www.autofile.co.nz

SEPTEMBER 2021

autofile

THE TRUSTED VOICE OF THE AUTO INDUSTRY FOR MORE THAN 30 YEARS

Scrappage plan needs substantial incentives

Minister says 'we will work with you to explore options' to make New Zealand's ageing fleet safer and greener

The Motor Trade Association (MTA) has outlined details of a scrappage scheme to get greener and safer cars onto our roads and reduce the average age of the fleet.

Its proposals include offering consumers up to $2,500 to get rid of their old vehicles, with the cash then having to be spent on buying more modern and efficient models.

The MTA hopes a programme that targets vehicles more than 15 years old could be in place within two years' time.

The MTA's proposals aim to get older vehicles off our roads

Greig Epps, advocacy and strategy manager, says a substantial financial inducement will be needed to gain sufficient support for such a programme after a previous trial in Auckland more than a decade ago only offered $400 of public-transport vouchers.

"Our research suggests people are keen to see something that incentivises scrappage with what they describe as a car buy-back scheme with a cash amount that means something to them, say in the $2,000 to $2,500 range," he told Autofile.

"If the idea is to try to get people into cleaner and safer vehicles, then that money can't be cash in-hand. It should be credited to a registered motor-vehicle trader and go towards a car that has an appropriate safety rating.

"The government might like to think about setting some carbon dioxide [CO2] target for that vehicle. It means people can look at cleaner and safer cars that may otherwise be less affordable for them."

The MTA revealed it was engaging with the government over how to approach scrappage during a vehicle safety and maintenance event it co-hosted in Wellington with Michael Wood, Minister of Transport.

Wood told about 80 guests at last month's invitation-only event that he welcomes the MTA's commitment to exploring options that will "support our transition to an environmentally sustainable,

[continued on page 4]

GUEST EDITORIAL

Looking forward to end of virus saga

Despite 'startling figures', Patrick Davey says Japan has, to a point, learnt to live with Covid-19


PATRICK DAVEY
Owner, Davey Japan

Well, the "dirty C" is back. That's right, Covid-19 is back on New Zealand's shores, and disrupting businesses and lives again. Of course, this isn't the nation's first rendezvous with this relentless virus.

Back in March of last year, the country shut down for a harsh but ultimately successful five-week lockdown and up, until recently, there were only a handful of random cases.

The same can't be said here in Japan, however, as the virus has ravaged the country and shows no signs of slowing down. In fact, by the end of last month, total cases here stood at more than 556,000 with 25,488 new cases on one day of August alone.

While these figures are startling, we have – to a point – learnt to live with and work around the virus. Having said that, running an export business based out of Japan hasn't been without its challenges. So, what has changed and what have we learnt?

When New Zealand went into its initial lockdown, the Kiwi car industry came to an abrupt halt. No selling meant no buying from Japan as stock didn't need replacing.

There was also not a lot of light at the end of the tunnel according to most dealers, so the appetite to keep buying didn't exist. Or almost didn't exist.

For a brave few, blinkers went on and buying continued, albeit slower and more selectively. As auction numbers in Japan remained solid, this five-week period saw some of the best buying I've witnessed in 20 years.

While it's unlikely another lengthy lockdown will offer a repeat of this, the chances of picking up a few steals would certainly have to increase.

International travel bans have also had a significant impact on how we've had to operate. Prior to Covid-19, our company would regularly host dealers from New Zealand and other countries on buying trips.

While they served as a great way for our clients to physically view and accumulate stock, they also offered both parties with opportunities to connect face to face, which is an integral part of business. Buying up at large during the day and enjoying some hard-earned entertainment in an evening is still sorely missed.

Extensive delays with shipping and heavy congestion at ports have also been serious issues we've had to deal with during the coronavirus era.

Admittedly, there are several factors that have led to these large delays, but the damage caused to the logistical side of the business cannot be ignored.

I think it's fair to say that we are all looking forward to seeing the end of the coronavirus saga.

On the positive side, Japan's vaccine roll-out is well under way, which we hope will help get things back under control. We remain hopeful the latest outbreak in New Zealand will be contained with as minimal damage as possible.

autofile

DIRECTORS
Brian McCutcheon
brian@autofile.co.nz
ph. 021 455 775

Darren Wiltshire
dazzz@autofile.co.nz
ph. 021 0284 7428

DESIGNER
Adrian Payne
arpayne@gmail.com

EDITOR
Darren Risby
ris@autofile.co.nz

JOURNALISTS
Sue Brebner-Fox
sue@autofile.co.nz

Matthew Lowe
matthew@autofile.co.nz

MOTORSPORT
Mark Baker
veritas.nz@xtra.co.nz

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.

Copyright: Published monthly by 4Media Ltd

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

FSC www.fsc.org MIX Paper from responsible sources FSC® C102598

[continued from page 1]

equitable and low-emissions transport system".

"The government is interested in exploring all available options to help New Zealanders transition away from unsafe, higher-emitting and aged vehicles to cleaner, safer and more affordable low-emissions cars," he added. "A vehicle scrappage mechanism focused on equity goals could be part of this. We will work with you to explore the options."

Epps says the MTA is keen to highlight to officials that a scrappage scheme can bring a number of benefits, such as environmental and road safety.

He notes Wood and government staff have been responsive to the subject and businesses are also trying to develop ways to help people conveniently and easily scrap vehicles.

"A scrappage scheme can help the government achieve CO2 targets by reducing the number of older, high-emitting vehicles on the road and ensuring there is a focus on older cars that aren't being looked after," says Epps.

Michael Wood, left, Minister of Transport, Craig Pomare, centre, the MTA's chief executive officer, and its president Dave Harris. Photo: Lance Lawson Photography

"The major caveat on this is that we're not coming for people's classic cars. MTA members love cars and we love cars that have been well looked after. We're talking about the older cars that you wouldn't want to put your kids in.

