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MAY 2021

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Inspection companies under extra pressure

Biosecurity NZ rules out return to Japan and reveals changes to verification process to limit port delays

A new system to verify used-imported vehicles is putting extra pressure on border-inspection organisations (BIOs) to ensure cars heading our way meet biosecurity standards.

The Ministry for Primary Industries (MPI) has announced changes to the process will be fully operational by July 1 in a bid to cut the time it has been taking to clear vehicles from ports.

It also comes after an increase in the number of used cars arriving at our border that are failing biosecurity requirements because of seed or pine-needle contamination.

As part of the new measures, Biosecurity New Zealand officers will not be returning to Japan to carry out the pre-border verification of vehicles and will continue doing this onshore.

Staff in Japan were recalled by the government in March last year because of the coronavirus pandemic and have mostly been operating at Ports of Auckland since then.

A quarantine officer working at Ports of Auckland

Biosecurity NZ's revamped system will no longer require cars to be held on a vessel for further inspection if contamination is discovered in a vehicle.

Instead, importers can have the consignment taken from the port to approved transitional facilities that are expected to be established in Auckland, Wellington, Nelson and Christchurch.

The changes were introduced from May 1 and are being trialled by the BIOs this month before they make a full transition by the start of July.

At the same time, the previous approach by Biosecurity NZ to discharging vehicles will run until the end of June to allow companies time to adjust to the new procedures.

Steve Gilbert, regional commissioner of Biosecurity NZ, told Autofile it is hoped the changes will alleviate port

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GUEST EDITORIAL

Apprenticeship Boost should be permanent

Quality training is key for industry to meet challenges of the future, says Greig Epps

GREIG EPPS
Advocacy and strategy manager, MTA

The Minister of Education, Chris Hipkins, has been in the news talking about how successful recent training for trades people has been.

The number of new apprentices under the age of 18 jumped from 460 in the six months from August 2019 to 810, or by 76.1 per cent, when compared to the same period in 2020.

And information from the Tertiary Education Commission shows enrolments for vocational and tertiary study rose by 17.6 per cent between December 2019 and December 2020.

This is great to hear, and we think the increases have been helped immensely by the introduction of the Apprenticeship Boost scheme. This provides payments to employers for the first 18-24 months of such training, and is something the Motor Trade Association wants to see strengthened and made permanent.

As many of you already know, placing an apprentice puts a burden on the employer. It can take between 18 months and two years for that person to start contributing fully to a business.

Financial costs are the biggest obstacle to providing this type of training. The scheme enables employers to retain and take on apprentices without fear of financial hardship. Businesses need strong, clear and ongoing support from the government to make apprenticeships viable.

Apprenticeship Boost has had a significant positive impact on MTA members. We obtained data from the Ministry of Social Development which stated that, as of December last year, 1,348 people across 883 employers in the automotive industry were participating in the scheme.

During press appearances, Hipkins said that investment "has paid off with double-digit growth in numbers during 2020, despite the impacts of Covid-19".

We hope the government uses this information to make the right decision and invest in apprentices who are the future of the automotive industry and wider economy. A pipeline of skilled employees is crucial for maintaining the quality and safety of vehicles on our roads.

The proportion of cars failing their warrants of fitness has increased from 35 to 41 per cent over the past five years. Helping to train people on the job will remedy our skills shortage while also improving the safety of New Zealand's fleet.

Thinking ahead, the Climate Change Commission's draft advice to government highlights the automotive industry will have a huge role to play in our country achieving its 2050 net-zero carbon target. As the vehicle mix changes and technology continues to evolve, it's important training is supported through this period.

The MTA has been calling for Apprenticeship Boost to become permanent since the general election. We want to lock in support for employers who contribute to our country's future through skills development and training.

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

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

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congestion and clearance delays.

Roll-on, roll-off vessels usually took one or two days to discharge their consignments before Covid-19 hit, but this year some have reportedly spent up to 11 days in port.

"Biosecurity NZ wants to reduce the number of vehicles arriving with seed and pine-needle contamination, give industry greater responsibility to make this happen and provide alternative clearance options to help reduce port congestion," explains Gilbert.

Each consignment will still be assessed with action determined on a case-by-case basis if non-compliance is found, and samples will continue to be taken as vehicles arrive to provide assurance that consignments meet requirements.

"When Biosecurity NZ has assessed there is a high risk – for example, possible stink-bug contamination – current measures will continue to be used," adds Gilbert. "These include controlled discharge, heat treatment and use of detector dogs."

The MPI announced the changes on April 23 to a meeting in Auckland attended by more than 40 representatives from BIOs, car-industry associations, port and transporter companies, shipping lines and stevedores.

Gilbert says government officials have had extensive discussions with industry to help shape the fresh approach, and suggests officers remaining here will provide better assurance that biosecurity requirements have been met.

"The move will also encourage importers to ensure cars are clean before they leave Japan. Biosecurity NZ will continue to conduct audits and other assessments in Japan.

"There will be clearer roles between Biosecurity NZ, used-vehicle system providers and industry. We also believe the approach will lead to better compliance and encourage industry to improve offshore controls.

Keisuke Nagashima, of Bordercheck

Euan Philpot, of JEVIC NZ

"Biosecurity NZ withdrew inspectors from Japan because of health risks associated with Covid-19. However, for some time, we've been considering an approach that doesn't require significant inspection levels by our officers and has an emphasis on vehicles being cleaned in Japan by approved systems.

"Contamination issues that may have been picked up in Japan in the past are now being resolved in New Zealand. This has led to some clearance delays, which has a flow-on effect to the supply chain. The new approach will address this."

Gilbert says industry will now have more options to address non-compliance, but adds there are some downsides to the new approach.

"Industry players need to be aware they will have more direct responsibility for delays and costs associated with non-compliance."

If officers find contamination during initial checks, those vehicles can be taken to a transitional facility for cleaning and re-sampling. They will then either be given clearance or undergo further cleaning before being sampled again.

Biosecurity NZ has started receiving applications for sites to operate as transitional facilities, which Gilbert says will be similar to other decontamination sites that treat non-compliant cargo and goods.

And transporters will be required to meet standard biosecurity controls to take vehicles from ports to the facilities.

Gilbert expects that vehicle rejection rates will drop under the new system because it provides a "greater incentive for industry to ensure vehicles arrive clean".

"Biosecurity NZ has worked with the Japan-based cleaning and inspection operators to establish approved plans covering how onshore treatment will occur.

"The Japan-based operators are committed to ensuring that vehicles arrive in New Zealand free of any biosecurity risk material and continue to take every opportunity to improve their systems."

Beyond the immediate changes, Biosecurity NZ is also considering further improvements to streamline its operations.

"We are looking to introduce a performance-based approach under which inspection rates will vary depending on a number of risk factors, including the past performance of the importer, climatic considerations and measures put in place by the Japan-based operators," explains Gilbert.

"In general, we are always looking to improve our operations and will continue to work closely with industry to introduce any future changes as required."

POSITIVE CHANGES

BIOs recognise there is now extra pressure on them to maintain high standards when it comes to treating vehicles before shipment from Japan.

Keisuke Nagashima, director of Bordercheck, says the MPI's changes are positive for all the used-car industry.

"It does put some extra onus on border-inspection companies, but it should alleviate a lot of the


Matt Battle, of Moana Blue


Chris Stephenson, of Enterprise Motor Group

congestion at ports and in the supply chain," he says.

"There's been a lot of added cost to shipping lines in terms of having to be berthed at port for up to nine or 11 days in some instances.

"That's had adverse effects on shipping lines and how they conduct business with used-car importers and exporters. Alleviating congestion and delays for the ro-ro lines should benefit the industry as a whole."

Nagashima adds there is a lot of work for BIOs to do as they prepare to adopt the new process. "The MPI has been working with us to implement the changes in a reasonable timeframe. There are a few hurdles to cross but it's not impossible.

"At the end of the day we're here to do a job, which is to inspect to Biosecurity NZ standards to the best of our ability and we will continue doing that.

"If there's a rejection or any outcomes based on MPI verification that require the inspection provider to take responsibility over some of the subsequent costs for the process thereafter, then we are happy to review these costs as they come in.

"We need to accept this in the first instance to help the supply chain. We will continue doing the best we can to provide vehicles that meet the import health standard."

The MPI had officers based in Japan since the late 1990s and officers started doing system verification there in 2010.

However, Nagashima says Bordercheck is comfortable with the government's decision not to return staff there on a full-time basis.

The company became fully approved as a BIO in November 2019 so only had a short period when Biosecurity NZ was conducting verifications offshore.

"We have achieved good results over the past year considering the changes due to Covid-19 and MPI inspectors having to come back to New Zealand," adds Nagashima.

"It's been hard for the biosecurity industry given the changes, but we're dealing with it the best we can and it's good to hear some positive outcomes for the future. We have to wait to see what happens once the MPI has implemented the changes but we're hoping the number of rejections will be minimal."

STRESSFUL YEAR

Kevin Nalder, an independent biosecurity adviser for Autoterminal Japan, is also happy with the changes being made by the MPI. He describes the past year as "unpredictable, expensive and stressful", and believes initiatives discussed with the industry are a positive step forward.

"The decisions aren't that surprising given the situation we're in and how things have evolved over the past year," he says. "The MPI doesn't see the need for full-time inspectors in Japan. We're happy with the model it is proposing going forward and will work closely with them.

"When the inspectors were in Japan, there was a degree of confidence that consignments would be released on arrival, but with the onshore verification regime it's not so predictable.

"The changes are a step in the right direction so we can continue to move cars. We would expect, based on our own analysis, there will now be a far greater number of verification passes."

Autoterminal Japan will be working with transitional facility operators on a trial basis in May and hopes it can be fully operational by the end of the month.

"If the new measures are implemented as they have been proposed, there will be greater predictability along with fewer delays and logjams at the port," says Nalder. "In turn, this should create more efficiency and reduced costs.

"We simply have to adapt to the circumstances, deal with what we have and develop appropriate risk management to carry us into the future. We've got to look forward and take on those challenges."

Euan Philpot, chief executive of JEVIC NZ, says the company welcomes the changes announced and implemented by the MPI on May 1. "We support the proactive steps MPI and the industry have taken to address the bottlenecks that have been experienced in the past 12 months for cargo arriving into New Zealand."

SHIPPING GOALS

It is anticipated that the MPI's new approach will bring benefits to shipping and logistics companies.

Matt Battle, general manager of Moana Blue, says the changes aim to improve the current situation and provide greater certainty around shipping schedules.

"If we can get vessels turned around in a day in New Zealand, then that's what we want to get to. Previously, shipping lines would have expected to spend no more than a day in Auckland but that hasn't been the case for some time because of the pandemic.

"With this new system, we're hoping it will soon be no more than two days and more frequently it can again be just one day."

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Companies can now better focus on their work without wondering if MPI staff are going to start operating offshore again.

"It's much better to have a process that works than carrying on with uncertainty as to whether MPI officers would be returning to Japan," Battle told Autofile.

"The key thing is the biosecurity element will be as important going forward as it has always been and we need to maintain those standards. It's going to be an improvement and everyone will work hard to ensure it is successful."

STOCK CHALLENGE

Chris Stephenson, chief executive of Enterprise Motor Group, says dealers will be hoping the changes speed up the supply chain and help them to better manage stock levels.

"As a dealership, you now have to be more aware about what your stock supply looks like and carry a bit more to allow for a buffer in the event of any disruptions. The world of Covid has required a bit more planning for dealerships around keeping the right stock to meet high levels of demand."

Stephenson says the only notable consequence for dealers since pre-border verifications started being conducted onshore because of the coronavirus pandemic has been stock delays.

"As a dealer, we have probably been the lucky ones. It's people further up the chain who are helping make sure we get cars out to customers as soon as we can who have been more affected. Our suppliers and the rest of the supply chain do a fantastic job, and buffer most of the impacts for us.

"There have been delays in getting vehicles, so it's been a scramble for them to keep things flowing as well as they have. Hopefully, the MPI changes will be an easing of what has been a difficult year for them.

"It seems that if it goes as planned it will relieve some of the pressure, speed some things up and will allow the shipping process to be a lot smoother."

Ports of Auckland says it has worked with the automotive industry to accommodate changes to the MPI inspection process since March last year.

Spokeswoman Julie Wagener adds it has also tried to manage the extended time vehicles have been held at the port during this period.

"The current process the MPI put in place in 2020 due to Covid-19 was required, but wasn't designed as a long-term operating model," she says. "The port is actively working with the MPI and industry stakeholders to support a sustainable vehicle-inspection process going forward and welcomes improvements proposed."

MPI staff will not be returning to Japan to carry out pre-border verification of vehicles, but will continue doing that onshore here

> **"Contamination issues that may have been picked up in Japan in the past are now being resolved in New Zealand"**
> **– Steve Gilbert, Biosecurity NZ**

YEAR OF DISRUPTION

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (VIA), supports the latest solutions put forward by government officials to minimise the risk of hold-ups in the verification process. He notes the past year has posed difficulties with a number of factors impacting on the supply chain.

"MPI staff came back at very short notice," he says. "They had to replace or replicate processes they had in Japan, and do that in New Zealand with limited space, limited resources and with some urgency.

"The situation has been exacerbated by disruptions to the shipping schedules brought about by Covid. Then there were consequent disruptions to the ports with scheduling and berthing arrangements, which has had knock-on effects right down the supply chain to car transporters and compliance shops. The whole thing was a huge exercise in dealing with disruption."

Vinsen says the MPI and leaders of supply-chain companies have drawn on their experience of dealing with the stink-bug crisis to put together working groups and sub-groups to address some of the recent problems. As a result, VIA facilitated a number of meetings to discuss ways to make the process run as smoothly as possible.

"Sectors of the industry also got together to thrash out their own issues and out of that we have had some pretty heated discussions with the MPI. It hasn't been without its problems, but our latest meeting was very positive."

He was among those at the meeting on April 23 when the MPI presented a review of the past 12 months since coronavirus emerged as a serious problem. It was followed by a preview of the changes ahead.

"After returning to New Zealand because of Covid last year, there was an expectation they would eventually go back to the tried-and-tested way of operating in Japan. But that's not going to happen. They do not plan to go back at all."

Vinsen says the new approach comes after some people raised concerns Biosecurity NZ was becoming more like inspectors – rather than being regulators and auditors – since coming back to this country.

"It seemed there were problems with biosecurity on vehicles arriving here and being verified in New Zealand," he adds. "The externals of most vehicles have been fine. It's been pine needles or seeds discovered inside that have been posing problems and have resulted in a number of rejections.

"The MPI started to push back against the BIOs and in turn they pushed back against the MPI, which has redesigned the system and put pressure on the BIOs to up their game, which they have.

"Two systems will run in parallel until the new approach is running properly. This will enable the BIOs to get organised so they can be phased into the new way of doing things when they're ready."

Vinsen is confident the MPI will be able to clear vehicles off wharves quickly, but without any risk to biosecurity under the new method. He adds the ministry is confident the number of rejections will be low, based on data collected over the past 12 months, and shipping lines will be able to discharge without delay.

"They have tried to identify all the possible areas of impediment or delay and have worked on pragmatic and effective ways to deal with those problems.

"It's all good news resulting from a collaborative process that has not been without its tensions and dramas. We have come out of it in a good space, but there will still be some issues and challenges to deal with.

"I'm confident delays and disruptions we've experienced will be ameliorated or eliminated by the new processes without sacrificing biosecurity standards."

Tuning out high-tech system

Toyota appears to be going it alone with the broadcasting frequency for an intelligent transportation system (ITS) fitted to some of its cars that needs to be disabled before being imported to New Zealand.

A ruling is now in force for border-inspection organisations (BIOs) to raise damage flags on any vehicles heading here that are fitted with ITS Connect.

At this stage, the ban only affects high-end Toyota and Lexus models manufactured in Japan.

An illustration of intelligent transport systems at work

ITS Connect operates by broadcasting on the 760MHz frequency, but that bandwidth is reserved for telecommunications in this country.

The Imported Motor Vehicle Industry Association (VIA) has alerted members to a bulletin issued by Waka Kotahi NZ Transport Agency that says products using this frequency are prohibited imports and can be seized by NZ Customs.

No other marque is known to be developing similar technology on the same frequency. Most are choosing to operate at 5.8 or 5.9GHz. These are unmanaged frequencies that are used by wi-fi devices.

Kit Wilkerson, VIA's policy adviser and analyst, says while Toyota wants the 760MHz technology to become mandatory in all new vehicles in Japan, the systems will be ineffective in most other parts of the world.

"A lot of industries in Japan appear to be opposed to the idea, especially other car manufacturers," he told Autofile.

"The technology is not compatible with any other nation, so it's a uniquely Japanese situation. Toyota Japan has designed this exclusively for its domestic market and appears to have little interest about implications elsewhere."

ITS Connect was launched by Toyota in 2015 with the aim of providing drivers with safety information that can't be picked up by on-board sensors, such as traffic-signal information, and vehicles or pedestrians when in blind spots.

Waka Kotahi's technical bulletin states it is illegal under the Radio Communications Act to import or operate a device that uses the 760MHz frequency.

