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Bright future emerges from Holden's shadow

Demise of brand, Covid-19 pandemic, lockdowns and setting up new franchises make for tough transition

Linn Motors has shifted to Hyundai and Isuzu Utes from Holden

Brian Trebes describes 2020 as the most challenging year he has had to face after having to deal with the double-whammy of the impact of Covid-19 and the end of Holden.

The owner and director of Linn Motors, which has branches in Thames and Paeroa, says the decision by General Motors (GM) to axe the lion-and-stone brand left everyone in a state of shock.

Hot on the heels of that bombshell early last year came the coronavirus pandemic and the nationwide lockdown that forced businesses to shut their doors.

While those combined events could have spelt disaster for Linn Motors, instead it has hired extra staff to handle taking on Hyundai and Isuzu Utes.

Then there has been the significant financial outlay to cover the costs of restructuring showrooms and new signage.

Trebes says the move to ditch sales of new Holdens by the end of 2020 left staff at dealerships and many members of the public in shock.

Linn Motors had been selling them since the late-1950s and some customers loyal to the brand took the news about its end quite personally.

It was on February 17, 2020, that GM revealed it was pulling Holden from Australasia and Thailand, but would provide servicing and parts for the next 10 years.

The move affected 31 franchises in New Zealand and they reportedly received compensation of about $2,500 per new vehicle sold over a set period.

"It was a devastating announcement given there was no warning," says Trebes. "Everybody found out at the same time and was in a state of shock. It was an uncomfortable time for everybody here because we were sole-franchise

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GUEST EDITORIAL

Industry more resilient in the face of adversity

Phil Hibbert looks back on the past 12 months. He says we are more robust after the dark times and major changes to how we do business

Perhaps none of us want to be reminded of how much both our personal and business lives have become different since the Covid-19 pandemic struck.

PHIL HIBBERT
Chief executive officer
Protecta Insurance

The past 12 months have been most unusual, but it is perhaps useful to reflect on some of the changes to our industry that are probably going to be with us for a very long time – if not forever.

For example, we have all learnt to be smarter in our use of technology to provide service to customers in a more remote way.

Many businesses have also been forced to review their operating models and expenses bases to be more efficient and resilient.

We have all found that regular face-to-face contact is probably not as necessary as we once thought and, in many cases, it just isn't wanted.

Working remotely has been enjoyed by many, while some still miss the personal contact to be found at their workplaces.

But people keeping their jobs and being loyal to employers who have stuck by their staff has taken on more importance.

Not being able to go overseas and spend our money in that way has seen many people look to reward their sudden isolation by travelling more around New Zealand or by buying new "toys", such as boats, motorbikes and classic cars.

Many have found that affordability of such luxuries isn't as far removed from us as we may have thought and, of course, low interest rates have greatly assisted this affordability.

Specific to our industry, many of these luxury items will have been financed and virtually all will have been insured.

And who would have thought that getting a new vehicle or boat could prove be so difficult with global and local supply chains under so much strain.

New Zealand being granted an improved credit rating in late February received a huge fanfare of publicity and Kiwis have been educated on how stronger credit ratings result in lower interest rates for borrowing.

Hopefully, the public will also now have a greater appreciation of how important claims paying and credit ratings are for lending institutions and insurers.

It may be difficult to measure the effect of some of these more subtle or subliminal changes, but others are very transparent in their financial effect.

One thing I'm sure about, though, is that our industry has changed significantly over the past year.

We are generally more robust and resilient because of these changes, so there is a silver lining in what have been 12 very dark months.

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Brian Trebes

Linn Motors in Paeroa

dealers for Holden and had no brand to fall back on.

"It was a blow for so many. There were a lot of people coming onto our yards. Even the local mayor arrived to see us and ask if there was anything the council could do."

Trebes immediately got to work trying to find a suitable franchise for the business, which he took over in 2016, and he spent most of the coronavirus lockdown "working hard on plan B".

"It was a busy time. Being a small dealer, it was hard to be top of people's lists when you needed something done or had questions that needed answering.

"It has also been tricky because the franchise people were picking up several other dealerships at the same time. Holden disappearing opened a big hole for other manufacturers to jump into.

"I talked to a lot of franchises and I'm happy with where we've ended up. We're all set up to keep going forward."

Demand for the last Holdens at Linn Motors was high, and customers past and present made sentimental visits before the branding at the two yards was replaced.

"When the news was announced in February, we had a fair bit of stock here and were building up to sales that were coming and had a lot of stuff heading our way.

"We then had an allocation from Holden, which was the last of its vehicles, and we took as much as we could.

"After the lockdown, we went really well. We'd been busy just before and after. In the end, most of the Holdens were gone before the Hyundai models turned up.

"The interest was good and there's certainly going to be Holden people out there for a long time to come.

"Our Holden signs came down in October, which was a bit sad, and we had some owners of old Holdens rocking up to have photos taken out front before that happened."

Trebes says the company never planned to reduce staff numbers despite being hit by Holden's departure, Covid-19 and costs associated with taking on new franchises.

With each marque having its own requirements, Linn Motors has had to make changes to buildings, signage and indoor furniture. Employees have been kept busy learning about Hyundai and Isuzu models.

"The extra outlay is part of the cost of being able to take them on," explains Trebes.

"It can be harder for smaller, country dealers such as ourselves and the cost is doubled because of changing two sites, but I'm happy to invest in our future.

"We're having to learn processes and requirements that are different to what we were used to while selling Holdens.

"We are also having to learn about whole ranges of models we previously knew little about and the parts guys have new systems to work on.

"Previously, we could go through our day knowing exactly what we were doing because we'd been doing it for so long. Now it's a bit harder because we have two brands and have retained Holden servicing.

"The workload has increased and we have been taking on extra people to cope with that."

Despite the disappointment of losing Holden, Trebes is optimistic customers will be won over by the new vehicles being sold at Linn Motors.

He also says the changes forced upon the business will create sales lines that were unavailable under the Holden franchise.

"The year 2020 will definitely go down in my mind as one of the most challenging. However, we've just got to keep working towards what we need to do.

"You have to stay positive and I'm planning as if everything's going to be okay, but at the same time having contingencies for the next kick that comes. We're ready for anything now.

"There were a lot of loyal people with Holden and you can't buy that. However, we're excited about the new Isuzu D-Max. It's similar to a Colorado and hopefully that will be an easy transition for most people.

"Hyundai makes good cars and the electric-vehicle scene is a new market for us. We have vans now, which we didn't have with Holden, and we're on the right track with alternative fuels, whereas with Holden and GM we were miles off the pace.

"Overall, Holden's departure has given us other opportunities we hadn't previously been able to take. The brands we've got are good and they will sit well with customers who have supported us for such a long time."


Clive Linn senior set up the family business in Paeroa in 1938

Linn Motors has been in the Thames Valley for more than 80 years


Clive and Marie Linn sold up to Brian Trebes in 2016

DOWN MEMORY LANE

Clive Linn is proud to hold the record for Holden's longest-serving dealer principal in New Zealand, but his claim to fame is tinged with sadness because he knows his record will never be broken.

A lifelong affinity with Holden – from his first car to his most recent – has left Linn with many fond memories of the marque, including selling hundreds of their vehicles to Kiwis.

His father, Clive Linn senior, started Linn Motors in the Coromandel town of Paeroa in 1938 before securing the GM and Holden franchises in the 1950s.

The younger Clive, who joined the company aged 18, took over the running of the business in 1975 and added the Thames branch in 1990.

He was dealer principal for more than 40 years before selling Linn Motors to Brian and Carmel Trebes in 2016, and retired the following year.

Linn says GM's decision to axe Holden came as a shock. "The news was sad because it has been my life. I was devastated. We had a few other franchises at various stages, but our mainstay was always Holden.

"I think everyone was shocked because Holden is a bit of an Australasian icon and, it seems, everyone has owned one at some stage. Holden has been good to me and my family over the years through being a dealer."

In 2004, Holden celebrated its 50th anniversary with an event in Auckland at which Linn was presented with a watch for being the longest-serving dealer principal in New Zealand.

"I continued for a further 13 years after that, so my claim to fame is that possibly I have a record that will never be broken."

He says it will be interesting to see how the values of Holdens grow, particularly older classics.

"I think the V8 stuff will be in demand because the tail-end of the Commodore productions, the HSV and Redline variants, are still popular. They're such great muscle cars.

"There are so many Holdens out there. With Holden committed to providing after-sales for 10 years, at least it means they're going to be around for a long time to come."

Linn, the youngest of four children, was born about 100 metres away from the family's Paeroa business, which his father started after moving from Taranaki with his wife Rona.

The company – located in the building opposite where Linn Motors is in Paeroa today – began life as a service station selling fuel, fixing tyres and providing repairs. Linn senior later took on franchises for Hillman, DeSoto trucks and David Brown tractors.

"Then he had the chance to get the GM franchise, which we got in April 1951," recalls Linn. "Originally the cars were Vauxhall, Bedford and Chevrolet. Then we got Holden later on."

He started working alongside his father and brother, Bill, in 1965. The first car he bought for himself was a 1964 Holden EH, which he still takes out for drives.

Back then, there were strict import controls and they were only allocated about 15 new cars a year to sell.

"In the early days, before cars came off import restrictions, it was a whole different industry. People had to have overseas funds and obtain a licence to be able to bring in a new vehicle.

"For every import licence you presented to Holden or GM, they gave dealerships an extra bonus vehicle to be able to sell to anyone.

"In 1972, the lid was lifted on licensing restrictions. Those early '70s, about 1972 to 1974, were some of the best years the industry ever experienced.

"Then discounts came into the English language. After that, everyone just sold them for whatever they felt they could get.

"In the 1970s, rising fuel prices had a big impact on the industry. Before then no one worried about fuel economy because fuel was so cheap.

"When the oil crisis hit in the '70s, the economic statistics of a car became an important part of the buying process.

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"In those early years, you didn't have a great deal of choice of models but from the '70s onwards there was a prolific range of models, and the advent of Japanese and Korean models."

Linn became dealer principal of Linn Motors when he purchased his father's and brother's interests in the company.

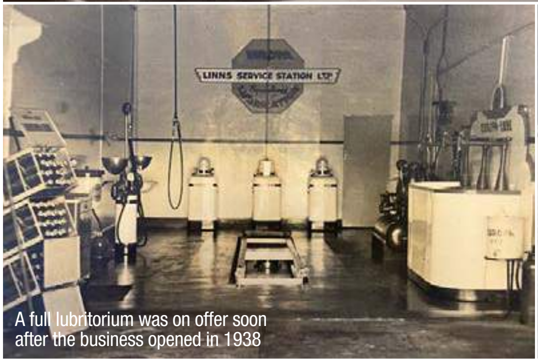
Besides its operation in Paeroa, the business had a branch in Waihi for 25 years, which closed in 1987, and it took over the Holden franchise territory for Thames and the Coromandel Peninsula in 1990.

"That gave us the whole of the Hauraki Plains, Coromandel and Waihi area."

Linn "pulled the pin" on working when he turned 70 and he and his wife Marie, who live in Whangamata, sold the business to the Trebes. Marie still works at Linn Motors as general manager.

Over the years, the company hit many milestones, including winning Holden rural dealer of the year in 2002, 2008 and from 2010-12.

Linn Motors secured a General Motors franchise in the 1950s



A full lubritorium was on offer soon after the business opened in 1938

The company had a presence across the Thames Valley district

"My father had it pretty hard in those early years, so I feel proud of what the Linn Motors name has achieved in the Thames Valley and Coromandel, and that's why Brian [Trebes] has stuck with the name," says Linn.

"He said, 'why would I change the name, it's been around for so long and if you called it something else, no one would know who you were'. Linn Motors has customers who are third or fourth generation, which is amazing.

"I think you survive through honesty, integrity and giving good service. If you don't have all those things, you will struggle to make it in the long run.

"I think building a reputation can guarantee your future."

Linn and his wife remain Holden fans. He drives an Equinox SUV and she has a VXR Commodore – and he still has his precious EH.

"We got new Holdens before they announced the end of the brand. We will have those for a few years. When it comes time to change again, we'll go out and decide what we go for next.

"The chances of going to a Hyundai are strong as we're keen to support Brian and the cars are good products, as are Isuzu's utes.

"My favourite car I had was the first of the Commodores and another highlight was the first 1978 Commodore SLE. That was a biggie."

Linn has seen a huge number of changes in the automotive industry over the years, with the extra technology in cars among the biggest transformations.

"One of the biggest changes to the industry was the advent of the internet and Trade Me, which made a massive difference to the buying habits of people because they could do it all from their lounge. Prior to that, consumers relied on adverts in their local newspapers.

"We just had to join the club and get on the internet. It had a big effect on the industry and made it more important to build up a loyal customer base and look after it with the best possible service.

"The business was all about building up those relationships. I'm sure in the early days it seemed everyone had more fun in the industry, but as time went on you had to become more cut-throat and serious.

"Once a car dealer, always a car dealer and it doesn't go away. You notice new cars and new models and read the motoring publications. It's a lifetime interest and it's in your blood. It was a great ride but I'm now enjoying my lawns here in Whangamata.

"I still get asked around the golf club about cars and I'm still doing deals with Brian Trebes. That's because old clientele come to me and say they trust me and ask me to help out with their vehicle purchase, which I'm happy to do.

"My opinion in the industry still appears to be respected and I get asked what I think about this car or what people should change to, what's good and what's not so good. I enjoy that. It's nice to still be involved."

Audits put pressure on costs

Entry-certification inspection organisations are weighing up the costs of extra regulation and compliance after being reappointed.

Following an application process that started in late 2019, Waka Kotahi has permitted five companies to fulfil the role from the start of this month.

The AA, Vehicle Inspection NZ (VINZ), VTNZ and Drivesure have been given five-year terms, while Canterbury Vehicle Compliance in Ashburton has a three-year deal.

Under the new arrangements, the providers must deliver increased levels of reporting to the transport agency and undergo external auditing.

Jonathan Sergel, the AA's general manager of motoring services, says the fresh level of regulation will have a financial impact on its services.

"We need to work through what the rigour around extra compliance for external audits will look like and the cost implications," he says.

"I suspect all appointed businesses are thinking who do we get to do it and how big is the bill going to be. I do not doubt the cost of compliance will rise because of audit requirements, but we don't know if it will be $1 or $100 a car."

Five companies have been appointed to perform entry-certification inspections

The five companies have been approved to certify that used light vehicles entering the fleet meet a range of conditions related to safety. Once a vehicle meets these requirements, a registration application form and warrant or certificate of fitness can be issued.

Sergel notes that besides the extra rules being put in place, the overall appointment process has been more rigorous than in the past.

"There's been a lot more focus on the operator, both ourselves and third-party sites we engage with, particularly around the perceived ability of the people who control those sites to be a fit and proper person," he told Autofile.

"There has also been more rigour around conflicts of interest, especially if there's any financial interest in a vehicle. It will be interesting to see how some other businesses monitor that but it's easy for us because we're independent.

"The agency was also concerned about undue influence being put on inspectors during the compliance process and that was a key thing to address."

Previous appointments of light-entry certification and border-inspection organisations (BIOs) were due to expire on June 30, 2020, with the new ones coming into operation the following day. However, changes to the appointment process and the impact of Covid-19 extended the time frame.

Sergel says it is a relief for the AA to be appointed after the initial call for applications was made in November 2019. He adds deadlines for providing information had to be frequently adjusted after the transport agency "underestimated" how much work needed to be done to complete the task.

"My team has been working on this for more than 18 months and it's a relief to see a positive outcome," he says. "It has taken a lot of time and energy to get to this point. We're lucky from an AA perspective that we have some quality people who have been involved in this kind of work for a long time. We've been able to act relatively quickly with requests for information and process changes.

"Waka Kotahi has had to move its time frame on a number of occasions because of the amount of work and information required, which has been difficult to provide in the time it asked us to. Saying ▶

that, the agency has been easy to deal with in changing those time frames. It probably underestimated the work needed and Covid-19 had a part to play in that."

Sergel says the AA has already launched one of the new methods of data collection now required and the clarity of a five-year term will allow it to invest further in its operating systems. It will now engage an external auditor and "finding someone capable in this space, which no one has done before".

"We need to work with the NZTA to ensure it's receiving the information it needs to make the right decisions. Ultimately, we all want safer vehicles on New Zealand's roads. We don't want this process to be compromised in any shape or form."

EXTRA REGULATION

VINZ will provide entry certification at all of its testing stations and is looking at how it will manage the extra workload under its new terms of appointment.

Sean Stevens, chief executive, says since he joined the company in 2015 there had been no requirement for formal reporting to the transport agency, but it will now have to deliver quarterly updates.

"[The new contract] is reasonably different from what we've had in the past with regard to auditing standards and requirements for information," he explains. "There are further processes we need to put into the light-entry process that we haven't used before.

"There's a requirement to have external auditing as well as internal auditing, a requirement to collect information we haven't previously collected off a vehicle, a requirement to report that information in a format other than just putting it into the LANDATA system, and to provide the agency with quarterly reports.

"It's going to change the nature of how we inspect vehicles and it will require more time to do that. However, we're putting together systems to ensure we can keep up with these extra requirements with as little labour input as possible."

Sean Stevens, VINZ   Frank Willett, Autohub   Jonathan Sergel, AA

VINZ is conducting "time and motion studies" to see if it can find ways to save time in the entry-certification process.