"We also want to talk about a whole-of-vehicle approach, co-ordinating product stewardship schemes so all elements of a car can be managed at the end of its life."

ELIGIBILITY RULES

Epps admits plenty of details need to be thrashed out with officials, but the MTA wants any scrappage programme to provide money that goes towards replacement cars that improve the fleet and environment.

"Even if a car is a bit dirty and worn-out, it may still get people from A to B, and we have got to cross that barrier and give people the right incentive to get them into a newer and safer car," he explains.

"We know there are low-income families who aren't going to make the move to an electric vehicle [EV]. But if they're supported by scrappage to get into something better, then we're moving the fleet to a cleaner and safer state."

Other factors to consider will be at what age vehicles may become eligible for scrappage and rules around registration and warrants of fitness (WOFs). There would also likely be minimum safety and emissions standards for replacement vehicles being purchased by consumers.

"We have got to think about what the natural and safe lifespan of the fleet is," adds Epps. "We're currently deregistering vehicles on average at 19.7 years old. However, is nearly 20 years too old when we know that vehicles over the age of 15 years are failing their WOFs 50 per cent of the time?

"About the 15-year mark looks like being a suitable trigger point, but it needs to be a value transaction. The vehicle the person is handing in for scrappage ▶

Action needed on fleet

Greg Hedgepeth, chief executive of Turners Group NZ Ltd, believes adopting a scrappage policy will be better at cleaning up the fleet in the short term than the government's clean car plans.

Shortly after details of the government's rebates and feebate system were announced in mid-June, he said sourcing the required level of low-emissions vehicles out of Japan would be a major challenge for the industry.

He predicts the policies will increase the prices of cars in New Zealand and slow the rate that older vehicles usually drop out of the fleet.

"Some vehicles already in our fleet – the high-emitting ones that you really want off the road – will stay on the road for longer as people try to avoid paying more to replace them with a more expensive import," Hedgepeth told Autofile.

"Ironically, our fleet average age could increase. We have been advocating for a scrappage scheme or similar for quite some time."

As the country came out of its first Covid-19 lockdown in 2020, a number of industry figures voiced support for scrappage schemes.

Rick Armstrong, managing director of Armstrong's, said incentivised scrapping programmes were an ideal way to refresh the national vehicle fleet.

Meanwhile, Henry Schmidt, owner of Autolink Cars in Auckland, said most of the old cars on our roads are driven by people in the low-income bracket and a cash incentive to ditch their old vehicles would help them to buy an EV or hybrid.

wouldn't necessarily need a current warrant or rego, but it would need to have had one of those in the past year or two to show someone has been using it but they need to get something better.

"Under previous schemes, vehicles had to be registered and warranted but I think that defeats the purpose because if they still have those things then the owner clearly values that car. Equally, we don't want to create an open-slather system where people are simply bringing in old wrecks that might be in their yard."

Epps says the next car people buy under the scheme will ideally have a safety rating of at least three stars and be an improvement in terms of emissions from the one they are scrapping. He says the government may enforce that by specific grams of CO_2 per kilometre or by a percentage reduction.

Besides benefitting the government and motorists, the MTA wants businesses involved in any scrappage scheme to be able to get some value out of vehicles surrendered.

"In previous schemes the vehicles were often just crushed and so while we want to get certain cars off the road, we also want to see if they may have some recycling value that can be extracted."

The MTA acknowledges efforts to improve the fleet will incur a cost and it will try to figure out with officials how to best fund such measures.

Epps suggests one approach may be to tap into some of the $300 million the government has allocated to kick-start the clean car discount, with that money set to be repaid and the policy to eventually become self-funding.

"Looking at the import numbers, we're still going to be bringing in internal combustion engine vehicles that attract fees next year so there may be a portion that can be carved out of that clean car discount fund to support scrappage. Otherwise we may look at a fuel levy.

"One cent a litre would raise a phenomenal amount of money


Vehicles over the age of 15 years are failing their WOFs 50 per cent of the time, says the MTA

that could be used to get a scrappage scheme going, even if it was a short-term levy of six months or one year."

Lessons can also be learned from how other jurisdictions have improved the age and state of their fleets, but Epps cautions that for many of those countries their schemes have been aimed at propping up a local manufacturing sector.

Scrappage incentives in countries such as France and the UK have been to the value of several thousand euros or pounds and have often received support from carmakers, which can see it as a way of getting people into their newer vehicles.

"Motivations in other countries have been mixed in terms of whether they are for environmental purposes or stimulating new-car manufacturing.

"The focus for New Zealand needs to be on just improving the fleet. Our unique challenge is safety on the road because we have a bad road toll compared to many other countries.

"The MTA is trying to start the conversation and get people around the table and thinking about what we can be doing. I think we're looking at a good couple of years before something gets going, although it would be good if it could be sooner, but we've got to start the conversation now."

SAFETY RISKS

Dave Harris, president of the MTA, joined Wood in addressing guests at last month's showcase and said the industry and officials must acknowledge there is a "cohort of older vehicles on our roads that should not be there".

Harris added the MTA is calling for further investigation of a scrappage scheme and appreciates the interest the minister has shown in that conversation.

"We need to be realistic about the safe lifespan of vehicles. New Zealand vehicles are currently being scrapped at around 19.7 years. But we know that vehicles from age 15 start failing WOF inspections more than 50 per cent of the time.

"We also know, from a study commissioned by the Ministry of Transport [MoT], that the victims of a fatal crash involving two vehicles are more likely to be in the older vehicle, which averaged around 17 years old."

Harris said achieving the government's goals of car safety and lower emissions are not "mutually exclusive" and outlined other propositions to help cut transport emissions.

The MTA wants officials to be open to all low-emissions technologies and not just a wider adoption of EVs. It also urges regular servicing and maintenance of vehicles to keep them running efficiently, minimise emissions and to identify any safety problems.