Models that must be inspected for ITS Connect by BIOs include, but may not be limited to, the following Toyotas from their stated model years onwards – the Prius from 2016, Prius PHV 2016, Crown 2016, Harrier 2018, Alphard 2018, Vellfire 2018 and Noah 2018.

The same applies to these Lexus models – the RX from 2016, LS 2018, RX 2018, ES 2018 and UX 2018.

AUTONOMOUS AMBITIONS

Wilkerson explains ITS Connect has been developed as a key safety feature in the Japanese government's push towards a zero-harm transport sector. He adds the technology is also crucial to Toyota's ambitions to create fully driverless vehicles.

"The Japanese want no crashes whereby cars have the technology so they won't crash into another vehicle or pedestrians.

"ITS Connect is not just for cars. The Japanese envision transmitters being put into a variety of consumer goods and I've even seen examples of dog collars equipped with them so a vehicle can 'see' them.

"The real goal of this technology is to make everything on the roadway visible to future autonomous cars. The technology has yet to make vehicles autonomous, but Toyota is using it as a tool to help people drive better."

He adds the response to Toyota's demand for ITS Connect to feature in all cars in its domestic has been varied, although there is some support from the Japanese government and police to use the systems for controlling traffic lights.

"It's largely being pushed by Toyota supported by Mazda, which has no cars equipped with it yet that we are aware of, but they are part of a 760MHz consortium."

At this stage, Toyota is believed to be fitting ITS Connect in all higher-end models, with the system optional in some of its mid-range cars.

While this can cause headaches for independent importers, Wilkerson says it is not a problem for Toyota NZ because it has its own Signature Class vehicles. It also has ready access to on-board computer systems, which means staff can turn off or delete ITS Connect software before cars hit our shores.

DIFFERENT APPROACHES

Cars featuring connected intelligent transport systems (C-ITS) are available in New Zealand – even if the supporting infrastructure means they have minimal use at this stage.

However, those devices do not require any action when imported here and can sit idle because they operate on unmanaged frequencies.

"A lot of manufacturers have the same goals [around C-ITS], but it's not as much of an issue because they're not going it alone," says Wilkerson. "They are using frequencies that can be used in any other country.

"Different jurisdictions are taking different approaches to C-ITS. A European car probably won't talk to an American car with C-ITS because they're taking different approaches to solving these problems, but at least it's not prohibitive. It's not a prohibited import or broadcasting on a managed frequency."

Wilkerson cautions the growing demand to use radio frequencies for an increasing array of technologies may lead to conflict later.

In the US, there have been discussions between car manufacturers and providers of internet devices because of a global "frequency crunch".

"There's only so much radio frequency available and everyone wants to reserve off their section and there's not enough to be cheaply used by everybody. In the future, I expect we will see something similar here in New Zealand for different purposes.

"Companies or industries are trying to carve off little sections of radio spectrum for their reserved use and they will be making an argument to government either on how their technology provides a public good or it will be safety related.

"That was the debate with car

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Safety in mind

Toyota unveiled ITS-Connect in September 2015. An example of its vehicle-to-infrastructure communication capabilities at the time was its signal-change advisory, illustrated above.

When stopping at a red light at an intersection fitted with appropriate equipment, a display counts down the remaining time until the traffic signal changes.

Below is an example of vehicle-to-vehicle feature called emergency-vehicle notification.

When an ambulance equipped with a compatible device is sounding its siren nearby, the system notifies the driver with an audio alert, and displays the approximate location and distance of the vehicle as well as the direction in which it is moving.

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manufacturers wanting to reserve the 5.8GHz frequency in the US because they think cars talking to each other will be the foundation of safety, but people wanting wi-fi devices argue they require it as they provide a public good."

A problem with sharing frequencies may be that devices interfere with each other, resulting in "sub-standard" internet or cellphone connection because cars are broadcasting on the same frequency.

On the plus side, the high-tech systems may make emergency vehicles on the road more visible by providing warnings to drivers to get out of the way. Other applications include automated tolling.

"We will continue to see car manufacturers develop these technologies for specific jurisdictions," adds Wilkerson.

"Right now, we have to avoid vehicles that have ITS Connect or find a solution to ensure the software has been removed. We're keeping a close eye on it and trying to identify models that are being equipped with it."

Applications for ITS include automated tolling

INSPECTION PROCESS

Waka Kotahi's bulletin defines the process for identifying vehicles fitted with ITS Connect systems.

"The BIOs – specifically Automotive Technologies Ltd, ATJ, JEVIC, Independent Verification Systems [IVS] – and NZ Biosecurity Services, will provide data regarding the presence of ITS Connect on vehicles they inspect, subject to prerequisites," it states. "All responsibility for importing any vehicle remains with the importer."

BIOs need to check the model and vehicle year of imports from Japan against a list regularly updated by the agency of cars fitted with ITS Connect.

If on the list, two checks must be made to see if the system is fitted and operational. The agency says the first is on the multi-instrument display (MID) or multi-function display (MFD). The second is on its navigation system.

"In both cases, the inspector will be looking for any indication of settings associated with an active ITS Connect system," the agency says. "To meet the burden of proof of conclusive evidence, it must be shown the vehicle is not fitted with ITS Connect.

"For a vehicle that is not fitted with the system, two photos must be provided that show the settings screens for the navigation unit and MID. These photos should also be saved with the BIO's vehicle file.

"A vehicle found to be fitted with a system must have a damage flag placed on it with a note stating 'ITS Connect fitted'. Any other damage or Takata airbag recall notes must also be added if applicable."

For vehicles with the technology active, BIOs need to contact the owner or importer, who will need to take it to a Toyota or Lexus dealership in Japan for it to be disabled or removed.

DISABLING TECHNOLOGY

Malcolm Yorston, VIA's technical manager, does not anticipate ITS Connect will become a significant issue for used-vehicle importers at this stage.

He says not many vehicles are affected because the technology only features in top-of-the-range Lexus and Toyota models, and it's mostly "fairly late-model stuff".

"It's only in the past three years that they have started arriving," he explains. "However, the numbers are going to get bigger. At the moment, there isn't a great number of cars with these systems coming down to New Zealand, only the odd one.

"It shouldn't become a big problem once we've sorted what needs to be done. It's just a matter of disabling the technology and there's no significant impact on the vehicle or how it operates.

"I also don't think it's going to have much of an impact on prices of cars or what people are looking for because we don't have ITS infrastructure here to support it. If we did, it may be a different kettle of fish."

Yorston notes the Japanese government settled on 760MHz for ITS Connect because other signals get affected by what's known as the "canyon effect". This occurs in cities with high-rise buildings and causes radio signals to bounce in inappropriate ways.

"In Japan, people can buy dongles to go in the back of kids' backpacks so the vehicle is searching for any signal that's also on 760MHz. In effect, it can see around corners if a child is coming along or playing in the road. It is more vehicle-to-vehicle and vehicle-to-person communication than being about vehicle to infrastructure.

"It's mainly a feature of high-end vehicles and aimed at the market where it's made. Even in Japan, it's not going to have much of an effect on a consumer living outside of a major urban centre."

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Markets probed for bug risks

An export market for new and used vehicles coming into this country may be placed on a high-risk list at a future date to keep out stink bugs.

The Ministry for Primary Industries (MPI) says the UK was considered to go on schedule three of its latest draft import heath standard (IHS) for vehicles, machinery and parts.

Strict rules for brown marmorated stink bugs (BMSBs) apply to such imports from high-risk countries, such as Japan. These are managed under an MPI-approved system or before-arrival treatment by an offshore treatment provider.

The UK was investigated for inclusion because of recent detections of bugs there and its shared border with France, which is on schedule three of the IHS.

It's also thought the southern part of the UK has temperatures

The MPI is changing import requirements for vehicles due to the increasing risk of stink bugs

that may be suitable for BMSB populations to establish. However, the MPI has decided against adding it to schedule three "at this time".

"While there have been three reported detections in traps over the past year, these findings did not present any evidence of establishment in the UK," it says. "Detections were single adult bugs close to airports and tourist attractions.

"Additionally, the UK's National Plant Protection Organisation [NPPO] carries out regular monitoring using traps and has been responsive to the MPI's request for additional information around this and possible signs of establishment.

"The MPI and DAWE [Australia's Department of Agriculture, Water and the Environment] will continue to actively monitor the UK for risk and request information from the NPPO if given reason to."

That said, the MPI anticipates the UK will be added to schedule three in the future because BMSBs are spreading across environmentally suitable countries on the European continent, although no timescale has been given.

The MPI has also decided against imposing schedule-three status on China, North and South Korea, and Taiwan.

It says: "Unlike the larger numbers associated with vehicles from Japan in 2018, detections associated with goods from China and South Korea have stayed stable with similar numbers over the past three risk seasons."

When the draft IHS was finalised, seasonal stink-bug finds during 2020/21 connected to vehicles, machinery and parts included four incidents from China – one dead insect per detection – and none in South Korea or Taiwan with no relevant imports from North Korea.

"The MPI considers stable and low numbers of detections from these native countries is due to competition and predation that reduces the likelihood of population growth seen when BMSBs invade countries where such predators are absent. China, Korea and Taiwan have, therefore, not been added to schedule three at this time."

One country has been added to schedule three. While there is no evidence Poland has established populations, it has been deemed a risk because it is close to other BMSB risk jurisdictions, particularly Germany where the insects are established.

The MPI also flags up the lack of border restrictions Poland has with other European risk jurisdictions, no government reporting of bug populations there and Poland's climate being suitable for them to become established.

The DAWE and MPI will continue to monitor countries for stink-bug risk using detection data, heightened verification and intelligence mechanisms.

Some other changes are proposed for the 2021 IHS. Four smaller vehicle types – all-terrain vehicles, golf carts, quad bikes and side-by-side racers – will no longer be eligible for BMSB management exclusion criteria, while inflatable boats are being excluded from the standard.

The draft includes guidance amendments and additions. These include clarification on import requirements when imports arrive here via a combination of air and sea movements.

There are also updates to the manufacturer's declaration template, including guidance around who can complete and submit it.

IHS submissions can be emailed to standards@mpi.govt.nz until June 30. It will be finalised in July or early August. It will come into effect at the same time, so stakeholders can implement changes before the high-risk season starts on September 1.

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Overdue leads not followed up in a timely fashion are

82%

less likely to be converted to a test drive

The Facts*

Email leads that are responded to within 2 hours are

66%

more likely to result in a sale than leads that are responded to within 24 hours

Leads that are actioned within 24 hours are

90%

more likely to convert to a sale than leads that are not actioned for between 24 hours to 5 days

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**Sourced from activity by users within the AutoPlay platform for the 12 months to 24/3/21*

Industry movers

SHUJI KURUMIYA has been appointed by Automotive Technologies Ltd (ATL) as chief executive of its Japanese operation.

The new role will see Kurumiya, pictured, based in ATL's office in Tokyo. The company's owner, Nigel Grindall, remains chief executive of ATL New Zealand.

"We are very excited to have Shuji [Shue] join the team," says Grindall. "He is a highly respected member of the industry and brings 20 years of experience and knowledge."

GREGG MURRAY has joined Protecta Insurance as business development manager, responsible for growing its client base throughout New Zealand.

Prior to arriving in the country six years ago, he spent seven years as a sales and marketing manager at Bidvest Insurance in South Africa where he looked after all of the McCarthy Motor dealerships.

He previously worked as a commercial manager for a rugby union, then as a business development manager for a large sports apparel company.

ROBBIE HOUGHTON and **GRADY STEVENS** have been appointed to the newly created regional operation manager roles at Vehicle Inspection New Zealand (VINZ).

Robbie Houghton

Houghton has taken on the North Island post, while Stevens has the same role for the South Island. They will be responsible for formulating business strategies with key stakeholders to help advance the brand.

Grady Stevens

Houghton has joined VINZ from Ezi Car Rental where he was fleet-procurement manager for more than five years.

Stevens has moved internally after being regional manager central at VINZ since 2016. Prior to that, he was vehicle services and vehicle-inspection manager at the AA for eight years.

Mike Rielly

Alongside these two appointments, **MIKE RIELLY** and **BILLY GREEN** have been made compliance service managers for the North and South Islands respectively.

Rielly has 37 years' experience in the automotive industry and joins from Chucks Restoration Supplies, where he was responsible for importing vehicles, shipping, arriving imports and sales.

Billy Green

Green, who has been a site services manager for VINZ since 2016, has spent 30 years in the industry working on vehicles ranging from heavy trucks to those with small two-stroke engines.

DASS PILLAY has joined Provident Insurance as business development manager. He has more than 20 years of experience in the automotive finance and insurance industry, and joins the company after spending more than three years at Protecta Insurance.

Pillay previously worked for John Andrew Ford & Mazda for seven years before joining Davies Motors Holden and then Andrew Simms Newmarket.

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

Brian Gibbons

Top man from the AA calling time on career

The chief executive officer of the AA has announced he will be retiring early next year.

Brian Gibbons has held the position for 30 years and for a decade before that he was CEO of the Wellington (Central) Automobile Association, which he joined in 1982.

When he signed up, there were 15 automobile clubs in New Zealand and about 600,000 Kiwis were members of the AA.

In 1991, Gibbons was charged with bringing them all together to form one association. Today, the AA has more than 1.78 million members with 1,000 staff employed nationwide.

"It has been a fantastic journey," he says. "But I know that when I retire next year, I leave an association that's in good health and is seen as one of New Zealand's most trusted brands."

Gary Stocker, president of the AA, describes Gibbons as having been an "inspirational leader".

"He has built an association that's regarded as one of the world's most successful automobile clubs," says Stocker.

"Its activities on behalf of members are diverse – from roadside assistance with more than 500,000 members rescued on the roadside each year, to tourism services and providing maps and guides, as well as offering driver-licensing services on behalf of Waka Kotahi NZTA.

"The association also offers members all forms of insurance, financial services, expert advice at AA Auto Centres nationwide and driver training."

Stocker adds all of this has been achieved without increasing the annual membership fee for 30 years, with most members receiving more in benefits and discounts than the subscription cost.

Gibbons' achievements attracted the attention of the world body of motoring clubs, the Federation of Internationale de L'Automobile (FIA).

It was in 2017 that he was appointed president of the FIA's senate, a position he still holds. This was a major achievement, and also recognised his skills and calibre of leadership.

"My continued focus is on the AA for the rest of 2021 as we remain poised to meet any fresh challenges that Covid-19 may pose, while developing new services and benefits for members," says Gibbons.

"I look forward to ensuring an orderly transition for the new CEO, who I know will relish – as I have done – the strong service culture at the AA. This ensures everything we do has a member-benefit focus."

Gibbons will stay on as CEO until the end of January 2022 before retiring to spend more time with his family, but is expected to continue his role with the FIA.

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For full details, please contact:
Chris Gibbs at CEO@royalecars.co.nz

ROYALE

Quiz buyers about their needs

Most people, or 52 per cent, say they bought their electric vehicle (EV) primarily to benefit the environment or to reduce transport costs – some 35 per cent – so maximising efficiency will contribute to their main goals.

High energy efficiency also extends the range of the EV on a full charge.

About eight per cent of owners report sporty performance as the main reason for switching to electric. They are more likely to exercise their "inner hoon" at the expense of draining their batteries a bit faster.

The more placid among us, or four per cent of those answering Flip The Fleet surveys, have purchased electric cars mainly because they like a quiet and steady drive. They will be rewarded by higher energy efficiency and, therefore, be travelling further between charges and reducing electricity costs.

Daniel Myall, Flip The Fleet's data scientist, has built successively more complex and reliable statistical models of EV energy efficiency as more data has streamed in from all around New Zealand.

To filter out climate and seasonal effects, he divided regions into two climate zones – "balmy", which is most of the North Island and the top of the South Island, and "chilly", from the middle of the South Island down.

Peak performance occurs during the summer of balmy regions where energy efficiency averages 7.12km per kWh. This drops by seven per cent to 6.63km/kWh in the winter.

EV owners driving in chilly regions have a marginally lower efficiency in summer at 7.04km/kWh, but they also have to adjust to a bigger drop of 11 per cent to 6.29km/kWh during winter.

Winter's cold squeezes an EV's performance partly because drivers use heaters, wipers and lights more, plus some basics of chemistry also drive the seasonal shift – batteries don't work as well when they are cold.

A winter drop in energy efficiency will occur for petrol and diesel vehicles, but their owners are less likely to notice or be concerned because their range on a full tank is much larger.

Car dealers should quiz prospective EV buyers about how far they need to routinely travel and check that the winter range,

Henrik Moller, co-founder, Flip The Fleet

not the summer range, is adequate for their needs.

You can roughly estimate winter range by multiplying four factors together.

- The marque's original battery size in kWh.
- 85 per cent to estimate accessible energy – some energy is always held in reserve.
- The state of health (SoH) of the battery accounting for battery-capacity fade.
- The winter energy efficiency for the owner's region – 93 per cent for balmy regions and 89 per cent for chilly regions.

For example, my 24kWh Nissan Leaf makes around 85 per cent of the energy stored in the battery available to the driver. It has retained 86 per cent SoH six years since manufacture. In winter in Dunedin, I achieve 6.3km/kWh, so I can go 24kWh x 0.85 x 0.86 x 6.3km/kWh = 110km on a full charge.