"It's a very paper-based system and there's a lot of manual keying," says Stevens. "We are working on methods of streamlining that process. It will be interesting for us to track our metrics and ensure we have the processes in place to meet the requirements under the new notice, which we're confident we will."

He welcomes the surety of a five-year appointment after more than a year spent on the application process.

"It's nice to know we have a contract going forward and can look at investing in the business again. The next step is to put investment in, and make our processes smarter, clearer and easier for everybody."

VINZ is looking at the extra expense that external auditing will bring and its potential impact on the cost of services.

Stevens adds the company – as is the case with all key service delivery partners (KSDPs) – is also compiling feedback for the transport agency to help streamline future appointment processes.

"There's some learning that both sides can take out of this. It has given both parties an appreciation of what's required to be done under this new system and how things were done previously."

WELCOME CHANGES

Frank Willett, chief executive of Autohub, welcomes news of the appointments and the transport agency demanding extra compliance from providers. He adds he was "fairly confident" the previous appointees were going to have their terms renewed.

"It's great the contracts have been confirmed and, like many, I'll be interested to find out more of the details and requirements from the NZTA now placed on KSDPs. But, more importantly, I'm looking forward to getting back to business as normal.

"Autohub is a link in the supply chain above compliance and inspection agents. Changes downstream often require changes upstream, so we'll see what they may be.

"Any improvement on the compliance auditing process is also welcome. For many years, players in the industry have been expecting the NZTA to have more involvement in the auditing of things and we hope auditing will become a normal part of the process to keep the standards high.

"It's important for consumers and the government to continue having confidence in the used imports coming through."

Willett understands the agency will now require additional data at compliance and is disappointed businesses such as his were unable to have any input into making those decisions. "In retrospect, it would have been nice if logistics providers could have had dialogue with the NZTA before it set the regulations for KSDPs because we're directly involved with the importer and exporter."

Having appointed companies to perform light entry-certification duties, next up for the agency is issuing contracts for BIOs.

Eight companies have lodged applications to operate as BIOs and the successful ones are due to be given terms of three to five years from the start of July 2021.

"We look forward to the BIO appointments' confirmation as these are also important to us," says Willett. "Our group uses Bordercheck for much of our pre-export processing and, along with existing providers, we're keen to know if Bordercheck gains NZTA approval."

RAISING THE BAR

Sue Hardiman, Waka Kotahi's senior manager of vehicle and driver licensing, hopes the agency's new approach to making appointments will lift industry standards.

"We have raised the bar around the application process for entry certification and border inspection, and requested extra information from applicants to ensure we have a full view of their operations," she says.

"The extended process has served our regulatory objectives of lifting the standards, professionalism and integrity of the industry, and working with applicants to ensure successful applicants are part of a robust model. We have also needed to ensure successful applicants meet our expectations in the entry certification and border-inspecting sectors."

The process has been run as a project, but the transport agency's provider licensing team will use the new approach and lessons learned from it in the future as a "business-as-usual function".

"The new process has been successful in making sure that a full view of the applicants and their operations is assessed. This will be continued in any future application assessments."

Haridman says seven companies applied for light-entry certification, with each one assessed on its own merits and how they manage their operations.

Essential to avoid complacency

More operators in the automotive industry may suffer from a loss of income and higher costs if New Zealand is forced to continue shifting between Covid-19 alert levels.

That's the warning from the Motor Trade Association (MTA) with Auckland still in a level-three lockdown and the rest of the country in level two as Autofile went to press on March 4.

"Generally, it is frustrating for businesses to have to deal with bouncing between the levels like this," says Tony Everett, sector manager – dealers.

"However, we recognise the fine line the government must walk between keeping businesses running and protecting the public health of the community.

"These lockdowns affect staff attendance and impact on customers with loss of income and unexpected family duties, which can mean vehicle-servicing appointments are cancelled or sales fall through.

"While the industry bounced back from last year's major hit, if we have too many small periods of up and down we may see businesses overwhelmed by extra costs and loss of work. It's imperative the community pulls together and sticks to the plan to get through this pandemic."

Everett says the car industry has shown remarkable resilience to date, and has demonstrated an ability to maintain activity while doing so in a careful and controlled manner.

He adds it is essential for complacency to be avoided. "You and your team's prime concerns must be their own welfare. There is no room for the old adage, 'she'll be right'."

By and large, most businesses are now familiar with work protocols and compliance requirements, with "we've got lockdown locked down" being one comment made to Everett.

His advice is to follow prescribed protocols and stay safe. "We ask our members to be conscious of pressures these situations place on staff and recognise they might have issues to address in their personal or family lives.

"Job security isn't good in other sectors, such as hospitality, and income or job losses might be on the horizon for some. If in the unfortunate situation your business is identified as a Covid-19 'place of interest', follow public-health instructions closely – particularly around public tracing.

"You and your team's prime concerns must be their own welfare. There is no room for the old adage 'she'll be right'."
– Tony Everett

"Keep your team tight and together. Meet regularly and allow people to talk about issues. Recognise everyone is under pressure to some extent or another, and watch out for customers who don't follow instructions and choose to step over or around barriers."

The MTA, Imported Motor Vehicle Industry Association (VIA) and Motor Industry Association have been kept busy advising members through the coronavirus crisis.

VIA, for example, has highlighted what the government is offering in financial and other forms of support to businesses in an email alert to its members.

The measures include support for employers of people connected to Auckland's coronavirus cases, resurgence support payments, the leave support scheme and wage subsidies.

Then there is the business finance guarantee scheme, business cashflow and tax measures, small business cashflow loans, insolvency relief for businesses, a commercial lease dispute service and the apprenticeship boost initiative.

Marques gear up for 'clean car' talks

The Motor Industry Association (MIA) says targets for the clean-car import standard (CCIS) will be impossible to hit as being proposed.

The government plans to enact what's also known as the fuel-economy standard from 2022, with charges being imposed on importers who miss their goals in 2023.

The aim is to substantially lower average carbon dioxide (CO2) emissions from light vehicles entering the fleet by 2025.

But even with penalties being reduced until that year, without incentives the targets "will be impossible to reach and with incentives it's likely they still will not be reached", says David Crawford, chief executive of the MIA.

He notes the CCIS imposes two goals. "These are a passenger-vehicle target of 102 grams of CO2/km by 2025 and a light-commercial vehicle target of 132gCO2/km by 2025. This is a 40 per cent reduction between now and end of 2025."

While the target for light commercials may seem the easier of two to hit, Crawford says this isn't the case because "it's probably the more difficult due to lack of technical solutions for utes between now and 2025".

New-vehicle distributors will meet in mid-March for detailed discussions on the CCIS' policy settings.

"We will be liaising with officials and the Minister of Transport on impacts once we have a better understanding of the likely rate of model-mix availability between now and 2025," says Crawford.

"It goes without saying that the ability to swap out models for lower-emissions alternatives in the next four years remains the most serious impediment."

As reported in the February issue of Autofile, the Imported Motor Vehicle Industry Association fears the proposed CCIS will bring major disruption to businesses, but deliver few gains in hitting environmental targets, push up prices and limit model availability.

The Motor Trade Association says the standard may make motoring more expensive, keep older vehicles on our roads for longer and put jobs at risk.

Meanwhile, consultation on the Climate Change Commission's draft advice to government has been extended by two weeks until March 28. It includes banning sales of vehicles with internal combustion engines from at least 2035 and advocates for electric vehicles to account for more than half of imports by the same year.

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Drive towards agency model

Honda dealers are going through change as the marque revamps its agency model network.

The company's 17 independent agents and seven branches will start to shift to one of three business models from May to operate as stores, service stores or authorised service stores as it prepares to launch an e-commerce platform for direct vehicle sales.

Nobuya Sonoda, managing director of Honda NZ, told Autofile talks with dealers about the overhaul, which is designed to improve the buying process, are continuing.

"We've sat down with our independent dealer agents to brief them on the changes, including what this means for them and us.

"Any change of this nature will always pose a disruption to our agents, which is why we are talking with them about this, including the three store options we are looking to introduce. This is an ongoing process and we will be in a better position to share more detail in coming months.

"The changes are about actively managing our operations to ensure they are fit for the future and reflective of Honda's long-term commitment to continue investing in our people, operations and communities. This is an exciting opportunity to shape our future in the interests of customers."

The immediate changes relate to Honda's entire network of agents and branches. It is hoped the three-tiered retail structure will allow branch and independent agents to continue to operate under a "one-team strategy".

Honda NZ launched its Nelson concept store in November 2020

Nobuya Sonoda

The marque says the shake-up will enable people to buy vehicles directly from Honda, either in-store or online.

Its stores will allow clients to experience and buy new vehicles. Any sale will be directly with Honda NZ, not an independent agent, and customers will receive full servicing, and genuine parts and accessories.

The service stores will service the marque's vehicles. They will also feature demonstrators and an appointed brand ambassador authorised to sell Hondas.

Finally, the authorised service stores will be able to service vehicles using only genuine parts and accessories.

Sonoda-san says Honda NZ was contemplating a restructure of its network before Covid-19's arrival although the pandemic has accelerated the changes.

While the company has main cities covered, the new arrangements are being designed to encourage agents to expand servicing and sales into other areas.

Honda NZ, which has a "price promise" of no negotiation and no discounting, also recognises a need to recruit a new generation of buyers, many of whom have moved online.

The company saw rapid growth in online purchases last year when the country was hit by lockdowns, while buyers increasingly expect to be able to buy cars directly from manufacturers via online platforms.

"The changes are simply about Honda introducing an e-commerce platform that allows customers options to shop online if that's what they want," explains Sonoda-san. "It won't take away the importance we place on in-store service and hospitality. That remains a priority.

"The purpose is to bring Honda NZ closer to our customers and give them a greater purchasing experience through our 20-years-plus unique 'price promise values' of fairness, transparency and hospitality."

Details about which roles existing dealerships will fulfil remain under wraps until nearer May's transition, as is more information about Honda's online offering.

However, Sonoda-san expects the network's size to largely remain the same and says dealers have shown a "general understanding of the rationale" behind introducing the store concepts.

"There's already an awareness of other brands making changes, which are not altogether different. Importantly, we are continuing to talk through the changes and next steps with our agents. Our relationships with them are important to us as they have served the brand well over many years, for which we are very grateful."

Sonoda-san says only time will tell if the agency model delivers a greater share of the New Zealand market. He adds there are "many differences" to Toyota NZ's Drive Happy Project, which was rolled out a few years ago and saw Toyota shift to an agency-based system with fixed prices.

Honda NZ introduced its own "price promise" in May 2000 and Sonoda-san notes this has been a key component for its loyal fan base.

"There are many differences to the Toyota model. The major difference is that our 'price promise' is one fair price for all customers."

Odo-check changes

AA Motoring has signed up Jacanna and Bordercheck as providers of odometer verifications.

The announcement comes after the organisation announced in December that it was ending an exclusive arrangement for Japanese imports with JEVIC so it could also work with other companies.

Jonathan Sergel, the AA's general manager of motoring services, is delighted to have Bordercheck and Jacanna on-board in addition to JEVIC.

"By offering a further two options in this space, dealers now have significant choice for this process and the ability to make the right commercial decisions," he says.

The new partnerships come ahead of the launch of the AA's preferred dealer network, which is due to take place this month.

A key part of the network is the requirement for dealerships to have AA odometer-verified window stickers on newly imported vehicles.

"These new partnerships will mean more quality dealers will be able to potentially join us," says Sergel.

Businesses wanting to join the network need to sell a minimum of 80 per cent AA-appraised used vehicles. They must also have tidy premises and a customer-first mentality, while freshly imported vehicles will need to have gone through entry compliance with the AA.

Dealers had until mid-December to make an expression of interest to join the AA's network, which is free to join.

Great companies understand loyalty

SMARTLOYALTY

Relationships are everything in the current automotive environment. The loyalty programmes that have the most impact leverage relationships – not rewards – to achieve their goals.

Whether you are looking to incentivise customers or staff, effective automotive-focused loyalty programmes provide companies with a powerful engagement tool and a sustainable competitive advantage.

It's not a case of 'one size fits all'

By leveraging digital technology such as mobile apps, companies can serve customised behavioural targets and relevant content to different audiences. Personalisation is a key ingredient in reaching and engaging recipients of a loyalty programme.

Significant research has been conducted on the effectiveness of cash versus non-cash rewards as motivators for loyalty. It has been proven that non-monetary incentives play a psychologically different role when compared to remuneration, bonuses or commissions.

The right blend of compelling hard benefits – such as earn rates, points, discounts and deals – and bespoke soft benefits, like personalisation, recognition and relevant information, are critical to creating success in your loyalty strategy.

Carefully designed programmes connect with and address the needs of the people who matter.

Design for change

Understanding your audience is key to driving success. Whether it be existing or new customers, your staff or your customers' employees, knowing how to best communicate with these stakeholders requires a strategic approach.

What might work extremely well for one business might not work at all for the next, so the right strategy, content and tone of communication is crucial from the outset.

The long-term success of an effective loyalty programme requires an iterative approach to develop and respond to ever-changing conditions. The ability to split incentives among individuals, stimulate competition via leader boards or unite a team toward a common goal are just a few options to consider.

There are many ways to design a programme specific to your business. But, above all, the platform must be adaptable and flexible to move and evolve alongside inevitable change.

Flexibility and power of choice

Covid-19 serves as a reminder of how swiftly things can change. Sales targets were suddenly rendered pointless throughout much of 2020 and businesses were forced to refactor their customer strategies in a matter of days. Some of the best brands across the world used their loyalty platforms to not only communicate with customers but to also support them in a time of need. During New Zealand's first lockdown, for example, Smart Loyalty provided its members with the ability to spend their points on a selection of business essentials like food bags, medical supplies, and alcohol. The concierge reward service that enables this meant that members of its various loyalty programmes could access additional support at a time when they needed it most - loyalty at its best.

Mike Pratt
Commercial Director

"Great companies and great loyalty programmes have purpose beyond just points and profits."

PART OF MARQUE GROUP

Authenticity over everything

Authenticity in communications is now more important than ever – an overloaded customer or staff member doesn't want just another generic message.

Your loyalty programme is not just about sales, it's about making sure you put your stakeholder relationships front and centre.

Great companies and great loyalty programmes have purpose beyond just points and profits.

Let us show you how loyalty can help create exceptional relationships with your stakeholders.

Visit smartloyaltyhq.com

Mobility options in lockdown

Data from hundreds of owners of electric vehicles (EVs) in New Zealand shows that we are using our cars less now, even well after the easing of last year's lockdown periods prompted by Covid-19.

For nearly all of April 2020, only essential workers could drive as normal, while families and businesses were only allowed to make local trips to get provisions or medical care.

So it's unsurprising that travel during that month by EV owners signed up to Flip The Fleet was just under one-quarter – or 22 per cent – of the kilometres clocked up in April 2019. In normal conditions, EVs average 1,210km per month with the uncertainty band being 1,170km to 1,240km.

Schools partially reopened during alert level three, but people had to work at home if possible. When Auckland went back into level-three restrictions for the last half of August, the average distance travelled again reduced and this time to 60 per cent of previous levels.

While these limitations were painful for many families and businesses, there were some silver linings to the shock.

These included families spending more time together, the air in our cities being cleaner, reduced average driving speeds because of more local and town motoring, the easing of traffic congestion and fewer road accidents.

It was great to see people out walking and biking during lockdown, while the health benefits will have saved New Zealand millions of dollars for months to come.

Henrik Moller, co-founder, Flip The Fleet

Some of us may have changed our mobility patterns in more lasting ways. Outside Auckland, post-lockdown average monthly travel was down from pre-lockdown in January and February. In September 2020, there was an eight per cent reduction compared to September 2019 with the uncertainty band being four to 13 per cent.

To some degree, we have been working more from home even though our offices have once again fully opened. We have learned to substitute remote ways of meeting via the internet. For some there has been a reawakening to a better work-life balance, including avoiding long and unpredictable commutes to and from the office.

Flip The Fleet will watch to see if these new mobility patterns last.

Certainly, reduced car use persisted for four months after all but Aucklanders were released from travel and gathering restrictions last year.

It's unknown if people have now switched to using public transport or are continuing to walk and bike more, rather than defaulting to automatically using their vehicles like they did before the coronavirus lockdowns.

It is important that we find out what has changed and why because this may show us what we can do to maintain the pattern and encourage even more people to park their cars when practical and convenient travel alternatives exist.

Flip The Fleet calculates that the average EV owner reduces greenhouse gas emissions by just over 2,000kg of carbon-dioxide (CO_2) equivalent per year and, at the same time, saves just over $2,000 in vehicle running costs.

Why not get paid a dollar for every kilogram of CO_2 you avoid emitting?

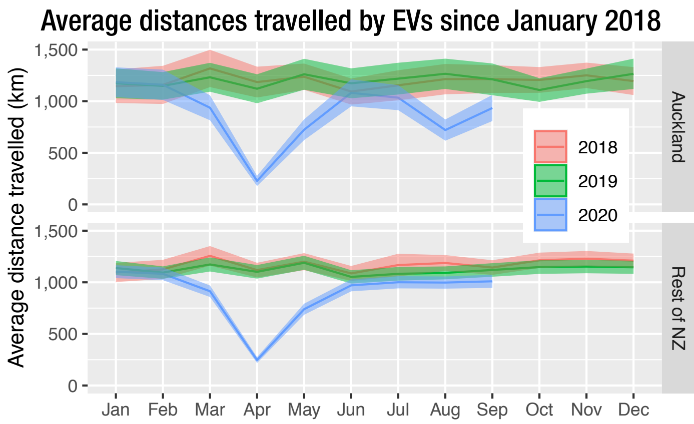
And there are other bonuses. For example, EVs provide a comfortable ride and – for your "inner bogan" – a thrilling performance.

