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Industry braces itself for future challenges

Chief executives reflect on a tough year, reveal how doing business has changed and ponder what 2021 may bring

The year 2020 will be remembered as the toughest in modern times.

It is tragic 25 New Zealanders were among an estimated 1.8 million around the world to die last year after contracting Covid-19.

It is also tragic so many people's jobs and businesses, including some in the automotive industry, have buckled under the enormous economic pressure created by the pandemic.

It is, however, an appropriate time to reflect that this country has come through what we hope is the worst of a global crisis relatively unscathed compared to the plight of many others.

That said, 2021 will provide challenges – many unknown – to be overcome and the way the world operates socially and economically is unlikely to return to how it was pre-coronavirus.

In this issue of Autofile, we talk to the chief executives of the three lead organisations representing New Zealand's car industry to get their take on the year that was and what beckons in the future.

"I think as we roll into 2021, we're going to have business as usual initially," says David Vinsen, of VIA.

"But there will be an underlying concern about what will happen from 2022 onwards regarding the fuel-economy standard."

David Crawford, of the MIA, notes: "With the progressive roll-out of a vaccine, we expect 2021 to gradually transform back to more or less a stable economy, but it will take most of the year to do that."

And the MTA's Craig Pomare says: "We know this government will be likely to make the industry move if it doesn't do so itself. The pressure is coming on."

Our questions to all three, and their answers, start on page four.


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GUEST EDITORIAL

Remarkable resilience for year of unknowns

There were many positives towards the end of 2020 but challenges beckon, says Lyn McMorran


LYN McMORRAN
Executive director, FSF

Despite the challenges of last year, Financial Services Federation (FSF) members finished 2020 in a positive frame of mind – especially for the way in which their businesses, car dealers and agents have withstood challenges to date.

While, like everyone, they have had to contend with many unknowns since the outbreak of Covid-19, they've proven to be remarkably resilient.

Their key focus has been on helping customers through uncertainty, often without the same level of regulatory support as provided to banks.

For example, when the mortgage-payment deferral scheme was announced, banks were exempted from the responsible lending requirements of the Credit Contracts and Consumer Finance Act (CCCFA) when varying credit contracts.

This allowed banks to help customers via extended terms due to payment deferrals and reduced or interest-only payments.

FSF members were flooded with calls daily from anxious customers concerned about employment prospects and what might become of their loans for assets such as cars. Without the benefit of the regulatory protection banks enjoyed, members still varied loan contracts to provide help as required.

After Auckland's second lockdown, members had varied thousands of contracts to provide necessary relief including to more than 25,000 for consumer and commercial loans secured by motor vehicles.

It's safe to say that during lockdown the focus was on assisting customers in financial stress – and no new lending was occurring.

When we eventually reached alert level one, members reported new lending was back to pre-Covid levels, particularly for cars, and that arrears and defaults were still as low as ever. This trend continues with people buying locally rather than travelling overseas.

The issue for many members is that demand is now outstripping the ability to supply with long waiting lists for some vehicles, so what can we expect from 2021?

While we would hope for a continuation of demand for credit, we believe extra regulatory compliance burdens on consumer lenders under the revised CCCFA – and new rules relating to advertising credit and assessing loan suitability for a borrower and the affordability of lending – will restrict Kiwis' access to credit.

This is at a time when money is being printed to allow banks to get more credit into the market to boost the post-coronavirus economic recovery.

We also believe that we're yet to see the true effects of the end of government stimulus packages, such as wage subsidies, on demand for credit and buying cars.

We hope 2021 will be a better year and, with a vaccine on the horizon, it appears it might.

That said, we can't help but feel there's still some pain to come for credit providers and car-dealer networks.

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Working to safeguard industry

David Vinsen, of the Imported Motor Vehicle Industry Association (VIA), and Craig Pomare, of the Motor Trade Association (MTA), talk to Autofile about 2020 and where to from here

What was the biggest challenge of last year?
David Vinsen: We were expecting to have to deal with the final phase of the electronic stability control (ESC) rule and its impact on volumes. That turned out to be a small speed bump because of coronavirus.

We dealt with Covid-19 by taking a lead role in facilitating workshops between the government and industry, and creating working groups and convening meetings with key players.

We identified potential pinch-points and bow waves, and recommended solutions to officials and procedures for industry to follow.

Craig Pomare: With Covid-19, our members had to close their doors and stop trading for a long time and, when able to open, they were required to implement a range of measures, such as online bookings, contactless sales and PPE, to ensure safe operations.

Even members who continued to operate, such as service stations, suffered vastly reduced business.

For the MTA, with our staff all working from home, we needed to use the skill and capacity of every team member and new technologies, such as Zoom, Teams and so on – to ensure our members had the latest information to help them get through.

What other key changes have there been to how businesses operate?
Pomare: Many businesses have continued to use their new digital systems and some of the hygiene requirements.

Vinsen: Internally, there was VIA's restructuring with new rules, a board and creation of a council with key stakeholders and separation of responsibilities.

Externally, the industry adapted to Covid-19's alert levels. After the lockdown, businesses reopened and sales started picking up. It remains unclear if this was pent-up demand or a genuine increase in demand. We think it's the latter.

How is Covid-19 changing the way business is done?
Vinsen: Auctions in Japan seem to be continuing and border-inspection organisations are away from major urban areas, which means staff have had fewer restraints with social distancing and lockdowns.

Because volumes are down, fewer ships are coming here. When they do, it's causing congestion and ports are having to reschedule berthages.

That all flows down to biosecurity inspections, transport suppliers, compliance centres and car yards. These sectors are adjusting to what's in front of them.

Pomare: Coronavirus has shown that businesses are able to transition to contactless engagement with customers, and online bookings and sales have performed well. Many are also embracing social media as a channel to customers. We see this trend continuing as younger, "digital native" generations start to become the majority of our client base.

What lessons have your association taken from 2020?
Pomare: The importance of being able to work remotely so we could continue to provide services for

Planning is essential

David Crawford says the biggest challenge for the Motor Industry Association (MIA) and its members in 2020 was the supply of vehicles and parts as Covid-19 caused factory closures around the world.


David Crawford

The disruption means more "careful and deliberate" planning is needed to ensure supply, while "the cost of air freight has sky-rocketed, so many more car parts previously moved by air freight are now coming by sea freight."

Q: How is Covid-19 changing how your members do business?

A: It has accelerated changes from distributors to dealers in the way in which vehicles are retailed. There has been a rise in virtual capability to demonstrate and sell.

Distributors are working harder to manage disrupted supply changes and are adopting management practices to retain flexibility and increase responsiveness to changing circumstances.

Q: What lessons have the MIA taken from last year?

A: While this sounds strange, the MIA hasn't taken many new lessons from last year as we have always viewed business as needing to respond to changing demands. We've resorted to more video-conference meetings, which has provided benefits in reduced travel times, and the ability to catch up and discuss issues with a wider range of people more frequently than we might have in the past. Communication with members was critical in 2020 – ensuring our members. There has been a need for clear, accurate information delivered in a timely fashion.

Vinsen: Our industry has good systems and procedures, and we have people running businesses who are agile enough to adjust.

One lesson reinforced in 2020 was that our supply chain, which we have worked on assiduously over three decades to squeeze out inefficiencies, is lean and efficient. By definition, a lean and efficient system has no buffer during a crisis.

How would you describe the current state of the industry?

Vinsen: It's relatively buoyant and doing much better than anyone predicted. Economists, who were talking about massive unemployment, house prices and the knock-on effect to consumer confidence in a short space of time, have been proven wrong.

Our industry has seen money coming through thanks to low interest rates, which has increased consumer confidence in all sectors.

Pomare: The mechanical repair sector is in a strong position with most members reporting strong work volumes. However, there are


Craig Pomare


David Vinsen

concerns around ongoing parts supply if air freight doesn't pick up early in 2021.

In the vehicle sales space, performance is better than expected given the lockdowns and supply-chain issues. Motorcycles are seeing a resurgence.

What are implications of the push towards low-emissions vehicles?

Vinsen: We had preliminary talks back in 2004-05 with the minister and it was obvious, at some stage, that this was going to be a real issue.

The only way to cut greenhouse gases from vehicles is to reduce the amount from an individual vehicle or the fleet.

For the whole fleet, it's about modal shift, which is getting people out of private vehicles and into public, active and shared transport, such as ride-sharing.

The government has chosen to deal only with the fuel efficiency of what will enter our fleet of 3.2 million light vehicles with an average age of 14 years. We don't feel this is most effective. The efficiency and consumption of vehicles currently on our roads needs to be dealt with.

A fuel-economy standard and the likelihood of a feebate are substantive issues. They will likely severely limit new and used vehicles coming in.

Pomare: There will be an impact on supply. There are not enough low-emissions vehicles, especially pure EVs, to supply the expected demand in New Zealand at prices Kiwis can afford. Decreases in supply will lead to price increases.

Due to a lack of overseas holidays, we are seeing consumers with spare cash ready to spend on motorcycles and cars, but this will not last now that a vaccine is on its way. Perhaps through 2021 there will still be good liquidity among buyers, but this will dry up.

Would you like to see any changes in how the industry is regulated?

Pomare: Consolidation of vehicle information labels with a revised CIN, and better recording of information on the motor-vehicle register, such as any serious or structural damage, as well as the current NZTA request for fire and water reports.

We also need stricter controls on entry to vehicle trading – proof of understanding of consumer laws, vehicle safety and efficiency and not just a name, number and cheque.

Vinsen: We have concerns in terms of parts of the supply chain being self-regulating.

There has been a focus on

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they were all aware of changing business requirements as quickly as possible when Covid-19 alert levels changed, especially for distributors based in Australia.

Q: How would you describe the current state of the industry?

A: Surprisingly healthy given the circumstances. The new-vehicle market is down by about 22 per cent on this time last year. However, the rental market is down by about 90 per cent. When you adjust for this, the overall new-car market is down only about five per cent. The motorcycle market is up on last year, particularly the off-road segment. Kiwis take about $4 billion a year out of the country when they travel overseas. Since they were unable to do that last year, that money is being spent internally helping to offset the loss of tourism revenue.

Q: What external support would you like to see for the industry and in what areas?

A: Nothing more to add over what we have already publicly and repeatedly stated.

Q: How do you see things panning out in 2021?

A: With the progressive roll-out of a Covid-19 vaccine, we expect this year to gradually transform back to more or less a stable economy. But it will take most of 2021 to do that. There is a view that we haven't yet seen the worst of the fall-out from the pandemic, so the industry remains cautious.

Q: What supply-chain trends do you expect to emerge?

A: If the roll-out of vaccines goes as expected, we expect to see production rates to once again become stable making the ordering and supply of vehicles and parts more predictable.

Q: What do you anticipate will be the main challenge looking ahead?

A: Coping with the continued economic fall-out.

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accredited inspection agencies providing services for regulators, but we'd like to see controls and regulations for compliance shops, people who prepare vehicles for inspection and certification. They are largely unregulated, but essential to the process.

It becomes anti-competitive if compliance shops cut corners and put commercial pressure on those doing it properly. We need proper accreditation given to businesses.

What external support would you like to see for the industry?

Vinsen: Critical sectors such as ours need be fully recognised and funded so they can do their work constructively and collaborate with the government.

For example, we did work around stink bugs off our own bat. It would have been helpful if the Ministry for Primary Industries had contributed financially.

Pomare: Covid-19 has shown that companies were able to transition to contactless engagement with customers and perform well.

Dealerships around New Zealand had to follow tough guidelines in 2020 to prevent the spread of coronavirus. For example, this picture was taken at Ebbett Pukekohe on August 29 before Auckland moved out of alert level three a few days later. Photo: David Kemeys

The MTA is calling for depreciation tax relief for businesses to invest capital in the digital upgrade of their operations.

We think allowing businesses to depreciate major purchases up to $150,000 faster will help them procure IT equipment and installation services needed to meet a new generation of customers and a new way of doing business.

How do you see things progressing in 2021?

Pomare: There will be some sort of carbon-reduction regulation. Whether that's an import standard or consumer incentive is hard to say.

The MTA is exploring whether a targeted fuel levy that directs funds towards incentives for low-emissions vehicle is worth proposing to government.

The ministry and Waka Kotahi are also required under the Vision Zero strategy to look at the possible mandating of advanced driver-safety features. The warrant of fitness process should also be reviewed in the coming year.

Vinsen: I think we're going to have business as usual initially. However, there will be an underlying concern about what will happen from 2022 onwards regarding the fuel-economy standard.

It's about working with the government on solutions to satisfy its requirements that are pragmatic and realistic. That means evidence-based proposals and analysis, which costs money.

We're in a position of wanting to advocate for the industry and offering solutions to any problems. To do that, we need recognition and financial assistance.

What trends do you expect to emerge around supply and sales?

Vinsen: With the supply chain, if fewer vehicles are coming in, we will have fewer sailings and shipping lines must adjust – limited sailings and even sharing space.

Instead of four or five ships arriving with vehicles each month, it may be two or three.

That said, logistics operators in each sector are doing their best to keep the flow going.

Pomare: There will be ongoing disruption – at least until widespread delivery of Covid-19 vaccines can reduce production shutdowns, and allow better freight and air travel. We hope to see the motorcycle sector continue to perform well through summer.

What do you anticipate will be the main challenge for 2021 and further ahead?

Pomare: One is meeting any new regulations regarding low-emissions vehicle imports or customer incentives for purchasing them, and another is compliance with any new requirements on mandatory safety features.

Then there's lending responsibility rules driving customers away because the process to obtain finance takes longer and inquiry into a customers' affairs is seen as intrusive.

It's unclear that the proposed changes in this space will achieve the government's aims of reducing or preventing abuse of finance seekers.

Vinsen: I expect business as usual albeit with issues around technology, the environment, Covid-19 or whatever gets thrown at us. We'll deal with any crises as they come along.

What is your message to members heading into the new year?

Vinsen: To our members, thank you for your support. They should congratulate themselves for VIA being in good shape. To the wider industry, we need to recognise the work that goes on behind the scenes to keep the doors open.

Pomare: It's important to take some time out to relax and unwind from the most turbulent year in living memory, but ensure you set some time aside to review your business and the services you offer.

This year will have its own challenges, so you need to plan ahead so you can ride them out.

As an industry, we need to see change in our product choice to help consumers move towards better choices for the environment.

We know this government will be likely to make the industry move if it doesn't do so itself. The pressure is coming on around the world and we will see it here too.

Fighting back against virus

Autofile looks behind the headlines of 2020 – a year that will forever be associated with Covid-19

The coronavirus pandemic led to lockdowns across the country last year and, at times, virtually brought the automotive industry to a standstill.

However, businesses have shown their resilience with a surprising level of recovery from the lows of April and embraced increasingly high-tech approaches to carry on trading.

Away from the virus crisis, there was a major revamp of the Imported Motor Vehicle Industry Association (VIA) and the phasing in of the final stage of the electronic stability control (ESC) rule.

Clean-car standards and ongoing rumblings about shifting vehicle imports from Ports of Auckland also came to the fore.

JANUARY: INDUSTRY SPLIT

Close working ties between the Motor Industry Association (MIA) and VIA abruptly came to end. The MIA withdrew from a memorandum of understanding the parties entered about two years earlier to co-operate on matters of shared interest. However, the MIA pulled out following a request by its council members for an internal review of the two-way relationship.

Industry bosses were bracing for the final phase of the ESC rule and its subsequent impacts. Greg Hedgepeth, chief executive officer of Turners Cars, warned some popular models of used imports would become conspicuous by their absence in New Zealand by the middle of 2020 because of the regulations. The cut-off date for used light passenger and goods vehicles with engines of less than two litres in capacity to be border-checked for ESC was March 1.

Two Kiwi students undertook an internship in the UK established in honour of McLaren's founder, Kiwi legend Bruce. Elizabeth Grant and Harvey Merton, of the University of Auckland, spent two months at the McLaren Technology Centre in Surrey.

FEBRUARY: OFFSHORE TRIAL

Trade Me began a pilot scheme to provide registered traders with offshore listings. The company launched a trial with 200 listings of stock in Japan or the UK and said it would expand the scheme if there was enough demand from dealers and consumers.

The Motor Trade Association (MTA) said the findings of a Commerce Commission investigation into the retail fuel sector and government's vow to act on them was game-changing. Craig Pomare, chief executive, commented: "This sets the scene for the biggest shake-up made since deregulation in 1988."

VIA became office-free following an operational review after recording a budget deficit in 2018/19. Its headquarters in Mount Wellington, Auckland, closed at the end of February. David Vinsen, chief executive, said mothballing the offices would save up to $50,000 a year.

Julie Anne Genter, Associate Minister of Transport, said policies behind the clean-car proposals were "being refined" following feedback received during consultation and industry workshops. She said: "Progress from this point on is dependent on the cabinet process."

General Motors last year announced it was pulling the pin on Holden in New Zealand and Australia


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End of the road
General Motors starts working with its dealer network on 'transition arrangements' after calling time on iconic marque as strategies to improve the business fail
"We understand the impact of this decision on our people, customers and dealers"
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MARCH: HOLDEN BOMBSHELL

Holden dealers and the car industry were coming to terms with General Motors' decision to "retire" the marque. For many, the decision to scrap the brand in Australasia from the end of 2020 came out of the blue. While dealerships would be closed, servicing and repairs were to be maintained for at least 10 years. The MTA described exit packages offered to Kiwi franchisors as "fair".

Tony Everett, dealers' sector manager, had spoken to various businesses and feedback he received suggested most would be okay. In contrast, some dealers in Australia rejected GM's deal and the federal government ordered a senate inquiry into the marque's demise.

Traders were urged by the NZTA to get up to speed with a new vehicle safety-ratings system. The Safe Vehicles Programme was launched to get more people into new and used cars with four or five stars.

Plans to develop a hydrogen refuelling network were backed by the new-vehicle industry as an important step in the country's journey towards a low-emissions transport sector. The MIA welcomed news Taranaki-based Hiringa Energy and the Waitomo Group were to team up to establish sites across the country.

APRIL: CRISIS RESPONSE

David Vinsen, of VIA, said the association and its stakeholders were working frantically during the national Covid-19 lockdown to ensure the long-term health of the industry. VIA, other trade organisations and supply-chain representatives were in emergency talks with government departments to overcome issues created by the global pandemic. One of the most pressing tasks was working with Biosecurity NZ to set up verification procedures in this country after the Ministry for Primary Industries (MPI) withdrew its staff from Japan in March.

The new-vehicle industry was getting to grips with the fall-out from the coronavirus crisis, from the supply of stock to the impact of currency movements, but – most importantly – demand. Many plants around the world had closed or were reopening following shutdowns because of the pandemic. David Crawford, chief executive of the MIA, said our new-vehicle sector "has gone from business as usual, to slowing down before quickly moving into the shutdown of non-essential services".