Unless owners like living near the edge, they will usually recharge when their batteries fall to 20 per cent full and certainly by the time 10 per cent is left "in the tank". Therefore, the practical range is about 80 to 90 per cent of the calculations above.

I usually do around 50km per trip away from home, so I mostly only charge the battery to 80 per cent each time.

Keeping the state of charge between 20 and 80 per cent prolongs the life of the battery, maintains the maximum range for occasional longer trips, protects my investment in the EV and minimises the lifetime environmental costs of making the car.

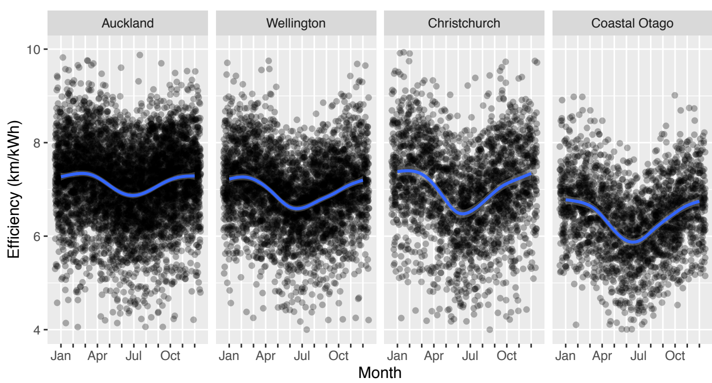
Over and above seasonal and regional averages, energy efficiency varies a lot with the individual driver's style, average speed, urban and rural travel, terrain, local climate, model and marques.

It can all be a bit bewildering for a prospective buyer. If you trust them, it's best to lend the EV, or a courtesy car of about the same battery SoH, to your client for a week before sealing the deal. That way the customer can measure efficiency and range during normal routines and be more confident about buying.

Range anxiety quickly fades once an owner learns to trust the vehicle, but getting them started is the key.

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

Regional differences in EV energy efficiency



Each dot is one of more than 19,500 monthly energy-efficiency measurements provided by Flip The Fleet participants from 1,227 electric vehicles since February 2014. The blue line gives the monthly average for New Zealand's main regions and for all years combined. The huge variation between drivers is shown by the wide scatter of dots.

Timeframes criticised

An organisation representing the new-car industry in Australia has described proposals to limit the carbon dioxide (CO_2) emissions of vehicles entering New Zealand's fleet as "madness".

Tony Weber, chief executive of the Federal Chamber of Automotive Industries, says our government's plans risk crippling the market.

It unveiled its timescale in January for emissions from cars to average 102g/km by 2025. The current level for light vehicles is about 171g CO_2/km.

Under the clean-car import standard, light commercials will have to emit less than 132g CO_2/km by the same deadline.

The targets are designed for all new vehicles entering the country in four years' time to have an average of 105g CO_2/km, equivalent to a 40 per cent reduction. Penalties on importers who miss targets will be levied from 2023.

Weber describes the proposed roll-out as "madness", adding "the better thing is to transition over a longer period". He adds the targets may lead to new-car prices being increased to reduce the appeal of high-emissions models.

The Motor Industry Association and other representatives of New Zealand's automotive sector have called for the start date to be pushed back to 2030.

Electric marque set to expand

A premium electric-only brand, which was founded by Volvo Cars and Geely four years ago, is planning to launch in New Zealand as part of its expansion into the Asia-Pacific region.

Polestar is also looking to start operating in Australia, South Korea, Singapore and Hong Kong during 2021.

It says specific dates and details for each market, along with model specification and product pricing, will be announced closer to respective launch dates with preparations at different stages in these countries.

New Zealand, Singapore and Hong Kong are expected to operate on an importer basis. Local partners are yet to be confirmed. Independent sales units are being established in Australia and South Korea, with managing directors appointed.

Polestar's expansion into Asia-Pacific will help take its global footprint to 18 markets by the end of this year.

"The brand is gathering momentum," says Thomas Ingenlath, chief executive officer. "It's great to be expanding with the Polestar 2 beyond our initial global markets in China, North America and Europe."

The independent Sweden-based company says its new ventures will not be operated


The Polestar 1 is an electric performance hybrid GT

by existing local Volvo Cars enterprises. However, those sites may help to establish it and service its vehicles.

Nathan Forshaw, Polestar's head of China and Asia-Pacific regions, says specific roll-out timing is at an advanced stage and recruiting key individuals has begun. "While we are growing rapidly, we're ensuring our processes ensure a consistent experience for customers, wherever they are based."

The marque currently produces two electric performance cars. The Polestar 1 is a hybrid GT with a WLTP electric-only range of 124km, which it says is the longest of any hybrid. Its Polestar 2 is a performance fastback with an all-wheel-drive electric powertrain that produces 300kW and 660Nm, and boasts a maximum range of 470km.

Models in the pipeline include the Polestar 3 SUV and the Precept, a design study released in 2020. It showcases the marque's vision in terms of sustainability and digital technology.

The company is also aiming to create the world's "first truly climate-neutral vehicle" by 2030 on the back of environmental experts warning that offsetting is unsustainable in the long run.

As a manufacturer of electrified vehicles, Polestar doesn't have to worry about pollution from internal combustion engines, but is working to eliminate all emissions from production.

Ingenlath says sustainability declarations, common in industries such as food and fashion, will be applied to all of its future models.

Starting with the Polestar 2 and initially disclosing carbon footprint and traced risk materials, labelling will appear on the company's website to set a "transparency precedent for the industry".

"Consumers are a huge driving force in the shift to a sustainable economy. They need to be given the right tools to make informed decisions. This makes things clear. Today, the Polestar 2 leaves the factory gates with a carbon footprint. In 2030, we want to present a car that does not."

As for carbon dioxide (CO_2), Volvo Cars and Polestar have reduced fleet emissions beyond their joint target for 2020 as defined by European Commission (EC) rules.

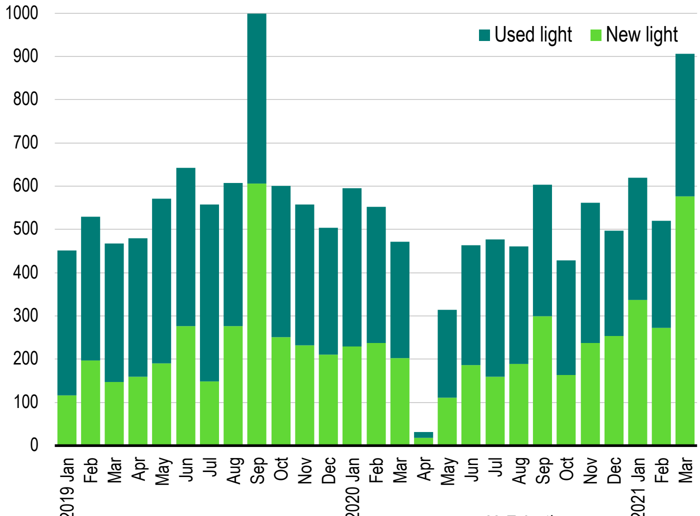
As a result, the two entities – as Volvo Car Corporation – have entered a pooling arrangement to offer surplus CO_2 emissions to Ford and potentially other brands in-line with the EC-implemented system. Revenue from it will be reinvested in green-technology projects.

Total EVs by region

Northland	757
Auckland	10,797
Waikato	1,440
Bay of Plenty	936
Gisborne	76
Hawkes Bay	457
Taranaki	321
Manawatu/Wanganui	769
Wellington	3,933
Nelson/Marlborough	935
Canterbury	3,923
West Coast	33
Otago	1,548
Southland	192

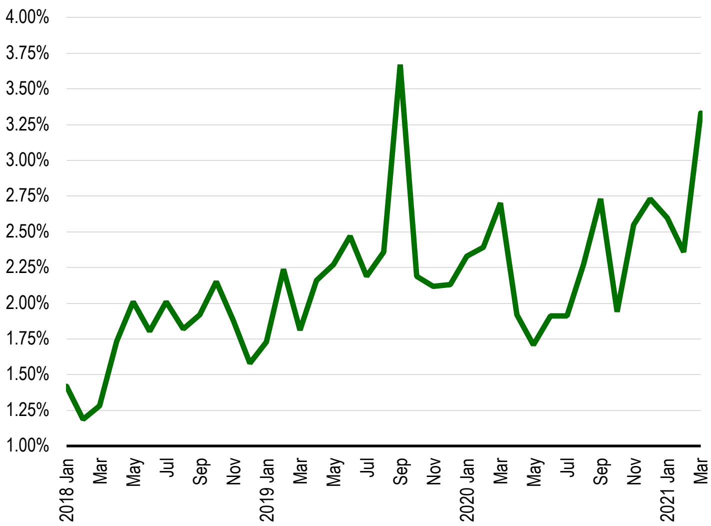
Source: MoT, April 20, 2021

Monthly light EV registrations - new and used import



Source: MoT, April 20, 2021

EV percentage share registrations



Speeding up the supply chain

VTNZ is calling for more collaboration between industry and government officials following a drawn-out process to approve organisations for entry-certification inspections.

Craig Basher, national manager – technical, says it took almost 16 months to secure approval from Waka Kotahi NZ Transport Agency after companies had to provide more details about their operations than for previous appointment rounds.

Five companies were approved to provide entry-certification services from March 1 and they must meet a number of new regulatory requirements. VTNZ, the AA, VINZ and Drivesure secured five-year terms, with Canterbury Vehicle Compliance appointed for three years.

Basher says lessons need to be taken from the application process, which started in late 2019, for when those terms next come up for renewal.

"We need to have more of a partnership approach," he told Autofile. "There is real strength in working in partnership to develop requirements. If industry had had input into the new regulatory processes, the application and implementation process would have gone a lot more smoothly.

"We would be clearer on what we needed to do and there would be more clarity on both sides about what needed to happen."

Entry-certification providers must now collect extra information from vehicles, provide Waka Kotahi with quarterly reports, and undergo an external audit during the first year of operation and every three years after that.

Freshly imported vehicles awaiting processing at Ports of Auckland; inset, Craig Basher

Basher says VTNZ is refining its reporting methods to accommodate the extra workload, but he has concerns that some of the rules risk unnecessary duplication.

"The new reporting requirements require significantly more time and effort for our inspection staff. We provide entry-certification inspections from around 70 sites nationally and complete in excess of 1,000 entry inspections every week. That's a significant reporting requirement for us.

"Most of the additional data has already been captured at the border. It has also been entered into LANDATA so there is double and triple handling of entry-certification data. If there is going to be extra reporting, it needs to be meaningful and, of course, it needs to contribute to increased vehicle safety."

The approved companies are weighing up the financial impact of the latest terms of appointment and Basher predicts there will be increased costs across the industry to the inspection process.

His sentiments echo those of Jonathan Sergel, the AA's general manager of motoring services, who told the March issue of Autofile it wasn't yet known if costs will climb by "$1 or $100 a car".

"There has been a significant increase in compliance costs and it is unlikely we will be able to absorb these within our current pricing structure," Basher notes.

"VTNZ has had to enhance several processes and procedures to meet the new ECL [entry certification for light vehicles] requirements, especially around the management of conflicts of interest and 'fit and proper'.

"We are also reviewing our training, and optimising our online learning management system to deliver and record training. We'll be looking at what the implications are for the service we offer and we'll be talking with our customers around these.

"With finding an external auditor, as with the rest of the industry, we are still exploring options on how we will do such an audit. It's a 'fit and proper' audit, not a financial or process audit. We are investigating a number of avenues through which we could then satisfy those audits."

Basher says VTNZ is preparing a proposal about the external audits for submission to the transport agency to see if it meets the requirements. "Again, this is new ground for Waka Kotahi too. It will be by mutual agreement to some extent and we'll see how that goes over the next few months."

VTNZ has been conducting entry-certification inspections for the new requirements across its network and at offsite third-party sites since the start of March, and is "developing mature processes around that".

Details of this work will be added to its existing quarterly reports to Waka Kotahi. They already cover aspects of regulatory inspections, such as driver testing, driver licensing, road-user charges, and motor registration and licensing.

"We are pleased to have been reappointed, but mindful of the work required over the next few months to refine our offering around entry certification," adds Basher. "The ECL application has been a lengthy process of almost 16 months.

"Covid-19 exacerbated some of the time frames, with level four and three prohibiting face-to-face meetings and site visits. This, coupled with the complexity of the process and level of detail required in support of the applications, had a significant impact on time frames and effort required.

"While we have approval to operate from 74 sites, there is still work required across our network to ensure we are well-placed to meet ongoing inspection requirements."

Key role for agency

Kane Patena has been appointed to the newly created role of director of land transport at Waka Kotahi for an 18-month term starting from April 1.

"He has been an integral part of the journey we've been on over the past 18 months as we lift our regulatory performance," says Sir Brian Roche, agency chairman.

Setting up the position became a legislative requirement under the Land Transport (NZTA) Legislation Amendment Act.

The act states the land-transport director's functions, powers and duties include providing leadership in relation to any regulatory matters, exercising control over entry into and exit from the system, and monitoring, investigating, managing and enforcing compliance in relation to matters under legislation.

Patena is known to many in the automotive industry from his past role as general manager of regulatory services, which he took up in February 2019.

Time to revisit definition of safety

In light of recent initiatives to decarbonise transport, it is a good time to reintroduce a pet project of mine – how we define and rate safety.

As I see it, the government wants two things – safe vehicles and efficient vehicles, sort of. I say sort of because it tends to yield to pressures that encourage heavy vehicles.

For example, the clean-car import standard, which some argue is an efficiency standard, provides a larger credit for a 3,000kg electric vehicle (EV) than one that's 1,000kg even though both might carry similar passenger and cargo loads.

This, however, is counter to efficiency as simple physics tells us it takes three times the energy to move the 3,000kg EV than the lighter one. If we were concerned about efficiency, the pricing dynamic should go in the opposite direction. That said, both EVs will have a larger credit than any vehicle with an internal combustion engine, so there is that.

The problem with demanding safety and efficiency is that the primary factor in both cases is mass, but it is applied inversely. More massive vehicles are considered safer but are less efficient and vice-versa. The government wants to incentivise both with the inevitable effect of disincentivising both.

With the rise of EVs, marques are looking for ways to maximise range. That's purely an efficiency issue, which means we can expect future EVs to get lighter over time.

Recent breakthroughs in structural batteries, or those designed to be incorporated into a vehicle's structure, will especially drive down the mass of EVs leading to much greater range. There's a reason why structural batteries are called "massless". It isn't because they are without mass, but because they replace other car components.

KIT WILKERSON
Policy adviser and analyst
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There have also been amazing drops in the size and mass of electric motors. These innovations are by-products of integration, new materials and new uses, such as aviation, but the end result will be less massive vehicles with extra range.

"There have been amazing drops in the size and mass of electric motors"

So, if we know that's the direction personal transportation is moving, how can we continue to encourage the arms race that currently exists on the road?

The average mass of most jurisdictions' annual inventory – cars available for purchase each year – has been increasing almost linearly for the past 30 years. Today's best-sellers tend to be SUVs and utes. This mass increase has been actively encouraged by manufacturers and government, largely in the name of safety.

Not only should this trend not be encouraged, it is also at odds with our needs as a society. One target needs to bend.

Efficiency is defined by physics. No amount of lobbying is going to change that, so our only option is to rethink our definition of safety. And it just so happens that our definition at present leaves a lot to be desired.

Our current definition of safety is almost singularly focused on reducing harm to occupants in a crash. This is intuitive and fits well with how manufacturers like to market vehicles. It is worth considering if it is intuitive that's because of how it's marketed. Even if not, alone it is a poor foundation for a systems-based perspective especially when it is at odds with our other goals.

For instance, it downplays potential harm to others in an accident and completely ignores the harm caused by emitted noxious gases, even to vehicle occupants.

Research released by the Ministry of Transport a few years ago suggests harm from such gases is about equal in social harm and cost to the sum of all crashes and deaths annually. In other words, our current definition actually ignores more than half of the harm done by the cars on the road. And, it is worth noting, much of that harm affects people who aren't even on the road itself.

Instead, we should allow car dealers to sell safety features that will keep occupants safe and the government should then focus on reducing social harm from the entire system.

Consider what this would look like. Vehicles would have high safety ratings if they both emitted less noxious gases and if they were likely to cause less harm in a crash. Guess what the primary factor in both of those criteria would be? Mass, with less mass being better in both cases.

If we took this approach, safety and efficiency would no longer be at odds. They would both show a preference for lighter vehicles.

There is nothing, of course, in this rating system that would preclude the government from continuing to mandate new safety features such as airbags, electronic stability control or even, soon to be available, automated emergency braking.

Imagine one consistent massage from the government. Safety and efficiency ratings for vehicles would largely be aligned. This system would even align with the message to consume less and decrease our carbon footprints.

Perhaps one of the most intriguing aspects of this proposal – and important when we consider prices will likely soon rise leading to an even older fleet – is if we start driving down the fleet's average mass, it would appreciate occupant protection of vehicles already on our roads.

The month that was... May

May 4, 1998

Re-export evades tariff problem


AUTOFILE

Re-export of Stock Evades Tariff Problem

ALLIED FINANCE
Dealer Finance Specialists

Distributors and used-vehicle importers were expected to start re-exporting their existing stock after the budget forecast announcement that would likely see tariffs on vehicles abolished.