Wood also told representatives from the automotive and finance industries, and the world of politics, at the MTA event that

[continued on page 6]

[continued from page 5]

Michael Wood, Minister of Transport, addressing guests at the industry event organised by the Motor Trade Association on August 10. Photo: Lance Lawson Photography

the government was committed to undertaking a programme of work to raise safety standards for vehicles entering the fleet. The push is part of its goal to achieve a significant reduction in deaths and serious injuries on our roads.

He said the WOF and COF regime will be investigated to ensure it remains "fit for purpose for our future road-safety requirements".

"We also need to increase understanding of vehicle safety and this includes examining the options to increase the uptake of these technologies into the fleet."

Work on raising awareness of safety ratings as the key measure of a vehicle's safety performance is under way and Wood added it was showing positive results in public attitude surveys.

TRIAL SCHEMES

Despite encouraging noises from Wood at the August 10 event in Wellington, the MoT's website says it is not currently planning any scrappage trials.

In 2007 and 2009, the government ran trial schemes in partnership with a range of organisations. Both offered financial incentives to encourage motorists to scrap vehicles that were nearing the end of their lives.

The first was held in Auckland in 2007 and was described by the MoT as successful because the benefits exceeded the costs. A total of 253 vehicles met the criteria and were scrapped over a six-week period as consumers were attracted by $400 of public-transport vouchers.

A similar three-and-a-half-week trial took place in Wellington and Christchurch in 2009, but the MoT says it received a low number of vehicles and had "relatively low overall social and environmental benefits relative to the costs".

The government said this showed a nationwide scrappage scheme was unlikely to be cost-effective.

Public-transport passes were exchanged for scrapped vehicles during the second trial, and scrap metal companies involved offered participants the chance to win a Toyota Corolla and paid the current scrap value for each vehicle based on weight.

A total of 349 vehicles, with an average age of 20 years and 214,500km on the clock, were collected but only 122 met the trial's criteria.

Nearly half of all participants said they would still have disposed of their vehicles at a wrecker's yard in the absence of the trial and the majority believed their car had a value higher than what was offered.

The MoT noted at the time: "Many members of the public would require a larger incentive than that provided during the trials to dispose of their vehicles earlier than they might otherwise. Additionally, many participated in the trial because of the prize draw for a new car rather than for public-transport vouchers."

The government briefly contemplated the idea of a scrappage scheme to speed up the removal of old vehicles from our roads in 2019 and looked overseas for inspiration.

Julie Anne Genter, then Associate Minister for Transport, said such programmes "are usually in places that have car manufacturing and are an incentive for people to buy new cars".

SALES BOOST

A scheme was first introduced in the UK in April 2009 to encourage owners to scrap their old and polluting vehicles in exchange for a guaranteed discount on new and more eco-friendly models.

The initial scheme cost the government £3 million – about NZ$6m at current exchange rates – and provided a £1,000 payment towards the purchase of a new car from participating manufacturers for people who scrapped a vehicle they had owned for more than 12 months and was older than 10 years. Manufacturers also provided £1,000 off list prices.

The number of new vehicles sold increased under the scheme and politicians extended it to the end of March 2010, with the average emissions of new cars sold during that period falling 5.4 per cent from the year before.

A number of marques and city councils in the UK have offered similar scrappage programmes since, and discounts currently available offer anything between £1,000 and £5,000.

The main criterion for a car to qualify is its age, which determines if it meets European emission standards.

Germany, France and Italy have also run scrappage schemes in the past.

INSURANCE BUSINESS MAGAZINE
2021 TOP INSURANCE EMPLOYER
Insurance Business

TOP INSURANCE FROM A TOP INSURER

WE CARE ABOUT OUR OWN STAFF NEEDS AS MUCH AS WE DO YOURS

Being awarded as one of the Insurance Business NZ Top Insurance Employers 2021, we're proud to say that we have been recognised for looking after our staff.

And you can be confident that with our bespoke online dealer training programmes and ongoing customer support, Protecta are here to look after you and your staff too. So why not talk to us about how we can add value to your business today?

contact@protecta.co.nz
www.protecta.co.nz

Protecta
INSURANCE
NO ONE KNOWS YOU BETTER

Financial aid key to survival

Businesses across the used-car supply chain are being told not to shy away from seeking financial assistance to help them cope with the effects of the latest Covid-19 lockdown.

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (VIA), says people should act now with the Auckland region facing lockdown until mid-September and alert-level uncertainty remaining for the rest of the country.

He adds the ongoing disruptions will be difficult for many VIA members and his advice is to take advantage of the government's support packages, such as the wage subsidy scheme and resurgence support payments.

"This support is one of the tools we have to deal with the impacts of this virus," he told Autofile. "This is government support for businesses and individuals to survive financially.

"People should make applications as quickly as possible because the intention of those schemes is to get money into the community, and keep companies going and keep people on wages.

"We're borrowing against the future to get us through the current situation. These packages are another tool and should be used without any feelings of guilt."

Dealerships can open at level three if strict hygiene rules are followed

Vinsen notes the lockdown situation, which came into force on August 17, is not as unexpected as last time so many businesses in the supply chain have systems to cope. They are set up so staff can work from home and stick to the health rules.

He adds the biggest impact for the industry from being at alert level four is on used-vehicle sales because dealers can only have contactless trade with essential services.

"Our industry has had the opportunity to learn from last year's experiences and put in place systems, procedures, training and equipment to deal with lockdowns, but members are still dependent on people being able to make sales.

"Typically, we think about the supply chain for used cars starting with the auctions in Japan. However, that's not necessarily the case. The supply chain actually starts at the sales yard when you work on the premise that nothing happens in our economy until somebody sells something."

VIA has recently put out advice to members reminding them how they can conduct business at various alert levels.

Vinsen warns the transition to level three for large parts of New Zealand, while Auckland remains under tougher restrictions, may bring its own challenges and difficulties.