The MTA said the industry was backing the government's fight against Covid-19, but warned if the lockdown continued into May it would be "devastating". Greig Epps, advocacy and strategy manager, said after less than two weeks into alert level four there had been redundancies in the industry and other companies were reportedly planning to cut back on staff.

VIA was facing an overhaul after all its members voted to revamp the way it works. Under the resolution, the two-branch system of representation in the North and South Islands would be scrapped and replaced with tiers of governance with ultimate authority vested in a board of directors. The board, which would be appointed by a council, would be responsible for the association's financial affairs, management oversight and policy directives.

MAY: VIRUS WARNING

Car dealers were warned to stick to the government's Covid-19 rules for operating at alert level three or risk enforcement action. Meanwhile, VIA said a "safe commercial practice" remained key for businesses as they tried to recover from the impacts of the pandemic. David Vinsen and supply-chain experts were planning for how dealers and other companies would be able to operate at coronavirus level two.

The government was being urged to help ease the industry's economic pain in the wake of sales of new vehicles in New Zealand nosediving by 90 per cent in April. The MIA called for policies, such as tackling the issue of vehicle scrappage, to be fast-tracked.

Vehicle Inspection NZ (VINZ) backed proposals for a director of land transport to oversee the NZTA's enforcement of regulatory issues. It was one of the recommendations in its submissions on the Land Transport (NZTA) Legislation Amendment Bill introduced by Phil Twyford, Minister of Transport, to strengthen the agency's leadership by revamping its structure and centralising regulatory authority.

JUNE: BOUNCING BACK

Activity at dealerships recovered to about 60 per cent of the levels seen before the pandemic forced them into shutdown. VIA said the number of enquiries and sales since Covid-19 alert levels four and three had surpassed initial expectations. "Everybody is pleasantly surprised at the rate we're coming out of things," said David Vinsen. "It has moved up quite quickly to 60 per cent."

Ken Quigley, managing director of Jacanna Customs & Freight, warned a lag in activity was hitting

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Major overhaul at Trade Me
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the logistics and shipping sectors, and this might lead to a shortage of stock. At alert levels three and four, he noted vehicle bidding at Japanese auctions dropped back and that lack of activity was being felt by logistics companies.

Trade Me pledged the service it provided to dealers would be unaffected by an overhaul to its classifieds operations, which had resulted in motors, jobs and property being streamlined. "We've been hit hard by Covid-19 and the lockdown," said Anders Skoe, chief executive officer. "The pandemic has been incredibly hard on Kiwi businesses and many that use Trade Me."

China and South Korea exported brown marmorated stink bugs (BMSBs) to New Zealand during the past high-risk season. Autofile obtained details about interceptions during the 2019/20 peak period through an Official Information Act request to the MPI. A total of 34 stink bugs arrived via pathways other than vessels transporting vehicles. The information came as the government planned to toughen its approach to biosecurity risks posed by the insects.

ANZ sold UDC Finance – its car loan and asset finance division – for $762 million to a Japanese financial services group. Shinsei Bank Group's buy-out followed a strategic review of UDC by ANZ. The deal would release more than $2 billion of funding provided by ANZ and strengthen its balance sheet.

A senior member of the automotive sector was made an Officer of New Zealand Order of Merit. Derek Crowther, better known as Rex, was recognised for his lifetime of service to the industry. He joined the Collision Repair Association in the early 1990s and was its executive chairman from 1999 to 2004.

JULY: BUG CLARITY

The MIA called for more information about the possibility of new cars being dismantled on arrival in New Zealand to ensure no BMSBs hitch-hiked on them across the border. It was seeking clarity from the MPI as part of the consultation process on the draft import health standard (IHS) for vehicles, machinery and parts. The association also highlighted China and South Korea were excluded from the list of schedule-three countries in the draft standard for the next high-risk season.

VIA's chief executive was confident a dramatic restructure would ensure it was "fit for purpose" for the future and encouraged more people to attend meetings. David Vinsen outlined details of the transformation by its own members at a general meeting conducted by webinar. Under the plans, VIA would formalise appointing a council, mostly nominated and voted for by members, as well as overseeing what areas of work the association focused on.

Neeraj Lala became chief executive officer of Toyota NZ, taking over from Alistair Davis, who retired from the job after 12 years. Promoted from chief operating officer, Lala was only the fifth local CEO since the company was established more than 50 years ago.

New Zealand's biggest seller of used vehicles was trading at the "best-possible scenario" following alert levels three and four. Todd Hunter, of Turners Automotive Group, said recovery from the pandemic had been "better than thought" with the company "in a strong position to grow market share".


A quarantine officer from Biosecurity NZ inspecting a vehicle at Ports of Auckland after government staff were withdrawn from Japan in March due to the coronavirus pandemic

AUGUST: NEW LEADERS

Four well-known industry members became directors of VIA following a revamping of its structure. They were Matt Battle of Moana Blue, Jacanna's Ken Quigley, VINZ's Sean Stevens and Chris Stephenson of Enterprise Motor Group. Also, a council of 16 members was to be responsible for the association's strategy.

Industry organisations were relieved proposals to move Ports of Auckland's freight operations to Northland had been torpedoed in a report commissioned by the government. The MIA, VIA and MTA welcomed the Sapere Research Group recommending against relocation to Northport. A new port at Manukau Harbour in south Auckland was highlighted as the best option after the Firth of Thames, Port of Tauranga, and Northport and Tauranga sharing the load were also considered.

Dumping tyres was set to become a thing of the past after they were declared a priority product under the Waste Minimisation Act. It meant a stewardship scheme would come into force for them and five other product groups – refrigerants, plastic packaging, electrical and electronic products, agrichemicals and their containers, and farm plastics.

The AA was campaigning for the government to use money raised from the emissions trading scheme levy on fuel to help create a greener fleet and cut pollution. It claimed the levy currently delivered about $420m annually into Beehive coffers, and wanted a substantial chunk to go towards developing synthetic fuels, increasing electric vehicle (EV) uptake and other action to reduce carbon dioxide (CO_2) emissions from transport.

SEPTEMBER: GRIM OUTLOOK

The MIA warned New Zealand's car industry was facing years in the doldrums with sales tipped to take longer to recover from Covid-19 than they did after the global financial crisis (GFC). It didn't expect trading levels to return to pre-pandemic volumes for at least five years. In the meantime, distributors would have to

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review operations as they tackled the threat of shifting between alert levels, as well as battling production and distribution issues. David Crawford, the MIA's chief executive, said it was a gloomy picture for the industry.

Mercedes-Benz Cars announced it was shifting to an agency system in this country following successful trials of the approach in other markets. It was part of the company moving into the digital world when it came to sales and after-sales. The agency model would start here from 2022.

The chief executive of the Enterprise Motor Group was elected as the first chairman of VIA's board of directors. Chris Stephenson said: "I'm happy and excited to be involved, and to have worked on this as part of the team helping to design the new structure."

OCTOBER: SMART THINKING

The car industry was busy innovating to help companies continue to do business during the coronavirus pandemic. New apps, video-call systems and biometric programs had been developed across the sector. Autoterminal NZ had created a virtual buying experience for dealers, JEVIC Japan was making greater use of video-calling, Oxford Finance was focusing on interacting with clients digitally and AutoPlay added tools to help clients trade contactlessly.

The emissions profile of the light-vehicle fleet was a political football in the run-up to the general election, which Labour won by a landslide. National pledged to make EVs cheaper with a target of having 80,000 of them – almost four times the current number – on our roads by 2023. Labour said it aimed to accelerate the uptake of low-emission vehicles and put the clean car standard back on the agenda.

Owners of more than 3,400 vehicles still fitted with potentially fatal airbag systems were warned by the NZTA about the risk to themselves and others. More than 78,000 cars had had their Takata devices replaced since a compulsory recall was issued in April 2018. Such vehicles needed to be remedied by the end of March 2021 to avoid being banned from on-road use.

Turners announced plans to invest $2m in an offsite data centre to consolidate two centres in Hamilton and Auckland. Its plan for more digital investment included enhancing its online offering, which helped to sell 600 vehicles during the Covid-19 lockdown.

NOVEMBER: SALES THREAT

Dealerships were at risk of missing out on sales because of the time it could take to remove vehicles from the personal property securities register (PPSR). Concerns over the PPSR, on which security interests can be registered and searched, were raised after more than 2,300 vehicles imported by Autoterminal NZ between 2012 and 2018 were placed on it. Removing a security if it is invalid or out of date can take up to six weeks.

Three marques were tackling EV safety issues with two of them issuing recalls amid fears of their batteries going up in flames. Hyundai called back about 77,000 Konas worldwide, including 700 in New Zealand, and BMW made a second recall for battery issues in some of its plug-in hybrid vehicles (PHEVs). Meanwhile, Ford's local launch of its Escape PHEV was delayed until 2021 because of problems with lithium-ion battery cells overheating in Europe.

Michael Wood was promoted to Minister of Transport by Prime Minister Jacinda Ardern with previous incumbent Phil Twyford kicked out of the cabinet. Wood, MP for Mount Roskill in Auckland since 2016, was Labour's spokesman for transport when his party was in opposition.

The AA urged the new government to ensure the disposal of waste tyres was tackled as a top priority. It highlighted the issue in its "election calls 2020" document on the back of a member survey that found such an initiative was backed by 90 per cent of respondents. "More than seven million tyres reach the end of their lives each year and too many end up being disposed of in environmentally harmful ways," said Mike Noon, general manager of motoring affairs.

Car dealers across New Zealand needed to follow strict safety protocols to help curb the spread of Covid-19

DECEMBER: GREEN ACTION

Politicians were being encouraged to act fast and take the lead on promoting the uptake of low-emissions vehicles in the fight against climate change. Automotive industry organisations believed government departments, agencies and local bodies could help stimulate the market by filling their fleets with greener models. All government agencies were told to only purchase electric vehicles – or hybrids if EVs were unsuitable – to help meet ensure the public-sector fleet was carbon-neutral by 2025.

Two major players in the car industry hailed their efforts amid the Covid-19 storm. The Colonial Motor Company's chairman, Jim Gibbons, said the successful management of cash control and a strong balance sheet limited the effects of the pandemic and lockdowns on its performance. Meanwhile, Turners' Grant Baker said the business was "well-positioned for uncertain times" and described the used-car market as robust.

Some importers were experiencing delays in getting cars shipped to New Zealand as international supply chains faced ongoing disruption because of coronavirus. Container ships and roll-on, roll-offs were being affected by changed schedules and a surge in demand, which in turn impacted transporting vehicles. Delays for ro-ros from Japan were reported as no worse than a few days, but cars being shipped in containers faced being stuck in transit for weeks longer than usual.

Mitsubishi Motors NZ said it would pay back $456,000 in government wage subsidies after coming through the pandemic stronger than anticipated.

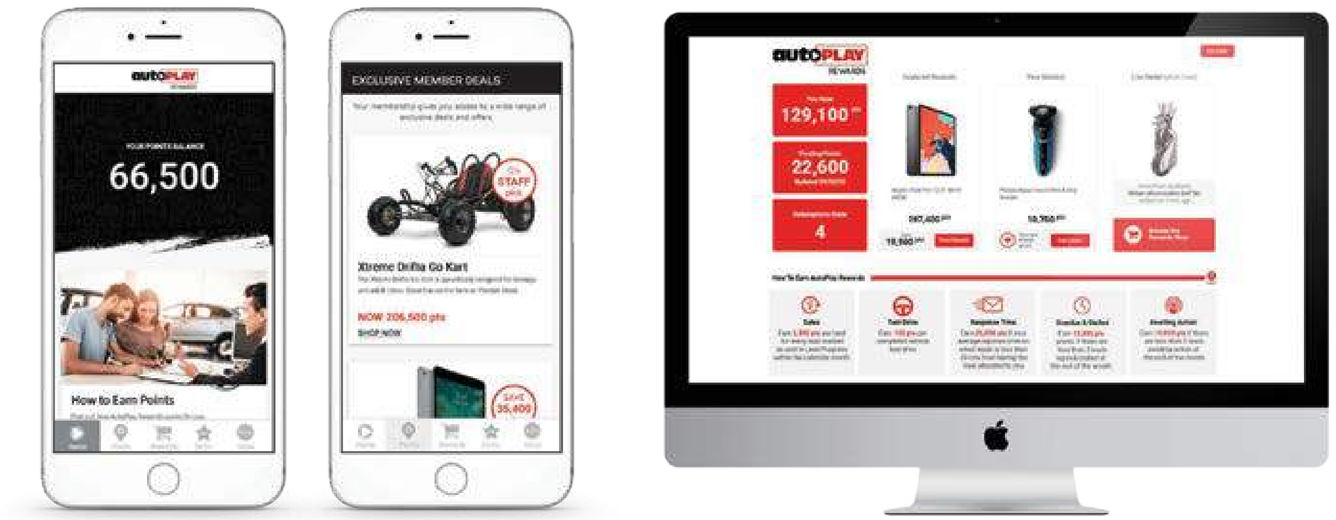
AutoPlay breaks new ground by integrating
loyalty platform from sister company Smart Loyalty

Driving behaviour change within our dealerships and teams is a critical component of modern-day business strategy and planning. Having a clear understanding of the key behaviours that create successful outcomes, and then working to ensure those behaviours are encouraged, repeated and rewarded, is important to driving success. Let us take the art of selling vehicles. It is commonplace to reward or bonus our teams once the sale of a vehicle has taken place, but this incentive by its very nature is transactional and downstream of important behaviours that ultimately influence the sale.

There are so many critical behaviours along the road to a sale that drive the right outcome downstream. For example, research shows us that when customers are in market they will often enquire with multiple dealerships. A recent study* has shown that 50% of customers purchase from the dealership that responds first to their enquiry. “When it comes to lead response times, it’s a sprint, not a marathon,” says Mike Pratt, Commercial Director Marque Group. “It is proven that we can drive an increase in sales conversion by being the first person to respond to a lead. “But in saying this of the customers who do not purchase immediately, they are often in market for months and we can prove that regular communication through the right channels will also drive conversion. So while we start the race as a sprint, for those more discerning buyers it quickly becomes a marathon. This is where our high-performance dealerships excel”. In addition to the above it is also widely accepted that one out of two test drives should convert to a sale, another pre-sales behaviour that will drive sales downstream.

Introducing AutoPlay Rewards

AutoPlay is proud to announce the release of its new rewards product alongside fellow Marque Group company, Smart Loyalty. Smart Loyalty has over 25 years of experience and works with hundreds of automotive companies. It has developed a suite of loyalty and reward products that help businesses to identify, motivate and incentivise “the right behaviours” from their staff and customers.



Features of the Smart Loyalty platform that will now be part of AutoPlay Rewards include a customised reward and recognition app, a multi-channel communication engine, a reward shop with over 5,000 products from leading suppliers, a concierge redemption service called Dream Rewards plus a data and insight suite.

Matt Darby, general manager of AutoPlay New Zealand, is excited about the partnership with Smart Loyalty. He comments, “From what I have seen, loyalty done properly has the power to unlock human performance by capitalising on the emotional connection we all have to rewards, achievement and recognition.” AutoPlay Rewards will focus on five key behaviours initially including - sales, test drive, lead response time, leads awaiting action and overdue and stalled leads. However the platform can also be customised to suit other specific pre-sales behaviours as required.

For more information on AutoPlay rewards, please visit **www.autoplay.co.nz/rewards**
or contact Mike Pratt on **0276 324 234** or email **mike@marque-group.com**

*References: *Direct Connect White Paper*

autoPLAY | SMARTLOYALTY

Part of Marque Group

Industry movers

AARON JONES has been appointed as a business development manager at Avanti Finance.

He will be responsible for the growth of motor-vehicle finance for both Branded Financial Services and Avanti Finance across the Lower North Island.

Jones has more than 25 years' experience in the automotive industry holding similar roles with UDC Finance and Finance Now.

In addition, he has held dealer principal, used car manager and business manager roles at dealerships so he is a familiar face in the industry. He brings knowledge, experience and passion to his new role.

STEPHEN HIGGS, pictured, has announced his retirement from the board of MTF Finance.

He joined the board as an independent director in 2006 before being appointed as chairman in 2011.

"The management and board wish to acknowledge the contribution of Stephen, who has been at the helm of the board during some of the most challenging and successful periods in the company's history," a statement to the NZX reads.

"His guidance and leadership during the recovery from the global financial crisis, takeover bids and Covid-19 have been invaluable.

John will leave the board and company in a great position for the future."

MARK DARROW, who was appointed as independent director in July 2020, will replace Higgs as chairman of MTF Finance.

JULIE ANNE GENTER has retained the Greens' transport portfolio. She will also tackle energy and resources, finance and her party's Covid-19 response in the new parliament.

"Julie Anne naturally retains transport after her excellent work in the Associate Minister of Transport role," says James Shaw, party co-leader.

"She gains finance where she'll be able to put forward a strong and green economic plan, and local government and building and construction."

Genter, pictured, unveiled the clean-car proposals in July 2019, which included the feebate scheme. That would have seen electric vehicles attracting discounts of up to $8,000 and high emitters penalised.

The other strand of the policy was a fuel-economy standard, also known as the clean car standard.

Other key appointments for the Greens include Eugenie Sage – environment, Ricardo Menendez March – immigration, and commerce and consumer affairs, and Teanau Tuiono – biosecurity. Visit www.autofile.co.nz to find out more.

DAVID SMOL has been appointed chairman of New Zealand Growth Capital Partners' board.

"He is an experienced governor who has worked across the public and private sectors in the UK and New Zealand," says Michael Bird, of the Ministry of Business, Employment and Innovation.

Smol was previously on the board of the NZTA and its regulatory committee.

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

Association to take businesses forward

The Motor Trade Association (MTA) has pledged to invest in the growth of two automotive IT companies it has bought out.

Dave Harris

The purchase of Systime Automotive Solutions (SAS) and SAM includes all the companies' New Zealand and Australian operations.

The SAM system workshop and service management solution runs about 50 per cent of New Zealand's independent motor-industry service and repair businesses, while SAS provides a dealer and distributor management system.

Dave Harris, president of the MTA, and David Murdoch, chief executive of SAM and SAS' parent company the TSI Group, describe last month's deal as an exciting step for the organisations.

Harris says his association's board saw an opportunity to keep the businesses in New Zealand hands and provide funding to help them move forward.

"SAM and SAS have always been great products supported by knowledgeable people," he adds.

"Around half of the MTA's members already use SAM or SAS. We want to build on [founder] Dave Hendl's track record of innovation and delivering smart technical solutions to the automotive sector.