Canny operators could save huge money by freighting their cars to a nearby international port, such as in Australia, or to the Pacific Islands to gain duty claw-backs. They could then re-import them when tariffs no longer applied.

Industry sources told Autofile that there was no legal impediment to such a practice, and re-exporting stock would save distributors and importers thousands of dollars.

For instance, while the duty payable on a vehicle that retailed for $35,000 was $3,500, once wholesale and retail margins, plus GST, were added to the equation, the distributor or importer could save $5,300.

The general public's confusion about the effect of the end of tariffs had become so acute that sales, particularly in southern areas of the country, virtually dried up in April.

Dealers had reported a huge downturn in foot traffic and, in some cases, had advised customers to defer buying decisions until after the budget when the abolition announcement was expected to be made.

May 14, 2004

Sime Darby buys Cycle & Carriage


autofile

Sime Darby to buy Cycle and Carriage

UDC

SENATE

Ownership of the Cycle & Carriage group in New Zealand changed hands to an Asian-based group.

Singapore-based Sime Darby Berhad announced that the group had entered into agreement to purchase the Kiwi automotive interests of Hong Kong-based Jardine Cycle & Carriage.

The price for the acquisition was around NZ$8.4 million, subject to adjustment. The sale covered both the Truck Investments group and the automotive side of the business, and was dependent on Overseas Investment Commission approval.

The transaction was in-line with Cycle & Carriage's plans to focus on its Asian automotive businesses.

The Truck Investments group, based in Palmerston North, handled the distribution of the Mack, Renault and Hino brands.

Also incorporated in the group was the nationwide parts and service network for trucks and commercial vehicles, trading under the Truck Stops name.

There were four retail dealerships located in Auckland and Lower Hutt, which together represented Nissan, Mitsubishi, Kia and Suzuki.

May 17, 1998

Dealers given breathing space


autofile

UDC

UK Delay Gives Kiwi Dealers Breathing Space

ALLIED FINANCE
Dealer Finance Specialists

The British government delayed expanding its car market to Japanese used imports until January 2001. It sparked outrage in the UK, but assisted New Zealand's used-import market.

There were fears that by opening the floodgates into that market, Kiwi dealers would find supply of stock not only drying up but becoming more expensive.

The British government would allow 1,000 imports during March 1999 before increasing that number by 1,000 each month until December 2000.

All restrictions, except the special vehicle approval (SVA) test, would be dropped from January 2001.

It was estimated that used imports would account for at least 50,000 sales a year in the UK if it dropped all controls, except the SVA test. Some 100,000 used imports were arriving in New Zealand annually.

The issue was causing huge controversy in the UK where consumers' rights were seen as being passed over in favour of manufacturers.

Prices of new cars in the UK could be up to 50 per cent higher than they were in other European countries, while used imports were likely to sell for up to 35 per cent less than similar vehicles sold by franchised dealers.

May 2, 2008

Emissions testing begins


autofile

UDC

Emissions testing begins

SIN becomes CIN

The government had launched a testing scheme to ensure all vehicles entering New Zealand met tough new exhaust-emissions standards.

The Land Transport Vehicle Exhaust Emissions Rule, introduced earlier in 2008, required all imported new and used vehicles to comply with minimum standards.

From May 1, vehicles had to be physically tested to ensure their emissions control equipment was working effectively.

Associate Transport Minister Judith Tizard, who launched the scheme at Vehicle Testing New Zealand's site in Auckland's Sylvia Park that week, said: "The government is committed to improving air quality and we don't want used cars that fail to meet standards in other countries ending up on our roads."

The rule required all vehicles entering the fleet to have been built to minimum emissions standards, which brought New Zealand in-line with European and Japanese standards.

The testing would ensure imports were still working to that standard when they entered the fleet. For diesel vehicles, this was through a snap acceleration test.

'Considerable risk' with franchises

Over the past 18 months, the industry has experienced the departure of Holden and more recently Honda has announced changes to its operating model.

The Japanese marque has lost a few of its "independent" dealers in the process and is actively recruiting replacements albeit under a different operating scheme.

Holden's departure, because of the scale involved, sent plenty of shock waves across the wider landscape as its franchisors scrambled to find replacement brand connections.

In some cases, that resulted in further aftershocks as other dealers outside of the Holden network found themselves on the wrong side of the franchise shuffle that followed.

On the plus side, these upheavals happened at the ideal time for some newer brands to our market searching for representation. MG and Mahindra have certainly been beneficiaries.

This period of change should serve as a reminder to all franchised dealers, and not just those directly affected, that the world in which they operate carries considerable risk. The tenuous nature of the business on our shores has been exposed during these events.

The point of this commentary is that New Zealand is almost unique in the developed world with almost no protections for franchisees.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Our mates over in Australia have some legal protections in place and those provisions are now enhanced with a range of additional measures set to make life even a little fairer for businesses over there.

Even the US, the land of the free, has substantial legal protections for dealers. A former president of the National Automobile Dealers' Association visited New Zealand some years ago and I recall him standing in the MTA's boardroom expressing surprise at what traders in our country face.

The irony was not lost on us when that man from Kansas expressed the view that New Zealand "really was the wild west".

It was a shame a few of our lawmakers of the time weren't present to hear those thoughts, notwithstanding the MTA has in the past and continues to promote these causes as opportunities arise.

It seems our government's view is that it's all tickety-boo out there in dealer-land. A trader could always seek action through the Commerce Act if there were any real grievances to address. That's all very "plausible" when you've just been handed a 90-day notice.

Obviously, that day did happen for Holden dealers and, to a lesser extent, those with Honda.

Despite the raw nature of New Zealand's franchisee world, it's not unusual to hear comments from dealers that they aren't really that familiar with the content of their current agreements and will face any situation if it lands.

Perhaps that comes from a historical position that they have never had much or any scope to negotiate terms. In that sense, it was perhaps "close your eyes and hang on".

I've also heard of stories from dealers commenting on advice they received from their own lawyers that the terms of their agreements are often too one-sided and that they carried such considerable risk that perhaps they shouldn't proceed. That's not so easy when you're already involved and committed.

Could a Holden or Honda happen again? In all reality, yes, given we are entering turbulent industry times. It's likely we will see even more marques come to market. It was only a few weeks ago that China-based BYD declared plans to enter the Kiwi market and several commentators have hinted other new brands will likely follow.

We also have the spectre of the government's clean-car import standard looming on the horizon. The operating shockwaves of that coming will be significant and another Holden or two might not be out of the question.

So, regardless of how confident dealers feel about current relationships today, they should take the time to fully review the content of their agreements and terms of engagement. It might not help sleep patterns right now, but it might allow them the time to draft a few action plans and strategies should the worst arise. It's wise to have a plan.

Fast-forward to electric future

The C40 Recharge and inside its cabin. Its front end introduces a "new face" for electric Volvos

Volvo Cars has launched the first pure electric model in the Swedish marque's history.

The C40 Recharge follows the company's announcement that it will be a fully electric brand by 2030 after phasing out any car in its global portfolio with an internal combustion engine (ICE) as part of its commitment to a zero-emissions future.

Ben Montgomery, general manager of Volvo NZ, says the new model will be aimed at a younger market.

"Based on the CMA [compact modular architecture] platform, the C40 builds on the XC40's popularity and will be aimed at a younger demographic. It will provide these customers with all the benefits of an SUV, but with a lower and sleeker design."

And there's a nod to vegans. "In-line with our sustainability objectives, the C40 will be the first Volvo to be completely leather-free."

Following the introduction of the XC40 Recharge and now the C40 Recharge, the marque will roll out several additional electric models in coming years.

By 2025, the aim is for 50 per cent of its global sales to be fully electric with the rest of them being hybrids. And five years down the track, it plans for every model it sells to be pure electric.

The rear of the C40 Recharge features a lower roofline, while its front end introduces a new face for electric Volvos. It includes headlights with pixel technology.

Inside, a higher seating position is provided, which the brand says many of its customers prefer.

Like the XC40 Recharge, the C40's Android-based infotainment system has been jointly developed with Google.

Unlimited data enables superior connectivity and the SUV will receive software updates so it continues to improve after leaving the factory.

Its propulsion consists of twin electric motors, one on the front and the other on the rear axle. Power comes from a 78kWh battery that can be fast-charged to 80 per cent in about 40 minutes. The anticipated range is about 420km, which is expected to improve over time via over-the-air software updates.

Ben Montgomery, general manager of Volvo NZ

The C40 Recharge will go into production in the third quarter of this year and will be built alongside the XC40 Recharge in Ghent, Belgium, with the first arrivals for New Zealand slated to arrive in the second half of 2022.

As for Volvo Cars' commitment to becoming a leader in the fast-growing premium EV market, Montgomery says: "The rapid phasing-out of all vehicles with an ICE is an acknowledgement that the fight against climate change has become one of the company's highest priorities.

"In New Zealand, we will be the first premium brand to stop selling diesel models, and we will shortly be rolling out more mild hybrid EVs and plug-in hybrids."

Volvo Cars' transition towards becoming a fully electric marque is part of its ambitious climate plan, which seeks to consistently reduce the life-cycle carbon footprint per car through "concrete" actions.

Its decision also builds on the expectation that legislation and a rapid expansion of accessible high-quality charging infrastructure will accelerate consumer acceptance of pure EVs.

The 2030 target represents an acceleration of the company's strategy driven by strong demand for its electrified cars in recent years and a conviction that the market for ICEs is shrinking.

‘World first’ charging system

The wraps have come off the Ioniq 5 – Hyundai’s first model in its range of the same name dedicated to battery EVs.

The midsize SUV is built on the company’s electric-global modular platform (E-GMP) with its elongated wheelbase exceeding 3,000mm.

Buyers can select from two battery-pack options, 58kW or 72.6kW, and two electric-motor layouts, either with a rear motor only or with both front and rear motors.

All PE variants of the Ioniq 5 provide “outstanding range” and deliver a top speed of 185kph, according to the marque.

At the top of the electric motor line-up is an all-wheel-drive (AWD) option paired with the 72.6kW battery, which produces 225kW of power and 605Nm of torque. This configuration in the PE variant can make the 0-100kph dash in 5.2 seconds.


Hyundai’s Ioniq 5

When kitted out with 2WD and the 72.6kW battery, the Ioniq 5’s maximum range on a single charge will be around 470-480km based on the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) standard.

Its E-GMP can support 400-volt and 800V charging infrastructures. The platform offers 800V charging capability as standard without the need for adapters.

The car’s multi-charging system is a world’s first patented technology that operates the motor and inverter to boost 400V to 800V for stable charging compatibility.

With a 350kW charger, the Ioniq 5 can be charged from 10 to 80 per cent in just 18 minutes, while users only need to plug it in for five minutes to get 100km of WLTP range.

The vehicle-to-load (V2L) function can supply up to 3.6kW of power. The port for this can be found under the second-row seats and it can be activated when the car is switched on.

Another V2L port is located on the exterior charging port. Using a converter, owners will be able to charge high-power electric equipment, while the outside port provides power even when the vehicle is turned off.

For the first time in a Hyundai, the Ioniq 5 features an augmented reality head-up display, which essentially turns the windshield into a display screen.

The EV also comes equipped with the next level of SmartSense, the marque’s advanced driver-assistance system.

As for its exterior, the Ioniq 5’s design is characterised by a profile inspired by the Pony, Hyundai’s first production car.

The marque will be expanding its pure EV line-up with the Ioniq 6 sedan and Ioniq 7, a large SUV.

Sleek inspiration

Honda has unveiled the latest generation of its HR-V in a bold and sleek coupe-inspired form.

Available with a “powerful and responsive” two-motor e:HEV powertrain as standard for the first time, the all-new compact SUV delivers hybrid efficiency and advanced safety.

On sale in Europe from late 2021, it’s the latest in the marque’s line-up to wear the e:HEV – hybrid electric vehicle – badge, following the refreshed CR-V and all-new Jazz that launched in 2020.

It expands Honda’s electrified line-up as the brand moves further towards its goal of electrifying all of its European mainstream models by 2022.

The design includes a new integrated grille, while the body shape incorporates a long bonnet and sharper, more vertical sides.

The all-new HR-V offers “premium SUV styling” and retains its predecessor’s class-leading interior space with four adults able to sit in comfort.

Thanks to Honda’s compact, integrated powertrain technology and centre tank layout, it retains the marque’s versatile “magic seats”, which offer fold flat or flip-up options depending on cargo space required.

Mike Whiddett and his son Lincoln

Meet showman, racer, family man

Consummate showman "Mad" Mike Whiddett is a homegrown Kiwi hybrid, part Evel Knievel and part PT Barnum, the American showman and businessman who was known for founding his circus and celebrated for his hoaxes.

Those who have watched Whiddett's antics in a progressively "madder" series of drift cars may think they know the man.

Whiddett and his team worked with Lamborghini to produce a drift Huracán for the 2019 Goodwood Festival of Speed

They include the Mazda RX3, MX5, RX7, and the RX7 with the RX3's nose grafted on, the RX8 and perhaps the "maddest" of all – his Red Bull-backed and factory-endorsed Lamborghini Huracán, which ran at the UK's Goodwood Festival of Speed.

Each car has been a step-up from the last, and all of them have built the Mad Mike brand to the point where his social-media audience now numbers several million.

But behind the extrovert driving and his out-there personality, Whiddett is a family man. He's a devoted dad to 14-year-old son Lincoln, the next generation of fast men sporting the same surname.

In February and March, off-road racing fans were treated to the sight of a father-and-son team dominating the Stadium Short Course Championship racing at Manukau.

Whiddett senior brought his ex-US stadium truck RUMBUL to race the Thundertrucks and Prolites, while son Lincoln won the demonstration class for 450 Modkarts – miniature race trucks also based on an American specification.

Powered by a peripheral-ported rotary engine that shares specifications with the four-rotor in MADBUL, the RX7 with the Mazda RX3 nose, RUMBUL has appeared at Goodwood and the Leadfoot Festival in New Zealand, and has already taken him to a class title in 2018.

"It's so much fun to get behind the wheel of RUMBUL and not have to think that I'm being judged on my line and angle etcetera," says Whiddett. "I can just slam the right foot down and cut loose."

When it is time for Lincoln to step up, his dad says RUMBUL will be a perfect stepping stone for him although "he's still got some growing to do before he can reach the pedals. The engine is absolutely psycho, probably as wild as you can make a naturally aspirated 13B – it screams".

There is also a secret in Mad Mike's past that, until this year, he has been reluctant to share. As a teenager, Whiddett and his friends would buy an old car for a couple of hundred dollars, pull it apart, put it back together and spend the weekend hooning around the streets or thrashing it in the forest.

"Whoever flipped it, crashed it or blew it up bought the next one. We did that for years. We went ▶

Lincoln Whiddett can throw it sideways like his father

Whiddett pilots his 750hp Mazda RX-7 up the Crown Range in Queenstown for a Red Bull video in 2013

Competing in a drift battle in Japan back in 2016

through a lot of cars, but learnt so much. One of my mate's uncles had this big gravel yard where we'd roast the hell out of our cars.

"That was where I learned about vehicle control and driving sideways. I was always into rear-wheel-drive cars so I was drifting before I even knew what it was."

Before he discovered drifting in 2007, Whiddett spent his early 20s riding freestyle motocross, including a couple of tours with the Crusty Demons.

His last freestyle motocross competition was in 2002 at X Air, the New Zealand X Games.

A heavy crash saw him rushed to hospital where doctors told him he would be paralysed for life.

"I compressed and fractured four vertebrae and ruptured disks in my back, lost all feeling to my legs and was told that I wouldn't walk again," says Whiddett.

"Unlike a lot of others who experience spinal cord injury, I was very lucky. The next morning, I woke up and felt pins and needles in my toes and yelled for the doctor. The doctor told me it was a one-in-a-million occurrence that I wasn't paralysed from that injury,"

In New Zealand, four people a week are paralysed by spinal cord injury.

Whiddett was due to be lacing his shoes this month to take part in the Wings For Life World Run. The event has raised funds for spinal cord injury research since 2014.

"I've taken part in the Wings For Life World Run many times and I urge as many people as possible to do it too.

"From my own personal experience and only just missing a serious spinal cord injury, it's so important to support those who weren't quite so lucky."

Worldwide, thousands will run together to raise awareness and funds for spinal-cord research. In Auckland, the run was to be held on May 9. Visit www.wingsforlifeworldrun.com to find out more.

Driving to rally fore

Hayden Paddon and John Kennard smashed the competition at the first round of the 2021 New Zealand Rally Championship

Kiwi rally stars Hayden Paddon and John Kennard secured a commanding win at the opening round of the 2021 New Zealand Rally Championship (NZRC).

It was the fourth time the pair had won this event in a Hyundai. This time their winning margin was a huge seven minutes and 32.9 seconds, which was secured over two days and 298km of competition.

While their fellow NZRC competitors struck mechanical issues across the two-day rally, Paddon and Kennard had a near perfect run to win 12 of the 14 special stages and set 11 new stage records.

Two punctures on the Sunday afternoon prevented a clean sweep of stage wins, but Paddon was still pleased to return to competition in such strong form.