Switching to EVs from those with internal combustion engines (ICEs) is an important and cost-effective first step to reduce the risks and costs of climate change for us and our children.

More fundamentally, however, we need to make and maintain fewer vehicles and drive them less, irrespective of whether they have ICEs or are EVs.

The more we can use car-sharing schemes, public transport, our bikes and "te waewae express" – getting about on our feet – the better we will all be.

I hope that the Covid-19 lockdowns have given us a shake-up and glimpse of new mobility options that are better for our lifestyles, the economy and our environment.



The coloured bands in this graphic show the 95 per cent uncertainty bands around the average monthly distances as estimated by Daniel Myall's statistical modelling of data Flip The Fleet has. The whole of New Zealand went into Covid-19 alert level-four lockdown on March 26, 2020. Restrictions on movement were then eased back to alert levels three, two and one from April 28, May 14 and June 9 respectively.
A second coronavirus outbreak triggered a return to alert level three in Auckland, and the rest of New Zealand to level two on August 12, before each were then stepped down a level on September 21.

Henrik Moller is a retired sustainability scientist. Additional research by Daniel Myall and Dima Ivanov.

Marque making the switch

Jaguar Land Rover (JLR) is aiming for its luxury Jaguar brand to be all-electric in five years' time and to launch electrified models of its entire line-up by 2030.

The company, owned by India's Tata Motors, also wants Land Rover to launch six pure electric vehicles (EVs) by 2025 with the first expected to be released in 2024.

Jaguar and other luxury marques are grappling with the transition to EVs while trying to retain the power that combustion-engined models are renowned for.

JLR says it will keep all three of its UK plants open as part of its new electrification strategy.

It plans to spend about NZ$4.8 billion annually on electrification

technologies, connected vehicle services and developing hydrogen fuel cells with prototypes using this technology slated to be on British roads within the next year.

Pressure is growing on carmakers worldwide to meet tough carbon-dioxide emissions targets in Europe and China.

Bans on the sale of new petrol and diesel cars are also looming in some jurisdictions, with the UK planning to outlaw them by 2030.

Bentley Motors, which is owned by Germany's Volkswagen, aims to be fully electric by 2030, while General Motors harbours similar ambitions for 2035.

Industry movers

MURRAY STEVENS has joined Avanti Finance as its South Island regional manager for automotive sales.

He has been associated with the motor-vehicle industry for more than 20 years, initially as a business manager for franchised and non-franchised dealerships.

For the past 15 years, Stevens has been involved in all aspects of vehicle finance, including floorplans and bailment facilities.

NICOLE BOTHERWAY has been appointed senior manager of safer vehicles at Waka Kotahi – the NZTA.

She has taken over the role from Neil Adams, who is retiring. She is leading much of the regulatory compliance work being done with inspecting organisations and vehicle inspectors.

Botherway, who is based in Hamilton, joined the agency as general manager of its regulatory services office in January 2020. Her career has strong regulatory emphasis with senior roles at NZ Post and Waikato Regional Council.

KRISTIAN AQUILINA is now managing director at Cadillac's international operations and Cadillac Middle East based in Dubai.

He was previously chairman and managing director of GM Holden, and headed up Holden NZ from 2015-18.

Aquilina says his time at retired marque will always be "an important part of me, the lion's legacy will endure and everyone involved with Holden can be very proud".

DAVID COLWELL has taken over as chief executive officer of Cox Automotive Australia and New Zealand from Rob Whitten.

Colwell, pictured, joins the company most recently from Inchcape, where he was global business development director based in London.

Martin Forbes, president of Cox Automotive International, says: "David's global experience in automotive will stand him in great stead to lead operations through the next chapter of growth and success."

Whitten, who became CEO at Cox Automotive for Australasia in 2017, is retiring from working in a full-time executive capacity.

STEVE PRANGNELL has been appointed as general manager of new-vehicle sales at Toyota NZ.

In late 2018, he had been in new-vehicle sales for the marque about 12 years before becoming general manager of sales and operations. Prangnell has been with the company since November 1983.

MELANIE TEMPLETON is now an independent director with MTF Finance.

Templeton's executive roles have included interim group executive, general manager and head of marketing with RaboDirect Australia and New Zealand.

She is currently chairwoman of PledgeMe Ltd, an independent director for Xerra and sits on Inland Revenue's independent risk and assurance committee.

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

Man from AA takes on industry policy role

Mark Stockdale says his extensive experience in the transport sector will stand him in good stead for his new position with the Motor Industry Association (MIA).

Mark Stockdale

Stockdale worked for the AA for 16 years, most recently as principal adviser, and joined the MIA as its full-time principal technical adviser on March 1. He was previously executive officer at the Bus and Coach Association for nine years.

"I've worked in the transport sector for nearly 25 years, particularly in the policy area, so I have plenty of knowledge of legislation, regulations and rules, doing analysis, preparing submissions and advocacy," he told Autofile.

During his time at the AA, he worked closely on various policy issues with the car industry.

One of his proudest achievements at the AA was his commentary on fuel prices to educate consumers of the proportion of the petrol price that is tax, which comes in at more than $1 per litre. "There is now a greater public awareness of the big role this has on dictating the retail price."

Another highlight was, after assessing the evidence, supporting the review of the frequency for warrants of fitness. This resulted in annual inspections for light vehicles built from 2000 onwards.

He cites a notable moment with the AA as years of advocacy for service stations to display the price of premium-grade petrol on roadside boards finally coming to fruition following the recommendation in a Commerce Commission inquiry, "itself something the AA wanted for several years".

"This is a relatively minor change for servos, but will have a big impact on many motorists who have no choice to buy premium grade. It should bring to an end the days of servos charging an extra 30 cents or more for premium, which could never be justified."

Stockdale replaces Leo Mortimer, who held the position on a part-time basis until earlier this year.

David Crawford, the MIA's chief executive, says Stockdale brings an extensive knowledge of transport safety and environmental matters to the role.

Inspection company fined

Vehicle Inspection New Zealand (VINZ) has been ordered to pay more than $500,000 in fines and reparations following a death at its testing station in Hamilton.

The accident happened in February 2019 when a vehicle driven by a staff member was in collision with a customer, who later died in hospital.

A WorkSafe NZ investigation found the company had policies based on the risk to pedestrians on-site, but did not actively implement or enforce them.

VINZ was fined $225,000 and ordered to pay the victim's family $278,885 for emotional harm and losses at Hamilton District Court last month.

Danielle Henry, of WorkSafe NZ, says the investigation identified steps that could and have since been implemented by VINZ.

The company attended the sentencing hearing on February 18 after previously pleading guilty to breaching sections of the Health and Safety At Work Act.

Sean Stevens, chief executive, says: "VINZ accepts the outcome of the court process in relation to what was a tragic accident."

WorkSafe NZ has established new guidelines relating to site traffic management that are available on its website.

Keeping clients key to success

In relation to selling vehicles, our industry predominantly operates in a reactionary nature with a sale starting from an enquiry.

Enquiries are what drive volumes – the more enquiries the more sales, the less enquiries the lower the sales result.

Such a strategy does work, but sales teams have to work harder as every buyer needs to be "sold" to – the salesperson needs to build a rapport with the customer before selling the car and finance.

We all know and understand that repeat purchases from existing clients form the pinnacle of the business. They provide more gross margin, normally higher finance penetration, trade-ins and servicing.

Yet, repeat purchases are generally not a high proportion of a dealership's sales. It's important we understand why this occurs and consider methods and changes that can be implemented to help respond and lift the percentage of repeat purchases.

Our sales team and processes are generally trained, and have the skills associated with the conquest sale – the enquiry comes in and the process starts.

We are reactionary in nature with marketing strongly designed around attracting customers, not maintaining existing relationships.

If we want to increase the percentages of repeat buyers and repurchases across our industry and in individual businesses, we need to consider implementing some or all of the following suggestions.

POINT OF RESALE

It's important to remember whatever you do at the point of sale affects the resale.

The sale process is not only important to the initial transaction. How customers perceive this process and the delivery of the vehicle has a significant impact on whether they give the dealership the opportunity for their next purchase.

Ensure the process goes smoothly for buyers. Negotiations are not stress tests for them and they buy packages they are really after – that's to say, the vehicle, options, finance and delivery.

OWNERSHIP CYCLES

Most people finance their car purchases. Even if this isn't done through a trader, they generally get finance via another source.

What dealerships don't normally do is understand how long people tend to keep their vehicles. Most have a preferred ownership period, which could be three years or is increasingly becoming five or six.

The dealer needs to understand the ownership cycle and help finance the car for that period. In this manner, we then understand customers' ownership cycles and help them through that.

TODD FULLER
General manager
AdTorque Edge NZ

Consider the situation when the buyer is put on a five-year loan when his or her ownership cycle is normally three years.

It may have sounded like a great "deal" to the customer and trader at the time, but the reality is the buyer was being set up to be disappointed. After reaching the normal repurchase time, the client would in all probability be in negative equity.

Now consider the scenario where the customer has a five-year cycle and the finance period was for that period. This is generally an easier process for the dealership and buyer in putting the latter into the vehicle he or she wanted and when it was needed.

MARKETING TO BUYERS

Ask yourself this question – how well does your dealership stay in contact with its customer base?

When we say this, we don't mean the typical email sent by the dealer to the customer on a regular basis.

Consider how the business stays in touch with the client during the ownership cycle, and then markets services or accessories specifically to that person and his or her car.

It's a good idea to maintain a record of when the finance finishes. Even if it was obtained elsewhere, you should be able to obtain this information.

There are plenty of ways to stay in contact with the customer productively during his or her ownership cycle.

IMPLEMENTING PROCESS

The repeat purchase, or retention process, for a dealer is different to the sales process.

While it's about sales, it requires different skills and processes to the traditional transaction, which starts from a "cold" enquiry.

Why not look into appointing a retention manager, who has the skills and capabilities to implement and manage the process.

Customers can still be passed to the sales team ready to purchase, but until then they should be managed by the retention manager and or that department.

People are always going to purchase new vehicles. The point is whether they are going to repurchase from the dealership they bought their last vehicle from or from somewhere else.

How we handle customers during the initial purchase and the ownership cycle will affect whether they repurchase from you.

Repeat customers require less marketing costs, are easier to sell to, and generally provide a greater return to the dealership and more finance penetration opportunities.

'Most advanced' aerodynamics ever

The GMA T.50 has finally made its debut

Months of fevered anticipation have ended with the unveiling of the first T.50, which features a nod to McLaren's F1 of the 1990s.

The supercar by Gordon Murray Automotive has a limited run of just 100, with production slated to start in early 2022.

The company claims the T.50, which will command a price-tag of NZ$4.64 million, has "the most advanced aerodynamics of any road car".

With a three-seat cabin, mid-mounted V12 engine and light kerb weight, it boasts four separate modes, which increase downforce by 50 per cent, reduce drag by 12.5 per cent and cut 10m off the braking distance from 241kph.

The radical centrepiece of these aerodynamics is the 400mm fan mounted at the rear, which forces air passing under the car through control ducts that form part of the rear diffuser.

Thanks to its carbon-fibre build, the T.50 weighs in at just 986kg, which Murray claims is about one-third lighter than most supercars.

It employs a brand-new Cosworth 3.9-litre aspirated V12 engine producing 488kW of power and 467Nm of torque, coupled with a six-speed manual transmission.

Lightweight forged alloy double-wishbone suspension is used front and rear. Inside, the T.50 has a central driver's seat, flanked by two passenger seats.

The T.50 has been designed as a celebration of Murray's career and promises to be "the most driver-centric supercar ever made". It gets its name from being the 50th vehicle he has designed in his 50-year career.

PURELY FOR TRACK

The covers have been ripped off the Essenza SCV12, a speed machine limited to just 40 units worldwide.

The non-road-legal Lamborghini is underpinned by a mid-mounted 6.5-litre engine tuned to produce more than 619kW, making it the marque's most powerful V12 made to date. Power is delivered to the rear wheels via a six-speed gearbox.

The Essenza features "extreme aerodynamic enhancements" that make it perfect for the track, producing a massive 1,200kg of downforce at 250kph.

At the front of the car, the hood has a double air intake with a central rib, which separates the hot airflow coming from the radiator and channels cold air to a roof-mounted air-scoop. The rear features a fixed wing spoiler and diffuser.

Inside, it is purely track-focused with no infotainment or display screens, racing bucket seats with four-point harnesses and F1-style rectangular steering.

With only 40 examples available, owners of the SCV12 will join a club so they can drive on famous racetracks around the world.

MAMMOTH TOP SPEED

McLaren has revealed details of its latest flagship, the Speedtail, which sports one of the highest top speeds of any production car.

When it was first revealed in October 2018, fans heard it would be powered by a 787kW petrol-electric hybrid powertrain that offered 0-300kph in 12.8 seconds with a top speed of 403kph.

Now the company has revealed more on the dual-power engine set-up, which incorporates Formula E-derived battery technology with a four-litre twin-turbo V8.

The output from the V8 totals 557kW and 800Nm, making it the second-most powerful iteration of the V8 behind the track-bred Senna. Extra power is provided by a lithium-ion battery and electric motor that's able to produce output of 270kW.

That figure is impressive when considering the size of the battery pack, only 1.647kWh, which the brand claims is the best of any high-voltage battery today.

Engineers integrated the inverter and DC/DC converter into the electric drive system. The cells are immersed in an insulative oil that wicks heat away from the cells. Combined output for the powertrain, which has aerodynamic enhancements, is 787kW.

Like the F1, only 106 examples of the Speedtail will be built with a price-tag of about $3.44m.


Lamborghini's Essenza SCV12


McLaren's Speedtail

Carbon dividends help cut pollution

As most people are aware, the end of January saw the release of the proposed clean-car import standard (CCIS) and draft advice to government from the Climate Change Commission (CCC).

Even if someone doesn't understand or agree with the need to tackle global warming based on scientific evidence, legal requirements remain because New Zealand has signed up to international treaties to make changes.

However, if the CCIS and CCC's proposals go ahead as they stand, it appears the government's solutions to reducing greenhouse gases (GHGs) will be piecemeal, unfair and unpopular.

Each industry will have its own regulator, targets and goals. Some sectors, such as transport, are viewed as low-hanging fruit.

Others are being given more time to adapt or come up with their own solutions – an opportunity the automotive industry would have appreciated and the government should have allowed.

Take the CCIS. It's simply not designed for our fleet dynamics. It has been created to force manufacturers overseas to make more efficient vehicles.

We have no domestic manufacturing with most vehicles imported into New Zealand having started life overseas. Importers bid against each other to buy them in source markets.

Consider what will happen when we tell all importers they will get a $3,000 subsidy for importing a specific model. Importers will know they can bid up to $3,000 more for it. The importer loses all incentive and the cost to the buyer stays the same, but taxpayers have funnelled that incentive overseas directly to an auction company.

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

The penalties will be undermined similarly. If importers know a vehicle will incur a $3,000 charge, they will know they can only bid up to what the consumer will pay minus $3,000. The price of these cars will drop at auction.

In both instances, the penalty and credit are offset by respective drops and increases in demand. Feebates, if implemented, will simply double-down on that dynamic.

"Some sectors, such as transport, are viewed as low-hanging fruit"

The new-car industry is a bit different, but not much. New Zealand's brands are just official importers and have little direct influence on manufacturing decisions made offshore.

In their case, parent companies will likely maintain their prices on penalised vehicles and make local distributors absorb the penalties but will raise their prices on subsidised vehicles, thus funnelling those subsidies directly to them.

The fact that a standard has been implemented elsewhere seems to be the only evidence this "evidence-led government" requires. This seems to be acceptable without regard to whether the system is fit for purpose in New Zealand.

There is a real concern about natural justice by prioritising specific industries. Why is it the supply of vehicles is being targeted more aggressively than the supply of meat?

My biggest concern with the current approach is a political one – neither the CCC nor the CCIS address public buy-in. I'm dubious consumers will accept being beaten by sticks, promised more beatings tomorrow and so on for the foreseeable future.

What we are discussing is a plan to make most parts of our lifestyles more expensive.

Some goods will be replaced with low-carbon alternatives. I can change my gas barbecue with an electric one, but for many people there may be no near-term alternatives.

There is a solution that is sparking significant discussion overseas and that's a carbon dividend. It's a tax based solely on the price of carbon on all fuels and goods that produce emissions during their manufacturing or production.

This tax, however, is periodically refunded in its entirely back to voting-age residents and citizens.

The dividend has all the benefits of a carbon tax. These include the surgical targeting of emitters, administrative costs estimated to be 10 per cent that of a CCIS and simplicity because the only lever is the price of carbon.

Unlike a carbon tax, the dividend is not regressive. Poorer people consume the least and those who consume the least benefit the most from the pay-out.

The dividend is also not dependent on a multitude of piecemeal standards. It's fair because every industry is included and penalised equal to the amount of GHGs it emits.

It would even, in fact, replace the emissions trading scheme.

The public would benefit from efforts to reduce GHGs.

Even when costs are passed back to the consumer, the latter is ultimately repaid but industries are not. The only way for industries to mitigate costs is to cut their GHG emissions.

