4%	9,579	9.2%
Subaru	718	798	-10.0	7.5%	7,443	7.2%
Mitsubishi	457	505	-9.5	4.8%	4,605	4.4%
BMW	412	362	13.8	4.3%	4,275	4.1%
Volkswagen	374	355	5.4	3.9%	3,636	3.5%
Suzuki	243	585	-58.5	2.6%	3,915	3.8%
Audi	210	216	-2.8	2.2%	2,271	2.2%
Lexus	164	146	12.3	1.7%	1,482	1.4%
Mercedes-Benz	139	101	37.6	1.5%	1,460	1.4%
Ford	84	84	0.0	0.9%	808	0.8%
Volvo	64	46	39.1	0.7%	645	0.6%
Jeep	41	27	51.9	0.4%	276	0.3%
Mini	38	25	52.0	0.4%	301	0.3%
Chevrolet	37	26	42.3	0.4%	356	0.3%
Land Rover	35	30	16.7	0.4%	375	0.4%
Jaguar	33	28	17.9	0.3%	349	0.3%
Holden	29	34	-14.7	0.3%	354	0.3%
Porsche	26	15	73.3	0.3%	172	0.2%
Dodge	20	18	11.1	0.2%	192	0.2%
Hyundai	20	35	-42.9	0.2%	256	0.2%
Chrysler	16	21	-23.8	0.2%	169	0.2%
Peugeot	11	13	-15.4	0.1%	91	0.1%
Kia	9	15	-40.0	0.1%	122	0.1%
Citroen	6	2	200.0	0.1%	54	0.1%
Bentley	5	1	400.0	0.1%	23	0.0%
Daihatsu	5	8	-37.5	0.1%	41	0.0%
Fiat	5	2	150.0	0.1%	34	0.0%
Cadillac	4	3	33.3	0.0%	46	0.0%
Mercury	4	1	300.0	0.0%	16	0.0%
Pontiac	4	5	-20.0	0.0%	26	0.0%
Range Rover	4	0	400.0	0.0%	16	0.0%
Chrysler Jeep	3	3	0.0	0.0%	30	0.0%
Others	34	58	-41.4	0.4%	430	0.4%
Total	**9,523**	**11,674**	**-18.4**	**100.0%**	**103,808**	**100.0%**

Imported Passenger Vehicle Sales by Model - November 2020

MAKE	MODEL	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Aqua	563	417	35.0	5.9%	4,519	4.4%
Mazda	Axela	429	618	-30.6	4.5%	5,540	5.3%
Toyota	Prius	409	368	11.1	4.3%	3,512	3.4%
Mazda	Demio	316	430	-26.5	3.3%	3,517	3.4%
Honda	Fit	313	517	-39.5	3.3%	3,942	3.8%
Mitsubishi	Outlander	288	293	-1.7	3.0%	2,627	2.5%
Nissan	X-Trail	260	176	47.7	2.7%	2,094	2.0%
Nissan	Leaf	246	240	2.5	2.6%	2,087	2.0%
Subaru	Impreza	230	300	-23.3	2.4%	2,600	2.5%
Volkswagen	Golf	216	227	-4.8	2.3%	2,282	2.2%
Subaru	Legacy	216	289	-25.3	2.3%	2,431	2.3%
Toyota	Corolla	203	221	-8.1	2.1%	2,038	2.0%
Suzuki	Swift	201	510	-60.6	2.1%	3,287	3.2%
Mazda	CX-5	175	109	60.6	1.8%	1,397	1.3%
Toyota	Wish	170	213	-20.2	1.8%	1,705	1.6%
Toyota	Vanguard	163	126	29.4	1.7%	1,387	1.3%
Toyota	MarkX	155	80	93.8	1.6%	1,089	1.0%
Toyota	Blade	145	118	22.9	1.5%	1,328	1.3%
Mazda	Atenza	140	258	-45.7	1.5%	2,063	2.0%
Mazda	Premacy	122	239	-49.0	1.3%	1,583	1.5%
Nissan	Note	121	197	-38.6	1.3%	1,556	1.5%
Nissan	Skyline	115	109	5.5	1.2%	1,267	1.2%
Subaru	Forester	109	80	36.3	1.1%	927	0.9%
Honda	CR-V	108	105	2.9	1.1%	1,089	1.0%
Honda	Odyssey	103	96	7.3	1.1%	849	0.8%
Toyota	Vitz	94	253	-62.8	1.0%	1,524	1.5%
Nissan	Serena	93	166	-44.0	1.0%	1,109	1.1%
Nissan	Tiida	88	388	-77.3	0.9%	2,431	2.3%
BMW	320i	74	59	25.4	0.8%	771	0.7%
Ford	Crown	68	23	195.7	0.7%	352	0.3%
BMW	116i	67	55	21.8	0.7%	676	0.7%
Volkswagen	Polo	65	30	116.7	0.7%	489	0.5%
Toyota	Auris	63	184	-65.8	0.7%	1,081	1.0%
Subaru	Outback	62	37	67.6	0.7%	412	0.4%
Audi	A4	61	62	-1.6	0.6%	537	0.5%
Others		3,272	4,081	-19.8	34.4%	37,710	36.3%
Total		**9,523**	**11,674**	**-18.4**	**100.0%**	**103,808**	**100.0%**

Scam alert targets car dealers

Anyone who receives cheque payments when selling vehicles are being urged to hold onto them until the funds have cleared.

The warning follows more than 50 reports of scams across the Auckland region in the past 12 months from victims who have been conned after listing on Facebook Marketplace.

Nine people have been charged with dishonesty offences in relation to the cases and further investigations are taking place.

"Police have noticed a significant increase in these scams and take these matters seriously," says Detective Senior Sergeant Callum McNeill.

He suggests car dealers and consumers treat transactions involving cheques cautiously. "You shouldn't hand over possession until the payment is no longer showing as pending."

The authorities have received reports of a criminal buying a car after it was listed on Facebook. The con artist paid by cheque and funds appeared as pending in the seller's account.

Police say cheques are then dishonoured or reversed due to insufficient funds three to six days later, by which time the scammer has taken possession before usually on-selling to a third party.

Attempts to make contact normally fail because the offender has blocked or deactivated their Facebook accounts. The police advise sellers to use regulated companies such as Trade Me and other auction platforms.

"We encourage people to contact police if they are a victim of a crime and echo the advice police have given about being cautious when accepting payments by cheques," says Antonia Sanda, of Facebook. "We take swift action to remove scams as soon as we become aware."

Lisa Kerr, head of trust and safety at Trade Me, says: "While becoming less common, it's important to be aware cheques can be dishonoured and shouldn't be treated the same as cash."