"We're very happy," he says. "It's awesome to come away with a win, particularly after the off-season and how busy it's been for the team.

"We couldn't ask for anything more. It was a shame we couldn't quite get the clean sweep of stages, but two tyres delaminated on us."

For many of the competitors it was a much-awaited return to the gravel for the Rally of Otago, which ran from April 16-18.

The Covid-19 pandemic meant it was 546 days since the previous NZRC event in 2019.

Dealer placed 'too much reliance' on warrant of fitness for safety of brakes

The case: The buyer wanted to reject his 2008 Aston Martin DB9 because the trader had promised the car would undergo a thorough pre-sale inspection. But, after supply, he found the brakes were unsafe and the convertible roof didn't work. The dealer said it had fixed the roof and would repair any further defects.

The decision: The tribunal agreed the brakes were a failure of a substantial character and endorsed the consumer's rejection of the vehicle.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

John Farmer bought a 2008 Aston Martin DB9 Volante from Christchurch European Ltd on May 27, 2020.

The transaction involved trading in his 2014 Ferrari California and $69,250 in cash. The Aston's sale price was recorded as $90,000.

Farmer purchased the DB9 sight unseen based on the description and photos on Christchurch European's website, and assurances given by salesman Michael Mills. One such assurance was the car would undergo a "12-year service" before delivery in which "everything would be checked".

After supply, Farmer discovered its convertible roof wasn't working, which was repaired.

He then arranged for the car to undergo a full safety inspection at Autohaus Auckland and, as a result, the brake discs were found to be beneath the minimum thickness specified by the manufacturer.

Based on Autohaus' report, Farmer rejected the Aston Martin under the Consumer Guarantees Act (CGA) by email on September 17, about two-and-a-half months after purchase.

The dealer said Farmer wasn't entitled to reject the vehicle. It denied knowing about the defects at the time of sale, but added it had been ready and willing to deal with any problems.

The case

After collecting the DB9 on July 1, 2020, Farmer immediately discovered its convertible roof wasn't working, so Christchurch European asked him to take it to Autohaus.

The repairs took a long time due to parts delays. The work was completed by the end of September and cost the trader about $5,300.

During that time, Farmer asked Autohaus' manager Byron Martin to inspect the car to check for other issues. Martin reported the brake discs were worn below the safety limit, the transmission cooler hoses were leaking, a mounting bush for the upper control arm was cracked and the differential oil was dirty.

His report noted he "did not expect to find the above problems with a car that's only showing 22,614km".

Farmer was disappointed after discovering the extent of the Aston Martin's defects and, in particular, that it was unsafe to drive and shouldn't have had a warrant of fitness (WOF).

Christchurch European submitted the brake discs had probably been machined during the compliance certification process after the vehicle was imported in 2016.

Director Niki Mills said it was an 11-year-old car so it was normal to have wear on the discs, which should be replaced every 20,000-30,000km.

He added the trader would have replaced these components if they had failed the car's WOF in April 2020. Mills also said that since being made aware of the issue, he had arranged for repairs at Christchurch European's cost.

A WOF is predominantly a visual and performance-based assessment. Inspectors are authorised to look through the wheels and if they can see the lip of the rotor, they are permitted to reject the vehicle.

In this case, the inspector had noted on the check sheet that the rear-brake rotors were wearing. But it was only after Autohaus removed the wheels and measured the discs that they were found to be 1.5mm under the manufacturer's minimum safety limit.

There was no evidence the trader had checked the discs' condition prior to supply.

The finding

There was no dispute the Aston Martin failed to comply with the CGA's guarantee of acceptable quality in respect of defects identified by Autohaus.

Christchurch European's position was that it had accepted its liability to repair the faults at its own cost.

The worn brake discs made the car unsafe to drive and, in the adjudicator's view, it was no answer to say that because the vehicle had passed a WOF it must be safe.

The most recent WOF check sheet indicated wear had been observed on the rear-brake discs, so it could be said Christchurch European was on notice this was a potential issue that should have been investigated further.

Overall, the tribunal found the dealer placed too much reliance on the fact the DB9 had a recent WOF. Accordingly, Farmer had established the failure of his vehicle to comply with the guarantee of acceptable quality.

The primary remedy available to Farmer was to ask the trader to fix the faults within a reasonable time, which was what happened in regard to the roof.

However, it was a different matter in respect of the brakes, which the tribunal found constituted a substantial failure.

For that reason, Farmer was entitled to reject the car even though Christchurch European was willing to fix the brakes at its cost.

The adjudicator emphasised Farmer notified the dealer he had rejected the vehicle very soon after Autohaus had completed its inspection and that, in effect, he hadn't used the Aston Martin since then.

Order

The buyer was entitled to receive a full refund of the purchase price of $90,000, recover the $150 cost to move the car to storage and $373.44 for the Autohaus inspection.

Claim buyer was misled over car's year of manufacture dismissed by tribunal

The case: The buyer claimed she had been misled because her 2020 Nissan Qashqai had been manufactured in 2019. She wanted to reject it. The trader said the SUV was made in 2019, but it was legally classed as having a vehicle year of 2020 when first registered. The dealer added the car was supplied on such a date that the purchaser must have known it was manufactured in 2019.

The decision: The application under the Fair Trading Act (FTA) was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Usha Datt purchased a new Nissan Qashqai from Auckland Auto Collection Ltd, trading as Manukau Nissan, for $42,735 on January 8, 2020.

She wanted to return the car and obtain a refund of its purchase price. She claimed the dealer had engaged in misleading conduct in breach of the FTA by telling her that it was a 2020 model when, in fact, it was manufactured in 2019.

Manukau Nissan refused to comply with the buyer's demand to reject her Qashqai. It said the representation that the car was a 2020 vehicle wasn't misleading because it was treated as having a "vehicle year" of 2020 because that was when it was first registered.

The case

The sole issue requiring the tribunal's consideration in this case was whether Manukau Nissan had engaged in misleading conduct in breach of section nine of the FTA.

The question to be answered in relation to that section was whether a reasonable person in the claimant's situation – with the characteristics known to the defendant or of which the defendant ought to have been aware – would likely have been misled or deceived.

If so, a breach of section nine would be established. It was not necessary, under section nine, to prove the defendant's conduct misled or deceived the plaintiff.

However, if the conduct objectively had the capacity to mislead or deceive a reasonable person, there was a breach of section nine.

The Qashqai was manufactured in March 2019 and imported into New Zealand. Datt first inspected it on January 2 the following year and was told it was a 2020 car. The SUV was then registered on January 7 and she signed the vehicle offer and sale agreement six days later.

Datt said that she purchased the car believing it had been made in 2020 and she only discovered otherwise when it was first serviced.

Therefore, Datt alleged that Manukau Nissan's conduct in describing the Qashqai as a 2020 vehicle was misleading.

She also alleged the dealer failed to comply with its obligations under the Motor Vehicle Sales Regulations (MVSR) to disclose the car's year of manufacture in the contract for sale.

Manukau Nissan argued that it hadn't misled the purchaser because it had met the NZTA's requirements and other regulations in that the car was treated as having a "vehicle year" of 2020 because that was when it was first registered.

It also submitted that because the Qashqai was purchased in early January 2020, Datt should have known that it was not manufactured in 2020.

The finding

Manukau Nissan's representation that the SUV was a 2020 vehicle wasn't false because – for the purposes of the Motor Vehicle Register administered by the NZTA and the Consumer Information Standards (Used Motor Vehicles) Regulations – the "vehicle year" was the year of registration rather than when it was manufactured.

However, under the FTA a representation may be true but nonetheless misleading.

When a new vehicle is sold in a year different from its year of manufacture, the potential does exist for misleading conduct to occur when:

- The circumstances lead the purchaser to reasonably believe the vehicle was manufactured in the year of sale.
- Or when the vehicle has been superseded by a later model with different features, specifications and appearance, and the seller fails to disclose that.

The tribunal wasn't satisfied Manukau Nissan's conduct had the capacity to mislead or deceive a "hypothetical reasonable person" about the car's year of manufacture.

A reasonable person exercising an appropriate degree of care would have known that it was impossible for the Qashqai to have been made in 2020.

Datt was first told it was a 2020 vehicle on January 2 last year. It should, therefore, have been obvious to her that it was not manufactured in 2020.

There was no evidence to show the car had been superseded by a later model with different features, specifications and appearance when Datt purchased it.

In that regard, the tribunal accepted Manukau Nissan's evidence that Datt purchased the most recent model available in this country at that time.

Datt also raised concerns about Manukau Nissan's compliance with the MVSR in that it might have failed to comply with its obligation to disclose the year of manufacture in the contract for sale.

However, any such failure wasn't misleading because a reasonable consumer would have known that it was impossible for the car to have been made in 2020 and, therefore, she couldn't reasonably have been misled by the absence of that information from the sales contract.

In any event, the tribunal does not have any power to enforce compliance with those regulations, so Datt would need to raise her concerns with the Ministry of Business, Innovation and Employment.

Order

The application was dismissed because the dealer hadn't engaged in misleading or deceptive conduct.

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- Insurance
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- Odometer verification
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LATEST SCHEDULE

	Port Calls	Morning Crystal v2108	Turandot v2109	Don Juan v2110	Tokyo Car v2111	Turandot v2112
JAPAN	Moji	—	—		—	15 Jun
	Osaka	17 Apr	4 May	20 May	1 Jun	16 Jun
	Nagoya	—	5 May	21 May	2 Jun	17 Jun
	Yokohama	19 Apr	6 May	22 May	3 Jun	18 Jun
NEW ZEALAND	Auckland	19 May	21 May	6 Jun	19 Jun	4 Jul
	Lyttelton	22 May	8 Jun	9 Jun	3 Jul	9 Jul
	Wellington	24 May	9 Jun	11 Jun	5 Jul	10 Jul
	Nelson	25 May	7 Jun	21 Jun	5 Jul	19 Jul

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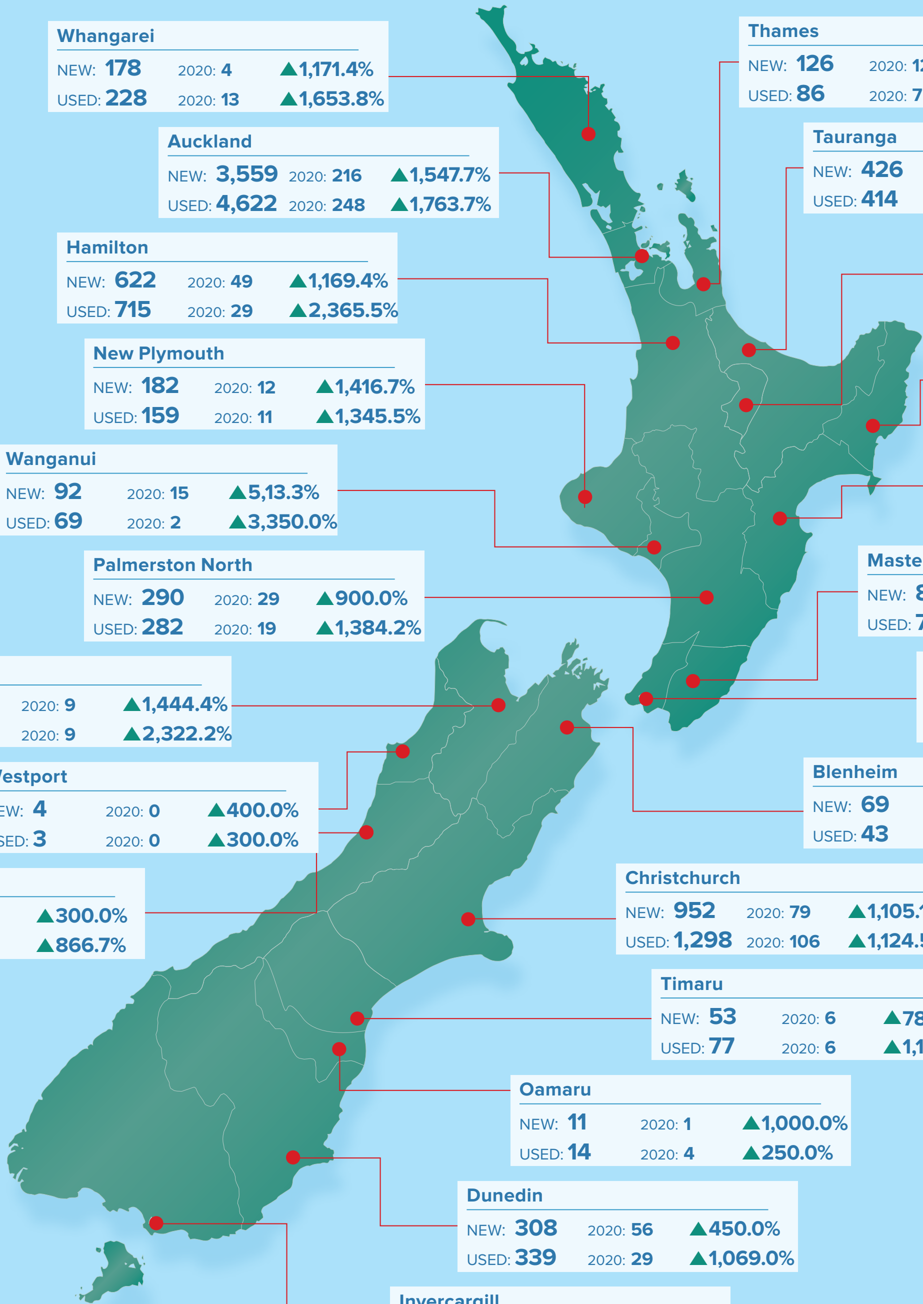
AROUND THE COUNTRY
April 2021

8,825	2020: 707	▲1,148.2%
10,134	2020: 622	▲1,529.3%



Whangarei	NEW: 178	2020: 4	▲1,171.4%	USED: 228	2020: 13	▲1,653.8%
Thames	NEW: 126	2020: 12	▲950.0%	USED: 86	2020: 7	▲1,128.6%
Auckland	NEW: 3,559	2020: 216	▲1,547.7%	USED: 4,622	2020: 248	▲1,763.7%
Tauranga	NEW: 426	2020: 50	▲752.0%	USED: 414	2020: 19	▲2,078.9%
Hamilton	NEW: 622	2020: 49	▲1,169.4%	USED: 715	2020: 29	▲2,365.5%
Rotorua	NEW: 224	2020: 16	▲1,300.0%	USED: 150	2020: 12	▲1,150.0%
New Plymouth	NEW: 182	2020: 12	▲1,416.7%	USED: 159	2020: 11	▲1,345.5%
Gisborne	NEW: 62	2020: 2	▲3,000.0%	USED: 83	2020: 7	▲1,085.7%
Wanganui	NEW: 92	2020: 15	▲5,13.3%	USED: 69	2020: 2	▲3,350.0%
Napier	NEW: 290	2020: 28	▲935.7%	USED: 249	2020: 17	▲1,364.7%
Palmerston North	NEW: 290	2020: 29	▲900.0%	USED: 282	2020: 19	▲1,384.2%
Masterton	NEW: 87	2020: 17	▲411.8%	USED: 72	2020: 6	▲1,100.0%
Nelson	NEW: 139	2020: 9	▲1,444.4%	USED: 218	2020: 9	▲2,322.2%
Wellington	NEW: 988	2020: 60	▲1,546.7%	USED: 791	2020: 51	▲1,451.0%
Westport	NEW: 4	2020: 0	▲400.0%	USED: 3	2020: 0	▲300.0%
Blenheim	NEW: 69	2020: 7	▲885.7%	USED: 43	2020: 7	▲514.3%
Greymouth	NEW: 16	2020: 4	▲300.0%	USED: 29	2020: 3	▲866.7%
Christchurch	NEW: 952	2020: 79	▲1,105.1%	USED: 1,298	2020: 106	▲1,124.5%
Timaru	NEW: 53	2020: 6	▲783.3%	USED: 77	2020: 6	▲1,183.3%
Oamaru	NEW: 11	2020: 1	▲1,000.0%	USED: 14	2020: 4	▲250.0%
Dunedin	NEW: 308	2020: 56	▲450.0%	USED: 339	2020: 29	▲1,069.0%
Invercargill	NEW: 147	2020: 25	▲488.0%	USED: 193	2020: 17	▲1,035.3%