I recognise there is an effort with the CCIS' approach to force changes with as few sticks as possible. In some cases, such as with electric cars, even a few carrots are being proposed.

But hiding the penalty is only going to make the public blame distributors of goods or services, not policies that are driving up prices. Or, even worse, the public will blame distributors and not their own personal choices or behaviours.

The approach now being taken uses economic penalties in a way that will be solely borne by New Zealanders to force them to change their behaviours.

The month that was... March

March 2, 1998

Importers take on distributors

War appeared to have been declared between importers of used Japanese cars and new-vehicle distributors.

Nissan and Toyota had sent legal letters to a number of dealers known to be bringing in and selling stock manufactured after January 1997.

The dispute was made public when Auto Court, of Dunedin, revealed the contents of a letter it received from Nissan NZ threatening action unless it stopped selling the marque's near-new cars.

The distributor offered to buy a 1997 Terrano Regulus and other qualifying Nissans that Auto Court had on-site for the lower end of the brand's assessment of the wholesale values or actual direct costs of importation.

Rick Armstrong Motors in Christchurch also received correspondence from Nissan and Toyota following the sale of about 70 near-new vehicles from its yard. Both dealerships said they were not going to accede to the distributors' demands.

The Imported Motor Vehicle Dealers' Association said eight members had received letters from distributors and chairman John Nicholls said it was backing them.

"We believe the overall circumstances by which these vehicles arrive in New Zealand require careful study by the government," he added.

March 11, 2005

Industry still waits and waits

Concerns were mounting across the industry as Land Transport New Zealand (LTNZ) continued to delay its decision on roles in its proposed entry-compliance regime.

For months, transport service delivery agents – VINZ, VTNZ, On Road and the AA – had kept plans on hold while they awaited confirmation on the way forward.

The announcement was due in October 2004, but the earliest it could now come was at LTNZ's next board meeting on March 24.

Chris Drake, VINZ's chief executive, said although he could understand the need to make the right decision, it had been "very unsettling" not knowing what the future held.

"It's very disappointing they've been unable to reach a decision," he added.

Stella Stocks, general manager of technical services at the AA, agreed. "We need a decision because the continuing delays are affecting the industry commercially."

LTNZ spokesman Andy Knackstedt said: "The board is aware of the high level of interest in its decision among industry groups. A sub-committee has been established to allow deliberations to continue without the time constraints of a full board meeting."

March 20, 2000

Rover dealers face uncertain future

Franchise holders were poised on a knife edge of uncertainty over selling Rovers in this country following the sale of the parent company by BMW to Alchemy Partners.

The new UK operation, to be called the MG Car Company, said it would continue with Rover's current model range and maintain service to its customers.

The disposal of Rover to Alchemy excluded Land Rover and Mini, which were to be retained by BMW.

Geoff Fletcher, managing director of BMW NZ, said while the company would honour its service commitments to Rover customers, it was unlikely to continue as the agent for the marque in New Zealand.

"BMW hasn't been making money off Rover, so there's no reason for us to stay involved," he added.

While agreeing BMW had committed considerable resources to the Rover brand in New Zealand, Fletcher said it was too early for the full local impact of the sale to be known.

He added any money BMW AG made out of Rover was dissipated by the pound's strong exchange rate compounded by falling sales in Europe.

March 19, 2010

Big is beautiful

Since mid-2008, the Holden Commodore had been the number-one selling vehicle at Turners Auctions for dealers and the public.

And that popularity looked set to continue with the large passenger vehicle taking top spot in the fourth quarter of 2009 and prices still being strong at auctions.

Despite fluctuation in the cost of petrol at the pump and the likelihood of prices again rising during 2010, there was still strong demand for larger vehicles.

"Kiwis generally still like their big cars," said Todd Hunter, chief operating officer of Turners Auctions.

"Prices for these vehicles go up and down because of fuel prices, but prices at auction are still strong for them. There has been an increase in prices in the past 14 to 15 months for larger cars. However, it looks as if there is stability in the market now. People are extending their leases and new-vehicle sales are slow."

Stock sold at Turners was ex-lease models bought by dealers and the public, but the company was struggling to source those vehicles.

Moving forward with disruption

My conversations with dealers over the past few weeks indicate the clean-car import standard (CCIS) and Climate Change Commission's draft advice to government are top of mind.

During these chats, traders invariably question how they're going to manage the outcomes from these policies.

However, recognising the nature of a business is all about looking to make the best of the situation and for the angles.

There's not yet enough detail in these two announcements to make big decisions, but there is enough to conclude things in the dealer sector will change.

The key at this stage is to not get too buried in negative thoughts. Perhaps it's better to allow yourself to look for the opportunities and there will be some.

That said, it seems irrefutable that prices of new and used vehicles will increase.

The penalty rates under the CCIS are yet to be fully defined. A previous discussion paper proposed $100 per gram of carbon-dioxide emissions for new vehicles and half of that for used imports. More recent speculation suggests it might be closer to $50 and $25 respectively.

You also need to recognise that electric vehicles (EVs) are expensive options right now and "price parity" is still a long way off.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

A recap on some experts' past predictions suggested parity would already be here. It's funny how these things typically slip outwards. Some pundits are now saying parity may not arrive until around 2027.

CCIS credits and rebates will help close the gaps, but we're still unlikely to see a $25,000 electric car anytime soon, unless there is a significant technological breakthrough.

EVs are also expected to be in short supply for many years, so even if local demand existed supply might not.

On that basis, vehicles with internal combustion engines will remain the dominant part of our market for a while, so CCIS penalties won't be offset by credits. The residual will have to be passed on in the form of price rises.

Periods of price change can make trading easier because astute operators will be second-guessing future values and be willing to take a punt on trade-ins that might not have made sense previously.

And traders are the best placed to know values. The consumer sector is usually slower to pick up and react to trends.

As a case in point, I was interested to hear a story from a dealer only a couple of weeks ago on his eagerness to accept a buy-back from an unhappy client albeit it on agreeable terms because he knew he could now sell that same vehicle for quite a bit more.

Some traders are saying it might now be time to call it quits. This is perhaps a natural and unsurprising reaction, but any disruption in the industry always opens some new doors. Life will go on, albeit in a slightly different way.

If you currently specialise in medium to large vehicles, SUVs or people movers, will you have to diversify into hybrids and EVs to earn a few credits? If you don't, will your competitors have a pricing edge? These are the types of questions that will arise in the future.

The nagging question in my mind is whether the government's CCIS plans will achieve the desired result or are they window dressing to look like something is being done?

Industry-supplied new and used vehicles will quickly increase in price, but other travel options – such as better public transport and cycleways – won't develop as fast.

Without alternatives, many buyers will look to the existing fleet for replacements and will face risks when purchasing in the private market with no Consumer Guarantees Act protection.

As many other industry commentators have already said, perhaps it might be better to manage all this through a fuel tax with such proceeds used to directly subsidise electrified vehicles.

If you spend a bit of time playing with the numbers, you will be surprised at the possibilities.

A fuel tax could be implemented much more quickly without the two-year lead time and have immediate effect on the whole fleet – not just the 300,000 or so annual incoming volumes.

As we have seen in the past, fuel prices can have an immediate effect on consumer behaviour. That seems like a much easier plan from where I'm sitting and, perhaps, for most dealers as well.

Redesign creates 'unified identity'


The 2021 Ghibli S Q4 GranLusso


The Levante GranSport


The Quattroporte S Q4 GranLusso

Maserati has renewed its range with the Ghibli, Quattroporte and Levante sporting distinctive model-year features.

The aim of the exterior changes is to give the models "a unified identity by creating a common language".

Also making its debut is active driving assist (ADA). While recognising this as a "valuable asset", Maserati also wants to "remain faithful to its philosophy as a manufacturer of race-bred grand tourers with dynamics capable of an unparalleled driving experience".

It describes ADA as an "evolution" of highway assist introduced in its 2018 model year. Previous versions could only be used on motorways, but it can now be used on all well-maintained roads up to 145kph with adaptive cruise control activated.

The system employs a radar and forward-looking camera, and works with electric power steering to control direction.

The multi-function camera detects horizontal road markings, and then calculates the distance and speed of the preceding vehicle, while highway assist includes a radio to provide road information and hands-on-wheel detection that the driver can override.

Back to those exterior design changes. The Ghibli's updated front grille is now characterised by Maserati's tuning fork. It comes in chrome with GranLusso trim and sportier "black piano" in GranSport.

The transformed rear end includes a new light cluster in what's dubbed as "boomerang design". It is inspired by historic models and features across the marque's 2021 line-up.

To emphasise the shape, the clusters have been made with 3K injection moulding technology. Thanks to this, the unit has a three-colour lens – black around the edge, red in the middle and clear in the bottom.

The cluster is produced in two versions – black for "black pack" trims and lighter for GranLusso, and is achieved by varying the colour of the internal upper surround.

Alongside the adaptive full LED matrix headlights, the Ghibli GranLusso's trim boasts chrome front-bumpers inserts, body-colour side skirts, black brake calipers and 19-inch alloys. The GranSport has red brake calipers and 20-inch alloy wheels.

An identifying detail of the Quattroporte in GranLusso trim is its front lower-fascia design with a floating-bridge element and understated splitter rounded off with a chrome bumper finish and body-colour bumper profiles.

The profile incorporates side skirts, while the rear has a retro-reflector integrated in the car's line and body-coloured spoiler.

The Quattroporte GranSport has centre and side air intakes to improve the cooling function.

The bumper's lower fascia is linked to the grille with splits. The back is characterised by a central panel and two cut-outs on the outside edges to focus attention on the exhausts.

The Levante combines "coupé lines" with interior space for five people and aerodynamic efficiency.

The SUV's grille was inspired by the Alfieri concept and pays homage to historic models, such as the Tipo 60.

With GranSport trim, the Levante's side air intakes in the lower fascia are defined by two wings, visually "pushing" the nose towards the front wheels. The side bezel blades and splitter have been styled to improve airflow distribution.

Its wider rear end has a sharper horizontal element and a body-colour lower extractor embracing the four exhaust tips.

"With these models, the imminent arrival of the Ghibli hybrid, a full complement of high-performance Trofeo editions and the all-new MC20 supercar, 2021 is set to be an exciting year," says Glen Sealey, chief operating officer of Maserati Australia and New Zealand.

Extra power across range

From left, the SR5 Cruiser, SR5 and SR grades of the 2021 Hilux

The 2021 Hilux is turning up the heat in the hotly contested utility market with a more powerful turbo-diesel engine, extra capability and a tougher exterior.

The range features a bolder front end on most of its 18 variants, and a 2.8-litre turbo-diesel engine offering 15 per cent extra power and 11 per cent more torque than its predecessor.

The marque has boosted output from the 2.8-litre turbo diesel 1GD engine, which now develops 150kW and 500Nm in variants with the six-speed automatic transmission. Torque with the six-speed manual remains at 420Nm.

Maximum torque is now available across a wider range of 1,600-2,800rpm for the automatic and 1,400-3,400rpm with the manual.

Toyota has improved performance and fuel economy by adopting a larger, heavy-duty turbocharger with a ball-bearing cartridge for strong throttle response, and a new common-rail injection system with a higher maximum fuel pressure.

Higher outputs in the 1GD engine have been supported by a redesigned cylinder-head gasket, strengthened block, new pistons, and new exhaust manifold and gasket materials.

Fuel consumption in diesel 2021 Hilux variants is up by 11 per cent on outgoing models with carbon-dioxide emissions dropping by five per cent.

On the SR, SR5, and SR5 Cruiser, normal drive mode is supplemented by two extra modes.

The "eco" setting reduces throttle response in favour of fuel economy and cuts power consumption for heating and cooling, while "power" mode provides sharper acceleration.

Towing remains unchanged at 3,500kg maximum braked on diesel models and 2,500kg on WorkMate models.

The 2021 Hilux retains its full range of electronic braking and traction-control technologies, emergency stop signal, reversing camera, seven airbags and reminders for all seatbelts.

All variants have Safety Sense. This package includes a pre-collision system with autonomous emergency braking for vehicles, pedestrians and cyclists, dynamic-radar cruise control, lane-departure alert with yaw assist and road-sign assist.

In addition, the SR5 and SR5 Cruiser gain front and rear parking sensors. When the system detects objects, it alerts the driver with a buzzer and a message on the multi-information display.

Pricing starts at $28,990 for the automatic 2WD 2.7P WorkMate single cab and tops out at $58,990 for the 4WD 2.8TD SR5 Cruiser double cab.

Back with black

Ford NZ has secured a limited run of the Ranger Wildtrak X with upgrades over the standard model.

These include a black nudge bar, a 20.5-inch slimline LED bar, 18-inch black alloys with 35mm offsets and wheel-arch flares now in ebony black.

Also in black are the side steps, front grille sabre accent "nostrils" and rear sail plane.

And the roof rails, box rails, lower front-bumper insert, rear bumper, headlamp bezels, mirror caps, fender features, and door and tailgate handles are all finished in – yup, you've guessed it – black.

In addition, there are illuminated scuff plates for the front doors and unique seat materials with accent colours.

The addition of the Wildtrak X, which is priced from $75,490, builds on Ford NZ's fresh arrivals for this year.

With the FX4 MAX, updated X, and introduction of the bi-turbo and 10-speed transmission XLT, Ford believes the Ranger is strongly positioned to maintain its market leadership in 2021.

Hard road brings rewards

Resilience, loyalty and sheer speed – Brendon Leitch is putting last year behind him and making plans for international racing.

Driving his favourite Toyota Racing Series (TRS) single-seater, Leitch stormed to a four-from-four victory in the new Formula Open category at the Skope Classic meeting at Ruapuna near Christchurch last month.

"The FT-50 is great and it took me to some great results in the TRS. I loved getting back behind the wheel of that car again."

Brendon Leitch

Leitch racing in the ITM FT50 at Hampton Downs in 2016. Photo: Bruce Jenkins

Leitch's all-conquering Skope result comes hot on the heels of a hard-fought sixth place behind his brother Damon at January's New Zealand Grand Prix.

Hampered by a hand injury picked up in a previous race, he still duelled with eventual winner Shane van Gisbergen over several laps as the latter charged through the field after starting in the pits.

"The grand prix was epic and I had a fantastic battle with Shane," Leitch, of Invercargill, told Autofile. "It was good to get behind the wheel of a single-seater again."

By contrast, his weekend in Ruapuna didn't start well.

"We got there on the Friday and the car would only run on three cylinders in the practice sessions. Things didn't look good but some help from [Toyota Gazoo Racing category chief] Nico Caillol got the issue sorted and I went out and qualified second on some pretty old tyres."

> "You choose between the hard way and the easy way. The hard way offers the greater reward"

The new Formula Open category has been established to give competitive late-model single-seaters, such as the classic Formula Pacific-Atlantic cars, Formula Renault racers, and the TRS' FT-40s and FT-50s a place to race.

The Skope weekend became a TRS reunion with Leitch, TR 86 champion Tom Alexander and TRS stalwart Sam MacNeill among those running the series' cars.

"Every race was a battle. The FT-40s have less aerodynamic and lower drag, so they were very fast off the line and into the first corner. It became a matter of getting in front of Tom and Sam, and then hunting down the lead."

All four Skope races were rolling starts. This meant Leitch had to be quickest to react and chase down the older FT-40s, which he generally achieved within the first lap.

"The battles were awesome. We had to work hard to get past the FT-40s and Tom never gave up. We were pushing each other onward."

Fastest laps in each race were shared between Alexander and Leitch, with the latter posting the overall fastest lap of the weekend – and thus a class-lap record – of 1:19.912 for the 3.033km Ruapuna circuit. His time was almost two seconds quicker than that of the fastest Formula 5000 cars present.

Brendon Leitch rose through karting and stepped up to Formula Ford in 2009. He arrived in the TRS in 2014 having finished second overall in Formula Ford the previous year.

In that first TRS season he ran with Nelson-based Victory Motor Racing. He was 16th in a field of 24 that included his brother Damon, Nick Cassidy, F1 world champion Nelson Piquet's son Pedro and a raft of ambitious young internationals.

The following year, Leitch stepped up to an FT-50 and the wins started to come.

He was third overall in 2016 behind Lando Norris and Jehan Daruvala, beating Pedro Piquet and Ferdinand von Habsburg in the process. British driver Norris went on to race in Formula 1, joining the McLaren team in 2019.


Brendon Leitch with this parents Barry and Marguerite in 2016. Photo: Bruce Jenkins


Leitch in Formula Open category at the Skope Classic at Ruapuna in February. Photo: Terry Marshall

In 2017 – again racing an FT-50 with Victory Motor Racing – Leitch won by a record margin at the Taupo TRS round. He scored two other podiums, one pole and one fastest lap.

Stepping away from TRS in 2019, he was second overall in the Lamborghini Trofeo Pro-Am series.

Across all non-kart categories, Leitch has competed in 199 races with 12 wins and 46 podium finishes. He has set fastest laps nine times and started from pole on seven occasions.

The Southlander is as adept at endurance racing in sports cars and tourers as he is in a single-seater.

When Covid-19 struck last year, he was on the verge of announcing a major northern hemisphere drive, a career step that the pandemic cancelled.

In the sudden silence as championships around the world were halted, Leitch thought he might have faced early retirement. A qualified mechanic, he says he could have given up his international aspirations.