The company has a 30-strong New Zealand-based team monitoring its site seven days a week to minimise the risk of its members being fleeced.

"You'd be a mug to do anything dodgy on Trade Me because you leave deep electronic footprints on our site that can be traced," warns Kerr.

"We have sophisticated processes in place to keep our site trusted and safe. On the rare occasion when a trade goes wrong, we have a disputes team on standby to help."

In September, Autofile Online reported on Trade Me warning its customers about staying safe online following the emergence of scams on rival marketplaces.

It followed reports of a suspected scam involving a Facebook Marketplace user copying a Trade Me listing in a bid to illegally sell someone's vehicle.

Tony Bing, of Auckland, only discovered his 2008 BMW had been listed on Facebook by an imposter when a potential purchaser got in touch to offer a much lower price than on his Trade Me listing.

The listing was copied by someone claiming to be a reseller, who had created a Facebook account under the name Amrit Patel.

The vehicle was being advertised for less than half of what Bing was asking for.

He alerted the police, Netsafe and Facebook to the scam.

In other news impacting on car dealers, the Collision Repair Association is warning of lengthy delays with reports of replacement parts taking up to 12 weeks to arrive.

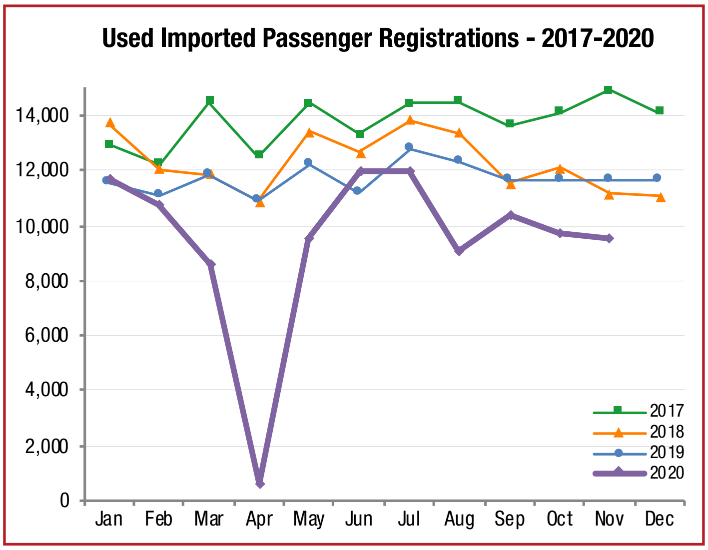
Neil Pritchard, general manager, says some panel beaters are having to send clients away to either store cars at home or, if safe to do so, to drive them until the parts are available to be fitted.

There was a backlog of work for panel beaters before coronavirus kicked in, but the subsequent national lockdown meant fewer cars on the road and lower accident rates so many repair shops caught up on their workloads.

That said, stocks of certain parts and panels at vehicle distributors are running out and it is taking up to three months to source some items. Pritchard says the Covid-19 pandemic has created a "perfect storm" with factories overseas having stopped making parts because of closures, air-freight costs going up and shipping container space becoming more limited.

Aqua tops ladder

There were 9,523 used-imported cars registered in New Zealand for the first time last month. That was down by 18.4 per cent when compared to 11,674 sales in November 2019. The best-selling model was the Toyota Aqua on 563 units. Second spot was claimed by the Mazda Axela with 429 with Toyota's Prius in third spot on 409. Mazda's Demio and Honda's Fit came fourth and fifth on 316 and 313 sales respectively.



Warning over 'juicing' cars

Traders are being advised not to "juice" batteries following reports of the practice being used to boost the value of used electric vehicles (EVs).

The Imported Motor Vehicle Industry Association (VIA) has issued a warning that car dealers who do this are breaking the Consumer Guarantees Act and Fair Trading Act.

Juicing is the term used for artificially inflating a battery's state of health (SoH) and is done by carrying out multiple rapid charges in short succession.

This temporarily increases the SoH reading produced by a battery health report and makes it appear newer than it is, which in turn artificially inflates the EV's sticker price.

However, owners are left disgruntled because the extra burst of life usually fades after about three weeks' driving.

"Dealers who engage in this practice are doing so to 'mislead' the customer," says Malcolm Yorston, VIA's technical manager. "We advise all members to not juice EV batteries."

He adds consumers who can identify this has been done would have a valid reason to reject the car and file a complaint with the Motor Vehicle Disputes Tribunal.

Hayden Johnston, general manager of GVI Electric in Auckland, is seeing an increasing number of juiced or tampered EVs coming out of Japan.

His company has been importing used electric cars since 2013 and describes juicing as the equivalent to winding an odometer back.

"Unlike a normal internal combustion engine car, mileage travelled in an EV is largely an irrelevant measure," he says. "Its value is primarily based on the battery SoH."

Johnston adds juicing can be done deliberately or may also be a result of an owner's charging and driving habits. Most EVs in Japan are fuelled up at public rapid-charge stations.

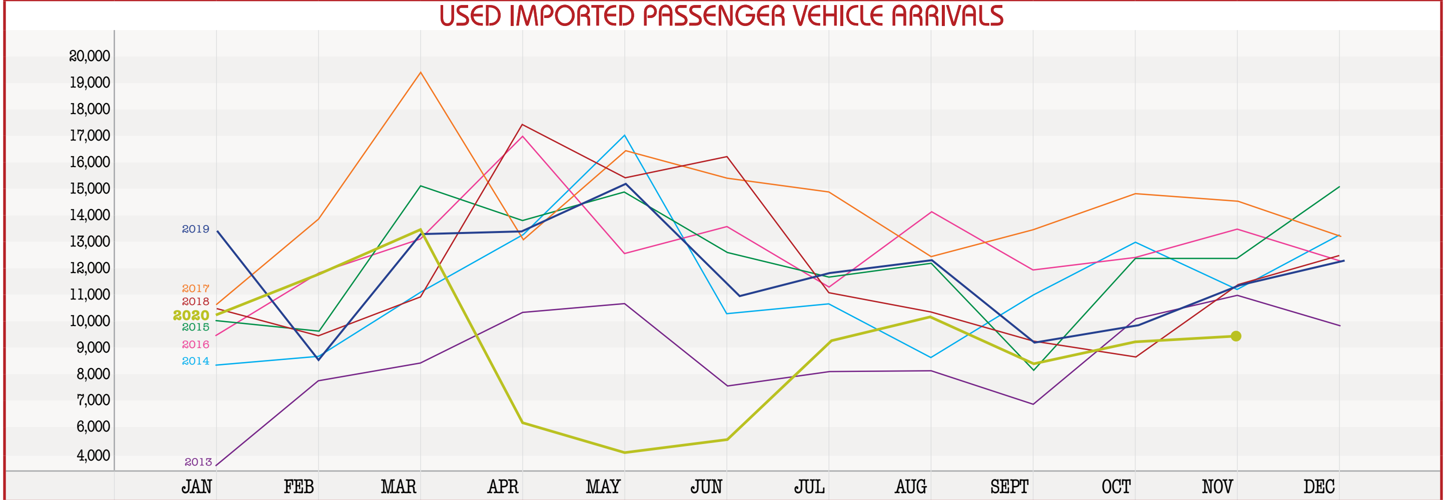
YEAR DOWN BY 25%

There were 9,533 used cars imported in November, which was down by 16.2 per cent compared to 11,401 in the same month of 2019.