"Other parts of the country may be able to sell vehicles under carefully constrained conditions, but the vehicles are still mostly coming in through Auckland."

He adds the coronavirus situation is hard for everyone and whereas the initial pandemic lockdown in March and April last year had an element of novelty, people are possibly more sceptical and world-weary about restrictions this time around.

Vinsen personally feels Prime Minister Jacinda Ardern and her officials are using fear as a motivator to make the public do things the government believes should be done to tackle Covid-19.

"There's a succession of things that gradually winnow out the effects of the virus as it goes through various barriers or approaches we've got, such as social distancing, mask-wearing and vaccinations.

"We're going through these alert-level procedures because we have to. However, there's going to come a time when we can't just keep locking down forever. We have to do what we need to do collectively as a society, but we still need to be able to go about our lives and not hide away all the time."

VACCINATION IS KEY

Various commentators have described New Zealand's elimination response to Covid-19 as hard and fast into lockdown, and soft and slow on the vaccine roll-out.

The Motor Industry Association (MIA) views this is an accurate description and believes the question now is whether this is still the right course to take.

"We are growing increasingly uncomfortable the government is persisting with the elimination strategy and a slow vaccination programme, which results in immediate lockdowns if one case gets into the community," says chief executive David Crawford.

"Epidemiological and vaccine experts have emphasised the purpose of a vaccination regime is to flatten the curve of infections so our health system can cope with the few that, sadly, succumb. This is the same rationale for illnesses such as the flu, measles, chicken pox and so on.

"Across the population, vaccination reduces the risk of spread, reduces the severity of infection and increases societal resilience."


David Vinsen


David Crawford

While our economy will not survive a pandemic "cutting an indiscriminate swathe of mayhem through society", neither will the country's economic well-being survive continued snap lockdowns.

The MIA wants rates ramped up so everyone who wants to or can be vaccinated is – and no later than the end of this year.

"We do not see the need for New Zealand to continue to go into lockdown once our vaccination programme is completed," adds Crawford.

"According to Stats NZ, our sector contributes about $7 billion a year in turnover to the economy, which equates to $18 million a day. We cannot go back into level four every time there's an outbreak."

An ongoing issue is logistics, with the MIA having to clarify with the government what vehicles are classed as essential under level four.

Then there's the matter of getting cars arounds the country.

For example, they can be transported from ports to warehouses, but not easily onto workshops and dealers during lockdown, says Crawford.

He adds: "If Auckland remains at level four and other parts of the country do not, then the issue is that many businesses store vehicles in Auckland where alert level four work conditions make it challenging to operate."

In addition, the longer New Zealand's borders remain in place, the greater the risk of the skills shortage increasing. The car industry has been becoming "grey-headed" for some time in that there is a lack of younger talent coming through.

Coronavirus is basically exacerbating a situation that was already worsened by the government reorganising the vocational training sector and

[continued on page 10]

[continued from page 9]

increasing salary thresholds for would-be immigrants whose occupations are on the required skills lists, notes Crawford.

On a global level, shipping patterns are being nowhere near normal, while the semi-conductor crisis is growing.

"Covid-19 has had ramifications around the world with parts manufacturers that supply car manufacturers. Shortages will continue to bite for some time to come with demand outstripping production. It is inevitable manufacturers will start to ration supplies to various markets.

"It will be interesting to see how much stock we will be able to land between now and the end of the year."

TACKLING SKILLS GAP

The Motor Trade Association (MTA) is calling on the government to find a way to help the industry bring in workers from overseas as many businesses are battling a skills shortage.

Greig Epps, advocacy and strategy manager, says early responses to an MTA survey conducted after the introduction of the latest lockdown indicate many member businesses have at least one vacancy.

"We need to look at how the government and businesses can access skills"
– Greig Epps

He told Autofile that bolstering the automotive workforce will also improve the ability of companies to support apprentices, who are vital for the future.

"If the borders are going to remain tight because of Covid-19, then we need to be looking at how the government and businesses can access the skills and workforce they need," says Epps.

"The immigration system at the moment is a fairly blunt instrument. We have got to have the immigration people talking to the business sectors and asking them what they require.

"From our research, it looks like a company training an apprentice has an average ratio of two technicians to one apprentice. This means smaller businesses are going to find it difficult to train people and large businesses may find it hard to allocate the time of technicians who need to supervise apprentices.

"One possible solution to explore is can we get good skilled people in from overseas to help with training."

The focus on the workforce and trying to make the immigration system fit more closely to industry's needs is one of three key areas for the MTA in the wake of the latest lockdown.

The other two are having systems in place to deal with periodic lockdowns, "if that's what the future holds", and looking at the support given to businesses and whether such policies should become permanent.

The MTA is keen to see the Apprenticeship Boost scheme, which was developed last year to help the economy recover from the effects of the coronavirus pandemic, remain in place.

Overseen by Work and Income, the programme provides a payment to help employers keep and take on new apprentices and is currently available until August 4, 2022.

"The support they brought in last year, such as Apprenticeship Boost, needs to be made permanent," says Epps. "In trying to address the impact of Covid-19, the government has come up with exactly the policy we thought was needed to address training in the workplace."

The MTA is also tackling how to avoid a repeat of the pressure on inspection services last year when a temporary extension was granted to expired warrants and certificates of fitness, along with other land-transport documents.

A total of 3.6 million vehicles were granted WOF and COF exemptions from January 1 to October 10, 2020, to allow people to continue travelling when the ability to renew vital documents was limited by alert-level restrictions.

It led to a surge in demand and longer-than-usual queues at inspection companies when health rules eased back.

The MTA has held discussions with Waka Kotahi following New Zealand going into a lockdown on August 17 about the best possible action around WOFs and COFs during prolonged or repeated periods at alert levels three and four.