Imported Passenger Vehicle Sales by Make - April 2021

MAKE	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,926	145	1,917.9	28.9%	11,310	28.5%
Mazda	1,370	78	1,656.4	13.5%	5,502	13.9%
Nissan	1,316	119	1,005.9	13.0%	5,441	13.7%
Honda	867	56	1,448.2	8.6%	3,480	8.8%
Subaru	736	46	1,500.0	7.3%	2,819	7.1%
BMW	525	32	1,540.6	5.2%	1,936	4.9%
Volkswagen	514	18	2,755.6	5.1%	1,972	5.0%
Mitsubishi	428	24	1,683.3	4.2%	1,667	4.2%
Audi	310	17	1,723.5	3.1%	1,109	2.8%
Suzuki	254	25	916.0	2.5%	1,022	2.6%
Lexus	196	10	1,860.0	1.9%	728	1.8%
Mercedes-Benz	192	13	1,376.9	1.9%	705	1.8%
Volvo	81	2	3,950.0	0.8%	286	0.7%
Ford	63	2	3,050.0	0.6%	242	0.6%
Jaguar	37	4	825.0	0.4%	146	0.4%
Jeep	28	1	2,700.0	0.3%	102	0.3%
Chrysler	27	2	1,250.0	0.3%	62	0.2%
Chevrolet	25	3	733.3	0.2%	114	0.3%
Land Rover	41	5	720.0	0.4%	161	0.4%
Mini	25	2	1,150.0	0.2%	113	0.3%
Dodge	23	1	2,200.0	0.2%	84	0.2%
Porsche	22	3	633.3	0.2%	106	0.3%
Holden	20	1	1,900.0	0.2%	78	0.2%
Hyundai	18	4	350.0	0.2%	93	0.2%
Peugeot	14	1	1,300.0	0.1%	56	0.1%
Renault	9	0	900.0	0.1%	19	0.0%
Kia	8	0	800.0	0.1%	46	0.1%
Citroen	7	1	600.0	0.1%	24	0.1%
Tesla	6	1	500.0	0.1%	10	0.0%
Rover	5	0	500.0	0.0%	11	0.0%
Skoda	4	0	400.0	0.0%	8	0.0%
Bentley	3	0	300.0	0.0%	16	0.0%
Cadillac	3	1	200.0	0.0%	8	0.0%
Chrysler Jeep	3	0	300.0	0.0%	12	0.0%
Isuzu	3	0	300.0	0.0%	9	0.0%
Others	25	5	400.0	0.2%	145	0.4%
Total	**10,134**	**622**	**1,529.3**	**100.0%**	**39,642**	**100.0%**

Imported Passenger Vehicle Sales by Model - April 2021

MAKE	MODEL	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	667	26	2,465.4	6.6%	2,778	7.0%
Mazda	Axela	494	21	2,252.4	4.9%	1,915	4.8%
Toyota	Prius	391	14	2,692.9	3.9%	1,663	4.2%
Nissan	X-Trail	331	11	2,909.1	3.3%	1,272	3.2%
Honda	Fit	328	23	1,326.1	3.2%	1,411	3.6%
Volkswagen	Golf	302	12	2,416.7	3.0%	1,189	3.0%
Mitsubishi	Outlander	264	9	2,833.3	2.6%	1,058	2.7%
Mazda	Demio	240	21	1,042.9	2.4%	1,122	2.8%
Subaru	Impreza	225	16	1,306.3	2.2%	879	2.2%
Toyota	Vanguard	215	6	3,483.3	2.1%	805	2.0%
Toyota	Corolla	213	7	2,942.9	2.1%	874	2.2%
Nissan	Leaf	208	9	2,211.1	2.1%	815	2.1%
Subaru	Legacy	207	16	1,193.8	2.0%	810	2.0%
Suzuki	Swift	207	20	935.0	2.0%	815	2.1%
Toyota	Wish	188	8	2,250.0	1.9%	711	1.8%
Mazda	Atenza	181	11	1,545.5	1.8%	646	1.6%
Mazda	CX-5	176	6	2,833.3	1.7%	692	1.7%
Toyota	MarkX	174	9	1,833.3	1.7%	663	1.7%
Toyota	Blade	149	4	3,625.0	1.5%	501	1.3%
Honda	CR-V	134	3	4,366.7	1.3%	478	1.2%
Subaru	Forester	114	3	3,700.0	1.1%	438	1.1%
Honda	Odyssey	109	4	2,625.0	1.1%	448	1.1%
Mazda	Premacy	108	6	1,700.0	1.1%	459	1.2%
BMW	320i	105	5	2,000.0	1.0%	404	1.0%
Nissan	Serena	100	6	1,566.7	1.0%	409	1.0%
Toyota	Vitz	98	6	1,533.3	1.0%	378	1.0%
Nissan	Skyline	91	11	727.3	0.9%	406	1.0%
Volkswagen	Polo	90	4	2,150.0	0.9%	341	0.9%
BMW	116i	89	6	1,383.3	0.9%	329	0.8%
Nissan	Note	86	11	681.8	0.8%	417	1.1%
Toyota	Sai	79	0	7,900.0	0.8%	234	0.6%
Nissan	Fuga	77	2	3,750.0	0.8%	330	0.8%
Audi	A4	72	4	1,700.0	0.7%	250	0.6%
Toyota	Vellfire	67	1	6,600.0	0.7%	209	0.5%
Audi	A3	65	7	828.6	0.6%	241	0.6%
Others		3,490	294	1,087.1	34.4%	13,252	33.4%
Total		**10,134**	**622**	**1,529.3**	**100.0%**	**39,642**	**100.0%**

Confident about future growth

Turners Automotive Group is looking to expand its retail presence with the business now well-positioned for the "new norm" after seeing its earnings grow in recent times.

The company's plans were outlined at an institutional investor morning on April 14 with sites for new dealerships in Rotorua and Nelson in the next 12 months discussed as the used-vehicle market continues to show resilience in Covid-19's wake.

These come on the back of retail sites opening in Dunedin, and Westgate and Otahuhu in Auckland, between May 2020 and January this year.

Turners sees significant opportunity in the regions with its criteria including a population of 60,000-plus through to a combination of lease or owned sites based on optimisation.

It adds the sweet spot for the size of its retail sites is between 6,000 and 10,000 square metres, and for them to be high profile and by large customer catchment areas.

The company will optimise its network and continue to transition from wholesale to retail, for example its exiting of the super-site in Penrose.

Greg Hedgepeth, chief executive of the automotive retail division, says the transition from auction and wholesale to retail and consumers provides for better yields as well as cross-selling into finance and insurance.

Turners sells about 30,000 cars a year, with 90 per cent sourced locally and 10 per cent imported. Over the coming year, it is planning to buy more local inventory to maintain its profit margin of about $1,500 per unit, while about half of its cars are sold on consignment.

It also hopes to improve lead management in marketing and sales conversion rates, with Hedgepeth estimating a one per cent lift will result in an extra 800 sales each year.

Underlying demand is still strong with more cars exiting the fleet. Factors affecting the fleet include all imports having to comply with the electronic stability control rule, which is impacting the sub-$8,000 budget segment. In addition, the cost of repairs is increasing, warrants of fitness have become stricter and about one-fifth of the fleet is 20 years or older.

Todd Hunter, chief executive officer, says changes the group has been working on over the past two to three years are now "delivering market share growth and margin expansion, as well as de-risking the business". These shifts have focused on four key areas – retail optimism, decision-making on vehicle purchases, premium lending and insurance system development.

He says all parts of the group "are well-positioned for the new norm", and geographical diversification and diversified supply sources are factors in the company's favour.

The de-risking strategy for the finance arm of the group is working well and annuity earnings proved "helpful in lockdown".

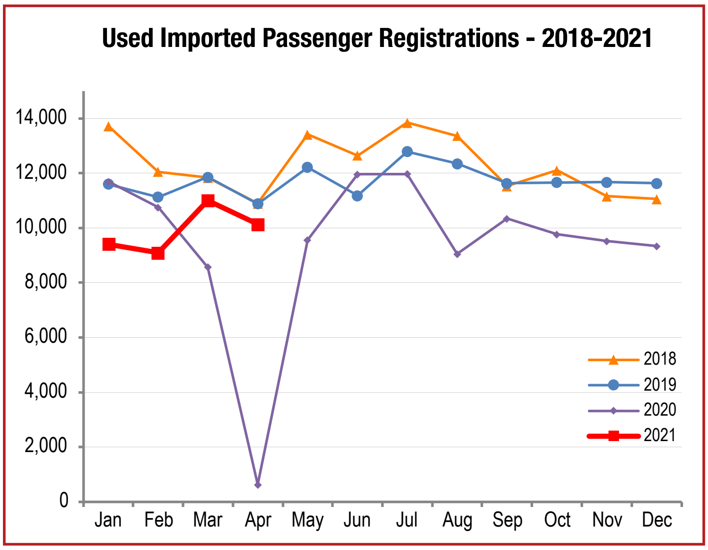
Turners will continue to invest in digital development. Initiatives under way include a customer data platform, a valuation tool for vehicle retail and application programming interface (API) development for its insurance sector.

Registrations exceed 10,000

There were 10,134 used-imported passenger vehicles sold in New Zealand last month.

That was up from 622 units and by 1,529.3 per cent on April 2020 when the country was in Covid-19 lockdown.

The Toyota Aqua was the top model with 667 sales. Mazda's Axela was next up with 494 registrations, while Toyota's Prius was third on 391. Nissan's X-Trail and Honda's Fit rounded off the top five with 331 and 328 sales respectively.



GROWING MARKET

Chris Gibbs, director of Royale Cars in Hamilton, says the local market has changed considerably over the years but he remains committed to investing in the city.

Gibbs, who established the company in 1990 after starting in the industry in 1979, opened a new two-storey showroom this year to cater for cars and motorbikes.

Royale Cars holds franchises for Peugeot, Indian and Royal Enfield motorcycles, and he is now looking into the merits of acquiring a new-vehicle franchise.

"The market is growing and Hamilton is one of the two fastest-growing areas of New Zealand," says Gibbs. "So many people are moving here from Auckland and other parts of the country so it's a buoyant economy and a growing market.

"There are so many jobs available because we're a combination of tech, rural, manufacturing and retail. Traditionally, Hamilton has been a big rural centre. It's much more than that now with so many different vocations here. We sell a lot of double-cab utes, but there is demand is for vehicles across the whole range." ⊕

Standard targets electric charging

Members of the Imported Motor Vehicle Industry Association (VIA) are being encouraged to check out a new publicly available specification (PAS) for charging electric cars at residential premises.

Standards NZ (SNZ) has developed PAS 6011:2021 for charging infrastructure.

It has been funded by the Energy Efficiency and Conservation Authority (EECA) to ensure consumers have access to guidelines for the safe installations of systems at their homes.

"VIA was a member of the advisory group that developed this PAS, and encourages you to download and use it when discussing with customers what they need for a home-charging installation for their EV," says Malcolm Yorston, technical manager.

"This PAS covers key aspects that equipment installers need to consider before installing an electric vehicle [EV] charger."

He adds EECA is keen to spread the message about staying safe when it comes to installing chargers for residential use.

A dedicated home charger is safe and energy efficient, while a smart charger can receive a signal from people's electricity supplier to power up when costs are at their lowest.

SNZ's website states the PAS is targeted at plug-in type EVs, and has been prepared by representatives from the electrical engineering, energy retailers and transport sectors as well as the automotive industry.

"It's designed to provide consumers with clear and simple guidance on how to safely and cost-effectively charge an EV in the home," it adds.

A message is that, in the future, EV owners will be able to enjoy better flexibility and the potential to lower their energy costs using smart devices.

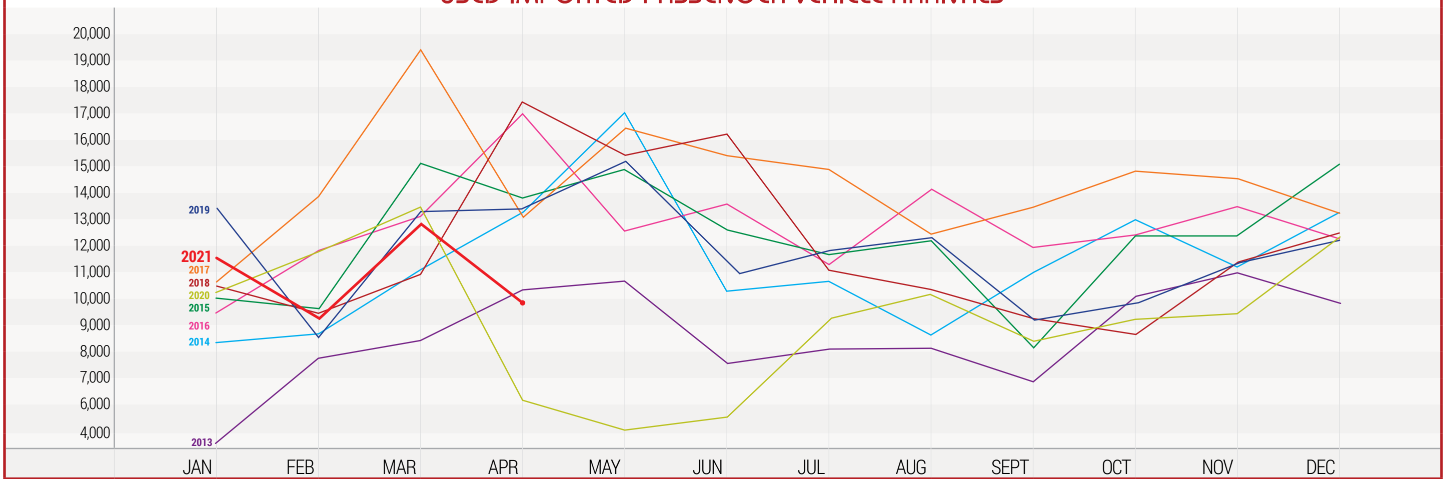
To find out more, visit www.standards.govt.nz/shop/snz-pas-60112021.

USED IMPORTS UP

There were 9,948 used cars imported in April, which was up 62.1 per cent compared to 6,136 in the same month of last year. However, last month's total was a 22.3 per cent decrease compared to March this year when 12,800 units crossed our border.

So far in 2021, 43,599 used passenger vehicles have crossed our wharves – up by 5.9 per cent compared to 41,171 during the first four months of 2020.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2021 JAN '21	FEB '21	MAR '21	APR '21	APRIL SHARE %	2021 TOTAL	2020 Q1	Q2	Q3	Q4	2020 TOTAL	MRKT SHARE	2019 2019 TOTAL	MRKT SHARE
Australia	300	286	277	289	2.9%	**1,152**	1,053	876	1,001	1,255	4,185	3.9%	5,148	3.6%
Great Britain	106	124	139	125	1.3%	**494**	184	122	143	241	690	0.6%	894	0.6%
Japan	10,877	8,759	12,164	9,255	93.0%	**41,055**	33,191	13,662	25,627	28,514	100,994	92.9%	132,494	93.8%
Singapore	128	140	168	137	1.4%	**573**	384	337	601	524	1,846	1.7%	1,678	1.2%
USA	30	34	27	100	1.0%	**191**	169	79	126	106	480	0.4%	664	0.5%
Other countries	30	37	25	42	0.4%	**134**	54	129	170	115	468	0.4%	340	0.2%
Total	**11,471**	**9,380**	**12,800**	**9,948**	**100.0%**	**43,599**	**35,035**	**15,205**	**27,668**	**30,755**	**108,663**	**100.0%**	**141,218**	**100.0%**

Lower trade levels hit dealers

New-car dealers are retaining trade-ins for longer, which is limiting the supply of used vehicles to the market.

That's the view of Craig Wall, owner of Wall Motors in Onehunga, south Auckland.

"Good trades are valuable, but we are getting less of those because the franchised dealers are keeping more trade-ins," he told Autofile.

"They used to say they couldn't keep trades because they had so much new stock coming into the country and needed space on their yards."

Wall adds cars priced between $7,000 to $8,000 with plenty of life left in them are popular. "We are making a profit out of stock we normally wouldn't retail and I haven't done reconditioning on those vehicles, which has helped."

As for market trends post-lockdowns, he notes many buyers have been older people who had saved money and have wanted to upgrade.

His business stocks a lot of European and American cars, and some Japanese. By specialising in different models, "sales went in our favour" during the Covid-19 shutdowns.

"Also, we cleared all old stock a few months afterwards and didn't lose money on it. All dealers have old stock no matter what they tell you."

As for last year's rule change around electronic stability control, Walls says this has removed cheaper cars that were "hurting" the market.

"We knew the law change was coming," he emphasises. "We didn't buy much of that cheap stock anyway and it was killing the market price.

"The cheaper cars were being brought into the country before being sold with very little margin. I don't think that helped our industry."

Wall predicts the rest of this year will be similar to 2020 unless New Zealand's borders are fully reopened, but he doesn't expect that to happen. He did, however, correctly predict the border with Australia would re-open with people travelling there for holidays or to see family and doesn't think this country will go into a level-four lockdown again.

HEALTHY SALES LEVELS

Dealers sold 16,594 second-hand cars to the public last month, which was up by 778 per cent compared to April 2020 when 1,890 were sold because of the impact of the coronavirus lockdown.

Last month's trade-ins totalled 12,461 for a rise of 832 per cent.