"We're prepared to invest to ensure they can grow and modernise as Dave would want, and remain at the cutting edge of supporting automotive businesses.

"To support that, we bring our own 103-year history as a leading automotive entity in New Zealand, as well as our in-depth knowledge and understanding of our member businesses and what they need to succeed."

Murdoch says: "I'm incredibly excited to lead SAM and SAS on this journey with the MTA. Joining forces with the organisation at the heart of our industry presents a huge opportunity for growth and to improve our services for all customers, new and existing."

Educator recognised

Janet Lane has been made a Member of the New Zealand Order of Merit for services to tertiary education.

Since 1999, she has been chief executive of MITO, the standard-setting body for automotive, transport, logistics and extractives.

"Her leadership has inspired collaborative partnerships with industry associations, corporates, employer networks and government agencies to support workforce development strategies," states her citation.

"Central to this are initiatives that enhance productivity, innovation and sustainability through the creation of nationally recognised qualifications leading to advanced technical and business management pathways."

The citation describes her as "a champion of enriching lives and inspiring futures through successful learner outcomes".

It adds: "She has implemented scholarship programmes, secondary school micro-credentials, diversity projects for under-represented groups, mentorships, literacy and numeracy coaching, and dedicated bespoke pastoral care."

Lane, pictured, has been a council member of the Industry Training Federation for more than 20 years, and was a trustee of WorldSkills NZ from 2007-11 and I-Car NZ from 2012-17.

Strong digital strategy critical

As car dealers try to get back on their feet after what was an extremely challenging year, the industry is seeing a strong push towards digitisation.

This trend, although fast-tracked by the pandemic, was already on the cards with a 2019 study by KPMG NZ indicating the automotive industry would see significant digital growth in the coming five years.

As a consequence of this, it predicted the number of retail outlets would be reduced or transformed by 30-50 per cent by 2025, meaning that dealers need to prepare and adapt.

As both a result of Covid-19 and changes in digital behaviour, many customers are reluctant to walk in and browse through dealerships as they once did – preferring instead to research vehicles remotely until they are ready to test drive.

During the lockdown in early 2020, our own statistics showed New Zealand dealerships saw an average increase of 43 per cent in their website visitors. This then went up by a further 43 per cent as we shifted to lower alert levels. We also saw phone calls initiated from traders' websites jump by 50 per cent.

These high figures endured throughout the remainder of last year. This shows us more people are searching for cars online than ever before.

As a result, it's clear that having a strong digital advertising strategy in place is imperative to drive new prospects and fulfil your sales pipelines.

TODD FULLER
General manager
AdTorque Edge NZ

But when it comes to digital advertising, where do you even begin with a strategy? What targets should you be aiming for to know you're getting a good return on investment?

The first thing to understand about digital benchmarks is that they vary considerably across industries.

There is little point in comparing your own results against the local real-estate agent or your friend's homewares store because what might be considered a good result for them may not be realistically achievable by your dealership – or vice-versa.

So let's focus on the automotive industry and, to avoid overcomplicating matters, we'll use cost per action (CPA) as our metric.

The "action" in CPA refers to a combination of completed goals on a dealership's website, such as a "contact us" form submission, brochure download, test-drive request or putting a deposit down on a vehicle.

The CPA is calculated by taking your total marketing spend and dividing it by the total number of goals completed on your website or social advertising campaign.

According to an analysis undertaken by social marketing company WordStream, Google's global average CPA for the automotive industry is NZ$47.50 and Facebook's is $62.

Let's get digital

1. Dealership website visits significantly increased in 2020.
2. Average automotive Google Ads cost per action – $47.50.
3. Average automotive Facebook ads cost per action – $62.
4. A combination of Google and Facebook adverts targets different stages of the buying journey.
5. Digital reporting and tracking allows us to understand what advertising is generating test drives and sales.

If we combine both social and Google advertising, which any well-considered digital strategy should, the average CPA for the motor-vehicle industry is $54.80.

The relatively high CPA for Facebook campaigns run by advertisers in automotive can be explained by the longer buying journey of vehicles compared to typical retail purchases.

Also, unlike Google Ads, which tend to target customers closer to converting, Facebook campaigns are aimed at those at an earlier stage of the purchasing cycle, meaning these customers need to be guided through the research phase and nurtured into a sale.

Given the lifetime value of an individual client to a dealership – through finance, after-sales, parts and servicing – this high CPA in our industry is quite reasonable and well-worth the investment of time to nurture these leads into buyers.

Digital reporting and tracking have come a long way over the past few years, and dealerships that work with a digital partner that understands the automotive industry and benchmarks have been able to change the way they track success.

Focus is now placed on the metrics that truly matter, such as CPA, cost per conversion and percentage of enquiry to sale. This enables them to answer the all-important question: "What marketing is driving my test drives and sales each month".

Changing the way car dealers measure their digital marketing success allows them to stop treading water in the digital space and start growing to generate a better return on investment – month on month and year on year.

Clean-car standard 'poor fit'

The government's proposed clean-car standard will become a major issue for our industry early this year.

It has been borrowed "en masse" from other countries and of note is the fact New Zealand has an entirely different fleet dynamic than jurisdictions it has been taken from.

Because of this, the standard is arguably a poor fit for balancing the realities of our supply and decarbonisation efforts. It assumes unlimited control over vehicles' characteristics.

New Zealand, however, has two huge issues. First, used imports are limited by what's available in source jurisdictions. Second, this country can hardly be considered a priority for manufacturers' resources.

With most other countries also seeing transport as "low-hanging fruit" for decarbonisation efforts and limited resources necessary for making low-to-no emitting vehicles, marques will be prioritising regions with greater economic potential.

Even if manufacturers could supply enough vehicles, most Kiwis simply cannot afford a new electric vehicle (EV) or hybrid.

Unfortunately, the clean-car standard was selected without input from local industry, while consultation was insufficient and precluded the possibility of substantial changes or redesigns, but there are some things we can expect.

The aim of the proposal is to decrease greenhouse gas (GHG) emissions by making it prohibitively expensive for importers to supply higher-emitting vehicles.

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The standard also incentivises bringing in models that emit less GHGs by providing a credit that can be used to offset future penalties on other vehicles.

The line between high and low emitters is referred to as the "target". The government hopes the standard will create a dynamic in which it will become the average emissions of all vehicles imported in a year.

Each year, the industry will be given a target. This target will likely start at about 140gCO2/km in 2023 and decrease linearly to zero around 2040. The initial target will be calculated from the actual average emissions of vehicles crossing the border in 2022.

Light commercials, off-roaders and, we hope, people movers – defined as M-class vehicles designed for six or more passengers – will have a separate and slightly higher target.

The amount of penalty or credit is calculated from the difference between a model's emissions and the current target, and is adjusted by weight so heavier vehicles have a higher relative target and lighter vehicles a lower one.

Used imports will have 60 per cent of the penalty or credit of new imports. This reflects the shorter expected lifespan of those vehicles in our fleet.

As proposed, the government will have a searchable table of official emissions ratings from which penalties and credits will be calculated.

It will also maintain an account for each importer, which will record outstanding credits and debts. With each import, the penalty or credit will be determined and paid for before or during compliance.

> "Most Kiwis cannot afford a new electric vehicle or hybrid"

All importers will be able to bank credits, meaning any credits earned by importing low emitters will be applied to future penalties. Unfortunately, these credits cannot be exchanged for money and will eventually expire if unused.

Approved importers will be able to bank credits and penalties, paying any amounts owed on an annual basis.

To facilitate the trading of unused credits, importers will be able to group together. The government will provide a platform that facilitates this. However, the nature of the trading arrangement will then be managed by those in the group itself.

This means there will be significant opportunities for those who specialise in EVs and other low-emitting vehicles.

The clean-car standard will include changes to many other requirements. Most notably, it will require all vehicles imported to have been tested with a newer emissions cycle and that's JC08.

To illustrate the potential impact, since April 2020 about 50 per cent of used imports met all compliance requirements, including electronic stability control, but were only tested to the old 10/15 mode emissions test. These models may no longer be eligible for importation after 2021.

The standard will also ban 20-year exemptions. While this will not affect a large volume, it will remove the option to import vehicles that don't meet "special interest" requirements but are popular to some groups, such as Land Rovers, and models preferred by members of car clubs.

Unfortunately for the automotive industry, the clean-car standard as proposed may be the best-case scenario.

I would be surprised if New Zealand didn't sign an even more aggressive decarbonisation treaty in the future.

If, for instance, our country signs up to be carbon-neutral by 2040, that would require the target to drop to zero-gCO2/km much sooner – likely around 2030 – or if New Zealand follows the UK's lead, we might just focus on transport and strengthen the policy to the same effect.

Honoured for 40-year career

Alistair Davis feels "very blessed to be recognised" after being made an Officer of the New Zealand Order of Merit for services to the motor industry, business and sustainability in the new year honours list.

"I just tried to do the right thing with issues in front of me at the time, whether addressing the sustainability of motoring when faced with a growing understanding of climate change or improving customer experience in buying a car."

Davis held national and international roles during his career with Toyota NZ spanning four decades. He was chief executive officer from 2008 until he retired early last year and is now the board's non-executive chairman.

The citation for his honour highlights his leadership with industry transitions, the shift towards sustainability in vehicles and delivering Drive Happy – the marque's new way of doing business.

"He has strongly advocated for standards in emissions, clean motoring and productivity," it adds.

Davis also played a key role in the launch back in 2005 of the Toyota Racing Series as a development platform for young Kiwis. Brendon Hartley, Nick Cassidy, Marcus Armstrong and Liam Lawson, to name a few, have gone on to make the world stage.

He has been involved in Toyota sponsoring the Sustainable Business Network and Lexus Song Quest since the mid-2000s, Emirates Team NZ challenging for the America's Cup and the Department of Conservation's Kiwi Guardians Programme since 2016.

Davis served as the Motor Industry Association's president from 2009-12 after being a founding member in 1996. He was also a founding member of the Sustainable Business Council in 2012 and its chairman from 2015-19.

He has been a member of


Alistair Davis looking dapper in 1978 about a year before joining Toyota NZ

Massey University Council since 2018 and chaired its business advisory board from 2010-15.

Davis has been involved with Alpha NZ, the national branch of the Christian organisation, since the 1980s and was its chairman from the early 1990s until 2010.

Neeraj Lala, who took over the reins from Davis at Toyota, says: "Alistair has made a significant contribution to not only Toyota and the industry, but to sustainability initiatives in New Zealand.

"It is a proud moment for the Davis family and congratulations on behalf of his entire Toyota family."

LOOKING BACK

Educated at Wellington College and Victoria University, Davis had holiday jobs in banking and pumped petrol in Wanaka.

In 1979, after graduating with a law degree and a bachelor's in commerce majoring in business administration, Davis started with Consolidated Motor Distributors, which became Toyota NZ about 12 months later.

Following the industry's deregulation in the 1980s, the company was bought by Japan's Toyota Motor Corporation. Most dealerships were sold to independent businesses.

By 2000, Davis had experienced most executive roles and Toyota NZ wanted him to see other ways of doing business, so he worked in Los Angeles from 2001-03 where he became good friends with Jim Lentz, now CEO of Toyota Motor North America. Their team launched Scion.

"There were no rules, just innovative strategies we trialled on that brand. It was successful for 15 years and brought young people into the fold." Scion was absorbed back into the parent company at the end of 2016.

After returning to Aotearoa, Davis became Toyota NZ's executive director and chief operating officer. In January 2008, he took over the top job from Bob Field when he retired after being CEO for 25 years. It was a position Davis held until his own retirement last year.

With deregulation of New Zealand's economy and Toyota's ambition for market leadership in the 1980s, there were opportunities for personal and career development.

By the age of 30, Davis was general manager of sales, marketing and planning in 1987. Toyota claimed the coveted number-one position the following year.

An area of huge impact during his tenure was establishing the Signature Class brand for refurbished ex-lease and rental cars, and used imports, in 1997 following industry deregulation. The operation was established at the marque's old assembly plant in Thames.

David says Toyota's used-car business has now grown to almost $300 million per year and has expanded the value chain.

Customers' needs evolve and, in 2008, the company started talking about the internet age and how to make dealerships sustainable.

"From 2008-14, we batted ideas back and forth with dealers and, in mid-2014, settled on Drive Happy. We decided people didn't like to haggle over prices – they want them upfront. It reflects what Honda has done and Scion did the same. As a result, customers were happier."

When asked about his legacy, Davis points to investment in people more than anything else – customers, retailers and team culture.

"Often people come in with only a limited picture of what's going on and struggle to understand the bigger picture.

"That was probably one of my biggest challenges as CEO – managing and balancing expectations for all stakeholders, be that managing government expectations about low-emission products available or managing retailer revenue expectations and pressures from our parent company."

And being at the top is a balancing act with trade-offs between short and long-term goals.

"But that's a CEO's job. That said, a chief executive can do very little on his or her own. Whatever success I had at Toyota over the years is largely attributable to the team I had around me."

The month that was... January

January 18, 1999

Toyota toppled for first time in decade

There were only 25 units in it, but Ford managed to wrestle leadership of the new passenger vehicle market from Toyota for the first time in a decade.

Admittedly, Toyota maintained total market leadership with the addition of new commercials, but the loss of the top passenger slot was a blow to the Japanese marque.

It had prided itself on being New Zealand's leading vehicle distributor for 11 years and had again placed full-page advertisements in leading metropolitan daily newspapers telling the world so.

In fact, the adverts began even before 1998's official results from the Land Transport Safety Authority were released the week before.

Ford NZ was chuffed with the outcome. Managing director Nigel Wark said he was delighted and proud of his team for its efforts.

He added the company didn't start out the year with a burning desire to make a run on the passenger vehicle prize. But as 1998 progressed and the goalposts loomed closer, the team got in behind and an all-out attempt was made to secure the win.

January 17, 2000

MVDI, Lumleys to tackle F&I market

The Motor Vehicle Dealers' Institute (MVDI) and Lumley Services NZ Ltd were set to take on the finance and insurance (F&I) market.

The two parties confirmed they were about to agree to form a partnership that would see the institute enter the automotive industry's financial services market.

The imminent launch of the MVDI's company, underwritten by Lumley Services, could have huge repercussions for New Zealand's car industry.

Both declined to comment on the value of the dealer-orientated joint venture, but it was believed to have been worth millions.

Don Sale, Lumley Services' general manager, confirmed they were well along the first stage of completing a business partnership.

"I do foresee a major impact on the industry and, although I cannot give too much information, we are looking at a full range of financial services," he added. "The technology is available and I think the way we conduct business in the industry will change."

Sale said the objective of the joint venture was to offer the public the opportunity to "buy safe and to buy sure", and steer business back to registered traders.

January 21, 2004

Christmas arrivals ease shortages

A series of vessel arrivals around Christmas had seen a plethora of stock unloaded onto New Zealand's wharves, prompting hopes of an end to the shipping crisis of late-2004.

"We've started the year positively and hope the difficulties of the last quarter of last year are behind us," said Terry Riches, managing director of Kiwi Car Carriers.

The Customs arrivals figures for December were dramatically low, with just 15,132 units being imported – a fraction of December 2003's total of 25,699.

There were 8,840 used passenger vehicles imported compared to 16,565 in December 2003 and 4,087 new passenger vehicles, which compared to 5,991 year on year.

However, Riches said any backlog caused by the shortfall would have been cleared by vehicles unloading around new year's day.

Fraser Bell, Mitsui OSK Lines spokesman, agreed that arrivals had been strong since the Christmas break, but was less confident about the security of shipping space in the future.

He said: "We're still facing fairly heavy demand out of Japan and the global fleet continues to be under heavy pressure."

January 20, 2006

Turners goes live nationwide

Turners Auctions was preparing to join the online arena in New Zealand with the launch of its real-time, web-based auction capability.

As first online real-time auction of its kind to be made available to the public in this country, Turners Live provided simultaneous video and audio of each auction, and allowed customers to bid online against floor bidders.

The technology was provided by US online interactive auction software provider Live Global Bid, which supplied the same software to some of the world's leading auction houses. Similar software was used in Fowles' dealers-only "simulcast auctions".

Turners had been involved in internet-based auctions for dealers for the previous five years, selling 7,500 units.

"The technology is now well-tested and works well," said Graham Roberts, chief executive officer of Turners Auctions. "It has revolutionised car auctions overseas and will have a similar effect in New Zealand.

"Many of our public customers attend two or three auctions before making a purchase, which is a considerable investment of their time. Now we can deliver the auction live into homes or onto office desktops saving time and money."

Just remember how lucky we are

The departure of Holden, the final phase of the electronic stability control (ESC) rule, Covid-19 lockdowns, climate change and electric vehicles (EVs).

Changes in car dealers' operating models towards online transactions, stock shortages and the general election.

The year that has just passed was absolutely like no other, notwithstanding I've probably missed a few items off the list.

These all served to make 2020 unprecedented.

If you are reading this, you're likely to be a survivor so take a moment to give yourself a jolly big pat on the back.

Even though we are still living through the consequences of 2020, it's fair to say we will face some additional challenges in the year ahead. Some of these will be carry-overs while others might be new.

Despite the negatives, there is much to celebrate.

First up, who seriously predicted Holden cutting loose. Credit to all of the lion-and-stone's franchise dealers – they carried on, sold the run-out stock and found replacement marques so they could carry on in business. Good on you.

Used-import operators stood up to changed market conditions on the back of the final phase of the ESC rule. They found the vehicles that met the new requirement and life went on.

Next year will be better given the targeted models will effectively be one more year older and hence slightly more accessible – all things being equal.

As for Covid-19, it slammed down the industry like action from a big-time wrestling event. Never before had we faced anything like that – a complete shutdown.

April's results bore witness to the brutality. New-vehicle sales were down by 90 per cent and the used-import market fell by 94 per cent. Dealer sales in the existing used fleet dropped by 89 per cent, while the motorcycle sector nosedived by 85 per cent.

All that said, the signs of recovery appeared quickly as dealers learned ways to transact business "online" and comply with isolation protocols.

The month of May was only down by 20 to 30 per cent. Who

TONY EVERETT
Sector manager – dealers, Motor Trade Association

would have guessed we would ever celebrate such reductions as being positive.

The lines from Fred Dagg's 1975 ditty We Don't Know How Lucky We Are spring to mind. Get a refresher by tuning into youtube.com/watch?v=AYvMeT2GC14.

During the months that followed, things got progressively better as consumers redirected unspent holiday funds or new-found property wealth towards a "new" vehicle.

The motorcycle segment, however, has been a standout. Dealers sold more new and used motorbikes in 2020 than 2019, despite effectively losing April. Never let anything get between a two-wheeler and its prospective owner.