So far this year, 96,591 used passenger vehicles have crossed our wharves – down by 25.2 per cent compared to 129,109 by this time last year.

There were 8,872 used cars brought in from Japan during November for a market share of 92.9 per cent.

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	OCT '20	NOV '20	NOV SHARE %	2020 TOTAL	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
Australia	278	449	326	254	274	348	408	279	316	318	415	4.3%	**3,665**	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	25	16	46	82	64	73	0.8%	**587**	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,554	5,678	3,603	4381	8,452	9,455	7775	8418	8,872	92.9%	**89,825**	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	155	181	247	175	197	120	1.3%	**1,641**	1,678	1.2%	1,531	1.1%
USA	72	50	47	37	24	18	38	43	48	32	37	0.4%	**446**	664	0.5%	1,108	0.8%
Other countries	29	10	15	21	14	94	117	28	28	35	36	0.4%	**427**	340	0.2%	415	0.3%
Total	**10,101**	**11,789**	**13,145**	**6,136**	**4,048**	**5,021**	**9,212**	**10,098**	**8,424**	**9,064**	**9,553**	**100.0%**	**96,591**	**141,218**	**100.0%**	**142,773**	**100.0%**

Traders urged to comply with law

Dealers who fail to display vehicle fuel-economy labels on stock they are selling may face a fine of $5,000 per car.

The Energy Efficiency and Conservation Authority (EECA) has requested the Imported Motor Vehicle Industry Association (VIA) reminds traders of their legal responsibilities on this matter.

"All registered traders are required by law to display fuel-economy labels on all vehicles displayed for sale," warns Malcolm Yorston, VIA's technical manager.

"They also need to include fuel-economy information for online listings. Dealers can expect EECA to check vehicles for compliance at any time on yards and online."

Meanwhile, the NZTA has launched an online tool for dealers, which provides them with a single portal to get information on vehicles.

It is essentially a one-stop shop for traders to access the generator for fuel-economy labels and the electronic stability control tool developed by VIA.

It also has the NZTA's dealer training module, motor-vehicle register information through Motocheck, PPSR, register for damaged and written-off vehicles, and the safety-recall database.

Yorston says mechanisms for generating consumer information notices and Rightcar QR code posters will come soon.

He adds: "The site also features a bulk look-up tool for safety ratings, which uses New Zealand regos and VINs as well as Japanese chassis numbers, so you can check the ratings of vehicles you're looking to import or trade."

Yorston advises all dealers to bookmark the tool, which can be found online at https://dealer.rightcar.govt.nz, because it will save time getting details on individual vehicles.

BUSINESS ON THE UP

Car dealers sold 19,982 second-hand passenger vehicles to the public last month. That was up by 4.8 per cent compared to November 2019 when there were 19,062 ownership changes.

The top two centres for proportional increases for such transactions were Westport and Oamaru with 283.3 and 135.5 per cent respectively, albeit on small numbers. Napier and Timaru were joint third with 24.7 per cent jumps.

Last month's trade-ins came in at 14,031 for an increase of 12.2 per cent compared to 12,506 in November 2019.

SECONDHAND CAR SALES - November 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	NOV'20	NOV'19	+/- %	MARKET SHARE	NOV'20	NOV'19	+/- %	NOV'20	NOV'19	+/- %
Whangarei	666	654	1.8	3.33	2,097	1,931	8.6	235	234	0.4
Auckland	6,543	6,364	2.8	32.74	13,674	14,232	-3.9	5,659	5,057	11.9
Hamilton	1,686	1,428	18.1	8.44	4,122	3,441	19.8	1,255	1,055	19.0
Thames	227	294	-22.8	1.14	533	649	-17.9	102	213	-52.1
Tauranga	1,016	859	18.3	5.08	2,497	2,227	12.1	628	578	8.7
Rotorua	295	454	-35.0	1.48	889	941	-5.5	87	133	-34.6
Gisborne	148	158	-6.3	0.74	389	394	-1.3	64	58	10.3
Napier	809	635	27.4	4.05	1,570	1,544	1.7	451	403	11.9
New Plymouth	463	404	14.6	2.32	1,056	962	9.8	216	199	8.5
Wanganui	189	233	-18.9	0.95	496	603	-17.7	120	156	-23.1
Palmerston North	893	764	16.9	4.47	1,811	1,678	7.9	645	665	-3.0
Masterton	217	227	-4.4	1.09	479	504	-5.0	201	126	59.5
Wellington	1,666	1,526	9.2	8.34	3,280	3,170	3.5	1,023	1,021	0.2
Nelson	319	293	8.9	1.60	1,023	1,047	-2.3	180	174	3.4
Blenheim	161	160	0.6	0.81	380	419	-9.3	98	83	18.1
Greymouth	86	80	7.5	0.43	171	185	-7.6	42	33	27.3
Westport	23	6	283.3	0.12	76	37	105.4	0	2	0.0
Christchurch	3,022	3,157	-4.3	15.12	5,030	4,908	2.5	2,121	1,573	34.8
Timaru	256	201	27.4	1.28	701	557	25.9	105	67	56.7
Oamaru	73	31	135.5	0.37	195	132	47.7	11	3	266.7
Dunedin	811	679	19.4	4.06	1,966	2,042	-3.7	490	410	19.5
Invercargill	413	455	-9.2	2.07	1,064	1,064	0.0	298	263	13.3
NZ total	**19,982**	**19,062**	**4.8**	**100.00**	**43,499**	**42,667**	**1.9**	**14,031**	**12,506**	**12.2**