"Last year we had a massive overarching exemption for warrants and certificates of fitness that led to a logjam in the inspection process," says Epps.

"It did not work so well and we need to find a better way of doing things this time if we are going to have another long lockdown. We need to be clear about issues such as warrants if we're going to have short, sharp lockdowns every couple of months."

Epps adds industry and government should also look at support for improving the digital skills and services of businesses, particularly around online bookings and payment systems.

"We may be heading towards a world where so much more of our operations need to have minimum contact, such as drop-off procedures for vehicles at repair shops and payment systems that don't rely on someone tapping away at an Eftpos machine.

"Adoption of technology for business systems has seen some government support. But we need to think about the transition to having to do this more often, and whether that support needs to be maintained and brought in on a more permanent basis."

Marque set for Kiwi launch


The Polestar 2

The Giltrap Group has been appointed by Polestar as its official representative in New Zealand with its performance fastback available to order by the end of 2021.

The move comes as the premium electric brand, which was founded by Volvo Cars and Geely in 2017, expands its global reach.

Michael Giltrap, joint managing director of the Giltrap Group, says it's a "privilege" to introduce the Swedish marque to this country, albeit digitally.

"This is a significant milestone. Polestar is the first fully electric brand to be represented by a Kiwi-owned company," says Giltrap.

"We are proud to have the opportunity to work with Polestar, which is an exciting addition to the automotive landscape.

"It has covered all the bases from sustainable practice to avant-garde Swedish design and cutting-edge technology to a quality driving experience.

"The first Polestar 2 cars are already on their way. I cannot wait to experience them in the flesh."

"We are excited to come to New Zealand, which is one of the world's leading producers of renewable electricity," says Nathan Forshaw, head of Polestar's Asia-Pacific region.

"As a premium electric brand, we have found a natural partner in the Giltrap Group. We are pleased to join its portfolio of premium and luxury brands."

Polestar's vehicles are bought online, with its system complemented by physical retail locations called "spaces" and "destinations".

Later this year, Giltrap in Auckland will become this country's first "destination" for the arrival of the Polestar 2, which was launched in 2020. As part of the brand's push for sustainability, it includes an all-vegan interior.

The fastback's range here will include three versions. The standard single-motor version will feature a 165kW and 330Nm electric motor and a 68kWh battery pack, while the long-range and single-motor variant boasts a 170kW and 330Nm powertrain coupled with a 78kWh battery.

A long-range dual motor version will also be available. This has two electric motors for total output of 300kW and 660Nm.

Bruce Fowler, brand manager for Polestar in New Zealand, says the timing of its arrival couldn't be better with the introduction of the clean car discount.

"As a dedicated EV brand, Polestar is a true challenger to the industry," he adds. "We cannot wait to introduce Kiwis to our experience. There is no doubt that a car like the Polestar 2 will establish itself as a market-leading, premium EV."

Rocky road ahead for market

The Ford Ranger and Toyota Hilux are New Zealand's best-selling vehicles of 2021. But will that still be the case this time next year with consumers facing penalties under the government's clean car policies?

Describing the automotive industry as predictable is uncommon, but that has certainly been the case when looking at car sales since June 13.

That date was when Michael Wood, Minister of Transport, announced rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs).

First-time registrations of such cars ground to a halt until July 1 when the incentives started. It came as no surprise that they then took off.

June 13 was also when the clean car discount, or full feebate scheme, was announced. It is due to start on the first day of the new year.

As obvious as the sun rises in the east, consumers have since been clamouring for utilities and other high-emitting models in advance of government charges effectively pushing up sticker prices come January 1.

And there have been protests by rural folk, especially farmers, who claim they are being unfairly targeted by the "ute tax".

With hindsight, July 2021 may well be regarded as a watershed month for the industry. There were 760 new BEVs and 431 PHEVs sold. The previous best-selling month of 2021 was March with 431 BEVs and 150 PHEVs registered.

On the flipside, there were 1,418 Ford Rangers and 806 Toyota Hiluxes registered in July. And it will be a brave punter who bets against those models being the country's top two new vehicles come year's end.

But what will happen in 2022 is less predictable. Will the mass appeal of utes falter, except among those who see them as essential tools of trade? Will upfront costs remain a barrier for Kiwis switching to electric in substantial numbers? And how do the leaders of the country's two best-selling marques view the future?

POWER OF HYBRIDS

While the supply of BEVs and PHEVs will increase over the next few years, new traditional hybrids are nearing price parity with petrol versions and second-hand hybrids are abundant on the used market.

With that in mind, Neeraj Lala, chief executive of Toyota NZ, believes cars with plugs aren't the silver bullet for reducing carbon dioxide (CO_2) emissions from the fleet.

This is because they are priced beyond the reach of most buyers, they continue to be in short supply and cheap EVs sourced from new markets may not be highly rated from a safety point of view.

"The range and volumes of EVs needed to meet demand is simply not available, and many customers still need a vehicle to transport their family or operate their business," adds Lala.

"We see hybrids as a way that we can act quickly as a country to reduce emissions with the current supply and infrastructure constraints that surround BEVs and PHEVs."

He emphasises the point on the back of more than an 800 per cent increase in Toyota hybrid sales over the past five years.

As for the electrification of utes, that will be one of the most difficult pieces of the puzzle to get right.

"Even though a hybrid currently has a tow rating of two-and-a half tonnes, it doesn't give customers the confidence that it can perform at the level they need. Introducing that technology with a lot of torque is difficult, so I can't see us having an electrified version of the Hilux in the next 18 months."

Lala doesn't buy into the notion that New Zealanders have an unwavering love for utes. "The reason there are four or five in the top 10 new cars sold is because you've got so little choice.

"July year to date, there were about 36,000 sales in the commercial market. If you take utes as a percentage of our total market, they come in at less than 30 per cent. Twenty years ago, they were on 20 per cent. If you think of business growth over two decades, that's not an obsession."