Stock shortages are a problem right now for all and that will likely roll into 2021, but anecdotal feedback says there is no better time to retain good gross than during a such a shortage.

After what seems like years of falling prices, a period of shortage might help to retrain dealers to keep more in their own pockets.

See, always looking for the positive.

That said I'll now slip into the negative. The government's second cut at a clean-car standard will land on us very soon. While I appreciate its environmental intent, I'm worried about the economic impact on dealers and for "rank and file" consumers out there in "struggle street".

Bringing a $60,000 electric car back in price by $10,000 and possibly cranking up the price of many vehicles with internal combustion engines – although we are yet to see the details – isn't going to help consumers on small budgets.

EVs are the future, but they are not yet cost-effective for everyday consumers. For many facing the pressures of modern life, it's more likely affordability is top of mind rather than their – probably unknown – emissions profile.

The impacts on the motor-vehicle's supply chain will show up before other options, such as better public transport or cycleways, are available to give travellers convenient and practical alternatives.

A balance must be found somewhere. Hopefully, the collective automotive industry and government can work together and come up with a plan that works.

About 40 per cent of Audi NZ's business is S and RS models, such as the Q8 RS, pictured

Limits with global warranties

Dealers are being reminded that warranties on cars shipped from overseas normally lapse the moment they leave the country they were first registered in.

The advice comes as marques offer different levels of support on parallel and grey imports.

The Imported Motor Vehicle Industry Association (VIA) recently swotted up on "global warranties" for cars originally sold in the UK.

It found most distributors do not offer such policies because any warranties offered are usually only valid for that country or when travelling in the EU.

VIA urges dealers who import from the UK to familiarise themselves with warranty terms and conditions, which can usually be found on British distributors' websites.

Under New Zealand consumer law, the "importer" is deemed to be the "manufacturer" for any claims.

Malcolm Yorston, VIA's technical manager, says most vehicles are covered in their primary market, but as soon they are taken over the border most such policies lapse.

"Mercedes-Benz offers a worldwide warranty, Porsche UK has one and the wording on BMW's warranty in the UK doesn't rule out it extending to the rest of the world," he explains.

"It's pretty much the way it has always been. If something crops up that's a warranty problem, then the dealer or importer owns it.

"All this highlights, especially for high-value models, the importance of taking out mechanical cover with an insurance provider. Without that kind of cover, you are at risk of having to put your hand in your pocket."

Tony Everett, dealer sector manager at the Motor Trade Association (MTA), says importers should not assume there is an automatic right to claim against so-called worldwide warranties.

He notes any claims will likely turn on the provisions of those policies, which may be limited to certain geographic areas.

Everett also warns traders against assuming the local distributor for a particular brand has any right or capacity to claim on such warranties.

"People need to recognise these situations may be complex to resolve," he told Autofile. "The local brand dealer might say to an importer or owner that it will address the problem and require full payment upfront.

"If the claim against the manufacturer's warranty is successful, it will then reimburse you the recovered amount."

Everett adds these issues only tend to affect near-new vehicles that might be pre-registered or be demonstration stock.

He says a further complication is that part three of the Consumer Guarantees Act (CGA) provides scope for claims against manufacturers.

However, within the interpretation section of the act, an importer is included within the definition of "manufacturer" when goods, such as motor vehicles, are made overseas, and when such manufacturers have no ordinary place of business in this country.

Under the CGA, an ordinary place of business, in relation to a manufacturer, does not include any New Zealand subsidiary of a foreign manufacturer. "In other words, the importer of a vehicle will likely carry liability for its faults under the CGA irrespective of whether or not a worldwide manufacturer warranty exists," adds Everett.

ONUS ON IMPORTER

Mercedes-Benz and BMW offer two-year worldwide warranties on private imports here, although Audi does not cover those shipped by unauthorised dealers.

Dean Sheed, general manager of Audi NZ, reiterates that – under New Zealand legislation – the warranty on an imported vehicle resides with the importer.

He explains factory warranties for the marque are only valid in the first port of destination because "funding for diagnostic analysis goes to the market where the vehicle ends up".

"In the UK, for example, the allocation of warranty funding, goodwill and everything about that car rests with the UK. If that car is subsequently shipped somewhere else without our knowledge, no one knows where it ends up.

Agency targeting inspectors

An industry organisation is welcoming news the NZTA has started to audit the vehicle inspectorate.

VIA says this will include unannounced random audits of compliance shops, as well as organisations issuing warrants and certificates of fitness.

David Vinsen, chief executive, says ensuring vehicle-inspection companies strictly follow the rules has been an issue for more than 15 years.

"We have been pushing for these audits for a long time on the basis of a minority who cheat," he told Autofile.

"If people cheat, it brings the whole integrity and reputation of the system into disrepute. Only a small number of people cut corners, but it makes it hard for those who do things properly.

"Having random unannounced audits will identify people who aren't playing the game fairly. They need to shape up or move on."

In an email alert, VIA tells members it is confident the NZTA's programme will "improve the quality and integrity of inspections".

It adds: "Do not be surprised to see an increase in rejections of vehicles presented for inspection and an increase in the number of repair certificates called for."

Vinsen says the announcement of the audit scheme marks a major shift in NZTA's approach.

"It's been frustrating that over time there has either been a reluctance or an inability from the agency or its predecessors to do something like this.

"We're now in a new phase for the NZTA. This comes partly from a review of the agency after confusion over whether its role was being a regulator or service provider.

"The pendulum is swinging

"The technical data doesn't flow with that vehicle, and funding for warranty and service campaigns can't flow with it either.

"If Audi runs a service campaign or a recall, the factory in Germany thinks the car that was sitting in London is still there and not in New Zealand or some other part of the world.

"From a factory perspective, the Q5 built for the UK market should be motoring around the UK, not on the other side of the world."

The marque's website adds grey imports are "not of the same standard or specification and are generally below that of a New Zealand-new vehicle".

It explains this can lead to parts and servicing issues because of varying model specifications in different markets.

"The UK has a range of Audis from entry point – fleet and private buyer – through to the highly specified models," says Sheed.

"The New Zealand market generally takes the higher-level specified car. For example, 40 per cent of our business is for R and RS models.

"The quality and build standards are the same. However, the specification and feature level differences are there."

He adds there are then country-specific feature levels, which can range from the Australian Design Rules to Japan with technology differences.

Satellite-navigation systems, which are country-specific, and factory tow bars meeting New

"The Q5 built for the UK market should be motoring around the UK, not on the other side of the world"
– Dean Sheed

Zealand legislation can be other points of difference between models ordered by the local dealer network compared to grey imports.

Audi warns not all navigation or driver-assistance systems on grey imports can be retrofitted to a local solution.

"Given we take only a part of the full Audi range of models and feature levels, a grey import could be of a specification not locally supported from a parts and technology and training point of view," explains Sheed.

"The local network can undertake basic scheduled servicing because that's core on all models. However, anything outside that is at risk.

"All cars are digitally connected to the factory when servicing for diagnosis and factory software updates. If that car is not 'approved' for New Zealand, we don't get access to some material."

DIFFERENT POLICY

A Mercedes-Benz NZ spokesman confirms if one of the brand's cars has been brought into the country as a grey import, it has to honour the warranty for up to two years after its first registration.

Sometimes the company encounters challenges in finding suitable parts if people bring in models that aren't offered in New Zealand, but for the most part any warranty work can be performed by a licensed dealer.

BMW NZ has a similar obligation for its vehicles. However, it does not guarantee to cover the full cost of any repairs.

"To facilitate the processing of an international warranty, the owner or importer will be required to supply certain information to an authorised BMW dealer," its website explains.

"The authorised BMW dealer may require the owner or importer to pay for the full or partial repair on its completion [at the authorised BMW dealer's discretion].

"Once the claim is processed and accepted, the owner or importer will be reimbursed the amount credited to the authorised BMW dealer by BMW Group.

"Any value not credited by BMW Group must be absorbed by the owner or importer, and is at their risk."

BMW NZ's website adds if a grey import has a part or vehicle defect that is not covered under the warranty terms of the country of origin, it will not accept the claim.

It details how our government allows parallel importation but warns if a BMW is from the UK, its "standard specification is generally below the equivalent New Zealand vehicle, so additional features will need to be added".

SEEKING REMEDY

A Commerce Commission spokesman says any issue with warranties on parallel-imported cars would most likely fall under the CGA.

"The Consumer Guarantees Act specifies that consumers can seek a remedy from the supplier of goods, such as motor vehicles, where they are not of acceptable quality," he explains.

"The commission does not enforce the CGA but does enforce the Fair Trading Act [FTA]. It is an offence under the FTA to mislead consumers about their rights under the CGA.

"Businesses can complain to the commission if they feel another business has breached the FTA in some way.

"Complaints about whether a vehicle is of acceptable quality are best referred to the Motor Vehicle Disputes Tribunal. Recourse is also available via the disputes tribunal or district courts." ⊕

back to it being a regulator with the resources to perform unannounced checks such as this."

DEALER COPS FINE

An automotive business has been fined $67,500 for misrepresenting consumers' rights.

BNZ JP Euro Auto Parts has pleaded guilty to six representative charges under the Fair Trading Act (FTA), mostly relating to 77 used vehicles it sold between August 2017 and December 2018.

The company operates a car and truck wrecker business selling parts in Papakura, south Auckland. At the time of the offending, it was also selling low-priced used stock on Facebook.

The Commerce Commission says BNZ JP Euro offered vehicles for sale on an "as is, where is" basis and asked its customers to sign an agreement acknowledging there was "no warranty implied or given within it".

"Those statements were misleading because they suggested consumers had no rights if something went wrong," says Anna Rawlings, the regulator's chairwoman. "Traders cannot evade their responsibilities to provide guarantees and remedies under the CGA by using phrases such as 'as is, where is'.

"When consumers buy from traders rather than private sellers, the purchase will always be covered by statutory guarantees, including the vehicle is of acceptable quality and complies with its description.

"Any attempt by traders to mislead consumers about their rights is likely to breach the FTA."

Rawlings adds some of BNZ JP Euro's customers felt they had no redress or remedy for faulty cars.

"In four cases we know of, consumers purchased vehicles that required substantial repairs. In at least two of those cases, the cost was nearly the same as the purchase price."

BNZ JP Euro also pleaded guilty to one representative charge relating to failing to display consumer information notices for 16 vehicles. ⊕

French marque still 'shaking arse'

With the all-singing, all-dancing pizazz of car shows pretty much off the global calendar in 2020, concept vehicles have been noticeable by their near absence.

But for those who still dare to dream, here are some visions of what may hit production lines or sink without a trace.

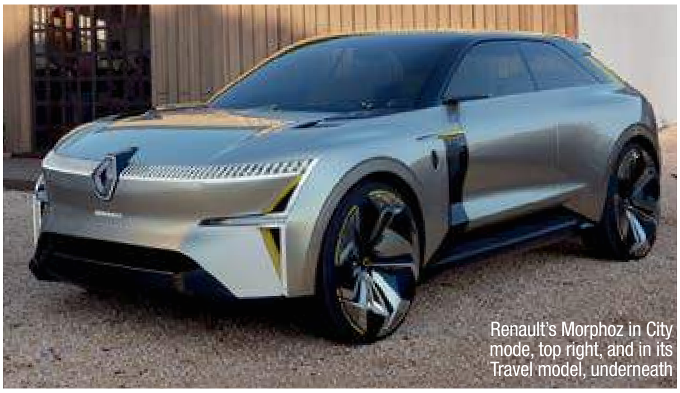
Renault is touting its shapeshifting Morphoz as a telescopic car of the future. On the one hand, it's roomy at 4.8 metres long and powered by 90kWh batteries for a range of 700km.

When on commuting duties, it can be reconfigured to City mode by becoming 400mm shorter and powered by a 40kWh pack.

To effect the transformation, owners drive to a Renault top-up station where the wheelbase, bonnet and boot can be extended before an extra 50kWh battery pack is placed into the floor.

The concept physically changes its dimensions by extending sections of bodywork around the front and rear wings.

The extra 200mm between axles provides more battery room, legroom and boot space. More aerodynamics and side grilles are exposed to provide the cooling needed for the bigger batteries.



Renault's Morphoz in City mode, top right, and in its Travel model, underneath

Offering recycled materials in the wood used on the dash and centre console, fabric on the seats and plastic in the floor, the seats also flip so the front passenger can interact with people in the rear.

Being a level-three autonomous vehicle, Renault says drivers can delegate driving to the vehicle in certain defined areas and the Morphoz is able to "recognise" its owner as he or she approaches and unlock when it "sees" the person wave at it.

Claimed range is 400km while the power output comes in at 100kW. Stepping up to the Travel version and using the 50kWh batteries, the claimed range is boosted to 700km and power from 100kW to 160kW.

Four pillarless doors accentuate the sleek lines and the side profile reveals a classic Renault nod to cheeky styling with the rear window heavily raked forward, meaning the curved tailgate protrudes further than the spoiler or rear bumper. The French marque is still "shaking its arse".

SLEEK BAVARIAN

BMW has given its clearest preview yet of its upcoming i4 Gran Coupe mid-sized electric vehicle (EV) by revealing the Concept i4.

This sleek electric four-door model is slated for a down-under launch in 2022.

The Concept i4 will offer "up to" 395kW of power and 0-100kph in about four seconds, a top speed north of 200kph and a range of up to 600km on a full charge.

These figures place it well-ahead of Jaguar's I-Pace and Audi's e-tron, but the Tesla Model 3 offers swifter acceleration with its Performance variant capable of 0-100kph in 3.4 seconds.

The i4's power and range will come courtesy of the German marque's fifth-generation eDrive technology.

This will also underpin the iX3 and iNEXT electric SUVs, coupled with an 80kWh battery, which BMW claims is relatively lightweight for its capacity at 550kg.

Design-wise, the Concept i4 offers a polarising take on the iconic "kidney" grille that stretches from the bonnet deep into the front bumper.

Despite the lack of a conventional engine, BMW has opted to keep the grille – but blanked out – and turn it into an "intelligence panel" that houses a myriad of sensors for active safety and semi-autonomous driving functions.

Narrow, angular headlights flank the grille's top corners, each housing a pair of LED daytime running lights.

From the side, the Concept i4 shares its four-door profile with the rest of the brand's Gran Coupe variants, but with a higher boot line.

Shared across almost every element of the exterior design are blue highlights. These range from the grille and headlight surrounds to all-blue side air ducts.

The digital dashboard layout combines the instrument cluster and infotainment system into ▶

BMW's Concept i4

Hyundai's Prophecy

Apex's all-electric AP-0 supercar

a single large, non-reflective touchscreen orientated towards the driver. Almost all operating functions have been integrated into it.

The concept of minimalism continues with the centre console being home to little more than an armrest, storage compartments and a "central control panel" that replaces the traditional gear lever, while the rotary iDrive controller is finished in crystal glass.

The seats are finished in a mix of microfibre cloth and leather upholstery while the doors, dash and screens all feature coloured ambient lighting, the colour of which is determined by three "experience modes" comprising core, sport or efficient.

Sport mode arranges the read-outs and graphics closer together to create a more focused view and turns the ambient lighting red along with the graphics.

According to BMW, i4 production will start in 2021 in Munich before arriving down under the following year.

LOOK, NO HANDS

Hyundai has revealed eschewed steering wheels in its sleek-lined concept EV dubbed the Prophecy.

The South Korean marque says this improves all-round visibility and allows for a more comfortable driving position.

The Prophecy's exterior is a realisation of the company's new "sensuous sportiness" design philosophy first seen on the 45 Concept at Frankfurt Motor Show in 2019, with a clean, simple design that does away with angles and sharp lines.

Dubbed "one curve", Hyundai likens the design to a "perfectly weathered stone" with a rounded silhouette reminiscent of four-door coupes such as the Mercedes-Benz CLS or BMW 8 Series Gran Coupe.

The headlights are integrated simply into the vehicle's front, housing the pixel lamp lights first seen on the 45.

Pixel technology is also used for the tail-lights and will become a signature design element for future Hyundai models.

The "sensuous" sporty design is not just made for aesthetics with features like the functional rear spoiler and alloys, which include propeller-like shapes in the spokes to allow air to be drawn in and flow alongside the vehicle.

A wide air intake under the bumper also channels air to the batteries to create a colling effect.

Environmentally friendly materials have been used in the Prophecy's interior, while intakes at the bottom of the side doors allow air to circulate with Hyundai's "clean air" technology, which allows a constant stream of purified air to pass through the cabin and into the atmosphere.

FAST SHARK

Lasers, butterfly doors and a distinctive shark's fin are just three of the features in British newcomer Apex's all-electric AP-0 supercar.

Built almost entirely out of carbon-fibre, the whole vehicle weighs in at just 1,200kg with outputs rated at 484kW and 580Nm. This provides it with a power-to-weight ratio of 403kW per tonne.

Drive is only sent to the rear wheels with the 0-100kph dash dispatched in 2.3 seconds. The top speed is 306kph.

Thanks to a 90kWh battery, claimed range is 515km with the battery able to be charged up to 80 per cent capacity in "less than 15 minutes" courtesy of a combined charging system, type two and GB/T charging compatibility. The estimated charging time using a type-two connector is eight hours.

The AP-0 is underpinned by Formula One-style push-rod suspension and rides on adjustable coil-over shock springs and dampers.

Style-wise, it's unlikely this car will be mistaken for anything else on the road once production starts in the fourth quarter of 2021 thanks to its huge mid-mounted fin, which runs down its spine.

At the top of the fin, lidar sensors build a 3D image to better scan the road and help the car – in Apex's words – "accurately identify potential hazards, pedestrians, cyclists and other vehicles". There's also a holographic augmented-reality display and level-three autonomy.

The vehicle's side profile is dominated by the prominent fin but with chunky, angular lines being the overall theme of the design. Butterfly doors add to the sense of drama.

Hugely flared front wings and wheel-arches lead the charge at the front, while the front facia and headlight arrangement is similar to McLaren's P1 from certain angles.

The package rolls just 95mm above the ground on five-spoke carbon-fibre wheels, which come in at 19 inches in diameter up front and 20 inches at the rear.

Inside, the seats have been made exclusively out of carbon-fibre, while the driver is greeted by a square steering wheel.

While it is not yet known if the Apex AP-0 will make it to our shores, some indication of what it could cost can be drawn from the UK pricing, which kicks off at £150,000, or about NZ$288,000 – plus on-road costs.

Shifting north drives GP changes

History will be made on many fronts when the Castrol Toyota Racing Series (TRS) opens at Hampton Downs this month.

A range of "firsts" will be recorded as the series opens with the 66th New Zealand Grand Prix (NZGP).

For example, it's the first time the grand prix has kicked off the championship and the first time the race has run at Hampton Downs.