New Passenger Vehicle Sales by Make - November 2020

MAKE	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	1,452	2,171	-33.1	18.1%	11,799	15.7%
Mitsubishi	927	648	43.1	11.5%	5,785	7.7%
Kia	735	884	-16.9	9.2%	7,733	10.3%
Mazda	623	693	-10.1	7.8%	5,673	7.5%
Suzuki	592	536	10.4	7.4%	5,556	7.4%
Hyundai	554	680	-18.5	6.9%	5,112	6.8%
Ford	430	366	17.5	5.4%	3,031	4.0%
Nissan	395	499	-20.8	4.9%	3,492	4.6%
Subaru	255	220	15.9	3.2%	2,285	3.0%
MG	252	133	89.5	3.1%	1,199	1.6%
Volkswagen	212	272	-22.1	2.6%	2,838	3.8%
Mercedes-Benz	194	207	-6.3	2.4%	1,861	2.5%
Audi	163	126	29.4	2.0%	1,413	1.9%
Holden	145	724	-80.0	1.8%	3,316	4.4%
BMW	130	177	-26.6	1.6%	1,484	2.0%
Honda	123	412	-70.1	1.5%	3,095	4.1%
SsangYong	98	64	53.1	1.2%	802	1.1%
Haval	91	72	26.4	1.1%	759	1.0%
Lexus	89	76	17.1	1.1%	757	1.0%
Land Rover	87	83	4.8	1.1%	964	1.3%
Skoda	79	114	-30.7	1.0%	1,173	1.6%
Mini	71	57	24.6	0.9%	645	0.9%
Jeep	70	60	16.7	0.9%	729	1.0%
Peugeot	37	52	-28.8	0.5%	689	0.9%
Volvo	31	44	-29.5	0.4%	416	0.6%
Porsche	29	26	11.5	0.4%	362	0.5%
Jaguar	27	51	-47.1	0.3%	340	0.5%
Isuzu	23	16	43.8	0.3%	220	0.3%
Citroen	20	24	-16.7	0.2%	185	0.2%
LDV	17	1	1,600.0	0.2%	88	0.1%
Renault	14	18	-22.2	0.2%	172	0.2%
Seat	10	15	-33.3	0.1%	123	0.2%
Bentley	9	4	125.0	0.1%	49	0.1%
Can-Am	7	8	-12.5	0.1%	76	0.1%
Alfa Romeo	6	7	-14.3	0.1%	123	0.2%
Aston Martin	5	5	0.0	0.1%	41	0.1%
Fiat	5	0	500.0	0.1%	39	0.1%
Genesis	4	0	400.0	0.0%	19	0.0%
Chevrolet	3	4	-25.0	0.0%	47	0.1%
Ferrari	3	1	200.0	0.0%	35	0.0%
Lamborghini	3	2	50.0	0.0%	26	0.0%
Maserati	2	1	100.0	0.0%	35	0.0%
McLaren	2	1	100.0	0.0%	19	0.0%
Rolls-Royce	2	1	100.0	0.0%	13	0.0%
Tesla	2	58	-96.6	0.0%	505	0.7%
Others	1	28	-96.4	0.0%	154	0.2%
Total	**8,029**	**9,641**	**-16.7**	**100.0%**	**75,277**	**100.0%**

New Passenger Vehicle Sales by Model - November 2020

MAKE	MODEL	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	511	881	-42.0	6.4%	4,963	6.6%
Mitsubishi	Outlander	394	269	46.5	4.9%	2,214	2.9%
Mitsubishi	ASX	369	194	90.2	4.6%	2,150	2.9%
Mazda	CX-5	285	277	2.9	3.5%	2,243	3.0%
Kia	Sportage	285	218	30.7	3.5%	2,820	3.7%
Suzuki	Swift	260	184	41.3	3.2%	2,404	3.2%
Toyota	Corolla	257	658	-60.9	3.2%	2,430	3.2%
Nissan	X-Trail	188	194	-3.1	2.3%	1,398	1.9%
Kia	Seltos	180	400	-55.0	2.2%	2,560	3.4%
Ford	Escape	169	83	103.6	2.1%	966	1.3%
Toyota	Yaris Cross	166	0	16,600.0	2.1%	263	0.3%
Toyota	Yaris	165	104	58.7	2.1%	997	1.3%
Hyundai	Santa Fe	164	126	30.2	2.0%	1,000	1.3%
Nissan	Qashqai	157	260	-39.6	2.0%	1,583	2.1%
Hyundai	Kona	144	148	-2.7	1.8%	1,329	1.8%
Hyundai	Tucson	139	163	-14.7	1.7%	1,604	2.1%
Suzuki	Vitara	116	183	-36.6	1.4%	1,201	1.6%
Toyota	C-HR	107	50	114.0	1.3%	1,157	1.5%
Ford	Everest	107	48	122.9	1.3%	473	0.6%
Subaru	XV	102	81	25.9	1.3%	705	0.9%
Mazda	CX-9	88	58	51.7	1.1%	684	0.9%
Volkswagen	T-Roc	86	0	8,600.0	1.1%	294	0.4%
Subaru	Forester	84	56	50.0	1.0%	683	0.9%
Kia	Stonic	84	0	8,400.0	1.0%	84	0.1%
MG	ZS	81	49	65.3	1.0%	450	0.6%
Holden	Equinox	79	69	14.5	1.0%	701	0.9%
Mazda	CX-3	76	104	-26.9	0.9%	674	0.9%
Toyota	Highlander	65	47	38.3	0.8%	573	0.8%
Ford	Puma	64	0	6,400.0	0.8%	186	0.2%
Suzuki	Ignis	61	45	35.6	0.8%	453	0.6%
Mitsubishi	Mirage	61	13	369.2	0.8%	349	0.5%
MG	ZS EV	60	0	6,000.0	0.7%	60	0.1%
Haval	H2	58	50	16.0	0.7%	528	0.7%
Mitsubishi	Eclipse Cross	57	117	-51.3	0.7%	631	0.8%
Suzuki	Jimny	57	5	1,040.0	0.7%	540	0.7%
Suzuki	Baleno	56	43	30.2	0.7%	481	0.6%
Mazda	CX-30	56	0	5,600.0	0.7%	607	0.8%
Kia	Rio	56	67	-16.4	0.7%	840	1.1%
Toyota	Landcruiser	53	55	-3.6	0.7%	283	0.4%
Subaru	Outback	51	71	-28.2	0.6%	687	0.9%
MG	HS	49	0	4,900.0	0.6%	327	0.4%
Kia	Sorento	49	33	48.5	0.6%	451	0.6%
Volkswagen	Tiguan	49	127	-61.4	0.6%	955	1.3%
SsangYong	Korando	48	39	23.1	0.6%	462	0.6%
Honda	HR-V	46	128	-64.1	0.6%	1,005	1.3%
Others		2,190	3,944	-44.5	27.3%	27,829	37.0%
Total		**8,029**	**9,641**	**-16.7**	**100.0%**	**75,277**	**100.0%**

'Grateful' economy largely intact

The managing director of Andrew Simms Newmarket and Botany says the automotive industry should be "forever grateful" that New Zealand's economy is still operating amid the global coronavirus pandemic.