"That was a hard time to deal with. I had to draw deep on my passion and determination to come through, but I think you choose between the hard way and the easy way. The hard way offers the greater reward."

The support of long-time sponsors Deb and Martin Day – the couple behind Leitch's ITM sponsorship – have helped him through.

"They have been amazing. They came on-board in my early TRS years and we've worked together ever since."

Leitch is still a-buzz with his Skope performance. It was the first time he had raced at the big southern weekend. In fact, it was the first time he had been there since he was 11 years old and helped put a crash-battered Porsche back together.

He is now on the rebound after coronavirus wrecked his plans to race in Europe last year. Although his planning for 2021 has yet to be finalised, there are strong indications this will be a fast and busy year for Leitch.

Paddon pulls out of rally across the ditch

New Zealand's Hayden Paddon has withdrawn his entry for the opening round of the RSEA Safety Motorsport Australia Rally Championship in Canberra this month.

He was to have switched from his locally built AP4+ Hyundai i20 to drive an i20 prepared to international R5 regulations.

The withdrawal has come as a result of Covid-19 border restrictions between this country and Australia.

Paddon was faced with committing to his New Zealand Rally Championship campaign and a one-off outing across the Tasman


Hayden Paddon in action at the 2019 Eureka Rally in Australia

that would have meant he couldn't be back here and ready to race until June or July.

"It's disappointing," he says. "While we could get to Australia, current travel restrictions would then have meant we wouldn't be able to get back into New Zealand until July, missing the first three rounds of the NZ championship."

The Canberra event has special significance for Paddon. Although he hasn't contested it before, he was a spectator there 20 years ago and watched Kiwi legend Possum Bourne win in a Group A Subaru Impreza. Bourne led home a top 10 that also included two other Kiwis, Geof Argyle and Reece Jones.

It's a busy year for Paddon, who will contest the New Zealand Rally Championship in his AP4+ Hyundai i20.

He is the only driver in the world to have driven a current Hyundai World Rally Car, an AP4+ and an i20 prepared to global R5 rules.

"The R5 is a nice car. It has some strengths and some weaknesses compared to the AP4. It's easy and balanced to drive. While there are differences between the AP4 and R5, there are many similarities."

Adjudicator backs consumer's rejection of vehicle because of engine damage

The case: The buyer wanted to reject his Volkswagen Amarok after spending more than $4,000 on repairs and discovering – only a month post-purchase – that it had a cracked cylinder head. The trader disagreed. It claimed the ute had a warped cylinder head that had been repaired prior to it being supplied, and the vehicle had no ongoing defects.

The decision: The tribunal upheld the buyer's rejection and ordered the trader to pay him $27,156.60.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Michael Blampied wanted to reject the 2014 Volkswagen Amarok he purchased for $26,000 from AZN Motors Ltd on May 17, 2020.

He alleged the vehicle had significant undisclosed damage that caused it to overheat and excessively consume coolant.

Blampied said he was told by AZN Motors that the VW had been recently serviced, but he had to spend more than $4,000 on maintenance and repairs soon after purchase.

He wanted to recover the purchase price, and money spent on servicing, diagnosing and repairing the defects.

The trader said the engine had been assessed by two independent garages prior to purchase and both found it had a warped cylinder head, which was repaired before the ute was sold.

The case

Before purchase, Blampied was told by Barnaby Bews, a sales manager at the dealership, that the Amarok had been recently serviced.

On June 13, the coolant-level warning light came on and the ute overheated.

Blampied found no coolant in the system so, suspecting a fault, he took the vehicle to Continental Cars in Newmarket.

It reported the ute hadn't been recently serviced because there was no service record, its oil was dirty and various defective parts would have been identified during a service.

Blampied had the vehicle serviced and replaced the coolant reservoir, water pump, cambelt, exhaust gas recirculation (EGR) valve and its cooler at a cost of $4,871.70.

Five days after the Amarok was returned, it again overheated. He returned it to Continental Cars on June 30. It said the head was cracked and a new engine was needed. Blampied was charged $1,156.60 for that assessment, which included removing the engine.

Blampied then rejected the ute saying it wasn't of acceptable quality under the terms of the Consumer Guarantees Act (CGA).

But the dealer claimed the vehicle was serviced before it was sold, and the water pump and cambelt were replaced. It produced an invoice dated January 17 from All Euro Parts showing the purchase of a cambelt kit and water pump.

And an April 27 invoice, issued by Smales Automotive Repairs, noted the ute had a full service and its battery, rocker-cover gasket, timing belt and water pump were replaced.

AZN Motors submitted Continental Cars' repairs were unnecessary and if Blampied had contacted it before authorising them, he would have avoided that cost.

The dealer also claimed Continental Cars misdiagnosed the damage. It said the engine had been assessed by Marsh Motorsports and Taylor Automotive pre-purchase, and they found it had a warped cylinder head. It added the engine was repaired and there were no ongoing defects.

The finding

The trader's evidence showed the vehicle had been serviced, and its water pump, battery and timing belt were replaced pre-purchase.

The tribunal noted Continental Cars did that work because it found "no history" of those items replaced, but there was no evidence to show this needed to be done.

It was satisfied the ute had a fault with its EGR valve and cooler, and its cooling system needed the remedial work performed by Continental Cars.

However, Blampied wasn't entitled to any remedy under the CGA for those repairs because he didn't give AZN Motors a reasonable opportunity to fix the ute.

But the tribunal did accept the dealer's evidence that the cylinder head was warped rather than cracked.

The warped head prevented the head gasket from creating a tight seal between the cylinder head and block, allowing water to escape from the jacket surrounding the combustion chambers into the head.

The trader's evidence showed the warped head was pre-existing damage, which meant it wasn't of acceptable quality for the purposes of section six of the CGA because a reasonable consumer wouldn't expect a $26,000, six-year-old Amarok to have such a problem.

Also, a reasonable consumer who was fully acquainted with the extent of the damage wouldn't have bought the vehicle – the warped cylinder head affected its performance and caused it to overheat so it required expensive repairs.

Therefore, Blampied was entitled to reject the vehicle under section 18 of the CGA because the pre-existing damage was a failure of a substantial character.

Blampied was also entitled to recover the $1,156.60 cost of having the engine damage assessed by Continental Cars.

AZN Motors submitted Blampied shouldn't be entitled to recover that cost because it was excessive and he should have returned the ute for diagnosis.

The tribunal stated Blampied had no legal obligation to allow the dealer to perform that task and the cost wasn't excessive.

Orders

The tribunal upheld Blampied's rejection of the ute. It ordered AZN Motors to pay the $26,000 purchase price and the $1,156.60 assessment cost to the buyer, a total of $27,156.60.

The CGA contains no requirement for the seller to be given first opportunity to diagnose a fault. That requirement only applies to recovering the cost of repairs.

Dealer was victim of 'con artist' and let down by its 'lax accounting processes'

The case: Two months after the trader supplied a Porsche Boxster, it realised the purchase price hadn't been paid and repossessed it. The dealer sought $21,034 in expenses. However, the respondent said a "con artist" had bought the vehicle and the trader should pursue him for any monies owing.

The decision: The tribunal ruled it wasn't able to make an order against the respondent under the Contract and Commercial Law Act (CCLA) and dismissed the case.

At: The Motor Vehicle Disputes Tribunal.

Background

In July 2020, Archibalds Motors Ltd lodged a claim to recover $21,034 in expenses in respect of a 2009 Porsche Boxster it repossessed after the $59,990 purchase price wasn't paid.

The dealer claimed the respondent agreed to buy the car on December 28, 2018, but two months later realised it hadn't been paid for.

The respondent told the tribunal that Bruce Reid, also known as James, was "a notorious con artist who has engaged in many frauds", adding a police investigation into the matter was under way.

She said Reid bought the car as a gift and Archibalds should pursue him for any outstanding money.

The respondent signed the vehicle offer and sale agreement (VOSA) because she thought – as did Archibalds – that Reid had paid the purchase price.

The tribunal can make orders through the CCLA under which a party may cancel a contract if another party repudiates it. Repudiation occurs when a party makes it clear it doesn't intend to complete its obligations under the contract. The tribunal can grant relief if doing so is just and practicable.

The case

On December 17, 2018, "Dr James Reid" emailed Jarrod Clarke, Archibalds' general manager for Porsche, enquiring about a Boxster on its website.

Reid messaged that the respondent wanted a manual convertible and supplied a phone number. Clarke emailed Reid a listing, phoned the respondent and reported back to Reid that she was "keen" on the vehicle.

Archibalds' business manager, Allen Wang, also contacted Reid about payment and delivery was arranged for December 28.

Before delivery, Wang told Clarke he hadn't received the necessary paperwork from Reid, who emailed Wang on December 22 saying he had "transferred the funds today so they may not show at your end till Tuesday". Based on that, Wang told Clarke that Reid had transferred the funds.

After Christmas, Wang realised that wasn't the case. He emailed Reid on December 27 asking him to pay for the Porsche by direct credit.

Although Archibalds knew Reid hadn't paid, it still dispatched the car to the respondent. On delivery, Reid showed Clarke two bank transactions on his cellphone amounting to $59,990, but it wasn't until March that Archibalds realised the money hadn't been paid.

Simon Unger, Archibalds' business manager, phoned Reid on March 4 advising there was no record of payment and emailed him the next day asking for the payment dates. Reid replied saying he would call into his bank the next day to get that information.

On March 11, Reid emailed Unger saying he would pick up the payment details that afternoon and his "personal banker had a hard job finding it as I make payments simular [sic] to that at least four times a week to charities". The information never arrived.

As Unger's requests became more insistent, Reid's responses became less plausible, the tribunal heard. On March 17, Reid claimed that, after the "incident that happened in Christchurch", his "work in the national intelligence community is overwhelming at this moment in time".

On March 19, Archibalds told the respondent the car hadn't been paid for. Four days later, Reid told the dealer he had been "embezzled" of more than $200,000, but he would make payment on March 29.

Murray Gorton, general manager of the Archibalds Group, then suggested the respondent pay for the vehicle rather than it being repossessed.

That was the first suggestion the trader had turned its focus towards the respondent to recover the purchase price.

On April 1, Unger emailed Reid and the respondent that Archibalds was taking legal action against them for payment. The respondent was happy to return the Boxster, but it had broken down "in a serious puff of black smoke" because the clutch had failed.

The finding

Archibalds' claim was based on the VOSA signed by the respondent. This stated: "I agree to pay as follows: sale price, incl GST, $59,990". It also stated: "The trader shall be entitled to take action against the purchaser for the price of the vehicle."

Although the VOSA's terms were unambiguous, the background in this case pointed to a different interpretation. The context was the Boxster was a gift for the respondent, who didn't agree to pay for it. This was known and understood by Archibalds at the time it sold the car to Reid.

The evidence showed the trader was the victim of a fraud committed by Reid. The dealer also let itself down by its "extraordinarily lax accounting processes in this instance", noted the adjudicator.

The tribunal found this was an appropriate case to adopt a contextual interpretation of the VOSA. On that basis, it concluded the respondent never agreed to pay Archibalds any money for the Boxster, so the VOSA didn't provide the dealer with any basis for its claim.

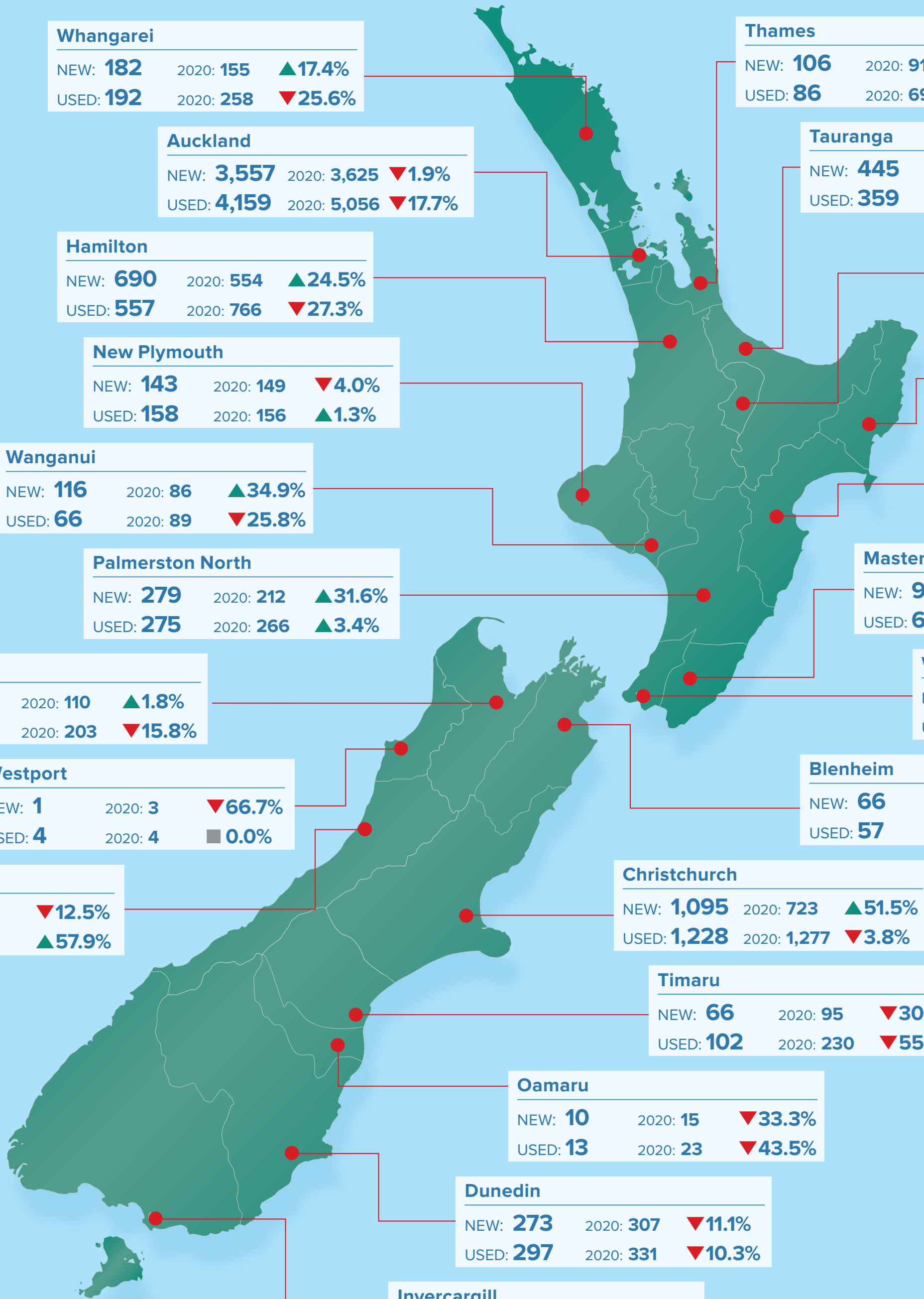
Order

The application was dismissed.