As for what Kiwis want, Lala says attention should turn to SUVs. While the new-vehicle market has grown by about one-quarter over the past five years, the increase in SUV uptake sits at more than 300 per cent over the same timescale. "If you look at what's coming in, it's fuel-efficient and electrified vehicles in this segment."

Excluding large models, Toyota NZ plans to have all compact, small and medium-sized SUVs predominantly electrified in the form of hybrid powertrains in the next four years.

"Our extensive hybrid range has allowed us to contribute to 43 per cent of the overall reduction of emissions over the past five years in New Zealand. Hybrid technology is more readily available and significantly more affordable for everyday Kiwis. Battery-electric technology isn't quite there yet. As a brand, we are focused on achieving low-emissions for everyone – not just the top two per cent.

"We're really encouraged that Minister Wood has included hybrids and low-emissions petrol cars as part of the full feebate scheme."

Global constraints around battery production, the semi-conductor crisis and technology adoption could put the rate of EVs arriving here under considerable pressure. That said, Toyota NZ will soon have its first fully electric model in the Lexus UX300e available. It will be followed by the battery electric BZ4X SUV in 2022.

It's also important to look beyond the impending feebate scheme and to the clean car standard, which is being introduced by the government next year to limit the number of high-emitting vehicles crossing the border. Part of that policy aims to reduce emissions from 171 grams of CO_2 per kilometre to 105gCO_2/km by 2025 for all light-vehicle imports.

[continued on page 14]

ATNZ

(09) 257 0050

Welcome to ATNZ !

New Zealand's best source of Japanese used cars

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

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

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

[continued from page 12]

"The Hilux being number one is not our objective," says Lala. "You could say it's easy for a company like Toyota to say that given that the number-one selling car is not a Toyota.

"But our stated goal is to be below our [emissions] target come 2023. We can't achieve that if the Hilux exceeds more than about 32 per cent of our sales.

"The clean car standard's focus is on manufacturers bringing in a balanced portfolio of low-emissions products to meet requirements for consumers. The target has been set for 105g and I'm confident Toyota will meet our 2023 target based on our current line-up."

Hybrids have contributed to an average reduction of 20gCO2/100km across Toyota's hybrids range. As a result, the marque says it is on-track to meet its clean car target of 164gCO2/km before 2023. The Lexus portfolio is already under its 2023 goal of 176gCO2/km and should surpass the industry target of 105gCO2/km by 2023.

Responding to the Climate Change Commission's final advice to the government, Toyota NZ has welcomed an amended view that efficient petrol and diesel cars can contribute to emissions reductions from transport.

Lala adds the final advice has taken on-board car manufacturers' concerns. While still calling for a ban on internal combustion engines by 2035, the commission says the country "should import more efficient vehicles until EVs are widely available and affordable".

PLANS OUT OF SYNC

Ford NZ, which is supporting the push for the wider adoption of low-emissions vehicles (LEVs), warns the pace of change being sought by the government is too ambitious.

Simon Rutherford, managing director, says the clean car policies set to be introduced here are largely inspired by what is happening in Europe but fail to consider differences between the two markets.

"It is the timing of targets and incentives that drive inequity, not the design of the policies themselves. The market segmentation in New Zealand is very different from Europe, so current targets here represent a change curve that is significantly above other jurisdictions. This means an unprecedented rate of reduction is required within the nominated timeframe. This hasn't been achieved in any other market in the world."

Rutherford's comments come with the government issuing rebates for BEVs and PHEVs until the end of 2021. The programme will be expanded to other LEVs from January 1 when penalties will also be introduced for higher emitters.

It is part of a political drive to make transport cleaner and greener, with the clean car standard that targets the exhaust emissions of imports slated to be introduced next year.

Rutherford points out people in Europe mostly drive manuals, which do offer lower CO2 emissions, while Kiwis prefer and are mainly qualified to drive automatics.

"Manuals are usually cheaper to purchase, but New Zealanders do not value them, preferring to pay more for the functionality and capability of an automatic transmission."

He says some higher emitters are also often preferred because of our roads or the industries people work in, with the top-selling Ranger likely to remain in demand despite facing a penalty of $2,780 under the feebate system.

"The nature of our network means low-output engines are not always fit for purpose or safe. Our geography is not comparative with the UK and EU where many journeys are on relatively flat motorways for which lower-output CO2 engines are fit for purpose. All-wheel drive is highly desired for safety due to our roads, especially on the South Island.

"The balance of our industry is also different to international benchmarks and is heavily dependent on primary industries.

"For example, the Ranger is required in four-by-four mode for farming, forestry, towing and rural activities. Such capability is a functional requirement for certain types of work and these vehicles support key contributors to the national economy."

Since the government announced its clean car plans in mid-June, consumer interest in utilities has increased as consumers seek to avoid the looming emissions-based penalties.

Ford NZ recently took 100 orders for Rangers in one morning alone and sold 1,418 units in July, which was 81.6 per cent more than 781 in the same month of 2020.

Rutherford supports the government's policy framework, but time frames for introducing legislation need to be equitable and in-step with the roll-out of scaled new propulsion technology adoption by car manufacturers.

He adds false assumptions appear to have been made by decision-makers on the availability of EVs and the new measures are being introduced too soon, which means marques will be unable to support consumers with what they need.

"We are, therefore, concerned that clean car fees next year on some commercials will penalise people who have no workable and cost-effective alternatives at this point.

"The policy framework also needs to start to address vehicles already in the fleet and we can't just get there by managing what enters it or we will potentially just go backwards.

"We also need a tailpipe test and a scrappage scheme because these have been components of acceleration in other markets. In the interim, we will continue to offer what we can as soon as we can."

Despite concerns about the pace of change being forced on the industry, Ford NZ has shown its commitment to de-carbonising the transport sector by becoming a member of advocacy group Drive Electric.