Although Andrew Simms believes we may not have seen the end of Covid-19 in this country, he holds the view that "we are enormously better off than our colleagues in most other parts of the developed world".

He told Autofile: "We've got a domestic economy that's largely intact and we are forever grateful there's still one to operate in, but it will get difficult if we keep shutting down Auckland.

"One thing we've really seen since the first lockdown is people spending their money locally that they would have perhaps spent overseas in previous years.

"That was a big driver of the business when we came out of the original lockdown and will continue to be a significant driver of business while borders remain closed."

Simms adds consumers are increasingly turning to their own research and are conducting more of the sales process online because "Covid-19 has pushed people at a much hastier pace in that direction".

"Online activity has been at unprecedented levels. We can see more consumers are looking at our and manufacturers' websites."

TIME TO SIGN UP

The Giltrap Group has launched a subscription service after teaming up with a European rental company.

It follows the introduction of similar programmes worldwide and will compete with, among others, Turners Subscription, which started in October.

Giltrap's service will run under the SIXT brand and allow Kiwis access to new vehicles with the option of six, nine or 12-month subscriptions.

A range of models, from Skoda's Octavia wagon to the Land Rover Defender, is on offer from $995 a month.

SIXT promises a degree of personalisation with its vehicles and subscribers can adjust options, such as the exterior and interior colour and upgrades to audio systems.

Branches in Auckland, Wellington, Christchurch and Queenstown welcomed their first customers on December 1, and there are plans to open extra sites in major cities and at airports.

SIXT, which has a fleet of 280,000 cars in about 110 countries, has also set a target of 25 per cent of its Kiwi rentals being electric by 2025.

Sir Colin Giltrap, executive chairman of the Giltrap Group, is thrilled to partner with SIXT in New Zealand for the mobility service.

"This is a milestone for our company and it's a revolution in how people use personal transport," he says. "As someone passionate about EVs, I'm most excited about how SIXT's flexible mobility solution will give more Kiwis the chance to drive them."

OVERSEAS TOURISTS

As for the rental market, it has severely felt the impact of no international visitors being allowed into New Zealand for so long.

Apex is among a number of companies in the automotive industry turning its focus to a subscription service.

Coming online earlier this year, Apex Subscribe provides 28-day rental for a monthly fee, which includes registration, insurance, maintenance and breakdown recovery.

Lee Marshall, general manager, says this model is a way to offer an economical, hassle-free temporary solution with easy cancellation and return policies.

The service allows customers to choose a vehicle to suit their needs and models can be switched.

GEARING UP FOR MOVE

BMW Group NZ is set to quit its long-standing headquarters in Mount Wellington, Auckland.

The company has been at Pacific Rise Business Park for more than three decades.

The property, which is visible from SH1, comprises a 4,168sq m commercial building on 6,595sq m of freehold land.

When BMW NZ bought the site in 1988, it was the ideal location to accommodate its business requirements, says managing director Karol Abrasowicz-Madej.

"Our business has evolved significantly over the years, so we're looking at how we can best adapt to provide an improved and larger working environment."

GLOBAL MARKETS

Hyundai suffered a net loss for July to September after costs relating to engine problems and recalls wiped out predictions of a strong quarterly profit.

The South Korean marque reported a net loss of 336 billion won, or about NZ$444 million, for the three-month period.

Hyundai says it booked 2.1 trillion won to cover charges related to engine faults that led to an increased risk of stalling and fire. Analysts had been tipping the marque to record a profit of 1.2tr won for the quarter.

The Daimler Group has lifted its profit outlook for 2020 after seeing demand in China for its Mercedes-Benz cars jump by 24 per cent in the third quarter of 2020.

The German company expects full-year earnings before interest and taxes (EBIT) to match 2019's levels of €10.3b – around NZ$18.06b. It had previously forecast a drop in earnings.

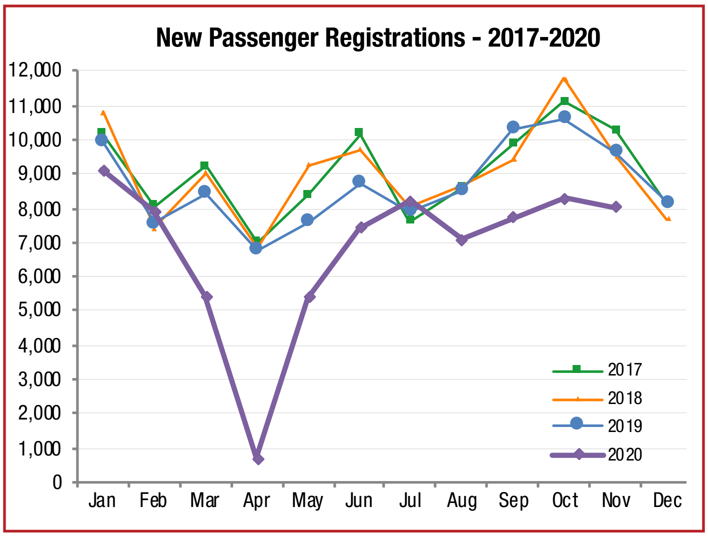
Bosses tempered the outlook by warning a spike in Covid-19 infections made forecasting problematic. In the third quarter, Daimler's adjusted EBIT rose to €3.48b from €3.14b a year earlier.

Tata Motors has forecast a stronger second half for its 2021 fiscal year with Jaguar Land Rover registrations tipped to improve in key markets.

The Indian company posted a consolidated net loss of 3.14 billion rupees, or about NZ$63m, for the second quarter to the end of September.

Sales down 16%

There were 8,029 new cars sold last month – down by 16.7 per cent from 9,641 in November 2019. The Toyota RAV4 topped the ladder with 511 sales. Next up were two Mitsubishis, the Outlander with 394 and ASX on 369. Toyota had a market share of 18.1 per cent and was the best-selling marque with 1,452 registrations. It was followed by Mitsubishi on 11.5 per cent and 927 sales, and Kia with 9.2 per cent and 735 units.



Lockdowns boost van demand

Kiwis' preference for home deliveries brought about by coronavirus lockdowns and electronic stability control (ESC) having to be fitted on all vehicles imported into New Zealand have combined to impact on the van market.