Its shift breaks a run of 13 years at the 3.033km international track at Circuit Chris Amon in Manfeild near Feilding in the northern Manawatu.

In the more usual five-round format that TRS operated until 2020, the NZGP was the final one and all four preceding rounds were tailored towards it, and – as late as July last year – Toyota was committed to a full five-round championship.

It's also the first time the championship will be decided over just three rounds – two at Hampton Downs and one at Manfeild.

Somewhat controversially, it's the first time in the history of the TRS that the championship will not visit the South Island, which has upset Mainland racing fans.

There was also uncertainty whether the coming three-round championship would enable drivers to qualify for FIA Super Licence points, a critical consideration for competitors based overseas considering the series as an off-season commitment.

Accumulated Super Licence points are the key to drivers having access to Formula One tests or even a reserve driver position with a team.

For the first time, the NZGP will run at Tony Quinn's north Waikato venue and it is also the first time TRS cars will be driven on the longer four-kilometre "international" version of the circuit at Hampton Downs.

Until now, a surface step between the main track and the addition made this impossible for the low-slung Tatuus FT60 racers used in the series.

The move to three events in the north was the decision of promoters Speedworks Events and MotorSport New Zealand.

It's believed to be partly in response to coronavirus restrictions, as well as the difficulty of guaranteeing shipping between the two islands given the current economic climate and immense pressure on freight companies.

Andrew Davis, general manager of Toyota Gazoo Racing NZ, says the marque is committed to reinstating a championship that truly embraces the breadth of the country and the diversity of circuits available.

"We will continue to support circuits around the country, including the South Island, and want to reiterate that we will be back in 2022," he told Autofile.

"For the 2021 season, consideration must be made for the possible impacts of Covid-19."

There will be more records and firsts when the action gets under way. Kiwi motor-racing legend Ken Smith was the first confirmed entry and lines up for his 50th NZGP.

The 79-year-old is a three-time winner of the iconic race and continues to defy his age as he competes against the best young talent in the world, season after season.

Toyota has actively promoted the idea of VIP "wildcards" coming to race the grand prix.

Home for the summer, 2020 Bathurst 1000 winner Shane van Gisbergen was the first semi-international to lodge an entry. The 31-year-old came second overall in TRS back in 2007 as part of the two-car International Motorsport outfit that swept up the drivers' and teams' championship titles.

The 2007 winner of the NZGP, Daniel Gaunt, confirmed for the event in mid-December.

Billy Frazer, Caleb Ngatoa, Josh Bethune and Kiwi kart racer Matthew Payne have also said they will run in the championship.

Payne will be stepping straight out of the KZ-class kart he was racing in Europe to pick up single-seater experience as he heads for a seat in TRS graduate Earl Bamber's Porsche team.

Toyota's announcement covering the changes to the timing of the NZGP held out some hope of attracting internationals this year.

Approval was received for internationals in early December, but a lack of vouchers for managed isolation and quarantine space has dashed those hopes.

"After working with the government and Sport NZ, we are disappointed to be unable to get overseas-based drivers in to compete," says Davis.

"We had several international drivers ready to come, so we are disappointed this is the end result especially as we had worked hard to gain approved status."

Marcus Armstrong in action at the 2017 NZGP

Attracting the best

The Toyota Racing Series was created in 2005 with the aim of helping local drivers hone their skills before heading to other countries to advance their single-seater careers.

It is part of the biggest commitment to New Zealand motorsport by any automotive brand.

Since 2005, some of the best drivers in the world have travelled here each summer for five weeks of concentrated motor racing. It gives them up to 3,000km of practice, qualifying and racing in internationally relevant cars.

There have been three TRS iterations since 2005 – FT40, FT50 and FT60. Each version has used a composite Tatuus chassis and a Toyota four-cylinder engine. They have roughly been equivalent to the Formula Three cars of their time.


Shane van Gisbergen


Daniel Gaunt

Spotlight on drivers

SHANE VAN GISBERGEN

Age: 31.

TRS history: Rising from karting and open-wheeler "feeder" categories, Van Gisbergen was second in the championship in 2006/07, driving as part of a two-car International Motorsport team with Aucklander Daniel Gaunt.

He only raced that season, stepping directly out of Toyotas and into his first V8 Supercar Series with Team Kiwi.

Van Gisbergen then jumped up to a competitive drive with the Stone Brothers team in 2008 and has been a leading name in the Australian series ever since. He has been given a VIP wildcard entry for what will be his second NZGP.

What he says: "The New Zealand Grand Prix carries so much history. Hampton Downs is an awesome venue for it and will provide great racing.

"Adapting to driving the cars will take a bit of getting used to. It's going to be a lot of fun and I will give it my best.

"It will be amazing to race alongside Kenny Smith again. That guy is an absolute legend and it will be neat to say I was there for his 50th grand prix."

DANIEL GAUNT

Age: 35.

TRS history: A two-time series winner, Gaunt – another VIP wildcard entrant – is one of the finest drivers the TRS has produced in its 16-year history.

He won the NZGP in 2007 when it was held at Teretonga Park near Invercargill, racing from pole and setting fastest lap.

The following year, the GP had shifted north to Manfeild and Gaunt become a dual-GP winner in 2009, securing pole ahead of Earl Bamber, who set the fastest lap.

Gaunt now works as a driving instructor with premium automotive brands, and races endurance events here and overseas.

What he says: "It's great to see the grand prix come to Hampton Downs, which is a true driver's circuit. I'm looking forward to driving a modern open-wheeler there and to using the full international circuit for the first time."

KEN SMITH

Age: 79.

TRS history: Kiwi motor-racing legend Kenny Smith is a three-time winner of the NZGP and lines up for his 50th time in our premier race. He was the first confirmed entry for the 2021 grand prix.

What he says: "It is exciting. I don't do things for numbers, but people relate to that number [50th]. I just love motor racing."

"It was like when I got to 30 years of driving and I thought I would carry on and get to 35. Then, when I got there, I thought I would get to 40. I just keep going because of a love of the sport."


Ken Smith

Proud heritage

The NZGP, sometimes known as the New Zealand International Grand Prix, is this country's premier motor-racing title.

First held in 1950, it was part of the Tasman Series in the 1960s and 1970s, and has been the signature race of the Toyota Racing Series (TRS) since 2006. It has run at Manfeild near Feilding in recent decades.

Tony Quinn, owner of Hampton Downs, had proposed bringing the event to the circuit when hosting rights previously came up for renewal, but Manfeild – the closest race circuit to the headquarters of Toyota – had locked the event away each time. This year the NZGP moves north for the first time since 2008. It is one of only two current national grand prix recognised by the FIA outside of F1, the other being the Macau Grand Prix.

And 2021 is the first time in the current TRS that the event has run in January and the first time it's been the championship's opening round.

Six New Zealanders have won the NZGP in the TRS era. They are Daniel Gaunt in 2007 and 2009, Earl Bamber in 2010, Mitch Evans in 2011, Nick Cassidy in 2012, 2013 and 2014, and Liam Lawson in 2019.

Consumer loses after failing to provide trader opportunity to carry out repairs

The case: The buyer said her 2009 Mini was in an unacceptable condition throughout her ownership and after spending about $6,000 on repairs. She wanted the trader to refund the cost of fixing it. The dealer said the car was free of defects when supplied and so much time had passed that it wasn't liable to foot the bill.

The decision: The tribunal ruled in favour of the trader because the buyer didn't ask it to remedy the faults.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Jina Sun purchased a 2009 Mini Clubman from Goldex Ltd for $10,900 in November 2018.

After purchase, she spent more than $6,000 on repairs and replacing parts. She wanted to recover these costs from the dealer.

Goldex said the Mini was free of defects at the time of sale and it wasn't liable for repairs under the Consumers Guarantees Act (CGA) because too much time had passed after the transaction.

The case

Sun alleged the Mini was in an unacceptable condition during her ownership and should never have been sold to her.

She had an AA Motoring pre-purchase inspection completed on October 8, 2018. This uncovered coolant and oil leaks, and Goldex fixed those faults.

A second AA inspection was performed on October 31 and no leaks or any other significant defects were found, so Sun bought the Mini the following month.

The car's coolant-level warning first came on on January 11, 2019, and returned every one to two months thereafter with Sun regularly topping it up.

The Mini's oil-level warning appeared not long after purchase and she replenished the oil every three to four weeks.

Sun had the vehicle assessed by Auckland Mini Garage in November 2019. It found a coolant leak from the water pump and oil leaks from the rocker-cover gasket and oil-filter housing. It also reported the vacuum pump and thermostat needed to be replaced.

She instructed Auckland Mini Garage to perform the repairs, which cost $4,010.

Sun also replaced two tyres before December and the other two in December to ensure her car passed its warrant of fitness (WOF).

She said the Mini didn't start the first time she tried to drive it after the Covid-19 level-four lockdown was lifted.

The car was again assessed by Auckland Mini Garage, which replaced its ignition coils on May 5 at a cost of $861.

In its defence, Goldex said the Mini passed a WOF before purchase and various repairs were performed after AA Motoring's first inspection – most relevantly, the thermostat housing and vacuum pump were fixed or replaced.

The trader claimed too much time had passed since purchase for it to be liable for the other defects.

The finding

The tribunal accepted Sun's evidence, which was confirmed by Auckland Mini Garage, that her car had coolant and oil leaks in the months post-purchase.

These issues meant it wasn't of acceptable quality although a reasonable consumer should have realistic expectations as to the quality and durability of an 11-year-old Mini Clubman with an odometer reading of 112,000km at the time of sale, and should understand that defects – such as coolant and oil leaks – might arise from time to time.

However, the tribunal was satisfied a reasonable consumer wouldn't have expected the Mini's coolant and oil leaks to be present so soon after purchase.

Section seven of the CGA requires a car to be as free of minor defects and as durable as a reasonable consumer considers acceptable.

It doesn't impose indefinite liability on a supplier and, at some point in time, the risk of a vehicle developing defects consistent with ordinary wear and tear passes to the purchaser.

In this case, the tribunal was satisfied issues with the Mini's tyres and ignition coils happened too long after purchase.

The tyres passed a WOF and two AA Motoring pre-purchase inspections before purchase. They were in acceptable condition at the time of sale. The tyres were replaced a year after the buyer had driven more than 13,000km in the Mini.

Likewise, the ignition coils were replaced 19 months and 18,000km of travel after purchase.

Therefore, Sun couldn't recover the cost of new tyres or the coils because those repairs didn't breach any of the CGA's guarantees.

Sun was also unable to claim back the cost of fixing the coolant and oil leaks that did breach the acceptable quality guarantee because she didn't give Goldex a reasonable opportunity to perform those repairs before having the remedial work done elsewhere.

Under the CGA, a consumer must give the supplier an opportunity to remedy a failure before having it fixed by a third party and recovering the cost of repairs from the supplier.

She did send WhatsApp messages to Dimitry Strelets, of Goldex, on November 8 advising him the water pump and thermostat were broken and asking, "how much do you think it would cost". Strelets did not reply.

Those WhatsApp messages did not, in the tribunal's view, amount to a request for Goldex to repair the car.

Sun said she chose to have the repairs performed by an independent company that would provide a two-year guarantee for its work.

By choosing to have the faults fixed elsewhere without first asking Goldex to remedy the car, the tribunal was satisfied Sun failed to give the trader a reasonable opportunity to fix the problems.

Order

The application was dismissed.

Refund of deposit under question after dealer imports vehicle for customer

The case: The buyer paid a $1,000 deposit to the trader on the verbal understanding it would bring in a vehicle from Japan for him. It was imported it, but the purchaser changed his mind and wanted a refund. The dealer refused after spending the deposit on importing the car.

The decision: The tribunal found the trader hadn't misled the buyer by failing to tell him the deposit was non-refundable, but was ordered to pay back $400.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Justin Schwarz wanted to recover the $1,000 deposit he paid to First Automotive Ltd for a 2009 Nissan Wingroad in September 2019.

After paying it, he changed his mind about taking ownership of the car and believed he was entitled to recover the deposit, which he said was never stated by First Automotive as being non-refundable.

By the time Schwarz decided he didn't want to purchase it, First Automotive had already imported the Nissan.

As a result, the trader refused to refund the deposit on the basis that it had already spent the money.

The case

Schwarz alleged First Automotive engaged in misleading conduct in breach of the Fair Trading Act (FTA) by failing to advise him the deposit couldn't be refunded.

The tribunal also considered that evidence presented at the hearing showed this case was a matter involving the repudiation and cancellation of a contract to which the Contract and Commercial Law Act (CCLA) applied.

On September 13 last year, Schwarz visited First Automotive looking to purchase a 2009 Wingroad. He was interested in that model year because of its large LCD radio display.

First Automotive had no suitable vehicles in stock, but director Anil Prakesh identified a model of that year being auctioned in Japan.

He offered to purchase and import it into New Zealand, and sell it to Schwarz for $6,000, who agreed and paid a deposit of $1,000. No paperwork was signed.

First Automotive's bid on the vehicle was successful, but the buyer then changed his mind and wanted his deposit returned.

By that stage, First Automotive had already purchased the vehicle, so it declined the refund request on the basis that it had already spent the money.

The finding

Although there was no written contract, the evidence showed an oral agreement existed between the parties.

Under this, First Automotive agreed to purchase a 2009 Wingroad from Japan and sell it to Schwarz for $6,000, with the latter paying a deposit so the trader could bid on the identified vehicle at an upcoming auction.

Against this background, the tribunal wasn't satisfied that First Automotive engaged in misleading conduct by failing to tell the buyer the deposit was non-refundable.

At the time Schwarz paid the deposit, it would have been clear to any reasonable consumer that First Automotive was about to spend the deposit – and more of its own money – purchasing the Nissan for the buyer.

The adjudicator wasn't satisfied a reasonable consumer would then have a realistic expectation he could change his mind and recover the full deposit after the vehicle had been bought.

Although First Automotive didn't positively disclose the deposit was non-refundable, the circumstances of this case were such that a reasonable consumer could not have expected to recover the full deposit if he or she changed their mind after it was purchased. The buyer's claim under the FTA was therefore dismissed.

As to claims under the CCLA, it provides remedies when a contract has been cancelled.

Under section 36 of the act, a person may cancel a contract when the other party repudiates the contract by making it clear to the other they didn't intend to perform their obligations under the relevant agreement.

Although First Automotive did not express its case as such, the tribunal understood it to be saying that Schwarz had repudiated the agreement to purchase the car after it had already incurred significant cost, meaning it was entitled to retain the deposit.

In that regard, the dealer stated it had spent about $5,600 on purchasing and importing the vehicle.

The tribunal found the CCLA applied in this case because the contract between the buyer and First Automotive had been repudiated and cancelled.

Schwarz's conduct in refusing to purchase the car despite having an agreement to do so amounted to a repudiation.

First Automotive had tried to convince him to buy the vehicle or allow it to sell it on his behalf without success and the contract had ended.

When a contract was repudiated and cancelled, the tribunal can grant relief when it is just and practicable to do so. That relief can include an order directing a party to pay a sum that it thinks is just.

In the circumstances of this case, the adjudicator considered it just that First Automotive was entitled to retain most of the deposit to reflect the time and cost incurred in buying the Nissan, and the effort and cost it would incur in securing an alternative purchaser.

However, the tribunal wasn't satisfied that First Automotive was entitled to keep all the deposit because it still owned the car and would have the opportunity to recover at least some of those costs when it was resold.

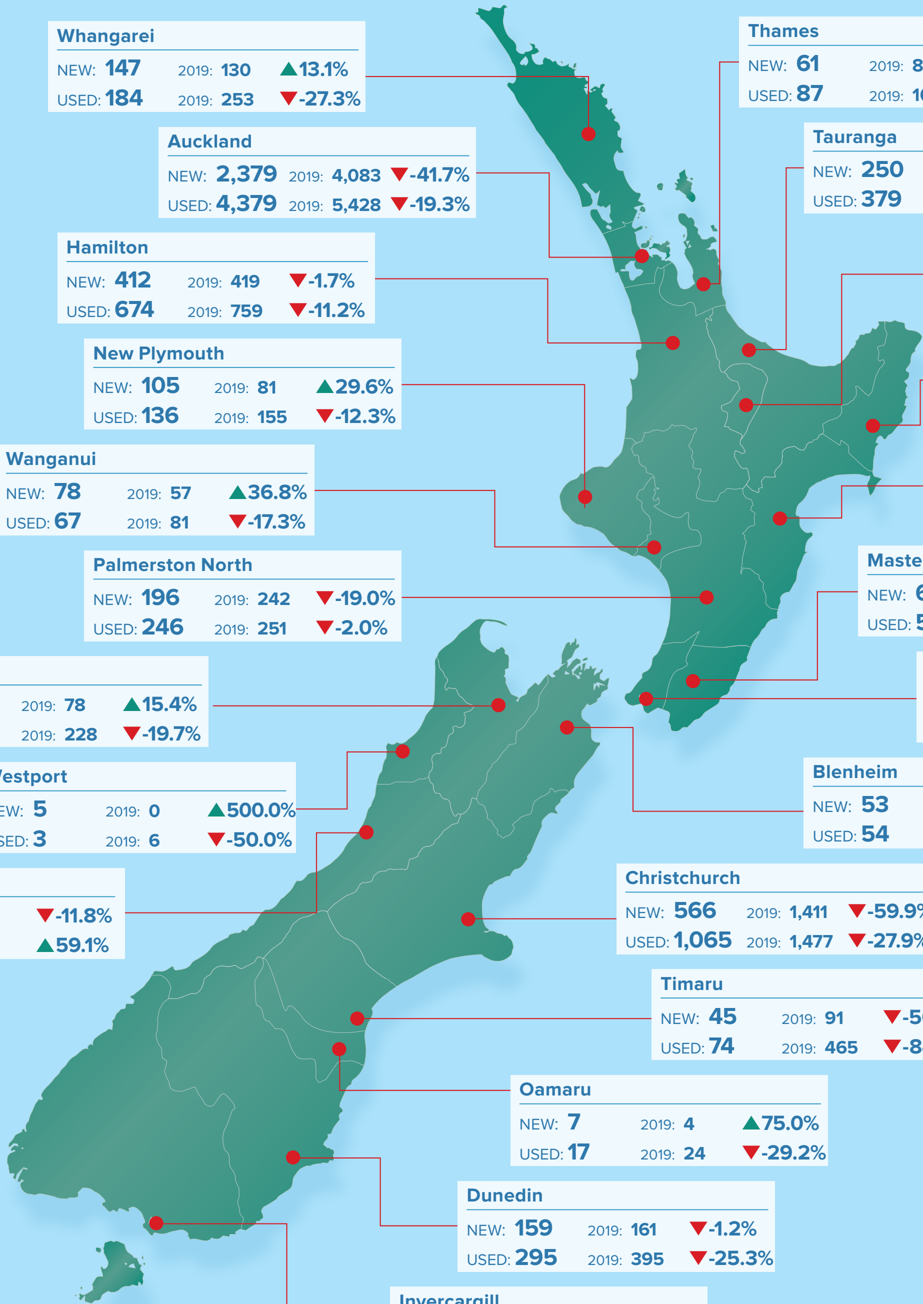
Order

First Automotive was entitled to retain $600 of the deposit, but was ordered to refund the remaining $400 to the purchaser.