SECONDHAND CAR SALES - April 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	APR '21	APR '20	+/- %	MARKET SHARE	APR '21	APR '20	+/- %	APR '21	APR '20	+/- %
Whangarei	546	47	1061.7	3.29	1,840	748	146.0	211	16	1218.8
Auckland	5,693	606	839.4	34.31	13,197	4,190	215.0	5,031	691	628.1
Hamilton	1,346	129	943.4	8.11	3,214	1,199	168.1	911	54	1587.0
Thames	247	27	814.8	1.49	620	215	188.4	187	22	750.0
Tauranga	787	100	687.0	4.74	2,077	729	184.9	550	42	1209.5
Rotorua	324	38	752.6	1.95	907	330	174.8	139	7	1885.7
Gisborne	144	11	1209.1	0.87	402	149	169.8	39	2	1850.0
Napier	622	89	598.9	3.75	1,555	553	181.2	433	27	1503.7
New Plymouth	406	29	1300.0	2.45	996	385	158.7	208	9	2211.1
Wanganui	237	26	811.5	1.43	581	260	123.5	140	9	1455.6
Palmerston North	783	86	810.5	4.72	1,726	675	155.7	718	102	603.9
Masterton	194	18	977.8	1.17	471	187	151.9	89	23	287.0
Wellington	1,489	185	704.9	8.97	3,064	1,121	173.3	997	99	907.1
Nelson	300	24	1150.0	1.81	918	358	156.4	169	15	1026.7
Blenheim	151	9	1577.8	0.91	424	145	192.4	81	4	1925.0
Greymouth	64	4	1500.0	0.39	174	70	148.6	23	5	360.0
Westport	5	2	150.0	0.03	37	13	184.6	0	0	0.0
Christchurch	1,932	318	507.5	11.64	4,952	2,086	137.4	1,748	119	1368.9
TiApru	197	20	885.0	1.19	493	177	178.5	82	11	645.5
OaApru	36	1	3500.0	0.22	110	44	150.0	5	0	500.0
Dunedin	721	71	915.5	4.34	1,850	697	165.4	460	52	784.6
Invercargill	370	50	640.0	2.23	1,073	444	141.7	240	28	757.1
NZ Total	**16,594**	**1,890**	**778.0**	**100.00**	**40,681**	**14,775**	**175.3**	**12,461**	**1,337**	**832.0**

New Passenger Vehicle Sales by Make - April 2021

MAKE	APR '21	APR '20	+/- %	APR '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,260	51	2,370.6	14.3%	4,846	13.0%
Mitsubishi	1,188	27	4,300.0	13.5%	4,313	11.5%
Kia	1,090	169	545.0	12.4%	4,551	12.2%
Suzuki	653	102	540.2	7.4%	2,658	7.1%
Mazda	618	35	1,665.7	7.0%	2,945	7.9%
Hyundai	553	74	647.3	6.3%	2,034	5.4%
Nissan	444	21	2,014.3	5.0%	1,629	4.4%
Volkswagen	371	22	1,586.4	4.2%	1,554	4.2%
Ford	257	14	1,735.7	2.9%	1,504	4.0%
MG	249	6	4,050.0	2.8%	1,058	2.8%
Subaru	248	24	933.3	2.8%	1,112	3.0%
Honda	220	39	464.1	2.5%	1,413	3.8%
Mercedes-Benz	163	4	3,975.0	1.8%	758	2.0%
BMW	157	15	946.7	1.8%	682	1.8%
Jeep	143	0	14,300.0	1.6%	542	1.5%
Audi	131	3	4,266.7	1.5%	617	1.7%
Skoda	131	4	3,175.0	1.5%	525	1.4%
Land Rover	128	1	12,700.0	1.5%	561	1.5%
Haval	119	4	2,875.0	1.3%	426	1.1%
Peugeot	93	13	615.4	1.1%	474	1.3%
Lexus	81	0	8,100.0	0.9%	388	1.0%
Jaguar	73	0	7,300.0	0.8%	186	0.5%
Mini	73	4	1,725.0	0.8%	299	0.8%
Volvo	67	0	6,700.0	0.8%	310	0.8%
SsangYong	60	5	1,100.0	0.7%	365	1.0%
Porsche	51	1	5,000.0	0.6%	237	0.6%
Isuzu	36	1	3,500.0	0.4%	121	0.3%
Citroen	29	4	625.0	0.3%	112	0.3%
Renault	28	0	2,800.0	0.3%	89	0.2%
Seat	22	0	2,200.0	0.2%	80	0.2%
LDV	18	0	1,800.0	0.2%	93	0.2%
Alfa Romeo	10	0	1,000.0	0.1%	40	0.1%
Tesla	10	4	150.0	0.1%	402	1.1%
Maserati	8	0	800.0	0.1%	19	0.1%
Aston Martin	5	0	500.0	0.1%	27	0.1%
Bentley	5	0	500.0	0.1%	31	0.1%
Ferrari	5	0	500.0	0.1%	19	0.1%
Fiat	5	4	25.0	0.1%	39	0.1%
Holden	5	50	-90.0	0.1%	147	0.4%
Cupra	4	0	400.0	0.0%	15	0.0%
Can-Am	3	0	300.0	0.0%	24	0.1%
Lamborghini	3	0	300.0	0.0%	8	0.0%
Mahindra	2	0	200.0	0.0%	50	0.1%
Yamaha	2	1	100.0	0.0%	23	0.1%
Chevrolet	1	2	-50.0	0.0%	3	0.0%
Others	3	3	0.0	0.0%	30	0.1%
Total	**8,825**	**707**	**1,148.2**	**100.0%**	**37,359**	**100.0%**

New Passenger Vehicle Sales by Model - April 2021

MAKE	MODEL	APR '21	APR '20	+/- %	APR '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Kia	Stonic	625	0	62,500.0	7.1%	1,026	2.7%
Mitsubishi	Outlander	531	15	3,440.0	6.0%	1,982	5.3%
Toyota	RAV4	477	20	2,285.0	5.4%	1,558	4.2%
Mitsubishi	ASX	406	9	4,411.1	4.6%	1,396	3.7%
Mazda	CX-5	269	16	1,581.3	3.0%	1,270	3.4%
Toyota	Corolla	266	12	2,116.7	3.0%	980	2.6%
Suzuki	Swift	241	35	588.6	2.7%	1,086	2.9%
Hyundai	Kona	239	16	1,393.8	2.7%	562	1.5%
Nissan	X-Trail	218	5	4,260.0	2.5%	799	2.1%
Nissan	Qashqai	192	16	1,100.0	2.2%	697	1.9%
MG	ZS	145	3	4,733.3	1.6%	458	1.2%
Volkswagen	Tiguan	143	5	2,760.0	1.6%	490	1.3%
Toyota	Yaris	140	6	2,233.3	1.6%	491	1.3%
Hyundai	Santa Fe	135	13	938.5	1.5%	637	1.7%
Toyota	Yaris Cross	122	0	12,200.0	1.4%	422	1.1%
Mitsubishi	Eclipse Cross	121	1	12,000.0	1.4%	582	1.6%
Suzuki	Baleno	117	5	2,240.0	1.3%	339	0.9%
Subaru	Outback	108	13	730.8	1.2%	404	1.1%
Suzuki	Vitara	105	17	517.6	1.2%	476	1.3%
Toyota	C-HR	100	6	1,566.7	1.1%	537	1.4%
Mazda	CX-9	89	4	2,125.0	1.0%	404	1.1%
Kia	Seltos	87	95	-8.4	1.0%	965	2.6%
Kia	Sportage	87	22	295.5	1.0%	1,177	3.2%
Jeep	Compass	85	0	8,500.0	1.0%	233	0.6%
Kia	Niro	85	5	1,600.0	1.0%	158	0.4%
Honda	HR-V	84	13	546.2	1.0%	571	1.5%
Suzuki	Jimny	83	28	196.4	0.9%	366	1.0%
Ford	Escape	79	2	3,850.0	0.9%	483	1.3%
Haval	H2	77	3	2,466.7	0.9%	336	0.9%
Mazda	CX-3	73	2	3,550.0	0.8%	358	1.0%
Hyundai	Ioniq	72	4	1,700.0	0.8%	216	0.6%
Mazda	CX-30	68	5	1,260.0	0.8%	294	0.8%
Ford	Everest	63	4	1,475.0	0.7%	223	0.6%
Subaru	Forester	63	4	1,475.0	0.7%	337	0.9%
Mitsubishi	Mirage	61	1	6,000.0	0.7%	176	0.5%
Volkswagen	T-Roc	60	0	6,000.0	0.7%	242	0.6%
Honda	CR-V	58	13	346.2	0.7%	496	1.3%
Kia	Rio	58	24	141.7	0.7%	330	0.9%
Ford	Puma	57	0	5,700.0	0.6%	408	1.1%
Subaru	XV	57	5	1,040.0	0.6%	310	0.8%
Honda	Jazz	56	10	460.0	0.6%	202	0.5%
Volkswagen	Golf	53	5	960.0	0.6%	226	0.6%
Suzuki	Ignis	52	3	1,633.3	0.6%	226	0.6%
Kia	Sorento	51	5	920.0	0.6%	351	0.9%
Suzuki	SX4 S-Cross	50	14	257.1	0.6%	141	0.4%
Others		2,417	223	983.9	27.4%	11,938	32.0%
Total		**8,825**	**707**	**1,148.2**	**100.0%**	**37,359**	**100.0%**

Dealership expands its territory

Farmer Autovillage, based in the Bay of Plenty, is increasing the size of its operations after taking over SubLab Whitianga.

The target business will remain as a service centre for Subaru, as well as representing Jeep, Ram, Haval, Great Wall and Seat.

The move will see Farmer Autovillage Coromandel introduce a wider range of on-site servicing options along with launching six marques it says have been unavailable in the region before.

"We have been looking for an opportunity to expand into the beautiful Coromandel for some time now," says Mike Farmer, group managing director.

"After a long relationship with SubLab Whitianga's owners, it made sense to take this step. It will provide the residents of the peninsula with an expansion of the authorised Subaru servicing centre, but also servicing and parts for other brands we represent in the area."

SubLab Whitianga was established in 2006, and was purchased by Brent and Susan Willcocks in 2015. Brent takes on the role of divisional manager under the new ownership.

"I've been here almost since day one, first as an employee and then, five-and-a-half years ago, my wife and I bought the business," he says.

"The SubLab team is excited to stay on at Farmer Autovillage Coromandel as we expand our service and sales offering with the backing of a large-scale dealership."

END OF AN ERA

Southern Motor Group's partnership with Honda NZ has ended after 29 years as part of the marque's transition to a direct-sales business model from May 1.

The dealership in Dunedin, which was founded by Ken Cummings, continues to operate with seven other brands – Audi, Volkswagen, Skoda, Subaru, Peugeot, Great Wall and Haval – from premises in Andersons Bay Road.

Cummings says all existing Honda staff are staying with the group or shifting to Honda NZ, so no redundancies have resulted from the transition, effective from May 8.

Craig Brook is succeeding as dealer principal from Cummings, who wants to spend more time with his family and in central Otago.

While stepping back, Cummings will continue as managing director, and be involved in his other dealerships in Invercargill and Queenstown.

He obtained his motor-vehicle dealer's licence in December 1973 and sold his first car in February the following year.

Cummings says business has been going well. He adds most dealers have been experiencing some stock delays but are making the best of what new-vehicle supply there is, as well as putting extra effort around used cars.

SUPERSITE OPENS

A franchise supersite has opened in Christchurch with more than $500,000 spent on improving facilities.

Cockram Kia has undergone a significant redevelopment that has increased the size of its premises by 52 per cent compared to the previous showroom.

The site on Moorhouse Avenue now offers 513 square metres of display space. It also means all 26 staff are housed under one roof after previously operating out of three separate locations.

Jodie Tait, branch manager, says: "The Kia brand has grown hugely over the past few years and our new site reflects that. All our staff are thrilled to be in this bigger and brighter facility. It is great to showcase vehicles and give customers a fantastic space to enjoy."

The facility includes a customer cafe, free wi-fi, an electric-vehicle charger and upgraded restrooms.

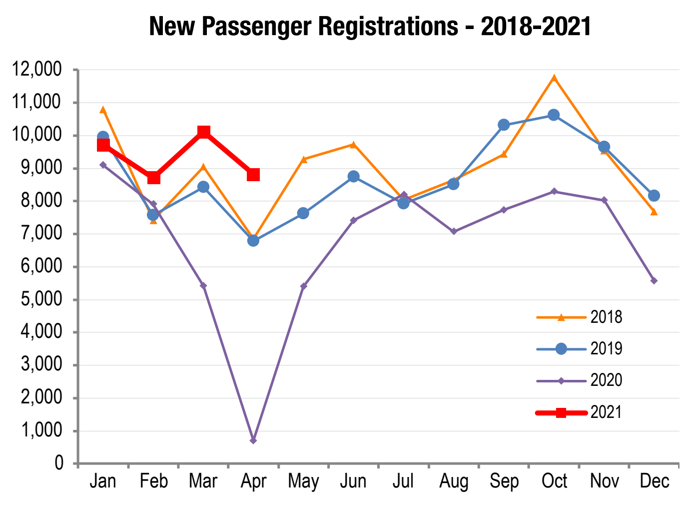
Andre Heyns, business and property director for Miles Motor Group, hopes the investment will enhance consumers' in-dealership experience.

"For example, the new environment lends itself to being the perfect space for events, product launches, customer-engagement opportunities as well as a suitable 'wow' place for new-car deliveries and presentations," he adds.

Todd McDonald, managing director of Kia NZ, says the opening of the supersite is timely and aligns with a period of new-model launches for the marque.

"The dealership will enable the team at Cockram Kia to take the brand to the next level in terms of experience and showcasing our stunning new range. This investment will ensure the brand is well-represented into the future and will help create the best possible Kia experience for customers in Christchurch."

Cockram Kia's new supersite in Christchurch



PONY LEADS RACE

The Ford Mustang has raced to the front of New Zealand's sports-car segment after its registrations jumped by 72 per cent in the first quarter of 2021 compared to the same period of last year.

It sold 130 units between January and March this year. This was up from 76 in 2020's first quarter for a 71 per cent share of the sports market.

The surge in demand comes as the pony car was crowned the world's best-selling sports vehicle for the second consecutive year and retained the title of best-selling sports coupe for a sixth straight year.

The Mustang, which celebrated its 57th anniversary on April 17, sold 80,577 units globally in 2020 for a 15.1 per cent share of its segment – up from 14.8 per cent in the previous year. The US remains the model's strongest market, accounting for about three-quarters of total sales.

Stonic leads the way

There were 8,825 new cars registered last month compared to 707 in April 2020 when trading almost ceased. Kia's Stonic topped the ladder with 625 sales to claim a 7.1 per cent share of the market. Mitsubishi's Outlander was second with a market share of six per cent and 531 units. The Toyota RAV4 came third with 477 and 5.4 per cent.

Shortage of parts affecting supply

A dealer principal is relieved one of his best-sellers remains unaffected by the global shortage of semi-conductors for new vehicles.

The parts are used in an array of on-board systems, such as safety, driver assistance and connectivity, but the coronavirus-related chip shortage has hit nearly every marque.

Matthew Carman, of Capital City Motors, which has Ford and Mazda dealerships in Lower Hutt and Kapiti, describes the supply chain as "the biggest issue we have at the moment".

"It's the same for local importers and distributors. Most brands are having production issues because semi-conductors are in short supply globally. There's a shortage to all types of industries.

"There was also a fire in a semi-conductor factory in Japan recently, so a major supplier can't produce anything. That's impacting certain product lines for us.

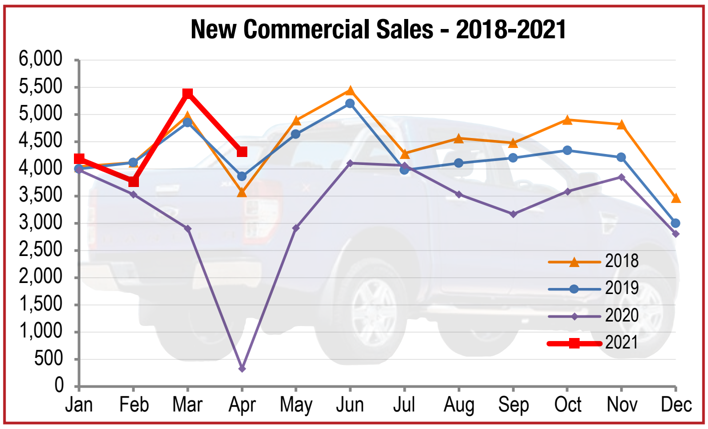
"The global shortage impacts model lines in different ways. Every manufacturer is facing similar issues. Here in New Zealand, we're at the end of the supply chain so we just have to wait. There are also issues around freight and how consistent some shipping is."

That said, Carman notes Ford's Ranger continues to sell in large numbers.

"We have got lots of that ute in stock. It's a model that's not been impacted in terms of production or delivery. The issue with the Ranger is that it's so popular it's selling above expectations.

"There's no real issue with it around semi-conductors or production."

There were 4,310 new commercials sold during April. The top model was the Ford Ranger with 1,026 registrations.