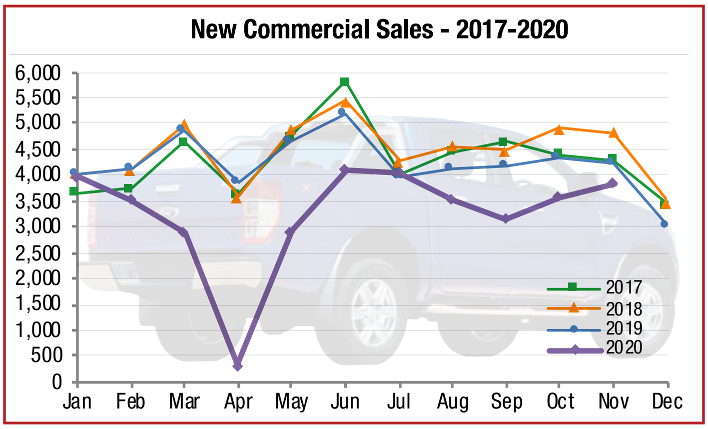
That's the view of Andrew Bayliss, general manager of Great Lake Motor Distributors, which has LDV and SsangYong.

"For us, the van market has been strong for a couple of reasons," he told Autofile. "Due to the pandemic, mindsets have changed and businesses are doing more home deliveries.

"We are getting a lot more enquiry from courier drivers and fleets wanting to upgrade and add to their fleets.

"Add the ESC rule change earlier this year and people are moving towards buying new vehicles because they know they have safety features rather than used imports that don't have them and can't be registered anymore, so that has played into our hands."

Auckland's partial lockdown in August slowed trading for a while, but "once we came back from that, we hit the ground running".



Bayliss says: "We are getting an enormous amount of enquiry from our marketing and advertising. In terms of people making enquiry to us, we hand those on to our dealers who are having a high strike rate converting them into sales.

"When it comes to private buyers, we're getting a good strike rate and some of that's probably because people can't have their overseas holiday this year."

There were 3,852 new commercial vehicles sold during November. The total was down by 8.5 per cent on the same month of last year when registrations came in at 4,210.

New Commercial Sales by Make - November 2020

MAKE	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	1,093	994	10.0	28.4%	8,405	23.4%
Toyota	859	939	-8.5	22.3%	7,398	20.6%
Mitsubishi	337	394	-14.5	8.7%	3,591	10.0%
Nissan	267	213	25.4	6.9%	2,134	5.9%
Isuzu	260	262	-0.8	6.7%	1,987	5.5%
Mazda	145	184	-21.2	3.8%	1,719	4.8%
LDV	114	65	75.4	3.0%	950	2.6%
Fiat	106	98	8.2	2.8%	689	1.9%
Mercedes-Benz	81	180	-55.0	2.1%	965	2.7%
Volkswagen	74	102	-27.5	1.9%	853	2.4%
Hino	61	70	-12.9	1.6%	516	1.4%
Fuso	60	55	9.1	1.6%	569	1.6%
Hyundai	56	46	21.7	1.5%	544	1.5%
SsangYong	54	33	63.6	1.4%	404	1.1%
Great Wall	51	50	2.0	1.3%	403	1.1%
Iveco	33	33	0.0	0.9%	303	0.8%
Holden	28	315	-91.1	0.7%	2,531	7.0%
Ram	20	16	25.0	0.5%	205	0.6%
Renault	19	15	26.7	0.5%	226	0.6%
Scania	18	27	-33.3	0.5%	310	0.9%
Others	116	119	-2.5	3.0%	1,247	3.5%
Total	**3,852**	**4,210**	**-8.5**	**100.0%**	**35,949**	**100.0%**

New Commercial Sales by Model - November 2020

MAKE	MODEL	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	1,005	907	10.8	26.1%	7,324	20.4%
Toyota	Hilux	636	648	-1.9	16.5%	5,365	14.9%
Mitsubishi	Triton	300	392	-23.5	7.8%	3,477	9.7%
Nissan	Navara	267	213	25.4	6.9%	2,134	5.9%
Toyota	Hiace	197	269	-26.8	5.1%	1,743	4.8%
Isuzu	D-Max	182	146	24.7	4.7%	1,075	3.0%
Mazda	BT-50	145	184	-21.2	3.8%	1,718	4.8%
Fiat	Ducato	106	98	8.2	2.8%	686	1.9%
Ford	Transit	88	87	1.1	2.3%	1,081	3.0%
Mercedes-Benz	Sprinter	62	132	-53.0	1.6%	379	1.1%
SsangYong	Rhino	54	32	68.8	1.4%	402	1.1%
Hyundai	iLoad	50	45	11.1	1.3%	510	1.4%
LDV	T60	46	23	100.0	1.2%	310	0.9%
Mitsubishi	Express	36	0	3,600.0	0.9%	109	0.3%
Isuzu	F Series	36	54	-33.3	0.9%	408	1.1%
Great Wall	Steed	34	50	-32.0	0.9%	386	1.1%
Hino	500	30	37	-18.9	0.8%	262	0.7%
LDV	G10	30	14	114.3	0.8%	285	0.8%
Isuzu	N Series	30	45	-33.3	0.8%	381	1.1%
Volkswagen	Amarok	28	54	-48.1	0.7%	404	1.1%
Others		490	780	-37.2	12.7%	7,510	20.9%
Total		**3,852**	**4,210**	**-8.5**	**100.0%**	**35,949**	**100.0%**

'Pleasantly surprised' by trading

Despite two lockdowns in Auckland due to Covid-19, sales over the past few months have not been as down as Bill Julian anticipated.

In fact, the managing director of NZ Light Commercials in Takanini has been pleasantly surprised by how the year has panned out.

"After the first lockdown, no-one knew what was going to happen," he told Autofile.

"We came back after the first lockdown and customers, who had changed their minds about purchasing a vehicle as we went into it, wanted to buy those vehicles.

"Most of the deals that got cancelled came back when business opened up again."

Julian had many enquiries during October, for example, but has been "hampered somewhat" because it has been taking a long time to get stock out of Japan.

"We would have had more sales if there was more capacity on boats coming out of Japan," he says.

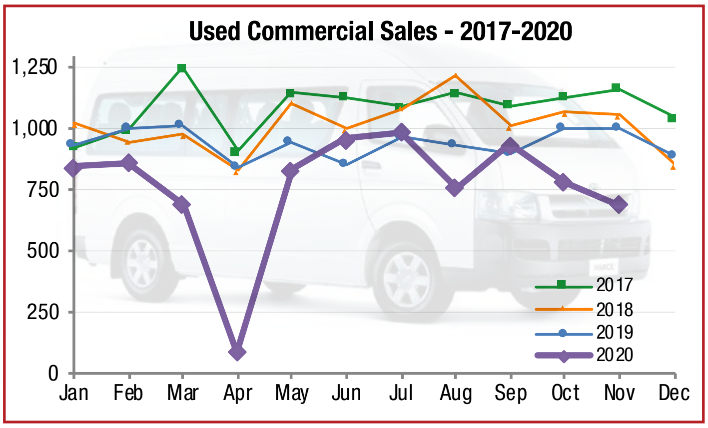
"It's a major issue. We are taking deposits from buyers for our vehicles sitting on wharves in Japan. That is something we've never had done before and customers don't want to miss out.