The blue oval's local arm has joined the non-profit organisation at the same time the carmaker seeks to globally be carbon-neutral by 2050.

"As the consumer appetite for EVs grows, capacity increases, and infrastructure and accessibility improve, we aim to further expand our EV line-up as Ford has done in many markets around the world," explains Rutherford.

"Joining Drive Electric helps us to contribute further to industry-wide efforts and discussions to find a pragmatic, customer-focused and scalable pathway to the wider adoption of new EVs in New Zealand."

More of Simon Rutherford's views can be found in his guest editorial in the August 2021 issue of Autofile

Top two ute sales in New Zealand

YEAR	2019	2020	2021
FORD RANGER			
June	1,057	641	912
July	657	781	1,418
TOYOTA HILUX			
June	719	595	632
July	534	627	809

Note: The clean car discount was announced on June 13. It is due to start on January 1. Interim EV rebates for started on July 1. Data source: NZTA

Toyota will launch its battery electric BZ4X SUV in New Zealand next year

What's the safety rating of that car?

Three out of four consumers are looking for vehicles with high safety ratings when they purchase their next car.

You can now print a vehicle safety rating label to display on cars for sale, providing consumers with simple information about a vehicle's safety performance to help keep people safe on our roads.

How do I generate a safety rating label?

The safety rating label sits below the Vehicle Fuel Economy Label (VFEL), which is administered by EECA (Energy Efficiency & Conservation Authority). The VFEL must be displayed on all cars for sale by motor vehicle traders and informs customers of the fuel efficiency and estimated yearly running costs of the vehicle.

Now, when traders generate labels for their vehicles, they can automatically generate a safety label to display alongside the VFEL, which makes displaying a safety label, and providing the current safety rating information, as easy as possible for traders.

To print safety rating information for the vehicle you are selling, just go to the label generator on EECA's website **resources.fuelsaver.govt.nz/label-generator** and follow the instructions.

How can I find out more information?

Visit **dealer.rightcar.govt.nz** to find out more information about how safety ratings work in New Zealand, and for links to useful resources for motor vehicle dealers.

RIGHTCAR®

visit **dealer.rightcar.govt.nz**

21-321

WAKA KOTAHI NZ TRANSPORT AGENCY

EECA TE TARI TIAKI PŪNGAO ENERGY EFFICIENCY & CONSERVATION AUTHORITY

ROAD TO ZERO

New Zealand Government

Industry movers

TROY KENNEDY has been promoted from chief finance officer to the newly created role of chief executive officer at Armstrong's.

He will be responsible for day-to-day operations and the company's longer-term ambitions while working alongside managing director Rick Armstrong and the executive team.

Prior to joining Armstrong's in 2017, Kennedy, a chartered accountant, held senior executive and finance positions in New Zealand and the UK, including with PwC and Platinum Equity.

MARK SCOTT has been appointed by Pentana Solutions as business development manager for New Zealand.

He has 14 years of extensive experience across the automotive industry, including sales, operations, after-sales and warranties.

After starting out as an apprentice motorcycle mechanic in 2007, Scott was appointed workshop manager with a team of mechanics in 2013.

Two years later, he changed his focus to the industry at a distribution level. His most recent role was with Ateco Automotive Group as a warranty manager for prestige brands, such as Jeep and Alfa Romeo.

BILL OSBORNE is retiring as chairman of Ports of Auckland Ltd (POAL) at the end of September, making him the third high-profile departure from the company in the space of nine months.

The former All Black, pictured, has sat on the board since 2017 and replaced Liz Coutts as chair at the start of this year. Chief executive Tony Gibson quit in June.

Osborne says POAL was battling with severe congestion when he took over from Coutts and it has been a privilege to help "get things back on-track".

SIR BRIAN ROCHE will finish his role as chairman of Waka Kotahi at the end of his current term in June 2022 having spent three years in the job.

Roche was the agency's first chairman when it was established in 2008 and was reappointed to the board in 2019 by Phil Twyford, Minister of Transport at the time.

GEORGE BIGGS has been appointed commercial executive director of McLaren Automotive.

He has assumed responsibility for global sales, operations and after-sales as well as overseeing McLaren Special Operations.

Biggs has been with McLaren for nine years. He was most recently managing director for its Asia-Pacific and China region, which includes New Zealand.

ADAM PATERSON has become managing director of Nissan Oceania, which covers New Zealand and Australia.

He was previously director of marketing at Nissan Canada and managing director of Infiniti Canada. Paterson has been with the company for a decade.

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

Covid restrictions create challenges

Dealerships are facing the same constraints as all other businesses with the country being divided by Covid-19 alert levels.

Those south of Auckland could open from the start of this month if compliant with strict level-three guidelines.

However, businesses in the Auckland region will remain in level-four lockdown until at least mid-September with cabinet reviewing that decision on the 13th, while Northland was set to go to level three at 11.59pm on the 2nd subject to wastewater testing results.

At level three, dealers need to enforce physical distancing and extra hygiene measures for staff, and provide consumers with contactless options for ordering, pick-up, delivery and payment.

What follows is a wrap of last month's news from Autofile Online – be sure to check out the website for breaking news.

Vehicles have kept coming into New Zealand and being cleared from our docks despite August's lockdown.

Ports of Auckland reimplemented its level-four controls and made mask-wearing protocols tougher to help combat the latest health threat.

Spokesman Matt Ball says: "We have got clear guidance from the government that freight must get through and keep moving."

Dealers had to shutter-up except for urgent repairs and sales to essential services when we went into lockdown on August 17. Many have reopened in areas at level three with contact-free operations.

"Sanitising vehicles and in-store environments will also increase to ensure we keep customers and staff safe," says Neeraj Lala, chief executive officer of Toyota NZ.

The Imported Motor Vehicle Industry Association has reminded its members about health and safety obligations at lower alert levels, advising them to check the WorkSafe website for templates on safety plans. It recommends businesses review and plan their cashflow in the face of ongoing uncertainty with Covid-19 restrictions.