AROUND THE COUNTRY December 2020

Total new cars	
5,572	
2019: 8,159	▼ -31.7%

Total imported used cars	
9,334	
2019: 11,628	▼ -19.7%



Whangarei	NEW:	147	2019:	130	▲13.1%
	USED:	184	2019:	253	▼-27.3%
Thames	NEW:	61	2019:	80	▼-23.8%
	USED:	87	2019:	102	▼-14.7%
Auckland	NEW:	2,379	2019:	4,083	▼-41.7%
	USED:	4,379	2019:	5,428	▼-19.3%
Tauranga	NEW:	250	2019:	243	▲2.9%
	USED:	379	2019:	426	▼-11.0%
Hamilton	NEW:	412	2019:	419	▼-1.7%
	USED:	674	2019:	759	▼-11.2%
Rotorua	NEW:	110	2019:	124	▼-11.3%
	USED:	132	2019:	191	▼-30.9%
New Plymouth	NEW:	105	2019:	81	▲29.6%
	USED:	136	2019:	155	▼-12.3%
Gisborne	NEW:	20	2019:	24	▼-16.7%
	USED:	51	2019:	75	▼-32.0%
Wanganui	NEW:	78	2019:	57	▲36.8%
	USED:	67	2019:	81	▼-17.3%
Napier	NEW:	201	2019:	155	▲29.7%
	USED:	295	2019:	225	▲31.1%
Palmerston North	NEW:	196	2019:	242	▼-19.0%
	USED:	246	2019:	251	▼-2.0%
Masterton	NEW:	60	2019:	60	▲0.0%
	USED:	54	2019:	63	▼-14.3%
Nelson	NEW:	90	2019:	78	▲15.4%
	USED:	183	2019:	228	▼-19.7%
Wellington	NEW:	532	2019:	575	▼-7.5%
	USED:	762	2019:	756	▲0.8%
Westport	NEW:	5	2019:	0	▲500.0%
	USED:	3	2019:	6	▼-50.0%
Blenheim	NEW:	53	2019:	59	▼-10.2%
	USED:	54	2019:	48	▲12.5%
Greymouth	NEW:	15	2019:	17	▼-11.8%
	USED:	35	2019:	22	▲59.1%
Christchurch	NEW:	566	2019:	1,411	▼-59.9%
	USED:	1,065	2019:	1,477	▼-27.9%
Timaru	NEW:	45	2019:	91	▼-50.5%
	USED:	74	2019:	465	▼-84.1%
Oamaru	NEW:	7	2019:	4	▲75.0%
	USED:	17	2019:	24	▼-29.2%
Dunedin	NEW:	159	2019:	161	▼-1.2%
	USED:	295	2019:	395	▼-25.3%
Invercargill	NEW:	81	2019:	65	▲24.6%
	USED:	162	2019:	198	▼-18.2%

Imported Passenger Vehicle Sales by Make - December 2020

MAKE	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,613	2,932	-10.9	28.0%	28,307	25.0%
Mazda	1,365	1,954	-30.1	14.6%	17,777	15.7%
Nissan	1,309	2,118	-38.2	14.0%	19,163	16.9%
Honda	836	1,231	-32.1	9.0%	10,415	9.2%
Subaru	660	729	-9.5	7.1%	8,103	7.2%
BMW	432	375	15.2	4.6%	4,707	4.2%
Mitsubishi	419	491	-14.7	4.5%	5,024	4.4%
Volkswagen	395	323	22.3	4.2%	4,031	3.6%
Audi	259	192	34.9	2.8%	2,530	2.2%
Suzuki	214	498	-57.0	2.3%	4,129	3.6%
Lexus	156	119	31.1	1.7%	1,638	1.4%
Mercedes-Benz	143	106	34.9	1.5%	1,603	1.4%
Ford	89	96	-7.3	1.0%	897	0.8%
Volvo	55	53	3.8	0.6%	700	0.6%
Jeep	38	34	11.8	0.4%	314	0.3%
Land Rover	34	45	-24.4	0.4%	409	0.4%
Chevrolet	33	41	-19.5	0.4%	389	0.3%
Hyundai	31	23	34.8	0.3%	287	0.3%
Mini	31	26	19.2	0.3%	332	0.3%
Holden	30	38	-21.1	0.3%	384	0.3%
Jaguar	25	30	-16.7	0.3%	374	0.3%
Dodge	22	19	15.8	0.2%	214	0.2%
Chrysler	21	20	5.0	0.2%	190	0.2%
Porsche	15	14	7.1	0.2%	187	0.2%
Kia	14	23	-39.1	0.1%	136	0.1%
Peugeot	14	12	16.7	0.1%	105	0.1%
Citroen	8	6	33.3	0.1%	62	0.1%
Bentley	7	1	600.0	0.1%	30	0.0%
Renault	7	5	40.0	0.1%	70	0.1%
Cadillac	5	3	66.7	0.1%	51	0.0%
Rover	5	2	150.0	0.1%	16	0.0%
Aston Martin	4	1	300.0	0.0%	22	0.0%
Chrysler Jeep	4	0	400.0	0.0%	34	0.0%
Buick	3	2	50.0	0.0%	21	0.0%
Daihatsu	3	8	-62.5	0.0%	44	0.0%
Others	35	58	-39.7	0.4%	447	0.4%
Total	**9,334**	**11,628**	**-19.7**	**100.0%**	**113,142**	**100.0%**

Imported Passenger Vehicle Sales by Model - December 2020

MAKE	MODEL	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Aqua	585	421	39.0	6.3%	5,104	4.5%
Mazda	Axela	444	584	-24.0	4.8%	5,984	5.3%
Toyota	Prius	367	374	-1.9	3.9%	3,879	3.4%
Mazda	Demio	292	509	-42.6	3.1%	3,809	3.4%
Honda	Fit	287	507	-43.4	3.1%	4,229	3.7%
Nissan	X-Trail	275	198	38.9	2.9%	2,369	2.1%
Mitsubishi	Outlander	250	282	-11.3	2.7%	2,877	2.5%
Volkswagen	Golf	248	199	24.6	2.7%	2,530	2.2%
Toyota	Wish	220	215	2.3	2.4%	1,925	1.7%
Toyota	Corolla	218	240	-9.2	2.3%	2,256	2.0%
Subaru	Legacy	208	267	-22.1	2.2%	2,639	2.3%
Subaru	Impreza	189	252	-25.0	2.0%	2,789	2.5%
Toyota	Vanguard	179	126	42.1	1.9%	1,566	1.4%
Suzuki	Swift	169	415	-59.3	1.8%	3,456	3.1%
Nissan	Leaf	164	219	-25.1	1.8%	2,251	2.0%
Mazda	Atenza	155	240	-35.4	1.7%	2,218	2.0%
Mazda	CX-5	137	119	15.1	1.5%	1,534	1.4%
Toyota	Mark X	137	99	38.4	1.5%	1,226	1.1%
Honda	CRV	134	114	17.5	1.4%	1,223	1.1%
Mazda	Premacy	134	212	-36.8	1.4%	1,717	1.5%
Honda	Odyssey	129	105	22.9	1.4%	978	0.9%
Toyota	Blade	117	129	-9.3	1.3%	1,445	1.3%
Nissan	Note	112	167	-32.9	1.2%	1,668	1.5%
Subaru	Forester	87	87	0.0	0.9%	1,014	0.9%
Nissan	Serena	86	161	-46.6	0.9%	1,195	1.1%
Nissan	Skyline	86	97	-11.3	0.9%	1,353	1.2%
BMW	320i	82	63	30.2	0.9%	853	0.8%
BMW	116i	80	56	42.9	0.9%	756	0.7%
Nissan	Fuga	69	51	35.3	0.7%	723	0.6%
Toyota	Vitz	69	258	-73.3	0.7%	1,593	1.4%
Toyota	Auris	67	168	-60.1	0.7%	1,148	1.0%
Nissan	Lafesta	64	41	56.1	0.7%	469	0.4%
Nissan	Tiida	63	421	-85.0	0.7%	2,494	2.2%
Nissan	Murano	62	59	5.1	0.7%	566	0.5%
Audi	A4	61	34	79.4	0.7%	598	0.5%
Others		3,308	4,139	-20.1	35.4%	40,708	36.0%
Total		**9,334**	**11,628**	**-19.7**	**100.0%**	**113,142**	**100.0%**

'Clean cars' will limit imports

The government is planning to turn its policy for the clean car standard into practice this year in a bid to cut carbon-dioxide (CO_2) emissions from road transport.

Michael Wood, Minister of Transport, hints parliament could soon see rules for emissions standards introduced, but says no decision has yet been made on setting a date to ban new and imported petrol and diesel cars.

He says: "Our fleet is twice as polluting as the European Union's, about 30 per cent more polluting than in the UK and Japan, and we don't want to be the dumping ground of the world for the most polluting. We've got work under way. That's something I hope to progress in the new year."

The clean car standard was part of Labour's successful election campaign and would require the average emissions of cars imported to decrease from about 180 grams of CO_2 per kilometre travelled in 2019 to 105gCO_2/km by 2025.

Targets after 2025 would then be set by future governments with importers failing to meet the emissions goal paying penalties.

It has been estimated the clean car standard may cut emissions by 5.1 million tonnes over the next two decades.

Wood faces plenty of challenges to cut pollution levels with the transport sector expected to emit 16.4m tonnes of CO_2 in 2021 alone, according to figures from the Ministry for the Environment.

The Climate Change Commission is expected to reveal its recommended draft emissions cuts in February and the transport sector is predicted to bear much of the burden if the government accepts its findings.

Wood highlights how the government's carbon-neutral public sector announcement in December includes a pledge to only buy electric vehicles (EVs) and reduce its fleet by about 20 per cent.

The minister, who is "passionate" about decarbonising the way the country travels, adds investment in "more and better" public transport is key. He also pledges "we'll have affordable options for people to have low-emissions vehicles".

His comments were made in an interview before his ministry's officials warned him current policies are "not enough" to curb New Zealand's increasing transport emissions.

In a briefing to the incoming minister, transport officials also call for policies that will increase the uptake of EVs. They predict the sector will need to be almost completely decarbonised for New Zealand to have any chance of hitting its 2050 goal of net-zero emissions.

In late October, Autofile Online reported that by 2025 the average imported vehicle Kiwis may be able to purchase in terms of CO_2 emissions will be something like a 1.2-litre manual Suzuki Swift GL.

With emissions of 106gCO_2/km, it's above the target of 105g/km the government may require new and used car imports to average by 2025 under its commitment to a clean car standard, as detailed in September in its energy policy.

Otherwise, there are plenty of larger hybrids – such as Toyota's Next-Gen RAV4 – that come in at 105g/km and many pure EVs with zero emissions.

Car dealers will still be able to import less fuel-efficient cars after 2025 under Labour's policy. But if they do, they will need to be offset by another import to maintain the 105g/km average.

At the time, Greig Epps, manager of advocacy and strategy at the Motor Trade Association, said that notwithstanding climate-change issues, Labour's 105gCO_2/km target for 2025 was going too far, too fast.

"We have been saying we should be looking at Australia where manufacturers have suggested 105g/km by 2030."

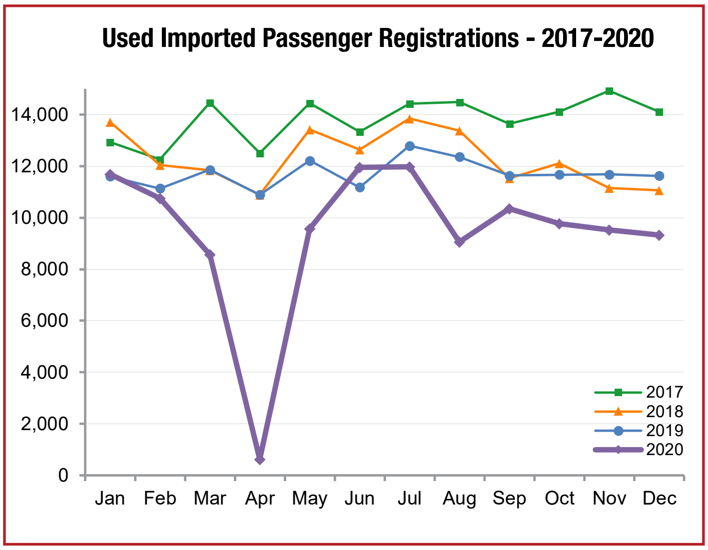
He adds the clean car standard could even be counter-productive if it increases the price of imports so much that owners steer away from replacing their existing vehicles.

"There is a broader map that needs to be drawn in the transport space and this is what we are not seeing from the government just yet. We need to look at the existing fleet as well."

That could involve boosting biofuel and natural gas usage, and ensuring vehicles have emissions tests every three years at specialist testing stations.

Axela tops chart

There were 113,142 used-imported cars registered in New Zealand in 2020 for a drop of 19.5 per cent – or by 27,448 units – when compared to 2019 when there were 140,590 sales. Mazda's Axela topped the ladder with 5,984 registrations for a 5.3 per cent market share. Next up were the Toyota Aqua with 5,104, Honda's Fit on 4,229, Toyota's Prius on 3,879 and the Mazda Demio on 3,809.



Import peak 'lasts' longer

Ports of Auckland (POAL) has been taking on extra staff to help tackle delays in processing shipments.

The global supply chain is struggling with disruptions because of Covid-19, which is putting pressure on port operations and often limiting available space on vessels.

Spokesman Matt Ball says POAL launched a recruitment drive last month to address the unexpected level of demand for its services.

"We simply didn't have enough people to handle the current import peak, which started earlier and is lasting longer than normal import peaks," he explains.

"Ports around the world are congested, particularly import ports that have been flooded with much higher than predicted demand. Other ports are affected, including Tauranga, which handles exports from Auckland."

It has been reported that up to 11 container ships were queueing in the Hauraki Gulf on December 8, waiting to be processed.

Before coronavirus, it was uncommon for POAL to have ships waiting to be unloaded and on the odd occasion when it did there would only be one or two at a time, says Ball.

"I think the largest queue previously was when brown marmorated stink bugs were discovered on-board ships, which resulted in quite large delays to car imports. This sort of thing only happens in exceptional circumstances as we have had with Covid-19."

Ball adds trade between Asia and the US has grown by more than 20 per cent, while New Zealand faces "unprecedented and unexpected" demand.

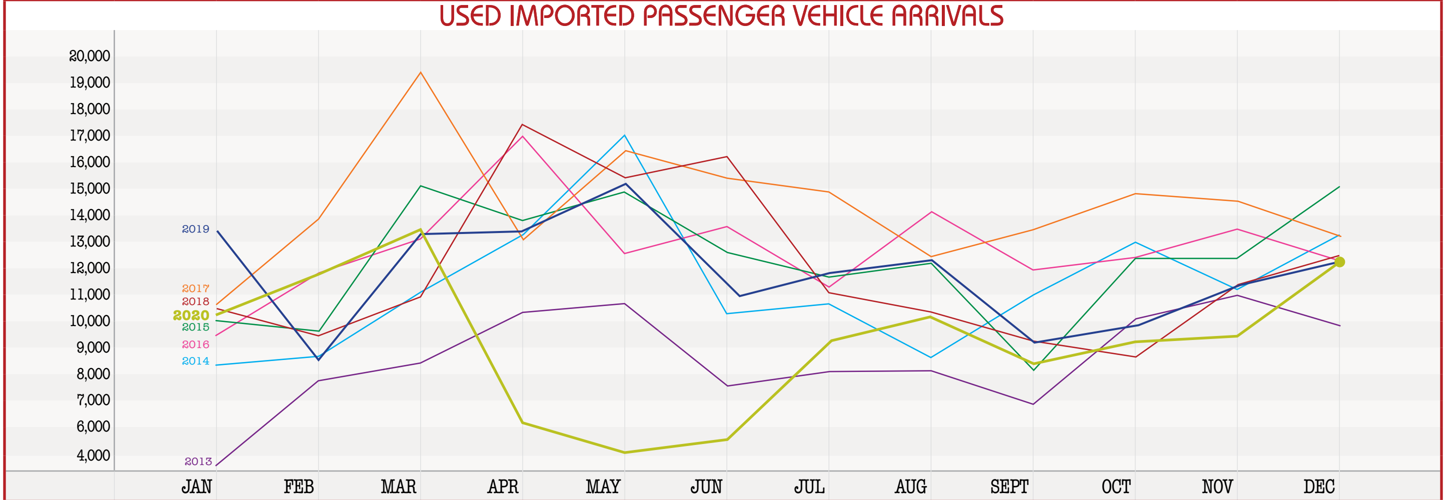
Such demand is expected to continue into 2021, with more than one month of back orders from manufacturers in China waiting to be shipped. As Autofile went to press, the impact on roll-on, roll-offs had been limited to a few days, but vehicles arriving in some containers had been held up for weeks.

ARRIVALS TUMBLE

As for 2020's statistics, 108,663 used cars were imported into New Zealand. This was down by 23.1 per cent when compared to 141,218 in 2019. The total included 100,994 from Japan – down by 23.8 per cent.

During December, 12,138 units crossed our wharves. This was an increase of 0.1 per cent from 12,121 in the same month of 2019.

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	DEC '20	DEC SHARE %	2020 TOTAL	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
Australia	278	449	326	254	274	348	408	279	314	318	415	522	4.3%	4,185	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	25	16	46	81	64	73	104	0.8%	690	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,554	5,678	3,603	4381	8,452	9,455	7,720	8,418	8,872	11,224	92.9%	100,994	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	155	181	247	173	197	120	207	1.3%	1,846	1,678	1.2%	1,531	1.1%
USA	72	50	47	37	24	18	38	43	45	32	37	37	0.4%	480	664	0.5%	1,108	0.8%
Other countries	29	10	15	21	14	94	117	28	25	35	36	44	0.4%	468	340	0.2%	415	0.3%
Total	10,101	11,789	13,145	6,136	4,048	5,021	9,212	10,098	8,358	9,064	9,553	12,138	100.0%	108,663	141,218	100.0%	142,773	100.0%

Sales booming since lockdown

An electric-vehicle specialist has been pleasantly surprised by how his business has been performing in the wake of the coronavirus pandemic.