"It is hard to get New Zealand-new stock and we are paying a premium for it, so it may be even harder to get good stock next year.

"The trades are all busy, although I am hearing there's a slowdown in commercial construction from tradespeople such as gasfitters.

"I would like to think 2021 will start strong, but after March I'm unsure how the rest of the year will pan out. The government needs to get 'shovel ready' projects going."

There were 691 used-imported commercials registered for the first time last month for drop of 30.8 per cent compared to 999 in November 2019.



Used Commercial Sales by Make - November 2020

MAKE	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	275	448	-38.6	39.8%	3,765	44.6%
Nissan	134	212	-36.8	19.4%	1,957	23.2%
Isuzu	43	47	-8.5	6.2%	438	5.2%
Hino	33	34	-2.9	4.8%	311	3.7%
Ford	30	44	-31.8	4.3%	326	3.9%
Mitsubishi	27	33	-18.2	3.9%	260	3.1%
Mazda	24	46	-47.8	3.5%	355	4.2%
Chevrolet	20	9	122.2	2.9%	125	1.5%
Holden	18	14	28.6	2.6%	153	1.8%
Mercedes-Benz	11	5	120.0	1.6%	42	0.5%
Volkswagen	9	10	-10.0	1.3%	84	1.0%
Renault	8	3	166.7	1.2%	32	0.4%
Suzuki	8	3	166.7	1.2%	53	0.6%
DAF	6	0	600.0	0.9%	22	0.3%
Fiat	6	50	-88.0	0.9%	130	1.5%
Daihatsu	5	4	25.0	0.7%	45	0.5%
Dodge	5	2	150.0	0.7%	38	0.5%
LDV	4	0	400.0	0.6%	16	0.2%
Kenworth	3	1	200.0	0.4%	17	0.2%
Volvo	3	3	0.0	0.4%	34	0.4%
Others	19	31	-38.7	2.7%	241	2.9%
Total	**691**	**999**	**-30.8**	**100.0%**	**8,444**	**100.0%**

Used Commercial Sales by Model - November 2020

MAKE	MODEL	NOV'20	NOV'19	+/- %	NOV'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	202	356	-43.3	29.2%	2,765	32.7%
Nissan	NV350	47	35	34.3	6.8%	492	5.8%
Nissan	Caravan	33	49	-32.7	4.8%	480	5.7%
Toyota	Dyna	29	35	-17.1	4.2%	353	4.2%
Isuzu	Elf	25	34	-26.5	3.6%	274	3.2%
Hino	Dutro	23	23	0.0	3.3%	226	2.7%
Fuso	Canter	21	17	23.5	3.0%	145	1.7%
Toyota	Toyoace	19	11	72.7	2.7%	184	2.2%
Nissan	Atlas	18	30	-40.0	2.6%	136	1.6%
Nissan	E-NV200	11	3	266.7	1.6%	52	0.6%
Nissan	NV200	11	47	-76.6	1.6%	469	5.6%
Ford	Ranger	11	10	10.0	1.6%	141	1.7%
Mazda	BT-50	10	3	233.3	1.4%	44	0.5%
Chevrolet	Colorado	10	12	-16.7	1.4%	92	1.1%
Isuzu	Forward	10	6	66.7	1.4%	94	1.1%
Toyota	Regius	10	29	-65.5	1.4%	291	3.4%
Mazda	Bongo	9	37	-75.7	1.3%	239	2.8%
Suzuki	Carry	8	3	166.7	1.2%	52	0.6%
Toyota	Hilux	8	8	0.0	1.2%	97	1.1%
Nissan	Navara	7	12	-41.7	1.0%	83	1.0%
Others		169	239	-29.3	24.5%	1,735	20.5%
Total		**691**	**999**	**-30.8**	**100.0%**	**8,444**	**100.0%**

‘Good volumes’ coming in

A new-vehicle distributor is relieved it has been able to secure stock from its marque’s production lines.

Andrew Bayliss, general manager of Great Lake Motor Distributors, which represents SsangYong and LDV, notes there has been “an element of good luck involved” when it comes to product arrival in New Zealand.

“Just before the outbreak of the pandemic, we placed a couple of big orders obviously not knowing Covid-19 was coming,” he explains.

“We landed a lot of fresh stock just after we came out of the first lockdown. As a result, we have a good range to sell now buyers are out there wanting to buy.

“We have been fortunate to get product out of both factories, LDV and SsangYong. They are able to fill our orders.”

Bayliss told Autofile that demand has been such the company has been able to replace any ageing stock, not that it has a massive problem with it, with fresh vehicles and it has good volumes arriving each month.

“We do have waiting lists, like everyone else, for certain colours or specific models. We plan for these things, but sometimes there will be demand for a specific colour or model that we can’t fulfil right now.

“However, this it isn’t a major issue because we have production orders arriving with solid numbers each month. From now until the end of the year, we should see more good results.”

During election years, he adds, business normally slows down coming up to polling day, but that didn’t happen this time around.

“I’m not a political analyst but it could have been because people foresaw the result was going to be more of the same in that there wasn’t going to be any drastic changes,” opines Bayliss.

“Also, people are confined to New Zealand so there’s no point sweating what you can’t change.

“When the first lockdown happened, people were shell-shocked and nervous about the future, but I have to say that post-lockdown we haven’t looked back.

“I sent a bulletin out to our dealers on the first day of the lockdown outlining we had good supply and good stock because, at that point, there was speculation factories overseas were going to close. A lot of the European brands have been experiencing that and aren’t getting good supply, so maybe that’s playing into our hands as well.”

Stock at-hand edges up

Importations of new cars during November came in at 7,483.

This was a decrease of 20.5 per cent when compared to the same month of last year and a drop of 16.8 per cent on October 2020’s total of 8,998 units.

Registrations of new passenger vehicles totalled 8,029 last month for a decrease of 16.7 per cent from November 2019’s figures. November 2020’s total also represented a fall of 3.2 per cent from 8,296 in October.