Around the Country February 2021

Total new cars
8,710
2020: 7,911 ▲ 10.1%

Total imported used cars
9,096
2020: 10,747 ▼ 15.4%



			2020	
Whangarei	NEW	182	155	▲17.4%
	USED	192	258	▼25.6%
Thames	NEW	106	91	▲16.5%
	USED	86	69	▲24.6%
Auckland	NEW	3,557	3,625	▼1.9%
	USED	4,159	5,056	▼17.7%
Tauranga	NEW	445	356	▲25.0%
	USED	359	455	▼21.1%
Hamilton	NEW	690	554	▲24.5%
	USED	557	766	▼27.3%
Rotorua	NEW	142	136	▲4.4%
	USED	129	162	▼20.4%
New Plymouth	NEW	143	149	▼4.0%
	USED	158	156	▲1.3%
Gisborne	NEW	48	31	▲54.8%
	USED	52	82	▼36.6%
Wanganui	NEW	116	86	▲34.9%
	USED	66	89	▼25.8%
Napier	NEW	273	242	▲12.8%
	USED	205	191	▲7.3%
Palmerston North	NEW	279	212	▲31.6%
	USED	275	266	▲3.4%
Masterton	NEW	95	62	▲53.2%
	USED	68	60	▲13.3%
Nelson	NEW	112	110	▲1.8%
	USED	171	203	▼15.8%
Wellington	NEW	871	716	▲21.6%
	USED	752	799	▼5.9%
Westport	NEW	1	3	▼66.7%
	USED	4	4	■0.0%
Blenheim	NEW	66	48	▲37.5%
	USED	57	55	▲3.6%
Greymouth	NEW	14	16	▼12.5%
	USED	30	19	▲57.9%
Christchurch	NEW	1,095	723	▲51.5%
	USED	1,228	1,277	▼3.8%
Timaru	NEW	66	95	▼30.5%
	USED	102	230	▼55.7%
Oamaru	NEW	10	15	▼33.3%
	USED	13	23	▼43.5%
Dunedin	NEW	273	307	▼11.1%
	USED	297	331	▼10.3%
Invercargill	NEW	126	179	▼29.6%
	USED	136	196	▼30.6%

Imported Passenger Vehicle Sales by Make - February 2021

MAKE	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,594	2,668	-2.8	28.5%	5,214	28.2%
Mazda	1,311	1,715	-23.6	14.4%	2,663	14.4%
Nissan	1,204	2,024	-40.5	13.2%	2,582	14.0%
Honda	804	1,115	-27.9	8.8%	1,679	9.1%
Subaru	636	660	-3.6	7.0%	1,277	6.9%
BMW	463	364	27.2	5.1%	898	4.9%
Volkswagen	438	337	30.0	4.8%	898	4.9%
Mitsubishi	391	448	-12.7	4.3%	777	4.2%
Suzuki	250	515	-51.5	2.7%	472	2.6%
Audi	235	197	19.3	2.6%	483	2.6%
Lexus	158	130	21.5	1.7%	319	1.7%
Mercedes-Benz	153	121	26.4	1.7%	324	1.8%
Volvo	60	53	13.2	0.7%	125	0.7%
Ford	53	87	-39.1	0.6%	116	0.6%
Land Rover	42	41	2.4	0.5%	78	0.4%
Jaguar	35	25	40.0	0.4%	70	0.4%
Mini	35	20	75.0	0.4%	61	0.3%
Porsche	33	12	175.0	0.4%	56	0.3%
Chevrolet	23	33	-30.3	0.3%	47	0.3%
Hyundai	22	26	-15.4	0.2%	44	0.2%
Jeep	22	13	69.2	0.2%	47	0.3%
Dodge	21	20	5.0	0.2%	40	0.2%
Holden	16	26	-38.5	0.2%	37	0.2%
Kia	11	10	10.0	0.1%	24	0.1%
Chrysler	7	15	-53.3	0.1%	19	0.1%
Citroen	6	4	50.0	0.1%	9	0.0%
Bentley	5	5	0.0	0.1%	10	0.1%
Peugeot	5	8	-37.5	0.1%	26	0.1%
Alfa Romeo	4	0	400.0	0.0%	5	0.0%
Chrysler Jeep	4	4	0.0	0.0%	5	0.0%
Daihatsu	4	2	100.0	0.0%	6	0.0%
Pontiac	4	1	300.0	0.0%	4	0.0%
Fiat	3	4	-25.0	0.0%	4	0.0%
Maserati	3	0	300.0	0.0%	4	0.0%
Mercury	3	1	200.0	0.0%	5	0.0%
Others	38	43	-11.6	0.4%	72	0.4%
Total	**9,096**	**10,747**	**-15.4**	**100.0%**	**18,500**	**100.0%**

Imported Passenger Vehicle Sales by Model - February 2021

MAKE	MODEL	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	663	445	49.0	7.3%	1,324	7.2%
Mazda	Axela	456	576	-20.8	5.0%	909	4.9%
Toyota	Prius	377	384	-1.8	4.1%	781	4.2%
Honda	Fit	323	510	-36.7	3.6%	696	3.8%
Nissan	X-Trail	288	148	94.6	3.2%	567	3.1%
Mazda	Demio	280	411	-31.9	3.1%	582	3.1%
Volkswagen	Golf	255	218	17.0	2.8%	534	2.9%
Mitsubishi	Outlander	253	237	6.8	2.8%	494	2.7%
Subaru	Impreza	213	260	-18.1	2.3%	418	2.3%
Toyota	Corolla	196	193	1.6	2.2%	407	2.2%
Suzuki	Swift	193	432	-55.3	2.1%	369	2.0%
Toyota	Vanguard	185	119	55.5	2.0%	367	2.0%
Toyota	Wish	173	211	-18.0	1.9%	335	1.8%
Subaru	Legacy	172	217	-20.7	1.9%	356	1.9%
Mazda	CX-5	164	101	62.4	1.8%	321	1.7%
Toyota	MarkX	157	76	106.6	1.7%	311	1.7%
Nissan	Leaf	151	235	-35.7	1.7%	359	1.9%
Mazda	Atenza	135	199	-32.2	1.5%	302	1.6%
Toyota	Blade	126	105	20.0	1.4%	237	1.3%
Mazda	Premacy	121	172	-29.7	1.3%	240	1.3%
Nissan	Note	108	180	-40.0	1.2%	217	1.2%
Subaru	Forester	100	73	37.0	1.1%	198	1.1%
Nissan	Serena	97	122	-20.5	1.1%	197	1.1%
Honda	CR-V	96	87	10.3	1.1%	210	1.1%
Honda	Odyssey	96	76	26.3	1.1%	216	1.2%
BMW	320i	92	59	55.9	1.0%	189	1.0%
Toyota	Vitz	90	210	-57.1	1.0%	162	0.9%
Volkswagen	Polo	89	39	128.2	1.0%	158	0.9%
Nissan	Skyline	85	103	-17.5	0.9%	187	1.0%
BMW	116i	68	56	21.4	0.7%	148	0.8%
Nissan	Fuga	60	52	15.4	0.7%	151	0.8%
Toyota	Camry	59	45	31.1	0.6%	111	0.6%
Nissan	Juke	55	110	-50.0	0.6%	121	0.7%
Subaru	Exiga	53	38	39.5	0.6%	100	0.5%
Ford	Crown	51	18	183.3	0.6%	91	0.5%
Others		3,016	4,230	-28.7	33.2%	6,135	33.2%
Total		**9,096**	**10,747**	**-15.4**	**100.0%**	**18,500**	**100.0%**

Used imports slow to arrive

Importers of used vehicles are being warned the normal three to four-week wait for stock to arrive from Japan may now end up being a few months.

That's because there is so much pressure on the global supply chain in the wake of disruptions caused by the Covid-19 pandemic.

Frank Willett, chief executive of Autohub, says factors here and in Japan, along with the Australian market snapping up more used vehicles, are contributing to backlogs.

"Dealers who are used to having stock on their doorstep within three or four weeks from the time of purchase should now realise we are in different times," he told Autofile.

"While it would be three to four weeks under normal circumstances, these aren't normal circumstances and they may have to wait a couple of months for a vehicle."

He says dealers getting back to buying following a lull last year because of coronavirus restrictions and market uncertainty has led to a "tsunami of vehicles coming from Japan".

At the same time, Australia is taking up to 1,200 used cars a month compared to about 300 previously, which is putting pressure on companies doing pre-export cleaning overseas.

"Some of those yards are also handling used vehicles for New Zealand, but the Australian market has elbowed its way in and increased volumes have created a choke point, particularly in the Tokyo area," explains Willett.

"This is creating delays for New Zealand imports to be processed in a timely manner. Attempts to circumvent these choke points by moving vehicles to other facilities in Japan has contributed to creating backlogs at those locations too.

"At the moment, people may buy a car at auction and not see it on a vessel for four to six weeks when previously that used to happen within days."

Demand for space on vessels for new vehicles has also grown.

Willett reports manufacturers in Japan are trying to clear backlogs of orders and often require more space than they have pre-booked. This leads to used vehicles getting "bumped" off until the next sailing.

"Multiple logistics service providers are vying for set space, so it can be quite competitive to get vehicles on their way in a timely manner. Once a vehicle is on a vessel heading to New Zealand, we then face a backlog in Auckland, it being the first port of call.

"We have Covid-19 overlaid procedures that impact the flow of practices in certain areas and sporadic interruptions to berth vessels because of shipping-lane closures for the America's Cup."

Willett adds the concentration of verifications by the Ministry for Primary Industries (MPI) in Auckland is another factor in the hold-ups.

Previously, MPI inspections were performed in Japan, but the government recalled staff in March 2020.

"It used to be that Auckland-bound vehicles and those for trans-shipment were offloaded at Auckland, while the remainder were subsequently dropped at other ports on a sailing cycle," notes Willett. "Currently, they are all offloaded at Auckland for MPI checks before being trans-shipped to other locations, which causes extra delays.

"This became an issue when Covid first struck and the MPI pulled its staff back from Japan. They were operating at 14-plus facilities in Japan conducting pre-export verifications, but all vehicles are now being verified through one port, which is Auckland."

Volumes were fairly subdued at the height of the pandemic, which meant the industry was able to cope with the situation, but as the market tries to get back to normal the strain on the system is increasing.

"All parties, including the MPI, are fully aware of how things are currently jammed up and everyone is trying to work towards sensible solutions where they can get things flowing again."

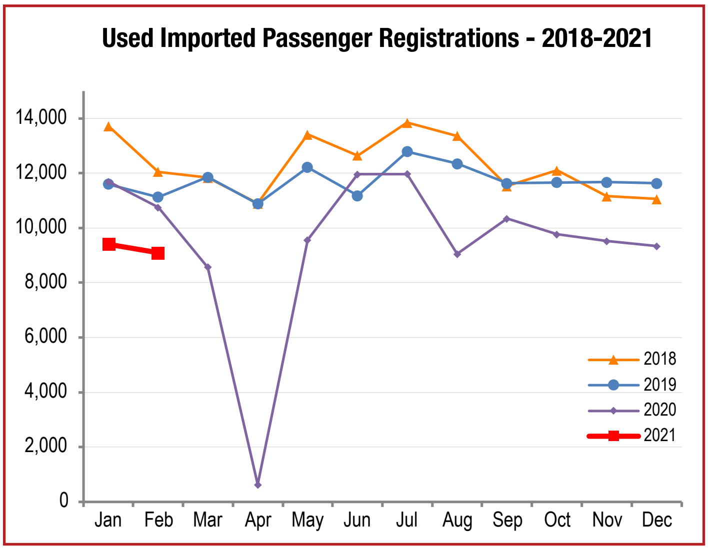
Willett says delays for container services to ship vehicles have also increased because of a worldwide shortage of containers.

"A couple of key things in the next couple of months will be if the new-vehicle market catches up with its orders and gets back to normal stock-importing cycles. If the MPI reverts to offshore verification in Japan that would be another choke point removed.

"We're all affected by this and it's no one party's fault. Everybody is working as hard and as quickly as they can to get things through as fast as the system allows. At the moment, the key word is patience."

Drop in sales

There were 9,096 used-imported cars sold for the first time in New Zealand last month. That was a decrease of 15.4 per cent when compared to 10,747 registrations in February 2020. The Toyota Aqua came top of the models' ladder for the month with 663 sales for a 7.3 per cent share of the market. Next up were the Mazda Axela on 456, Toyota Prius with 377, Honda Fit with 323 and Nissan X-Trail on 288.



Car deliveries being delayed

A trader in south Auckland is feeling the heat caused by market conditions overseas and supply-chain disruption.

Craig Wall, owner of Wall Motors in Onehunga, south Auckland, says there is a lot of competition to buy good-quality used cars from the Japanese market.

"We have bought the odd car out of the US. But they take too long to get here so we get vehicles out of Japan, and buy locally off the internet from Autotrader and Trade Me.

"You just have to work harder to get stock and you can't give up. Prices are higher for good quality. We have finally seen a firming of prices whereas those for used cars were dropping before Covid-19.

"There's a lot of competition and not just from New Zealand. There are other markets competing as well and shipping is slow – often more than six weeks.

"On average, it used to take about four weeks from the day you bought a vehicle in Japan for it to arrive in New Zealand. There is also a wait with the inspection of cars at the border because it's stink-bug season in Japan.

"It's also taking longer to get vehicles through compliance at the moment. We have had about 10 cars waiting and they can take up to two weeks to get through compliance, which is a big issue for us."

As for what else has been happening on-shore, Wall says there was a follow-through of stock in 2020, "so this year may be harder if we struggle to get it".

He adds: "We had a couple of our best months for a long time last year and then we had a couple of bad ones because of the lack of stock.

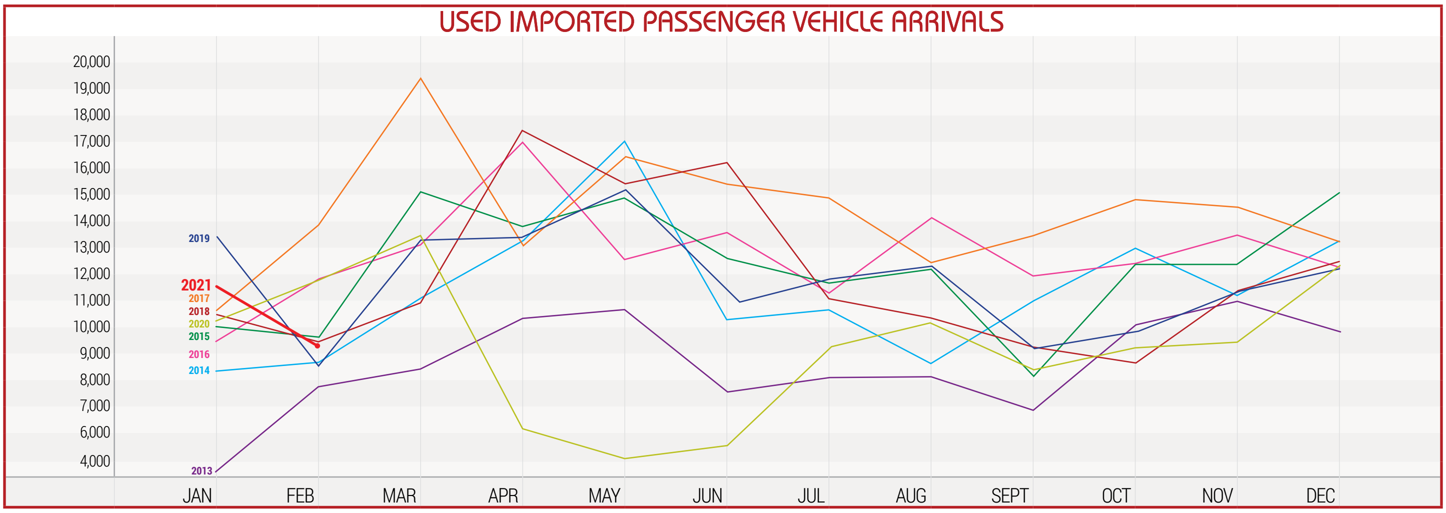
"New-car franchises are having a good run, but they are also low on stock. There are long wait lists and they are keeping more trade-ins. Being unable to get overflow trades from franchises has been tough.

"I think the lack of stock will get fly-by-nighters out of the market. I've been in the industry for 28 years and we want real people in it – not those who just want to make a quick buck."

USED IMPORTS TUMBLE

The number of used passenger vehicles imported last month came in at 9,380. This was a drop of 20.4 per cent on February 2020's total of 11,789.

Some 8,759 came in from Japan and 286 from Australia. Next up was Singapore with 140 units.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2021 JAN '21	FEB '21	FEB MRKT SHARE %	2021 TOTAL	2020 Q1	Q2	Q3	Q4	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	303	286	3.0%	**589**	1,053	876	1,001	1,255	4,185	3.9%	5,148	3.6%
Great Britain	110	124	1.3%	**234**	184	122	143	241	690	0.6%	894	0.6%
Japan	10,917	8,759	93.4%	**19,676**	33,191	13,662	25,627	28,514	100,994	92.9%	132,494	93.8%
Singapore	128	140	1.5%	**268**	384	337	601	524	1,846	1.7%	1,678	1.2%
USA	34	34	0.4%	**68**	169	79	126	106	480	0.4%	664	0.5%
Other countries	31	37	0.4%	**68**	54	129	170	115	468	0.4%	340	0.2%
Total	**11,523**	**9,380**	**100.0%**	**20,903**	**35,035**	**15,205**	**27,668**	**30,755**	**108,663**	**100.0%**	**141,218**	**100.0%**

Listed company eyes up growth

The chairman of NZ Automotive Investments (NZAI), which owns 2 Cheap Cars, says the company's NZX-listing will support its expansion.

"We believe the listing offers an investment opportunity that is underpinned by Kiwis' demand for affordable, safe and reliable second-hand cars," says Karl Smith. "It will support NZAI's long-term growth, in particular access to capital in the future for expansion of its recently established finance company."

That's NZ Motor Finance, which has been set up because about one-third of 2 Cheap Cars' customers need finance and by cross-selling to them it can originate loans "with effectively no marketing or acquisition costs".

David Page, chief executive officer, says the long-term strategy is to leverage the retail business to build a diversified automotive group. "With strong governance and management in place, NZAI is focused on implementing its strategic roadmap for growth."

Established a decade ago, 2 Cheap Cars sells more than 10,000 units a year through 12 dealerships – down from 17 in 2019 – and accounts for about eight per cent of all used-car imports.

Co-founders Eugene Williams and David Sena have entered into escrow arrangements with NZAI, which has established a dividend policy with a target pay-out ratio of 50 to 60 per cent of annual underlying net profit after tax.

As a direct listing, the company issued no new securities and its 45.5 million ordinary shares were priced at $1.30 to value it at more than $59m at launch.

Smith says listing rules required NZAI to have a certain shareholder spread. Last year it raised $3.5m from early-adopters, staff and non-affiliated wholesales with each investing a minimum of $1,000. Those shares were priced at $1 each, 30 cents below the listing price.

NZAI's revenue was $73.6m for the year to March 31, 2018, followed by $78.4m in 2019 and $76m in 2020. Covid-19's impact saw its revenue in 2021's first half drop by 22 per cent year on year to $30.4m.

SALES DROP RECORDED

There were 15,737 second-hand cars sold by dealers to the public in February – down by 3.2 per cent compared to the same month of 2020 when there were 16,259. Trade-ins came in at 12,066 for a decrease of 3.8 per cent compared to 12,544.