Looking back on the year that was, Steve Greenwood, owner of Drive EV in Taupo, says the company was doing "really well" up until March's lockdown.

"We spent lockdown anticipating some very tough times to come in the short term – it was all a bit doom and gloom," he recalls. "But when we came out of it, we experienced the opposite. Our business has significantly increased since then, which we didn't anticipate at all.

"We are busiest at the top end of the market with people wanting the latest technology.

"They probably are those who have an annual overseas holiday but can't at the moment. A few people have mentioned a new car has been bumped up their wish list because their trips were cancelled."

Lawson Hoggard, of Auto Imports & Wholesale Ltd in Masterton, notes new-car franchises in his area have been "going well" post-lockdown with "a lot of them keeping trades that they normally wouldn't retain".

As for buying trends in the market, he saw no major changes in 2020.

"SUVs are always popular as well as the Mazda Axela. Recently, we only had two – one in the new shape and the other on its way from Japan.

"Normally we would have three or four Axelas here and four on their way.

"This year, we will have to fight to get stock and make the best of what we have, but we won't be looking at buying from Australia at this stage."

Hoggard adds last year's tough economic situation has pushed some dealers to close and, if that continues, more may move out of the industry.

GREAT YEAR'S END

Car dealers sold 18,898 second-hand passenger vehicles to members of the public in the final month of 2020. That total was up by 5.9 per cent compared to December 2019 when there were 17,837 changes of ownership.

Last month's trade-ins totalled 13,267. This represented an increase of 11.5 per cent from 11,901 in December 2019.

As for public-to-public transactions, these rose by only 1.1 per cent year on year. There were 41,505 such sales in December to 41,061 compared to the same month of 2019.

SECONDHAND CAR SALES - December 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	DEC'20	DEC'19	+/- %	MARKET SHARE	DEC'20	DEC'19	+/- %	DEC'20	DEC'19	+/- %
Whangarei	553	555	-0.4	2.93	1,911	1,930	-1.0	252	199	26.6
Auckland	6,529	6,068	7.6	34.55	13,425	13,363	0.5	5,447	4,702	15.8
Hamilton	1,431	1,335	7.2	7.57	3,389	3,200	5.9	1,043	955	9.2
Thames	262	261	0.4	1.39	602	606	-0.7	223	167	33.5
Tauranga	837	823	1.7	4.43	2,100	2,086	0.7	498	545	-8.6
Rotorua	396	350	13.1	2.10	972	950	2.3	138	114	21.1
Gisborne	160	181	-11.6	0.85	351	430	-18.4	47	52	-9.6
Napier	855	644	32.8	4.52	1,582	1,459	8.4	402	454	-11.5
New Plymouth	419	366	14.5	2.22	960	894	7.4	187	164	14.0
Wanganui	229	230	-0.4	1.21	620	564	9.9	110	136	-19.1
Palmerston North	792	731	8.3	4.19	1,654	1,601	3.3	602	575	4.7
Masterton	208	238	-12.6	1.10	455	481	-5.4	87	106	-17.9
Wellington	1,780	1,609	10.6	9.42	3,247	3,108	4.5	1,081	1,000	8.1
Nelson	341	282	20.9	1.80	977	982	-0.5	211	195	8.2
Blenheim	187	171	9.4	0.99	420	409	2.7	113	92	22.8
Greymouth	69	70	-1.4	0.37	175	157	11.5	31	38	-18.4
Westport	10	5	100.0	0.05	45	35	28.6	0	0	0.0
Christchurch	2,371	2,279	4.0	12.55	4,973	4,807	3.5	2,008	1,674	20.0
Timaru	208	499	-58.3	1.10	518	835	-38.0	96	70	37.1
Oamaru	52	29	79.3	0.28	120	124	-3.2	4	4	0.0
Dunedin	775	672	15.3	4.10	1,939	1,972	-1.7	422	393	7.4
Invercargill	434	439	-1.1	2.30	1,070	1,068	0.2	265	266	-0.4
NZ total	**18,898**	**17,837**	**5.9**	**100.00**	**41,505**	**41,061**	**1.1**	**13,267**	**11,901**	**11.5**

New Passenger Vehicle Sales by Make - December 2020

MAKE	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	996	2,730	-63.5	17.9%	12,795	15.8%
Mitsubishi	694	676	2.7	12.5%	6,479	8.0%
Mazda	616	513	20.1	11.1%	6,289	7.8%
Suzuki	379	476	-20.4	6.8%	5,935	7.3%
Nissan	338	481	-29.7	6.1%	3,830	4.7%
Hyundai	336	518	-35.1	6.0%	5,448	6.7%
Kia	252	324	-22.2	4.5%	7,985	9.9%
MG	199	108	84.3	3.6%	1,398	1.7%
Ford	192	225	-14.7	3.4%	3,223	4.0%
Honda	152	215	-29.3	2.7%	3,247	4.0%
Subaru	149	152	-2.0	2.7%	2,434	3.0%
BMW	119	79	50.6	2.1%	1,603	2.0%
Land Rover	113	52	117.3	2.0%	1,077	1.3%
Mercedes-Benz	111	101	9.9	2.0%	1,972	2.4%
Volkswagen	91	176	-48.3	1.6%	2,929	3.6%
Tesla	88	115	-23.5	1.6%	593	0.7%
SsangYong	86	54	59.3	1.5%	888	1.1%
Audi	85	101	-15.8	1.5%	1,498	1.9%
Haval	84	40	110.0	1.5%	843	1.0%
Holden	82	526	-84.4	1.5%	3,398	4.2%
Jeep	66	90	-26.7	1.2%	795	1.0%
Lexus	61	63	-3.2	1.1%	818	1.0%
Skoda	58	64	-9.4	1.0%	1,231	1.5%
Peugeot	44	28	57.1	0.8%	733	0.9%
Volvo	27	49	-44.9	0.5%	443	0.5%
Citroen	23	14	64.3	0.4%	208	0.3%
Mahindra	22	26	-15.4	0.4%	123	0.2%
Isuzu	19	16	18.8	0.3%	239	0.3%
Mini	18	39	-53.8	0.3%	663	0.8%
Jaguar	13	30	-56.7	0.2%	353	0.4%
LDV	10	1	900.0	0.2%	98	0.1%
Alfa Romeo	9	3	200.0	0.2%	132	0.2%
Can-Am	9	9	0.0	0.2%	85	0.1%
Renault	8	17	-52.9	0.1%	180	0.2%
Porsche	6	16	-62.5	0.1%	368	0.5%
Seat	4	14	-71.4	0.1%	127	0.2%
Chevrolet	2	1	100.0	0.0%	49	0.1%
Maserati	2	1	100.0	0.0%	37	0.0%
Yamaha	2	2	0.0	0.0%	42	0.1%
Aston Martin	1	1	0.0	0.0%	42	0.1%
Ferrari	1	4	-75.0	0.0%	36	0.0%
Fiat	1	0	100.0	0.0%	40	0.0%
Fraser	1	0	100.0	0.0%	2	0.0%
Genesis	1	0	100.0	0.0%	20	0.0%
McLaren	1	1	0.0	0.0%	20	0.0%
Others	1	8	-87.5	0.0%	101	0.1%
Total	**5,572**	**8,159**	**-31.7**	**100.0%**	**80,849**	**100.0%**

New Passenger Vehicle Sales by Model - December 2020

MAKE	MODEL	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	387	747	-48.2	6.9%	5,350	6.6%
Mitsubishi	ASX	327	218	50.0	5.9%	2,477	3.1%
Mazda	CX-5	326	199	63.8	5.9%	2,569	3.2%
Mitsubishi	Outlander	211	223	-5.4	3.8%	2,425	3.0%
Suzuki	Swift	162	212	-23.6	2.9%	2,566	3.2%
Nissan	Qashqai	161	220	-26.8	2.9%	1,744	2.2%
Nissan	X-Trail	153	200	-23.5	2.7%	1,551	1.9%
Toyota	Corolla	140	907	-84.6	2.5%	2,570	3.2%
Toyota	Yaris	134	214	-37.4	2.4%	1,131	1.4%
Hyundai	Santa Fe	114	94	21.3	2.0%	1,114	1.4%
Toyota	Highlander	106	66	60.6	1.9%	679	0.8%
Hyundai	Kona	102	122	-16.4	1.8%	1,431	1.8%
Kia	Sportage	96	119	-19.3	1.7%	2,916	3.6%
Subaru	XV	96	83	15.7	1.7%	801	1.0%
Tesla	Model 3	81	103	-21.4	1.5%	511	0.6%
Land Rover	Defender	76	0	7,600.0	1.4%	244	0.3%
Mazda	CX-9	75	50	50.0	1.3%	759	0.9%
Mitsubishi	Eclipse Cross	75	160	-53.1	1.3%	706	0.9%
Toyota	C-HR	72	135	-46.7	1.3%	1,229	1.5%
Toyota	Yaris Cross	72	0	7,200.0	1.3%	335	0.4%
Suzuki	Vitara	71	71	0.0	1.3%	1,272	1.6%
Ford	Escape	70	72	-2.8	1.3%	1,036	1.3%
Haval	H2	70	22	218.2	1.3%	598	0.7%
Honda	Jazz	69	57	21.1	1.2%	808	1.0%
Holden	Equinox	65	20	225.0	1.2%	766	0.9%
Mazda	CX-30	58	0	5,800.0	1.0%	665	0.8%
MG	ZS EV	58	0	5,800.0	1.0%	118	0.1%
Hyundai	Tucson	55	127	-56.7	1.0%	1,659	2.1%
MG	ZS	55	61	-9.8	1.0%	505	0.6%
Mazda	CX-3	53	88	-39.8	1.0%	727	0.9%
Kia	Seltos	51	79	-35.4	0.9%	2,611	3.2%
Suzuki	Baleno	50	33	51.5	0.9%	531	0.7%
MG	HS	45	6	650.0	0.8%	372	0.5%
Mitsubishi	Mirage	43	24	79.2	0.8%	392	0.5%
BMW	X5	42	22	90.9	0.8%	278	0.3%
Mazda	Mazda3	39	63	-38.1	0.7%	612	0.8%
Kia	Rio	38	75	-49.3	0.7%	878	1.1%
SsangYong	Tivoli	37	5	640.0	0.7%	179	0.2%
Suzuki	Ignis	35	43	-18.6	0.6%	488	0.6%
Suzuki	Jimny	34	62	-45.2	0.6%	574	0.7%
Hyundai	Venue	34	0	3,400.0	0.6%	354	0.4%
Jeep	Wrangler	33	5	560.0	0.6%	147	0.2%
Ford	Everest	32	25	28.0	0.6%	505	0.6%
Ford	Focus	32	35	-8.6	0.6%	531	0.7%
Toyota	Fortuner	31	228	-86.4	0.6%	279	0.3%
Others		1,406	2,864	-50.9	25.2%	30,856	38.2%
Total		**5,572**	**8,159**	**-31.7**	**100.0%**	**80,849**	**100.0%**

Marque backs feebate scheme

A major player in the new-vehicle market is backing proposals made by the previous government to tackle road-transport pollution in New Zealand.

Neeraj Lala, chief executive officer of Toyota NZ, believes the country is at risk of becoming "a dumping ground for Europe's dirty diesels and high carbon-emitting, petrol-fuelled cars".

He adds: "The move by the UK to ban sales of new petrol and diesel cars by 2030 is an encouragement to New Zealand policy-makers and a danger sign we could be flooded with used internal combustion engine [ICE] vehicles at the end of this decade."

Lala suggests a feebate scheme covering new and used-imported vehicles would provide much-needed financial incentives at no cost to taxpayers.

He adds the right policy settings need to be worked on to encourage a much higher take-up of electrified vehicles.

"We also need to ensure we don't end up importing vast numbers of ICE passenger vehicles otherwise there's no hope of meeting the Paris Agreement's 2050 net-zero carbon target.

He describes the feebate scheme proposed in the previous parliamentary term as having "much merit".

"It incentivised buyers of low-emitting vehicles by adding a levy to high-emitting vehicles and using that revenue to reduce the price of low-emitting vehicles costing less than $80,000.

"As the worldwide supply of hybrids and battery EVs becomes stretched due to demand, New Zealand will find it harder to access stock without a financial incentive.

"Essentially, we need to get our hybrid and EV numbers up to get higher stock allocations.

"Toyota NZ has opened a dialogue with the Minister of Transport, Michael Wood, and will continue to advocate for financial incentives for electrified vehicles."

Last month, the Prime Minister announced a climate emergency and stated the public service would be carbon-neutral by 2025.

"Such leadership is welcomed, but the government also needs to put financial resources behind its policy," opines Lala.

He notes companies such as Toyota are willing to supply the public sector with low-emitting vehicles, but not at cost – it needs to be a win-win for both parties.

"With transport emissions accounting for nearly 20 per cent of all carbon output, we have a large influence on how New Zealand will progress to a zero-carbon economy.

"The transition to a low-emissions transport market comes with a price-tag. But the cost of not enabling a greater uptake of low-emissions vehicles could cost a lot more."

Market takes hit

Registrations of new cars came in at 80,849 for 2020 – down by 22.5 per cent on the previous year's total. There were 23,421 units fewer sold than 104,270 in 2019.

Toyota's RAV4 was top model with 5,350 sales for a market share of 6.6 per cent. Next up was Kia's Sportage on 2,916 units and 3.6 per cent. The Corolla was third on 2,570, just one unit ahead of Mazda's CX-5.

EXPANSION CONTINUES

The Ebbett Group, one of the country's leading automotive groups, is opening a Kia dealership in Napier early this year.

Ebbett Hawke's Bay will operate from a purpose-built facility in Tennyson Street.

"Kia has been one of New Zealand's most successful brands over the past few years and we're delighted to bring it to Napier," says dealer principal Dave Howarth.

Todd McDonald, managing director of Kia Motors NZ, adds: "The choice of a partner is a critical relationship to get right and we always do due diligence when expanding.

"The Ebbett Group has a proven track record and we couldn't be happier with Dave and his team in Napier."

The group was established in the Waikato in 1928 and now operates 15 dealerships across the North Island. It made its first foray into Hawke's Bay in early 2020 by naming a majority shareholding in Karamu Holden, since renamed Ebbett Hawke's Bay.

UP TO SPEED

British sports racing-car maker Radical has appointed Auckland-based GB Motorsports, which was set up by Greg Brinck six years ago, as its national dealer.

"New Zealanders have a great passion for special cars and motorsport and Radical offers super-car performance and handling at a fraction of the cost," says Brinck, a former racer himself. "I'm confident we will have strong interest here."

Radical NZ has been working with Hampton Downs and Highlands Park to package up its GT Club membership with owners so members get access to the tracks for up to 80 days each year.

Brinck, who was previously with the Giltrap Group, adds: "Radical NZ can offer the end-to-end ownership package with sales, parts supply, technical and trackside support, professional race tuition and track storage.

"We look forward to introducing customers to Radical through our demonstrator programme and, over time, introducing a race series."

Technical and trackside services, along with spares back-up, will be supported by Racelab.

PENT-UP DEMAND

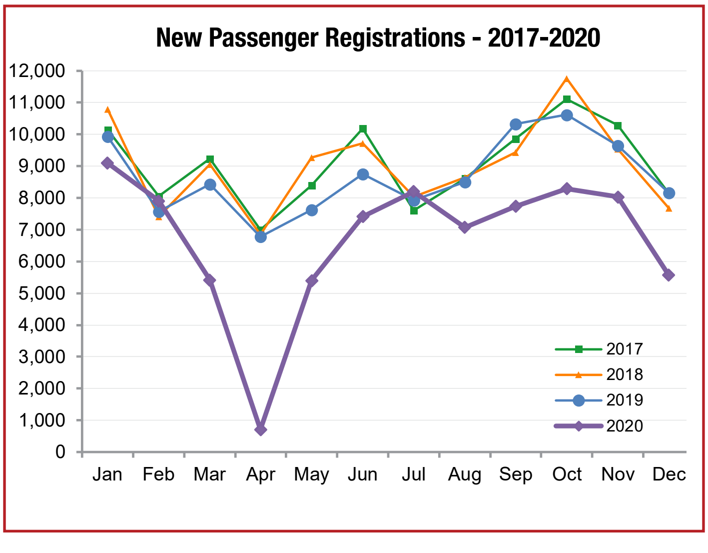
Andrew Bayliss, general manager of Great Lake Motor Distributors, LDV and SsangYong, is hoping business stands up as well in 2021 as it did last year – considering what happened.

"Those of us who have been around for some time have experienced the ups and downs of the industry, and we know how fast things can change," he told Autofile.

"We have good fresh and new products arriving. With SsangYong, for example, we landed the new Korando early last year and that's going gangbusters.

"We recently landed the new B-segment Tivoli with strong inquiry for that. Also, we have a wider van range, a new electric van and a big rear-wheel-drive van.

"There is a lot of pent-up demand for products so as long as the market stays reasonably buoyant, this year is looking exciting."



Blue oval's ute wins title

The Ranger has been crowned the country's best-selling new vehicle for the sixth consecutive year.

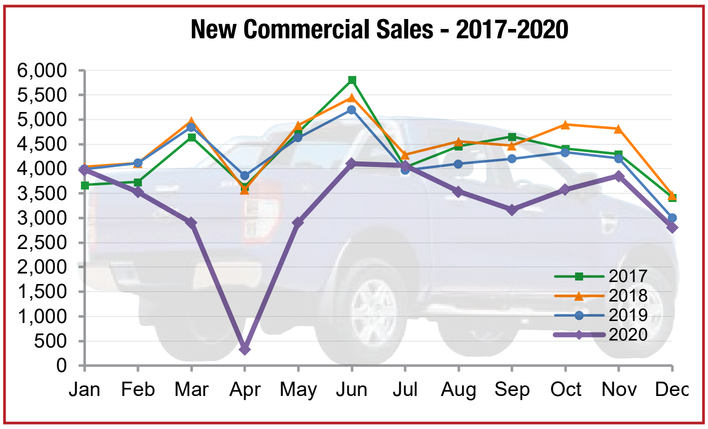
"It's an achievement that we thank our customers for," Simon Rutherford, managing director of Ford NZ, told Autofile. "They have chosen the Ranger to make it number one.

"We will continue to evolve it. We've made significant investments to ensure it remains visually appealing and offers a segment-leading package.

"It's the only ute to offer a bi-turbo engine alongside a 10-speed automatic transmission. This allows it to deliver the most power, torque and fuel efficiency as well as the lowest carbon-dioxide emissions of mainstream competitors.

"This year, we will continue the Ranger's evolution with the bi-turbo powertrain for our XLT series and factory-sourced offerings – the FX4 Max and Wildtrak X."