New Commercial Sales by Make - April 2021

MAKE	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	1,162	35	3,220.0	27.0%	3,733	21.2%
Toyota	975	81	1,103.7	22.6%	4,159	23.6%
Mitsubishi	402	10	3,920.0	9.3%	2,076	11.8%
Isuzu	267	35	662.9	6.2%	1,170	6.6%
Nissan	238	6	3,866.7	5.5%	1,151	6.5%
Mazda	203	17	1,094.1	4.7%	918	5.2%
LDV	178	8	2,125.0	4.1%	731	4.1%
Hyundai	132	17	676.5	3.1%	592	3.4%
Great Wall	131	2	6,450.0	3.0%	473	2.7%
Volkswagen	87	0	8,700.0	2.0%	424	2.4%
Fiat	79	2	3,850.0	1.8%	315	1.8%
Fuso	67	9	644.4	1.6%	277	1.6%
Hino	57	7	714.3	1.3%	217	1.2%
Mercedes-Benz	51	10	410.0	1.2%	216	1.2%
Volvo	30	27	11.1	0.7%	96	0.5%
SsangYong	29	2	1,350.0	0.7%	179	1.0%
Iveco	27	4	575.0	0.6%	114	0.6%
Ram	27	2	1,250.0	0.6%	89	0.5%
Kenworth	23	1	2,200.0	0.5%	91	0.5%
Scania	23	6	283.3	0.5%	90	0.5%
Others	122	51	139.2	2.8%	539	3.1%
Total	**4,310**	**332**	**1,198.2**	**100.0%**	**17,650**	**100.0%**

New Commercial Sales by Model - April 2021

MAKE	MODEL	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	1,026	29	3,437.9	23.8%	3,353	19.0%
Toyota	Hilux	781	59	1,223.7	18.1%	3,354	19.0%
Mitsubishi	Triton	364	10	3,540.0	8.4%	1,943	11.0%
Nissan	Navara	238	6	3,866.7	5.5%	1,151	6.5%
Mazda	BT-50	203	17	1,094.1	4.7%	918	5.2%
Isuzu	D-Max	195	14	1,292.9	4.5%	872	4.9%
Toyota	Hiace	157	21	647.6	3.6%	651	3.7%
Ford	Transit	136	6	2,166.7	3.2%	380	2.2%
Hyundai	iLoad	127	17	647.1	2.9%	564	3.2%
Great Wall	GWM Cannon	102	0	10,200.0	2.4%	366	2.1%
Fiat	Ducato	79	2	3,850.0	1.8%	315	1.8%
LDV	T60	72	0	7,200.0	1.7%	278	1.6%
LDV	G10	62	3	1,966.7	1.4%	225	1.3%
Isuzu	N Series	49	11	345.5	1.1%	151	0.9%
Volkswagen	Amarok	46	0	4,600.0	1.1%	198	1.1%
Mercedes-Benz	Sprinter	42	4	950.0	1.0%	177	1.0%
Mitsubishi	Express	38	0	3,800.0	0.9%	132	0.7%
Toyota	Land Cruiser	37	1	3,600.0	0.9%	154	0.9%
Hino	500	30	0	3,000.0	0.7%	103	0.6%
SsangYong	Rhino	29	2	1,350.0	0.7%	179	1.0%
Others		497	130	282.3	11.5%	2,186	12.4%
Total		**4,310**	**332**	**1,198.2**	**100.0%**	**17,650**	**100.0%**

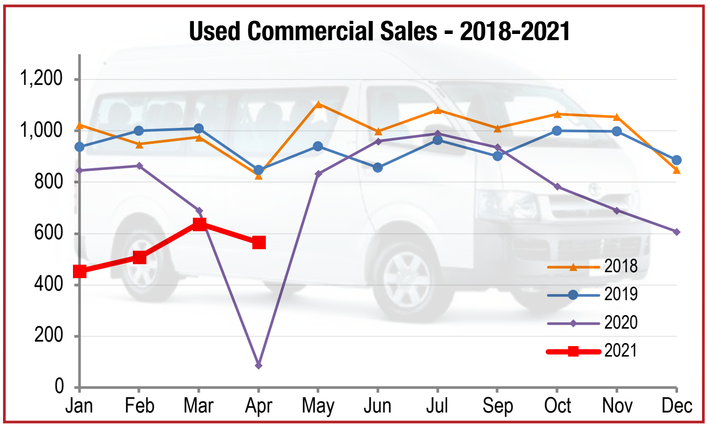
Franchises keeping trade-ins

A business specialising in light commercials is among those experiencing supply issues in securing stock.

Carl Doggett, sales manager at Town & Country Motors in Christchurch, says demand is high for popular models, such as Ford's Ranger, which can easily sell within 24 hours of listing.

"We're ticking along okay, but finding stock is difficult. We're quite specialised and everything is sourced locally. Quite a few wholesalers are finding it tough because franchises are keeping used commercials they previously wouldn't have bothered with.

"Initially, you could buy certain vehicles and, if there was nothing suitable, you knew there would be something the following week. Now it's got harder since the franchises started to keep their trade-ins to sell themselves. It's the first time I've seen some of the marques hang onto vehicles in the commercial line that they would normally flick on."



Dealer principal Andrew Craw says Southern Autos Manukau has been able to hold its margins on second-hand utilities.

"Used-vehicle prices are going up, especially on the commercial side," he adds, but it has been hard to get top-of-the-range models.

"We've had six forward orders and people are prepared to wait. We get trades on about 75 per cent of our deals and are keeping about 80 per cent of them – even cheaper trade-ins we wouldn't normally keep – just to fill our yards. Stock will free up in the next few months, but it will not be an easy year."

Last month, 566 used-imported commercials were registered for the first time in New Zealand. Toyota was the top marque on 215 and its Hiace was best-selling model with 147.

Used Commercial Sales by Make - April 2021

MAKE	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	215	34	532.4	38.0%	835	38.5%
Nissan	79	29	172.4	14.0%	321	14.8%
Isuzu	57	6	850.0	10.1%	199	9.2%
Hino	45	1	4,400.0	8.0%	165	7.6%
Mitsubishi	34	2	1,600.0	6.0%	128	5.9%
Ford	28	0	2,800.0	4.9%	109	5.0%
Mazda	24	4	500.0	4.2%	66	3.0%
Holden	15	2	650.0	2.7%	56	2.6%
Chevrolet	14	0	1,400.0	2.5%	42	1.9%
Fiat	9	0	900.0	1.6%	40	1.8%
Suzuki	6	1	500.0	1.1%	19	0.9%
Dodge	5	0	500.0	0.9%	14	0.6%
UD Trucks	4	1	300.0	0.7%	11	0.5%
Daihatsu	3	0	300.0	0.5%	25	1.2%
Renault	3	0	300.0	0.5%	6	0.3%
Volkswagen	3	2	50.0	0.5%	24	1.1%
Volvo	3	1	200.0	0.5%	5	0.2%
DAF	2	1	100.0	0.4%	12	0.6%
Fuso	2	0	200.0	0.4%	2	0.1%
Kenworth	2	0	200.0	0.4%	8	0.4%
Others	13	3	333.3	2.3%	80	3.7%
Total	**566**	**87**	**550.6**	**100.0%**	**2,167**	**100.0%**

Used Commercial Sales by Model - April 2021

MAKE	MODEL	APR'21	APR'20	+/- %	APR'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	147	24	512.5	26.0%	547	25.2%
Isuzu	Elf	37	5	640.0	6.5%	135	6.2%
Nissan	NV350	34	5	580.0	6.0%	127	5.9%
Toyota	Dyna	33	2	1,550.0	5.8%	124	5.7%
Hino	Dutro	31	1	3,000.0	5.5%	123	5.7%
Fuso	Canter	23	2	1,050.0	4.1%	91	4.2%
Toyota	Toyoace	16	4	300.0	2.8%	74	3.4%
Nissan	Atlas	15	1	1,400.0	2.7%	50	2.3%
Isuzu	Forward	14	0	1,400.0	2.5%	36	1.7%
Ford	Ranger	13	1	1,200.0	2.3%	44	2.0%
Nissan	Caravan	13	2	550.0	2.3%	62	2.9%
Toyota	Regius	13	3	333.3	2.3%	29	1.3%
Hino	Ranger	12	4	200.0	2.1%	32	1.5%
Chevrolet	Colorado	11	5	120.0	1.9%	34	1.6%
Mazda	Titan	9	1	800.0	1.6%	28	1.3%
Fiat	Ducato	8	0	800.0	1.4%	39	1.8%
Mazda	BT-50	8	0	800.0	1.4%	17	0.8%
Chevrolet	C10	7	0	700.0	1.2%	14	0.6%
Mazda	Bongo	7	3	133.3	1.2%	22	1.0%
Suzuki	Carry	6	1	500.0	1.1%	19	0.9%
Others		109	23	373.9	19.3%	520	24.0%
Total		**566**	**87**	**550.6**	**100.0%**	**2,167**	**100.0%**

Need to adapt will continue

The chairman of Colonial Motor Company describes the new-vehicle sector as experiencing constraints when it comes to stock delivery, adding "early Covid-19 predictions overestimated the market decline resulting in reduced ordering of product by distributors".

Jim Gibbons says the subsequent strong recovery has stayed ahead of supply due to coronavirus-related constraints on capacity and supply-chain disruption.

"The issues are widespread. Consumers have adapted and are committing to forward orders or selecting from what is physically available. Near-new used vehicles are also affected with significant shortages. It is expected supply constraints and volatility will continue to define the market, and the need to constantly change and adapt will continue."

As for the government's proposed clean-car import standard, Gibbons explains this will be a supply-driven requirement for all new-vehicle importers to meet stringent carbon dioxide (CO_2) emission averages by 2025.

Gibbons points out that 95 per cent of the new vehicles registered in 2020 failed to meet the proposed required average of 105gmCO2/km.

"The ability of franchisors to meet the target in the required timeframe cannot be taken for granted when international supply of very low-emission vehicles [electric cars and plug-in hybrids] is limited and disrupted. New technologies necessary to meet the required standard will cost significantly more than current price ranges."

Colonial's half-year revenue climbed by 4.6 per cent compared to the corresponding period last year. Its report for the six months until December 31 highlights favourable trading conditions flowed through to after-tax trading profits, up by 58 per cent on 2019's low result and up by 18 per cent on 2018.

Shareholders' interim dividend has resumed at 15 cents per share, the same as the previously cancelled dividend due to the coronavirus pandemic.

Gibbons notes the new-vehicle market for the full calendar year was down by 22 per cent on 2019, but that disguised a stronger second half.

"Most of the decline in the second half was due to the absence of the seasonal concentration of rental-car registrations. The business and private market available to dealerships in the second half was similar to the previous year."

Stock level falls

Imports of new cars in April came in at 8,462. This was 52.8 per cent more than in the same month of 2020, but 27.4 per cent lower than March's 11,661 units.

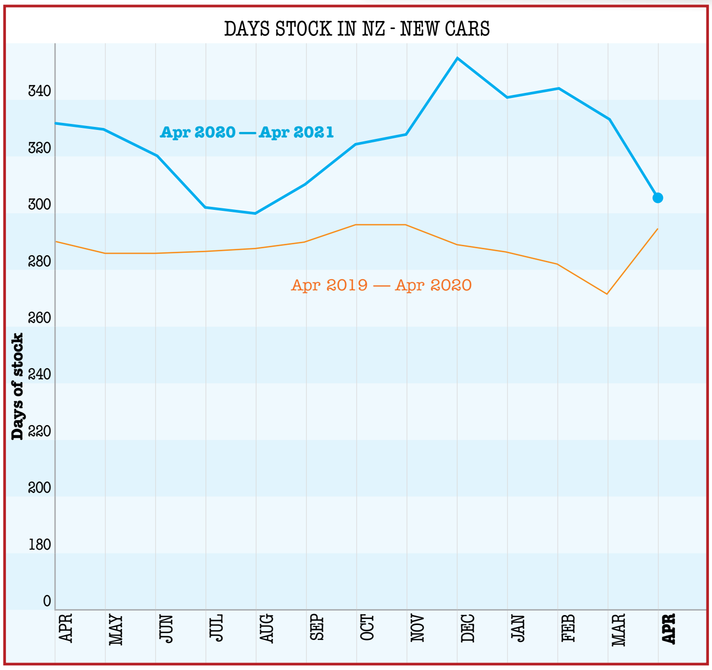
Registrations of new passenger vehicles totalled 8,825 last month, which was in stark contrast to only 707 in April 2020 when Covid-19 lockdowns hit businesses. It also represented a fall of 12.7 per cent from 10,112 units in March.

The numbers have resulted in the stock of new cars still to be registered decreasing by 363 to 79,161. Daily sales, as averaged over the previous 12 months, stand at 260 units per day.

April's results mean stock at-hand has dropped to 304 days, or 10 months, if sales continue at the current rate. In the same month of 2020, the figures were 330 days and 10.8 months respectively.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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
Jul '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	7,031	9,712	-2,681	76,136	223	341
Feb '21	10,549	8,710	1,839	77,975	225	346
Mar '21	11,661	10,112	1,549	79,524	238	334
Apr '21	**8,462**	**8,825**	**-363**	**79,161**	**260**	**304**
Year to date	**37,703**	**37,359**	**344**			
Change on last month	**-27.4%**	**-12.7%**		**-0.5%**		
Change on Apr 2020	**52.8%** MORE IMPORTED	**1,148.2%** MORE SOLD		**-7.4%** LESS STOCK		



Changing buyer trends 'defy logic'

A dealer in Christchurch reports prices for used vehicles have gone up by thousands of dollars since the second half of last year.

Carl Doggett, of Town & Country Motors, is relieved the industry has bounced back from Covid-19 better than expected after anticipating a rough ride to the end of 2020.

"It didn't take long to realise things were going okay and we were paying more for vehicles than expected," he says. "We've had to diversify and sell things a little different to what we would normally stock. If it feels good, we'll have a crack at it.

"If you put something out it will eventually sell. A lot of buyers aren't that well in tune with the way the market has gone with supply constraints we face.

"Prices for used vehicles we were selling in August and September last year have gone up by thousands. I sold a ute last July and saw it was traded again recently. Despite it being older and the kilometres going up, its price had gone up as well. The market is defying logic."

Doggett expected the bubble to burst a few months ago but it hasn't, "although we're mindful it will eventually happen, we just don't know when".

"Demand is strong and now is a time of year when things usually slow down a bit, but we've stayed busy. If the housing bubble bursts, vehicles will follow."

Matthew Carman, of Capital City Motors in Lower Hutt and Kapiti, expects the rest of 2021 to be impacted by supply issues as demand remains strong for new and used. "It's challenging to meet expectations around deliveries. People aren't used to having to wait three or four months for a car. At the moment, that's the reality."

Meanwhile, the value of imported vehicles, parts and accessories increased by $190 million, or 27.2 per cent, in March when compared to the same month in 2020.

Latest figures from Stats NZ show the March 2021 tally hit $888m, up from $698m a year earlier when higher Covid-19 alert levels in response to the pandemic were being introduced.

The jump was the largest enjoyed by any commodity group year on year and helped lift overall imports to $5.6 billion, which was the highest total for a March month.

In the first quarter of this year, the value of imported vehicles and parts climbed by $388m, or 21 per cent, from the first three months of last year.

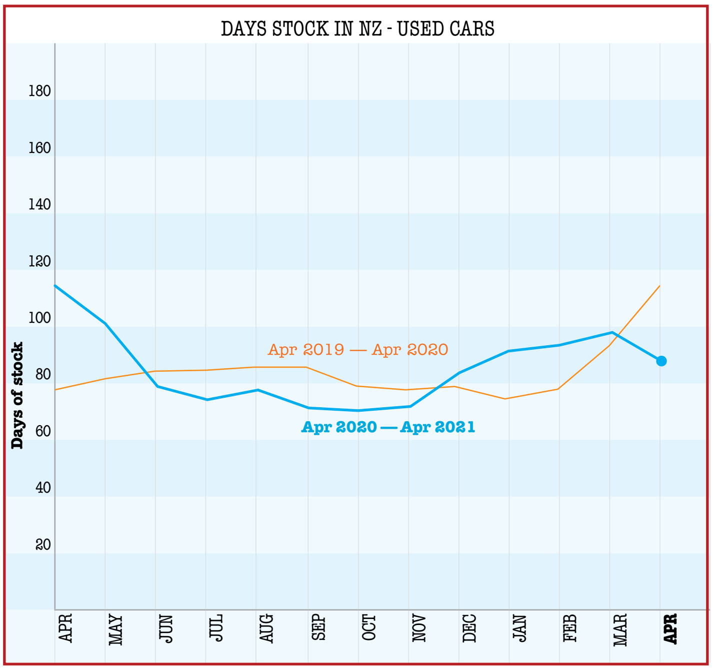
Daily sales climb

There were 9,948 used cars imported in April. This was an increase of 3,812 units, or by 62.1 per cent, on the same month of 2020, but down by 22.3 per cent on the 12,800 imported the previous month.

A total of 10,134 units were sold during April, which compared to 622 in the same period a year ago when coronavirus kept businesses closed for most of the month. However, the latest figure was down 7.9 per cent from the 11,008 units sold in March this year.

With 186 fewer used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 29,776 units. This was 25.3 per cent, or 10,066 cars, lower than at the end of April 2020.

With current average daily sales rising to 332 – the highest since July 2020 – there are 90 days' stock remaining if sales continue at this rate.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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
Jul '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	11,471	9,404	2,067	27,886	304	92
Feb '21	9,380	9,096	284	28,170	299	94
Mar '21	12,800	11,008	1,792	29,962	306	98
Apr '21	**9,948**	**10,134**	**-186**	**29,776**	**332**	**90**
Year to date	**43,599**	**39,642**	**3,957**			
Change on last month	**-22.3%**	**-7.9%**		**-0.6%**		
Change on Apr 2020	**62.1%** MORE IMPORTED	**1,529.3%** MORE SOLD		**-25.3%** LESS STOCK		