SECONDHAND CAR SALES - February 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	FEB '21	FEB '20	+/- %	MARKET SHARE	FEB '21	FEB '20	+/- %	FEB '21	FEB '20	+/- %
Whangarei	511	530	-3.6	3.25	1,831	1,901	-3.7	174	213	-18.3
Auckland	5,135	5,448	-5.7	32.63	13,090	13,905	-5.9	4,753	5,268	-9.8
Hamilton	1,197	1,231	-2.8	7.61	3,265	3,422	-4.6	958	967	-0.9
Thames	254	254	0.0	1.61	593	574	3.3	175	180	-2.8
Tauranga	752	746	0.8	4.78	2,028	2,154	-5.8	532	483	10.1
Rotorua	329	338	-2.7	2.09	1,003	1,000	0.3	118	114	3.5
Gisborne	132	151	-12.6	0.84	456	409	11.5	55	48	14.6
Napier	604	597	1.2	3.84	1,547	1,534	0.8	427	394	8.4
New Plymouth	370	371	-0.3	2.35	962	987	-2.5	194	218	-11.0
Wanganui	229	219	4.6	1.46	599	578	3.6	128	130	-1.5
Palmerston North	710	665	6.8	4.51	1,703	1,676	1.6	632	658	-4.0
Masterton	199	171	16.4	1.26	465	505	-7.9	91	92	-1.1
Wellington	1,507	1,471	2.4	9.58	3,237	3,152	2.7	1,037	1,034	0.3
Nelson	310	260	19.2	1.97	1,048	1,071	-2.1	168	189	-11.1
Blenheim	176	160	10.0	1.12	412	506	-18.6	95	78	21.8
Greymouth	63	70	-10.0	0.40	190	192	-1.0	45	32	40.6
Westport	5	5	0.0	0.03	42	35	20.0	0	2	0.0
Christchurch	1,931	2,106	-8.3	12.27	4,905	5,243	-6.4	1,737	1,740	-0.2
Timaru	196	322	-39.1	1.25	491	693	-29.1	96	84	14.3
Oamaru	40	33	21.2	0.25	139	135	3.0	12	7	71.4
Dunedin	721	740	-2.6	4.58	1,948	2,056	-5.3	418	395	5.8
Invercargill	366	371	-1.3	2.33	1,093	1,163	-6.0	221	218	1.4
NZ Total	**15,737**	**16,259**	**-3.2**	**100.00**	**41,047**	**42,891**	**-4.3**	**12,066**	**12,544**	**-3.8**

New Passenger Vehicle Sales by Make - February 2021

MAKE	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Mitsubishi	1,105	764	44.6	12.7%	2,107	11.4%
Toyota	1,058	1,093	-3.2	12.1%	2,480	13.5%
Kia	1,056	751	40.6	12.1%	2,408	13.1%
Mazda	733	580	26.4	8.4%	1,541	8.4%
Suzuki	571	494	15.6	6.6%	1,290	7.0%
Ford	436	408	6.9	5.0%	805	4.4%
Hyundai	431	557	-22.6	4.9%	1,017	5.5%
Nissan	396	409	-3.2	4.5%	716	3.9%
Honda	369	415	-11.1	4.2%	733	4.0%
Volkswagen	327	288	13.5	3.8%	647	3.5%
MG	226	103	119.4	2.6%	484	2.6%
Audi	174	142	22.5	2.0%	325	1.8%
BMW	171	144	18.8	2.0%	362	2.0%
Peugeot	168	112	50.0	1.9%	239	1.3%
Mercedes-Benz	167	189	-11.6	1.9%	393	2.1%
Subaru	167	295	-43.4	1.9%	400	2.2%
Jeep	125	84	48.8	1.4%	187	1.0%
SsangYong	114	71	60.6	1.3%	205	1.1%
Land Rover	113	90	25.6	1.3%	298	1.6%
Skoda	99	141	-29.8	1.1%	229	1.2%
Haval	97	49	98.0	1.1%	200	1.1%
Mini	95	62	53.2	1.1%	143	0.8%
Tesla	86	35	145.7	1.0%	121	0.7%
Lexus	85	81	4.9	1.0%	217	1.2%
Porsche	82	44	86.4	0.9%	138	0.7%
Volvo	63	47	34.0	0.7%	173	0.9%
Holden	30	276	-89.1	0.3%	78	0.4%
Citroen	26	23	13.0	0.3%	58	0.3%
Isuzu	21	25	-16.0	0.2%	57	0.3%
LDV	20	2	900.0	0.2%	42	0.2%
Renault	18	24	-25.0	0.2%	42	0.2%
Mahindra	13	10	30.0	0.1%	38	0.2%
Jaguar	9	30	-70.0	0.1%	78	0.4%
Seat	9	14	-35.7	0.1%	30	0.2%
Bentley	8	6	33.3	0.1%	20	0.1%
Can-Am	7	4	75.0	0.1%	14	0.1%
Yamaha	7	5	40.0	0.1%	13	0.1%
Alfa Romeo	4	17	-76.5	0.0%	15	0.1%
Aston Martin	4	5	-20.0	0.0%	18	0.1%
Cupra	4	0	400.0	0.0%	8	0.0%
Fiat	4	0	400.0	0.0%	19	0.1%
Ferrari	3	3	0.0	0.0%	8	0.0%
McLaren	3	4	-25.0	0.0%	11	0.1%
Genesis	2	0	200.0	0.0%	4	0.0%
Maserati	2	5	-60.0	0.0%	4	0.0%
Others	2	10	-80.0	0.0%	7	0.0%
Total	**8,710**	**7,911**	**10.1**	**100.0%**	**18,422**	**100.0%**

New Passenger Vehicle Sales by Model - February 2021

MAKE	MODEL	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Mitsubishi	Outlander	595	304	95.7	6.8%	984	5.3%
Kia	Sportage	370	228	62.3	4.2%	744	4.0%
Kia	Seltos	364	281	29.5	4.2%	751	4.1%
Mazda	CX-5	360	233	54.5	4.1%	662	3.6%
Mitsubishi	ASX	319	291	9.6	3.7%	694	3.8%
Suzuki	Swift	311	217	43.3	3.6%	558	3.0%
Toyota	RAV4	284	419	-32.2	3.3%	755	4.1%
Toyota	Corolla	230	198	16.2	2.6%	483	2.6%
Nissan	X-Trail	201	115	74.8	2.3%	335	1.8%
Hyundai	Santa Fe	181	107	69.2	2.1%	338	1.8%
Ford	Puma	172	0	17,200.0	2.0%	209	1.1%
Honda	HR-V	159	140	13.6	1.8%	307	1.7%
Nissan	Qashqai	159	244	-34.8	1.8%	317	1.7%
Toyota	C-HR	133	73	82.2	1.5%	354	1.9%
Mitsubishi	Eclipse Cross	133	110	20.9	1.5%	311	1.7%
Honda	CR-V	132	98	34.7	1.5%	241	1.3%
Volkswagen	Tiguan	117	136	-14.0	1.3%	139	0.8%
Ford	Escape	116	135	-14.1	1.3%	221	1.2%
Toyota	Yaris	93	146	-36.3	1.1%	194	1.1%
Tesla	Model 3	86	26	230.8	1.0%	115	0.6%
Kia	Rio	86	109	-21.1	1.0%	225	1.2%
Mazda	CX-9	84	74	13.5	1.0%	200	1.1%
Haval	H2	84	26	223.1	1.0%	168	0.9%
Suzuki	Vitara	83	110	-24.5	1.0%	225	1.2%
Mazda	CX-3	81	84	-3.6	0.9%	171	0.9%
Peugeot	3008	79	63	25.4	0.9%	82	0.4%
Toyota	Yaris Cross	79	0	7,900.0	0.9%	199	1.1%
Kia	Sorento	77	36	113.9	0.9%	243	1.3%
Subaru	Forester	73	82	-11.0	0.8%	147	0.8%
Mazda	CX-30	71	0	7,100.0	0.8%	158	0.9%
MG	ZS	70	44	59.1	0.8%	141	0.8%
Jeep	Grand Cherokee	66	38	73.7	0.8%	90	0.5%
Toyota	Highlander	65	65	0.0	0.7%	128	0.7%
Mazda	Mazda3	59	79	-25.3	0.7%	150	0.8%
Hyundai	i30	58	26	123.1	0.7%	90	0.5%
Hyundai	Venue	57	17	235.3	0.7%	126	0.7%
Suzuki	Jimny	54	31	74.2	0.6%	182	1.0%
Ford	Everest	52	35	48.6	0.6%	119	0.6%
Toyota	Landcruiser	51	40	27.5	0.6%	116	0.6%
Suzuki	Baleno	49	40	22.5	0.6%	143	0.8%
Suzuki	Ignis	49	48	2.1	0.6%	113	0.6%
Volkswagen	Touareg	49	20	145.0	0.6%	108	0.6%
Mini	Hatch	46	20	130.0	0.5%	53	0.3%
MG	ZST	46	0	4,600.0	0.5%	112	0.6%
Honda	Jazz	45	110	-59.1	0.5%	117	0.6%
Others		2,582	3,213	-19.6	29.6%	6,104	33.1%
Total		**8,710**	**7,911**	**10.1**	**100.0%**	**18,422**	**100.0%**

Emissions targets 'tough ask'

A new-vehicle importer representing five marques wants the government to introduce a feebate scheme to help lower the cost of electric vehicles (EVs) at the point of purchase.

The call has been made by European Motor Distributors (EMD), which is the official distributor for Volkswagen, Audi, Porsche, Skoda and Seat in New Zealand.

It follows the Beehive unveiling proposals for a clean-car import standard, also known as a fuel-economy standard, towards the end of January.

In addition, the Climate Change Commission has issued draft advice to the government in which it recommends a ban of the sale of new petrol and diesel cars by 2035.

However, EMD believes a feebate scheme on the demand side would boost the uptake of EVs and plug-in hybrids (PHEVs).

Such a system would provide discounts for low-emissions vehicles and penalise high-emitters when they are first registered in this country.

EMD, part of the Giltrap Group, believes the goal of the clean-car import standard to slash carbon dioxide (CO_2) emissions from 171g/km for the average import to 105g/km by 2025 is "steep" and will require extra government assistance.

Penalty rates for importers missing their targets look set to be charged from 2023 at \$50/g of CO_2 above the limit for new vehicles and \$25/g for used imports. The levies are expected to increase to \$75 and \$37.50 respectively in 2025.

"Overall, it is clear this is a necessary step forward for New Zealand," says a spokesman for EMD. "However, the timeline to reduce emissions is steep and will take a great deal of support from the government to achieve this.

"From an importer standpoint, we need to see strong incentives in the form of feebates to help create demand for these vehicles. We would also like to see used cars treated the same as new."

EMD says manufacturers it represents are committed to a "better, cleaner future" and are making good progress in electrifying their line-ups.

"Globally, our brands have been working towards producing fleets of electric and hybrid vehicles. While we are excited to adopt these locally, our market faces supply challenges.

"We expect to see these passenger vehicles available in New Zealand in the next two to three years.

"But commercials are more problematic. Due to the lack of technology, we won't see changes here for at least another four to six years."

Meanwhile, Toyota NZ has pledged to reduce CO_2 emissions from its vehicles, but admits the targets set by the government are a "tough ask".

Neeraj Lala, chief executive, welcomes the decision to introduce clean-car import standard legislation in 2021 with its implementation starting the following year.

He adds Toyota NZ is committed to reducing its carbon footprint across all product lines, as well as manufacturing, distribution and tailpipe emissions.

It has set a target to cut vehicle emissions to 152g/km and 178g/km for Toyota and Lexus respectively by 2030.

"To reduce further to 105g/km is certainly a tough ask. But we are prepared to work with the government to achieve a transition to a low-carbon fleet.

"To transition to a resilient, zero-carbon economy, we need a range of initiatives from manufacturers and government.

"Toyota is playing its role to deliver increasingly lower-emitting vehicles. The introduction of a new clean-car import standard is an encouraging move from the government."

Toyota has been working with the Motor Industry Association (MIA) on a lower-emitting vehicle standard.

The marque supports the stance of the MIA, which says the government's 2025 deadline is too aggressive and unachievable because decisions on new imports here are largely made by offshore management.

Lala adds the new-vehicle industry is developing low or zero-emitting automotive technologies, such as hybrid, pure electric and hydrogen fuel cells, to help reduce emissions.

Toyota NZ plans to launch more hybrid and plug-in hybrid models on the market this year and will also have its first local offering of a pure electric car – the Lexus UX 300e.

Finally, Drive Electric is "confident New Zealand can show leadership and have a co-ordinated transition away from fossil-fuel vehicles".

Chairman Mark Gilbert says: "The standards being proposed for 2025 have already been met in comparable markets, such as the EU and Japan, and must be achievable here.

"The standard is a useful tool in that it asks importers to look at the portfolio of vehicles they are importing, which should increase low-emissions choice across a range of types and price-points. More EVs coming in also increases supply in the second-hand market over time.

"That said, such a standard is just a first step towards managing a transition away from fossil-fuel vehicles.

"To meet New Zealand's legislated climate ambitions to keep warming within 1.5 degrees celsius, we need to aim for at least 250,000 EVs by 2025 and for this trend to continue through to 2030."

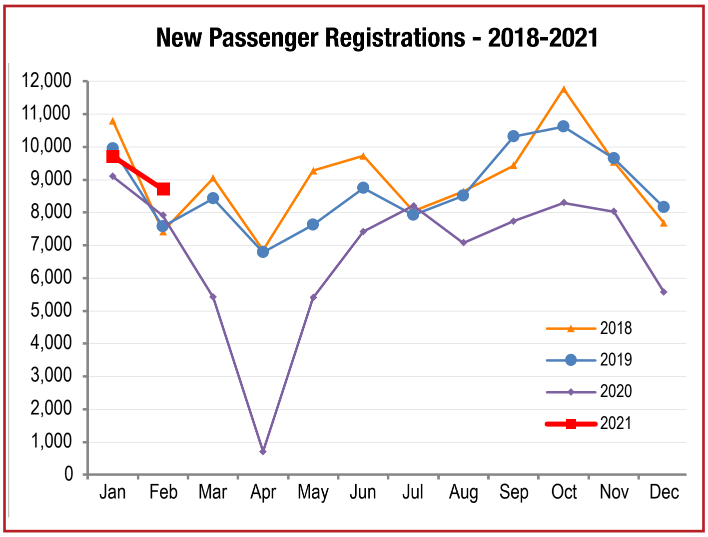
Gilbert notes more will need to be done about emissions from the transportation sector, which are expected to continue rising.

"We need a joint plan between the government and industry to ensure we have the right package of policy settings, the necessary investment in charging infrastructure, and co-ordination among all players through the EV ecosystem – from grids and electricity retailers to car importers, councils and property developers.

"Policies that need to be considered include incentives, adjustments to fringe-benefit taxes and depreciation, and investment to ensure we are ready for more public and at-home charging."

Car sales jump by 10%

There were 8,710 new passenger vehicles sold in New Zealand during February. That represented an increase of 10.1 per cent when compared to the same month of last year when there were 7,911 registrations. The Mitsubishi Outlander was the best-selling model of last month with 595 sales. Second and third spots were secured by Kia with the Sportage on 370 and Seltos on 364.



Delivering on 'demand surge'

Mitsubishi Motors NZ says it has bounced back stronger than ever from last year's industry-wide slowdown.

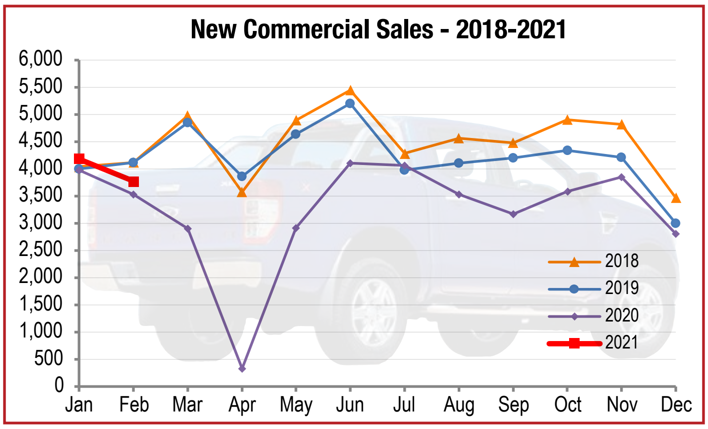
The marque's registrations reached a 30-year peak of 1,436 in January, of which 1,002 were cars with the rest being Triton and Express sales.

A surge in business at the end of 2020 placed the company third for the calendar year with a market share of nine per cent on the back of a 22.8 per cent downturn in sales of light vehicles.

"Last year was challenging for most brands," says Reece Congdon, head of marketing and corporate affairs. "The great news is that – for the most part – New Zealand has been able to quickly get back on-track, while we as a company were well-positioned to deliver on the subsequent surge in consumer confidence.

"The fact that we were able to outperform the market in 2020 and start this year so strongly is testament to the strength and value of our range, and high standards across our dealer network.

"With a mix of vehicles in step with changing lifestyles, we have consolidated on our market position and will continue to work hard to improve on that."



Despite import issues constraining Triton sales, Mitsubishi finished 2020 in third place for ute registrations for the model to stay as the brand's biggest seller on 3,694 units.

As for February, there were 3,774 new commercials sold in New Zealand. This was up by seven per cent when compared to 3,527 registrations in the same month of last year. The most popular model was the Toyota Hilux on 804 units for a market share of 21.3 per cent.

Next up was Ford's Ranger on 549 sales with the Triton on 474.