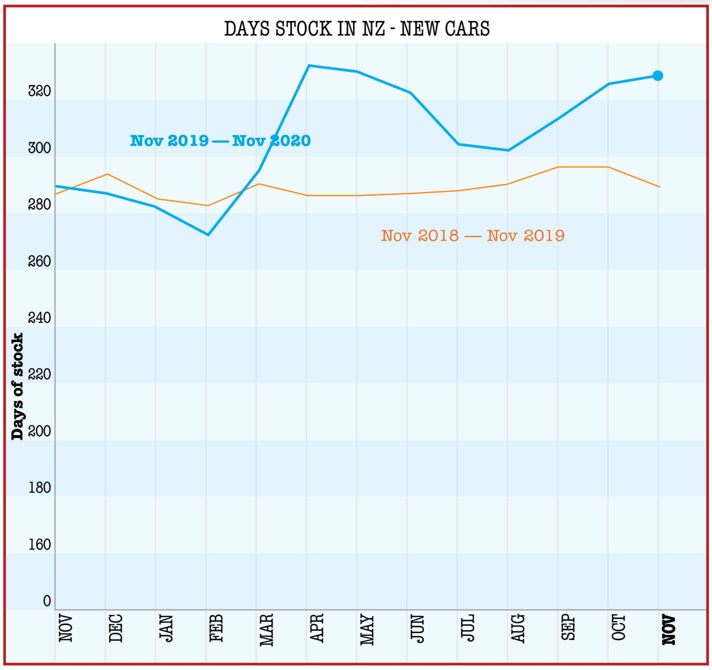
These numbers have resulted in the stock of new cars still to be registered dropping by 546 units to 75,064.

Daily sales, as averaged over the previous 12 months, stand at 229 units per day – the lowest tally since January 2014.

November’s results mean that stock at-hand has increased to 328 days, or 10.8 months.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Nov ‘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	4,321	8,200	-3,879	75,904	250	303
Aug ‘20	5,371	7,072	-1,701	74,203	246	301
Sep ‘20	8,440	7,735	705	74,908	239	313
Oct ‘20	8,998	8,296	702	75,610	233	324
Nov ‘20	**7,483**	**8,029**	**-546**	**75,064**	**229**	**328**
Year to date	**68,576**	**75,277**	**(6,701)**			
Change on last month	**-16.8%**	**-3.2%**		**-0.7%**		
Change on Nov 2019	**-20.5%** LESS IMPORTED	**-16.7%** LESS SOLD		**-8.2%** LESS STOCK		



Auction prices up across Tasman

A dealer in South Auckland reports it has been difficult for the industry to access stock from overseas.

While business has been steady since New Zealand went into lockdown earlier this year, there's not a lot of fresh used stock being sold.

"At the moment, not a lot is being auctioned in Australia and prices have gone up, so it's not that viable to bring stock in from over there," says Gareth Karrasch, of 317 Ute and Van Sales in Takanini.

"That said, it is still worth keeping an eye on their auctions and you can always get stock out of Japan. I'm getting some locally, a few vehicles out of Japan and some out of Australia."

Karrasch, who has imported used vehicles from across the Tasman over the past five years, adds: "There is enough stock to get by. We are only a small yard with 25 to 30 vehicles and four staff members, so we don't need to have the site fully stocked all the time."

He notes it's taking longer to get vehicles shipped from Japan and it's also taking more time to get stock reconditioned in New Zealand.

"The contractors we use are busy and it's taking longer to get work done – that has been one of the big changes this year.

"It just proves the country is strong enough by itself. The big industry we have lost is overseas tourism, but that industry is now being supported by local tourists.

"I think business confidence is there. It took a month or two after Auckland's first lockdown for people to decide that things were okay. They are still being cautious but realise that you have to spend money to make money.

"We were busy during the second lockdown. We sell a lot of stock outside of the city so nothing changed for our buyers. Sales were only down slightly over a two-week period."

At this stage, Karrasch believes 2020's sales will be about the same as 2019.

Lyndon Lambert, owner of Allkars in Whangarei, has an optimistic outlook because he doesn't think the Covid-19 recession will be tougher than the global financial crisis, but there has been a shortage of "good vehicles".

"My freight bill has tripled so that tells me people will buy good cars and transport them to other parts of the country, even the South Island. I have sold about five cars to buyers there so far this year."

Daily sales sliding

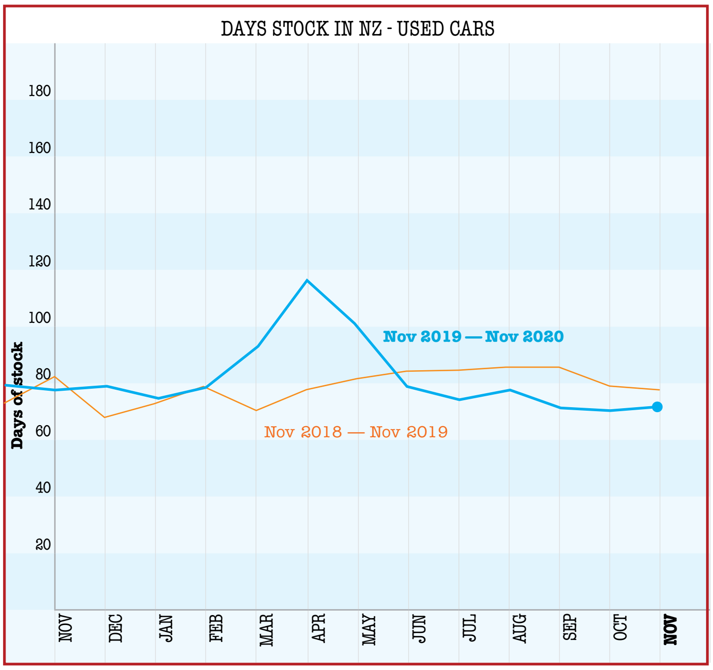
There were 9,553 used cars imported in November for a decrease of 1,848 units, or by 16.2 per cent, on the same month of last year.

The monthly total was an increase of 5.4 per cent from 9,064 imports in October.

There were 9,523 units sold in November. This was down 18.4 per cent from 11,674 during the same month of 2019 and represented a drop of 2.5 per cent from 9,763 registrations in October.

With 30 more used cars imported than sold last month, this brought stock on dealers' yards, or in compliance shops, to 23,081 units. This was 22.6 per cent, or 6,724 cars, lower than at the end of November 2019.

With current average daily sales slipping to 316 per day – the lowest level since June 2014 when the average daily was 311 – there are 73 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Nov '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	9,212	11,975	-2,763	24,621	340	72
Aug '20	10,098	9,054	1,044	25,665	331	78
Sep '20	8,424	10,339	-1,915	23,750	327	73
Oct '20	9,064	9,763	-699	23,051	322	72
Nov '20	**9,553**	**9,523**	**30**	**23,081**	**316**	**73**
Year to date	**96,591**	**103,808**	**(7,217)**			
Change on last month	**5.39%**	**-2.5%**		**0.1%**		
Change on Nov 2019	**-16.2%** LESS IMPORTED	**-18.4%** LESS SOLD		**-22.6%** LESS STOCK		