As for utes securing the one-two for new-vehicle sales, Rutherford says Kiwis value vehicles with flexibility and capability to make living their daily lives easier, and they perform a vital function in supporting business productivity.



Looking at the bigger picture, Rutherford predicts moderate industry growth this year compared to 2020 with, hopefully, no repeat of lockdowns or increased Covid-19 alert levels.

"We believe global supply chains will become a significant factor impacting order-to-delivery timing as supplier and manufacturing capacity to recovers from the height of the pandemic."

The Ranger finished last year with 7,986 sales. The Hilux was second on 5,808. There were 38,760 new commercials sold in 2020, down by 23.2 per cent on 50,481 in 2019.

New Commercial Sales by Make - December 2020

MAKE	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	719	549	31.0	25.6%	9,124	23.5%
Toyota	606	677	-10.5	21.6%	8,004	20.7%
Mitsubishi	251	338	-25.7	8.9%	3,842	9.9%
Nissan	242	205	18.0	8.6%	2,376	6.1%
Isuzu	183	213	-14.1	6.5%	2,170	5.6%
Mazda	99	130	-23.8	3.5%	1,818	4.7%
LDV	92	71	29.6	3.3%	1,042	2.7%
Fiat	91	36	152.8	3.2%	780	2.0%
Fuso	69	31	122.6	2.5%	638	1.6%
Hyundai	60	82	-26.8	2.1%	604	1.6%
Mercedes-Benz	59	91	-35.2	2.1%	1,024	2.6%
SsangYong	44	28	57.1	1.6%	448	1.2%
Hino	43	39	10.3	1.5%	559	1.4%
Great Wall	42	20	110.0	1.5%	445	1.1%
Volkswagen	38	60	-36.7	1.4%	891	2.3%
Iveco	33	25	32.0	1.2%	336	0.9%
Renault	29	13	123.1	1.0%	255	0.7%
Scania	20	20	0.0	0.7%	330	0.9%
Mahindra	12	2	500.0	0.4%	84	0.2%
UD Trucks	12	21	-42.9	0.4%	144	0.4%
Others	67	350	-80.9	2.4%	3,846	9.9%
Total	**2,811**	**3,001**	**-6.3**	**100.0%**	**38,760**	**100.0%**

New Commercial Sales by Model - December 2020

MAKE	MODEL	DEC'20	DEC'19	+/- %	DEC'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	662	473	40.0	23.6%	7,986	20.6%
Toyota	Hilux	443	461	-3.9	15.8%	5,808	15.0%
Nissan	Navara	242	205	18.0	8.6%	2,376	6.1%
Mitsubishi	Triton	217	338	-35.8	7.7%	3,694	9.5%
Toyota	Hiace	131	192	-31.8	4.7%	1,874	4.8%
Mazda	BT-50	99	130	-23.8	3.5%	1,817	4.7%
Isuzu	D-Max	95	104	-8.7	3.4%	1,170	3.0%
Fiat	Ducato	89	36	147.2	3.2%	775	2.0%
Hyundai	iLoad	59	79	-25.3	2.1%	569	1.5%
Ford	Transit	57	76	-25.0	2.0%	1,138	2.9%
Mercedes-Benz	Sprinter	47	61	-23.0	1.7%	426	1.1%
SsangYong	Rhino	44	28	57.1	1.6%	446	1.2%
LDV	T60	40	23	73.9	1.4%	350	0.9%
Isuzu	F Series	37	39	-5.1	1.3%	445	1.1%
Isuzu	N Series	37	55	-32.7	1.3%	418	1.1%
Mitsubishi	Express	34	0	3,400.0	1.2%	143	0.4%
Toyota	Landcruiser	32	24	33.3	1.1%	322	0.8%
Great Wall	GWM Cannon	26	0	2,600.0	0.9%	43	0.1%
Iveco	Daily	25	19	31.6	0.9%	197	0.5%
LDV	V80	25	31	-19.4	0.9%	356	0.9%
Others		370	627	-41.0	13.2%	8,407	21.7%
Total		**2,811**	**3,001**	**-6.3**	**100.0%**	**38,760**	**100.0%**

Used market 'very competitive'

The number of vehicles available at auction were generally down in 2020, according to a dealer in south Auckland.

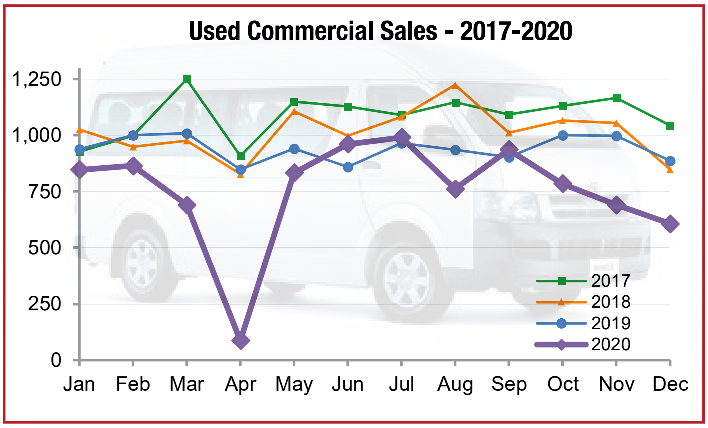
Gareth Karrasch, director of 317 Ute and Van Sales in Takanini, describes the local market as being "very competitive".

He told Autofile: "At Turners Auctions in Auckland about two years ago, there would be 200 vehicles up for sales. However, now there may be only 40 or 50. In Hamilton, the total would normally sit around 80 vehicles, but that was down to 17 recently."

Karrasch, who specialises in commercial vehicles, also believes many franchised dealerships are now holding onto their trade-ins.

"I think the parameters of yards trading in used have changed. If a franchise traded a vehicle that was more than seven years old or had travelled over 100,000km, it would have flicked it over to an auction.

"But I think they are now keeping those trades. They are probably putting whatever they can onto their yards. That means those trade-ins aren't coming through to us. This makes it tricky getting stock, but we are only a small yard and have enough avenues to source vehicles."



Karrasch is predicting the year ahead will be strong. "People will be glad that we made it through 2020 and I believe 2021 can only be better. I also think Covid-19 will become a part of our lives."

As for 2020's full-year statistics, there were 9,051 used-imported commercials registered for the first time in New Zealand – down by 19.8 per cent compared to 2019's total of 11,281. December's total was 607 for a drop of 31.6 per cent on the same month of 2019.

Last year's top-selling model was Toyota's Hiace with 2,917.

Used Commercial Sales by Make - December 2020

MAKE	DEC '20	DEC '19	+/- %	DEC '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	220	337	-34.7	36.2%	3,985	44.0%
Nissan	98	184	-46.7	16.1%	2,055	22.7%
Isuzu	47	33	42.4	7.7%	485	5.4%
Ford	39	64	-39.1	6.4%	365	4.0%
Mitsubishi	36	30	20.0	5.9%	296	3.3%
Hino	29	20	45.0	4.8%	340	3.8%
Mazda	25	29	-13.8	4.1%	380	4.2%
Holden	16	13	23.1	2.6%	169	1.9%
Suzuki	11	6	83.3	1.8%	64	0.7%
Chevrolet	9	23	-60.9	1.5%	134	1.5%
Volkswagen	9	8	12.5	1.5%	93	1.0%
Fiat	8	85	-90.6	1.3%	138	1.5%
Mercedes-Benz	7	5	40.0	1.2%	49	0.5%
Daihatsu	6	1	500.0	1.0%	51	0.6%
Hyundai	5	8	-37.5	0.8%	26	0.3%
Renault	5	2	150.0	0.8%	37	0.4%
Dodge	4	9	-55.6	0.7%	42	0.5%
GMC	4	3	33.3	0.7%	29	0.3%
Land Rover	4	2	100.0	0.7%	19	0.2%
Iveco	3	2	50.0	0.5%	17	0.2%
Others	22	23	-4.3	3.6%	277	3.1%
Total	**607**	**887**	**-31.6**	**100.0%**	**9,051**	**100.0%**

Used Commercial Sales by Model - December 2020

MAKE	MODEL	DEC '20	DEC '19	+/- %	DEC '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	152	254	-40.2	25.0%	2,917	32.2%
Nissan	NV350	34	41	-17.1	5.6%	526	5.8%
Toyota	Dyna	31	27	14.8	5.1%	384	4.2%
Isuzu	Elf	30	22	36.4	4.9%	304	3.4%
Hino	Dutro	23	12	91.7	3.8%	249	2.8%
Toyota	Toyoace	20	14	42.9	3.3%	204	2.3%
Fuso	Canter	19	17	11.8	3.1%	164	1.8%
Nissan	Caravan	18	43	-58.1	3.0%	498	5.5%
Ford	Ranger	17	22	-22.7	2.8%	158	1.7%
Nissan	Atlas	12	17	-29.4	2.0%	148	1.6%
Isuzu	Forward	12	6	100.0	2.0%	106	1.2%
Nissan	Navara	11	13	-15.4	1.8%	94	1.0%
Mazda	Bongo	10	24	-58.3	1.6%	249	2.8%
Suzuki	Carry	10	6	66.7	1.6%	62	0.7%
Chevrolet	Colorado	10	8	25.0	1.6%	102	1.1%
Ford	F150	9	4	125.0	1.5%	55	0.6%
Mitsubishi	Triton	9	8	12.5	1.5%	65	0.7%
Mazda	BT-50	8	3	166.7	1.3%	52	0.6%
Nissan	E-NV200	8	5	60.0	1.3%	60	0.7%
Nissan	NV200	8	38	-78.9	1.3%	477	5.3%
Others		156	303	-48.5	25.7%	2,177	24.1%
Total		**607**	**887**	**-31.6**	**100.0%**	**9,051**	**100.0%**

MOANAblue
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Brexit deal ends tariff fears

The free-trade agreement (FTA) between the UK and EU has been welcomed by Japan.

Finally signed off on Christmas Eve, it means many of the negative impacts of doing business under a no-deal outcome between them have been avoided.

Hitting the deadline for a deal means issues, such as introducing tariffs between the EU and UK, have been averted. This could have had serious impacts on the global automotive industry.

Toshimitsu Motegi, Japan's foreign minister, says his country will "closely monitor" how the FTA works. It will also continue to share information and support Japanese businesses in the UK and on mainland Europe.

The deal comes as relief for marques that had threatened to quit the UK in the event of a no-deal and the imposition of tariffs of 10 per cent on exports to the EU. The car industry has been particularly concerned about rule-of-origin requirements.

According to official documents, the deal ensures modern rules of origin and electric vehicles made in the UK will be eligible for preferential tariff rates.

Nissan has the UK's largest car plant. Its facility in Sunderland manufactures the Leaf, Juke and Qashqai.

Toyota, which has been in the UK since 1993, make three variants of the Corolla sedan there, including a hybrid version.

A no-deal outcome was widely viewed as "devastating". BMW, for example, says such as scenario would have pushed up costs by several hundred million euros and that longer term it would look at where to make Minis.

Despite the deal, exporters will be subject to extra border paperwork and there could be costly delays. In addition, the UK car industry relies on a constant supply of parts from the mainland.

Mike Hawes, chief executive of the UK's Society of Motor Manufacturers and Traders, says: "The trading agreement provides a platform for our future relationship.

"We await the details to ensure this deal works for all automotive goods and technologies, including specifics on rules of origin and future regulatory co-operation.

"A phase-in period is critical to help businesses adapt. Efforts should now be sustained to ensure seamless implementation, with tariff-free trade fully accessible and effective."

Stock levels jump

Imports of new cars in December came in at 9,452. This was 15.4 per cent more than in the same month of 2019 and 26.3 per cent more than November's 7,483 units.

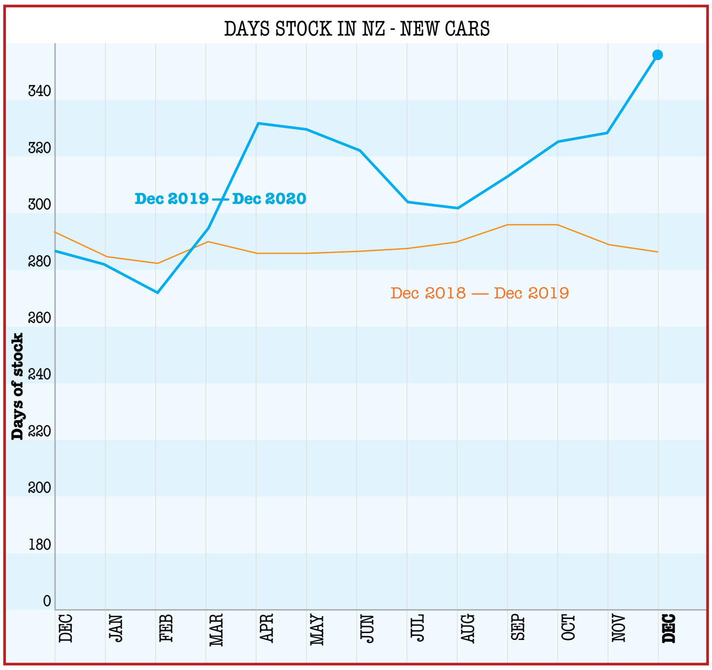
Registrations of new passenger vehicles totalled 5,572 last month for a drop of 31.7 per cent from December 2019's figures. It also represented a fall of 30.6 per cent from 8,029 units in November.

The numbers have resulted in the stock of new cars still to be registered increasing by 3,880 to 78,817. Daily sales, as averaged over the previous 12 months, stand at 222 units per day.

December's results mean stock at-hand has increased to 356 days, or 11.7 months, if sales continue at the current rate. In the same month of 2019, the figures were 286 days, or 9.4 months, respectively.

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
Dec '19	8191	8,159	32	81,765	286	286
Jan '19	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	8,313	7,735	578	74,781	239	312
Oct '20	8,998	8,296	702	75,483	233	324
Nov '20	7,483	8,029	-546	74,937	229	328
Dec '20	**9,452**	**5,572**	**3,880**	**78,817**	**222**	**356**
Year to date	**77,901**	**80,849**	**(2,948)**			
Change on last month	**26.3%**	**-30.6%**		**5.2%**		
Change on Dec 2019	**15.4%** MORE IMPORTED	**-31.7%** LESS SOLD		**-3.6%** LESS STOCK		



Buying conditions in Japan tough

A car dealer in the Wairarapa reports it has been difficult accessing used vehicles overseas.

Lawson Hoggard, of Auto Imports & Wholesale Ltd in Masterton, says his stock levels were down by the end of last year on where they should have been.

"It has been hard to buy out of Japan," he told Autofile. "We would normally land about 10 to 15 cars a month, but have only been landing four or five.

"Prices of used vehicles in Japan have been going up, but we also have to be careful at the moment because you can't pay huge money and think you're going to make money out of the sale."

Hoggard notes that if prices for used-imported cars are too expensive, people will buy cheaper new vehicles instead.

"We carried on buying during the Covid-19 lockdown. Prices were significantly lower then and, at that time, we didn't know if that was going to be a good decision because we could've come out of lockdown being unable to sell anything.

"That said, buying stock during lockdown was a good decision, but it has been hard to buy anything since then. We have sold 90 per cent of the stock we bought during lockdown and had three shipments arrive during lockdown.

Looking ahead to 2021, Hoggard says if purchasing continues to be challenging and prices remain high, which he believes will be the case for a while, dealerships that currently have stock may become short of it.

On the flipside, he adds the exchange rate pushing up – as it did towards the end of 2020 – does make buying stock a little bit easier.

"Over the past 24 years we've been importing cars, there have been lots of ups and downs in the industry, so you either keep going or you look to change," Hoggard says.

"It was challenging during last year's lockdown because we didn't have any money coming in, but in the past we've worked through the exchange rate with the yen going from 80 to the 40s and were losing money. I believe that was worse [than during the coronavirus shutdown].

"At the moment, people are still buying. Even though it's hard to get stock, at least the market is moving. People do seem to be spending money. For some, lockdown gave them an opportunity to rethink their priorities." ⊕

Daily sales drop

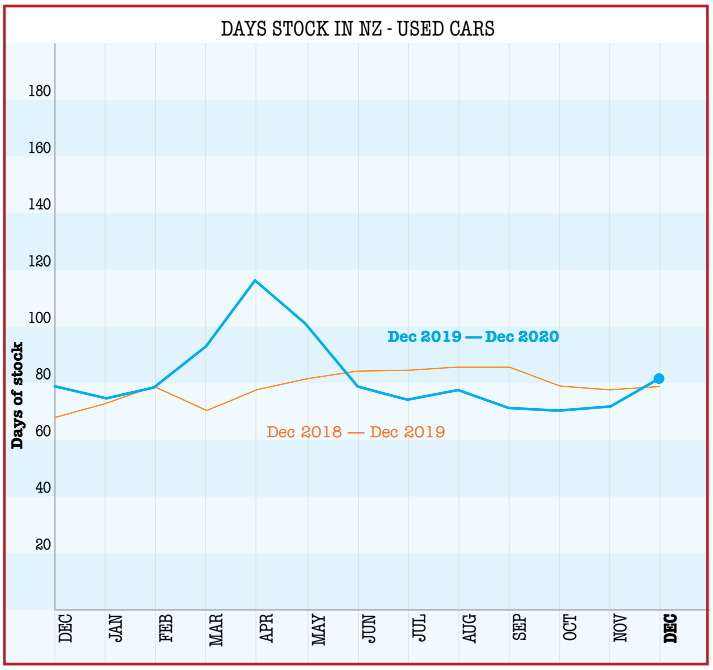
There were 12,138 used cars imported in December for an increase of 17 units, or by 0.1 per cent, on the same month of 2019.

The monthly total was an increase of 27.1 per cent from 9,553 vehicles in November.

A total of 9,334 units were sold during December. This was down 19.7 per cent from 11,628 registrations during the same month of 2019 and represented a drop of two per cent from the 9,523 units sold in November last year.

With 2,804 more used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 25,819 units. This was 14.8 per cent, or 4,479 cars, lower than at the end of December 2019.

With current average daily sales falling to 310 per day there are 83 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
Dec '19	12121	11,628	493	30,298	385	79
Jan '19	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	8,358	10,339	-1,981	23,684	327	72
Oct '20	9,064	9,763	-699	22,985	322	71
Nov '20	9,553	9,523	30	23,015	316	73
Dec '20	**12,138**	**9,334**	**2,804**	**25,819**	**310**	**83**
Year to date	**108,663**	**113,142**	**(4,479)**			
Change on last month	**27.06%**	**-2.0%**		**12.2%**		
Change on Dec 2019	**0.1%** MORE IMPORTED	**-19.7%** LESS SOLD		**-14.8%** LESS STOCK		