New Commercial Sales by Make - February 2021

MAKE	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	992	799	24.2	26.3%	1,938	24.4%
Ford	623	814	-23.5	16.5%	1,644	20.7%
Mitsubishi	515	342	50.6	13.6%	949	11.9%
Nissan	260	265	-1.9	6.9%	541	6.8%
Mazda	245	214	14.5	6.5%	470	5.9%
Isuzu	192	196	-2.0	5.1%	494	6.2%
LDV	161	72	123.6	4.3%	308	3.9%
Hyundai	129	53	143.4	3.4%	222	2.8%
Great Wall	103	40	157.5	2.7%	195	2.5%
Fiat	72	42	71.4	1.9%	145	1.8%
Volkswagen	68	107	-36.4	1.8%	198	2.5%
Fuso	67	61	9.8	1.8%	127	1.6%
Hino	50	38	31.6	1.3%	87	1.1%
SsangYong	44	41	7.3	1.2%	93	1.2%
Mercedes-Benz	41	61	-32.8	1.1%	97	1.2%
Renault	38	33	15.2	1.0%	63	0.8%
Volvo	23	14	64.3	0.6%	37	0.5%
Scania	22	27	-18.5	0.6%	34	0.4%
Iveco	19	27	-29.6	0.5%	38	0.5%
Kenworth	15	15	0.0	0.4%	40	0.5%
Others	95	266	-64.3	2.5%	234	2.9%
Total	**3,774**	**3,527**	**7.0**	**100.0%**	**7,954**	**100.0%**

New Commercial Sales by Model - February 2021

MAKE	MODEL	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hilux	804	580	38.6	21.3%	1,554	19.5%
Ford	Ranger	549	728	-24.6	14.5%	1,497	18.8%
Mitsubishi	Triton	474	342	38.6	12.6%	888	11.2%
Nissan	Navara	260	265	-1.9	6.9%	541	6.8%
Mazda	BT-50	245	214	14.5	6.5%	470	5.9%
Toyota	Hiace	162	195	-16.9	4.3%	335	4.2%
Isuzu	D-Max	129	112	15.2	3.4%	373	4.7%
Hyundai	iLoad	120	52	130.8	3.2%	205	2.6%
Great Wall	GWM Cannon	82	0	8,200.0	2.2%	155	1.9%
Ford	Transit	74	86	-14.0	2.0%	147	1.8%
Fiat	Ducato	72	42	71.4	1.9%	145	1.8%
LDV	T60	53	22	140.9	1.4%	110	1.4%
SsangYong	Rhino	44	40	10.0	1.2%	93	1.2%
Mitsubishi	Express	41	0	4,100.0	1.1%	61	0.8%
LDV	G10	41	26	57.7	1.1%	83	1.0%
LDV	V80	41	23	78.3	1.1%	73	0.9%
Volkswagen	Amarok	40	69	-42.0	1.1%	103	1.3%
Mercedes-Benz	Sprinter	34	23	47.8	0.9%	82	1.0%
Isuzu	N Series	28	37	-24.3	0.7%	59	0.7%
LDV	Deliver 9	26	0	2,600.0	0.7%	42	0.5%
Others		455	671	-32.2	12.1%	938	11.8%
Total		**3,774**	**3,527**	**7.0**	**100.0%**	**7,954**	**100.0%**

‘Quality’ vehicles being retained

A West Coast dealership is steering clear of wholesaling its used utes and cars.

Ross Brown, who owns Greenfield Motors in Greymouth, is avoiding the practice because it’s “just giving money” to other traders if he does.

“I would imagine other franchises are no longer flicking off trades to auction and are holding onto their good quality trade-ins as well.”

As for how business has been faring, Brown describes this as “unchartered waters at the moment”.

The dealership received a shipment of Isuzu utes towards the end of 2020 and “moved a few” last year, while some customers delayed purchases to register them in 2021.

“I’m concentrating on selling new Suzukis and Isuzus, and will hopefully get good trades from those sales,” adds Brown.

Looking back at 2020, last year didn’t “wash up too bad” after all.

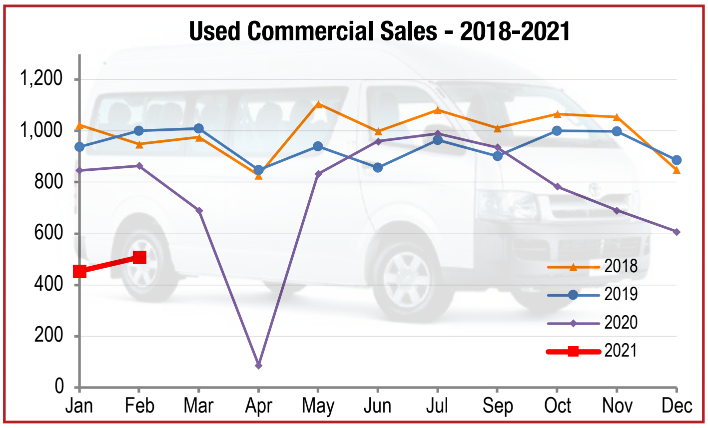
“Although it wasn’t as good as 2019 and the six weeks lost due to lockdown couldn’t be made up, sales have been steady since then.

“It makes you wonder how much money New Zealanders spend on overseas travel. Some have been spending what they would have done on holidays buying new cars and renovating their homes.”

Craig Wall, of Wall Motors in Onehunga, Auckland, notes the law change with electronic stability control (ESC) has hit the market for used imported light commercials.

“It has made old Hiaces hold their values and you have to look at 2015 models to find ESC installed. We get the odd ute as a trade, but they are like gold. It’s hard to get them and we don’t chase utilities or vans. Everyone is after them.”

There were 508 used-imported commercials registered last month, which was down by 41.2 per cent on 864 in February 2020.



Used Commercial Sales by Make - February 2021

MAKE	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	182	430	-57.7	35.8%	359	37.3%
Nissan	86	211	-59.2	16.9%	155	16.1%
Isuzu	43	41	4.9	8.5%	86	8.9%
Hino	34	22	54.5	6.7%	60	6.2%
Mitsubishi	29	18	61.1	5.7%	60	6.2%
Ford	28	21	33.3	5.5%	50	5.2%
Mazda	17	26	-34.6	3.3%	34	3.5%
Holden	16	12	33.3	3.1%	29	3.0%
Fiat	13	12	8.3	2.6%	19	2.0%
Chevrolet	10	13	-23.1	2.0%	17	1.8%
Daihatsu	8	3	166.7	1.6%	12	1.2%
Volkswagen	8	9	-11.1	1.6%	13	1.4%
DAF	3	1	200.0	0.6%	4	0.4%
Dodge	3	4	-25.0	0.6%	9	0.9%
Mercedes-Benz	3	4	-25.0	0.6%	7	0.7%
Mitsubishi Fuso	3	2	50.0	0.6%	6	0.6%
Scania	3	1	200.0	0.6%	4	0.4%
UD Trucks	3	1	200.0	0.6%	4	0.4%
GMC	2	0	200.0	0.4%	2	0.2%
Kenworth	2	1	100.0	0.4%	3	0.3%
Others	12	32	-62.5	2.4%	29	3.0%
Total	**508**	**864**	**-41.2**	**100.0%**	**962**	**100.0%**

Used Commercial Sales by Model - February 2021

MAKE	MODEL	FEB '21	FEB '20	+/- %	FEB '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	106	322	-67.1	20.9%	235	24.4%
Nissan	NV350	44	57	-22.8	8.7%	64	6.7%
Isuzu	Elf	30	24	25.0	5.9%	63	6.5%
Toyota	Dyna	28	38	-26.3	5.5%	49	5.1%
Hino	Dutro	23	14	64.3	4.5%	45	4.7%
Toyota	Toyoace	23	18	27.8	4.5%	31	3.2%
Fuso	Canter	22	15	46.7	4.3%	48	5.0%
Nissan	Caravan	17	46	-63.0	3.3%	29	3.0%
Fiat	Ducato	13	12	8.3	2.6%	19	2.0%
Mazda	Titan	10	5	100.0	2.0%	14	1.5%
Toyota	Hilux	9	11	-18.2	1.8%	14	1.5%
Ford	Ranger	9	7	28.6	1.8%	20	2.1%
Chevrolet	Colorado	8	8	0.0	1.6%	15	1.6%
Daihatsu	Hijet	8	2	300.0	1.6%	12	1.2%
Hino	Ranger	8	4	100.0	1.6%	10	1.0%
Nissan	Atlas	7	12	-41.7	1.4%	19	2.0%
Holden	Commodore	7	2	250.0	1.4%	12	1.2%
Isuzu	Forward	7	9	-22.2	1.4%	11	1.1%
Nissan	E-NV200	6	7	-14.3	1.2%	13	1.4%
Toyota	Regius	6	29	-79.3	1.2%	13	1.4%
Others		117	222	-47.3	23.0%	226	23.5%
Total		**508**	**864**	**-41.2**	**100.0%**	**962**	**100.0%**

Chips are down with supply

Marques are facing a severe shortage of semi-conductors with manufacturers of computer chips having reserved output for tech companies amid soaring demand for smartphones, tablets and gaming devices.

Volkswagen has reported bottlenecks meaning 100,000 fewer vehicles may come out of its European, North American and Chinese factories in 2021's first quarter.

That's because Continental and Bosch, its parts makers, have struggled to secure supplies from their contractors.

And Nissan and Honda, Japan's second and third-largest carmakers, were forced to cut production at the start of this year.

The reductions have affected the Nissan Note, while Honda is paring back output of several models including the Fit.

Renault, Daimler and General Motors are among other marques grappling with a looming shortage.

VW and Continental expect the bottlenecks to continue well into this year, with the former's Golf particularly affected, while BMW has been "monitoring the issue closely".

Bosch, the world's largest car-parts supplier, is receiving "significantly fewer" chips for components it makes. Continental adds there is "extreme volatility" in automotive supply chains and France's Valeo also reports shortages.

The rapid growth in demand for electric vehicles has increased demand for semi-conductors, which power everything from battery management to driver-assistance systems and in-car entertainment.

"After the industry shutdown in the early phase of the Covid-19 crisis and the resulting abrupt drop in demand, car manufacturers increased production volumes much faster than expected," says a spokesman for Continental.

"With lead times of six to nine months, the semi-conductor industry has been unable to scale up fast enough to meet this growth."

The industry's largest chip suppliers include Infineon, NXP, Texas Instruments, Renesas and Nvidia.

Germany-based Infineon is adjusting manufacturing capabilities to meet stronger demand, but says its "long-term growth expectations in automotive haven't changed significantly" – despite the industry's faster-than-expected recovery.

And NXP has seen a surge in orders from its car-sector clients.

New imports surge

Imports of new cars in February came in at 10,549. This was 74.1 per cent more than in the same month of 2020 and 40.4 per cent higher than on January's 7,511 units.

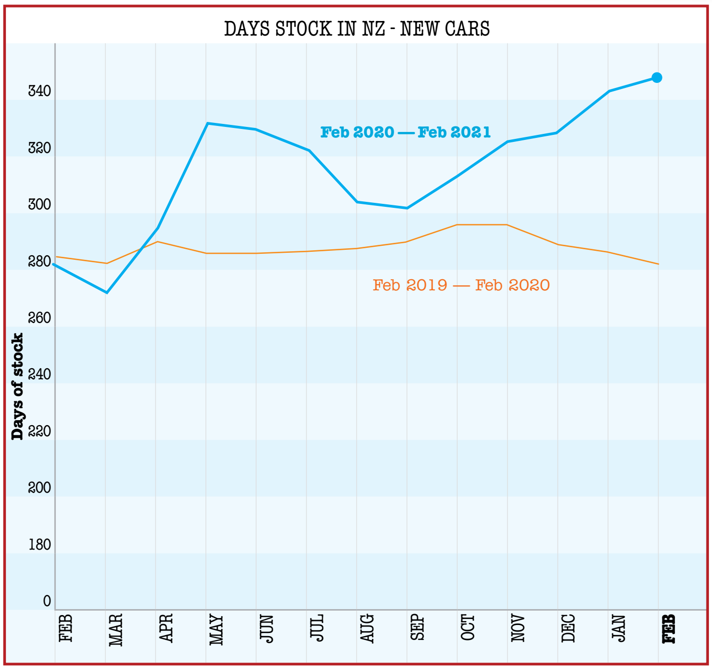
Registrations of new passenger vehicles totalled 8,710 last month for an increase of 10.1 per cent from February 2020's figures. However, it represented a fall of 10.3 per cent from 9,712 units in January.

The numbers have resulted in the stock of new cars still to be registered increasing by 1,839 to 78,455. Daily sales, as averaged over the previous 12 months, stand at 225 units per day.

February's results mean stock at-hand has climbed to 348 days, or 11.4 months, if sales continue at the current rate. In the same month of 2020, the figures were 273 days, or nine months, respectively.

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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
Jan '21	7,511	9,712	-2,201	76,616	223	343
Feb '21	**10,549**	**8,710**	**1,839**	**78,455**	**225**	**348**
Year to date	**18,060**	**18,422**	**(362)**			
Change on last month	**40.4%**	**-10.3%**		**2.4%**		
Change on Feb 2020	**74.1%**	**10.1%**		**1.2%**		
	MORE IMPORTED	MORE SOLD		MORE STOCK		



'Scratching around' to find stock

The after-effects of last year's shutdown to prevent the spread of Covid-19 in New Zealand are still being felt in the automotive industry.

And a current issue across the used and new-vehicle sectors is that supply of stock is thin on the ground.

"When the first lockdown happened, we were nervous about what might happen afterwards and were concerned about stockpiles, but everything panned out to be the opposite," says David Breen, of Orix NZ, a leasing and fleet management company that also runs three retail car-sales yards.

"Coming out of the main lockdown early last May, there was a lot of stock around. However, that has gradually depleted and we're now scratching around trying to find enough vehicles to fill up yards."

Breen notes people have been ordering new vehicles for delivery as much as seven or eight months ahead, "which is quite different" than before the pandemic hit.

"Traditionally, if buyers wanted a certain colour or specifications, they might have had to wait for three months. Now it's common to be waiting five to six months on certain brands.

"That has a flow-on effect because customers are still using their lease vehicles and those aren't coming back for sale."

Breen has been surprised by consumers spending habits post-lockdown. "We scratched our heads for a while wondering why it was happening, but there are probably a few reasons behind it.

"Low interest rates and rising house prices generally provide a buoyant demand for vehicles, both new and used.

"We also suspected that coming out of [last year's] lockdown that people were nervous about public transport, so they were looking for an extra vehicle for the household to not rely on public transport and taxis."

Craig Wall, of Wall Motors in Onehunga, south Auckland, says: "During the first lockdown, we were worried about holding too much and what would happen after we came out of it.

"But everything came right in the first week after lockdown as people started to buy cars again.

"It is now hard to get stock and getting enough will be the biggest issue this year. If we can get stock, we will have a reasonable year.

"We were overstocked before the first [national] lockdown and have been understocked since June last year – about 30 to 40 per cent down on usual levels."

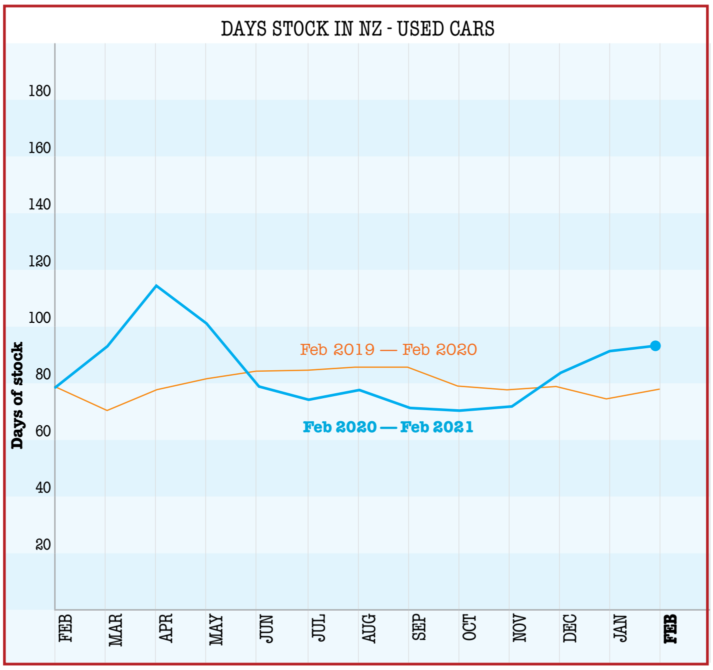
Daily sales slide

There were 9,380 used cars imported in February, this is an increase of 2,409 units, or by 20.4 per cent, on the same month of 2020, and down 18.6 per cent on the 11,523 imported the previous month.

A total of 9,096 units were sold during February. This was down 15.4 per cent from 10,747 registrations during the same month of 2020 and represented a drop of 3.3 per cent from the 9,404 units sold in January this year.

With 284 more used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 28,222 units. This was 5.1 per cent, or 1,526 cars, lower than at the end of February 2020.

With current average daily sales falling to 299 – their lowest level of the past year – there are 94 days' stock remaining if sales continue at this rate.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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
Jan '21	11,523	9,404	2,119	27,938	304	92
Feb '21	**9,380**	**9,096**	**284**	**28,222**	**299**	**94**
Year to date	**20,903**	**18,500**	**2,403**			
Change on last month	**-18.6%**	**-3.3%**		**1.0%**		
Change on Feb 2020	**-20.4%** LESS IMPORTED	**-15.4%** LESS SOLD		**-5.1%** LESS STOCK		