The Ministry of Health has identified about 400 places of interest in our current outbreak, but as of August 31 only one dealership featured on the list.

G-Mana Wholesale Autos in Otahuhu, south Auckland, was visited by someone who tested positive for the virus on August 14.

Meanwhile, thieves stole a Holden SUV that was awaiting repairs at Giltrap Newmarket and drove it at high speed before abandoning it. Two youths aged 14 and 17 were arrested over the August 20 incident in Auckland.

The Motor Trade Association says many members have been caught out by a lockdown rule change that prevents service stations from selling hot drinks and bakery goods. The government introduced the measure at short notice on August 23, leaving the organisation and its members "frustrated and confused".

NZX-listed companies have tapped into technology after opting for virtual annual meetings of shareholders.

Turners Automotive Group's meeting will now be held online from 10.30am on September 9 after its physical event slated for August 18 was cancelled. Geneva Finance's starts online at 2pm on September 15.

The Covid-19 crisis has also disrupted motorsport events. It has forced the cancellation of the Goldrush Rally Coromandel, which was set to take place on September 4, and this year's Leadfoot Festival.

And the Christchurch round of the South Island Endurance Series scheduled for September 4 has been postponed until November 6.

Emissions fund to be expanded

The government has invested about $2.81 million to help improve New Zealand's charging infrastructure for electric vehicles (EVs).

The amount represents around 43 per cent of the $6.5m awarded in the final round of the low emission vehicles contestable fund (LEVCF).

The fund, which is administered by the Energy Efficiency and Conservation Authority (EECA), will be relaunched later this year as the low-emissions transport fund (LETF).

The biggest winner in the final round of awards was ChargeNet NZ, which secured $879,875 in co-funding for four 300kW charging ports and two 50kW charging ports in each of Wellington, Queenstown and central Waikato. All three sites will have charging capacity for six EVs.

Wellington City Council was also a big winner, securing $498,785 to roll out 30 fast-chargers on sites it owns in suburbs.

Z Energy was awarded $390,000 for two 50kW chargers and a 185kW charger to be installed at its new site in Rolleston next to State Highway 1.

Meanwhile, Mercedes-Benz New Zealand will use its $240,000 to partner with NZ Post to pilot more than 100 eSprinter and eVito electric vans in delivery fleets.

NZ Post also secured its own funding – of $239,948 – for a project in Wellington that will pilot a Fuso eCanter electric truck in its delivery network to assess and demonstrate light e-truck capability in operational conditions.

And Carr & Haslam, a familiar name in the car-transporter business, has secured $140,549 to trial a small electric truck delivering single vehicles, including light EVs, in central Auckland.

Christchurch City Council secured a total of $866,233 in co-funding for two projects. The first will see five civil construction and maintenance service companies, which are suppliers to the council, using specialist battery electric trucks to perform their services.

The other scheme involves a zero-exhaust emissions area that companies delivering to commercial properties in the Papanui and airport shopping districts can use and will have truck charging infrastructure installed.

In the technology arena, Etrucks Ltd's $499,995 will enable the company to import and demonstrate a gantry-style robotic battery-swapping station.

Kalista Ltd has secured $482,000. Its project will enable Auckland-based Green Gorilla to utilise a fleet of EVs for a municipal food-waste collection contract and allow third-party commercial operators to charge or trial such vehicles.

Dr Megan Woods, Minister for Energy and Resources, says the latest round of financial support is the last one from the fund in its present form.

More details about the new LETF are to be announced in October, and the government will progressively increase its size to $25m per year by 2023/24.

"Expanding the fund's scope will not only further help us tackle transport's climate impact, it will also encourage more growth in the low-emissions technology sector," says Woods.

EECA says that with transport making up 21 per cent of the country's greenhouse gas emissions, this is a "critical area to address" with "low-emissions infrastructure, technologies, fuels and innovative business models having a vital role to play".

Funding for the LETF will be evenly split between the crown and the petroleum or engine-fuel monitoring levy that has supported the LEVCF.

In March this year, cabinet agreed to increase the cap on levy funding to EECA to allow up $12.5m to be collected per annum by 2023/24.

The LETF's scope will include demonstration of innovative and replicable low-emissions projects. However, it will also include adopting proven technologies that require further support for commercial integration and deployment.

The word "contestable" has been removed from the name of the fund.

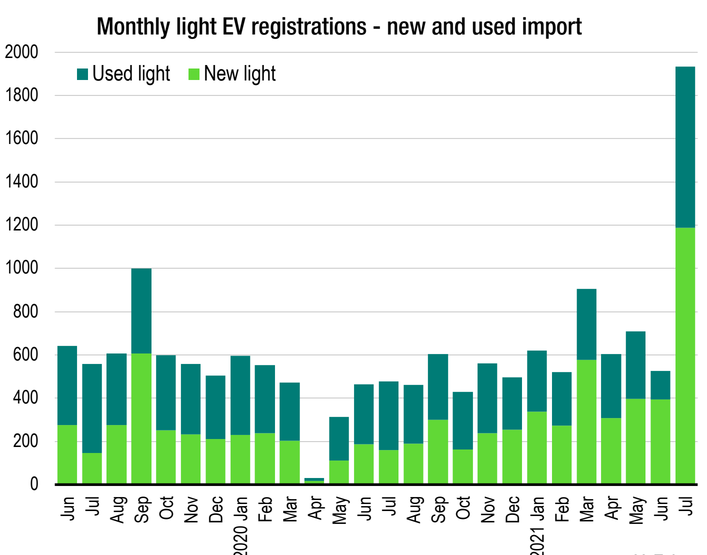
While a contestable funding approach will remain EECA's default position for allocating money, it doesn't want to exclude the potential to explore more appropriate and efficient ways of funding some project types.

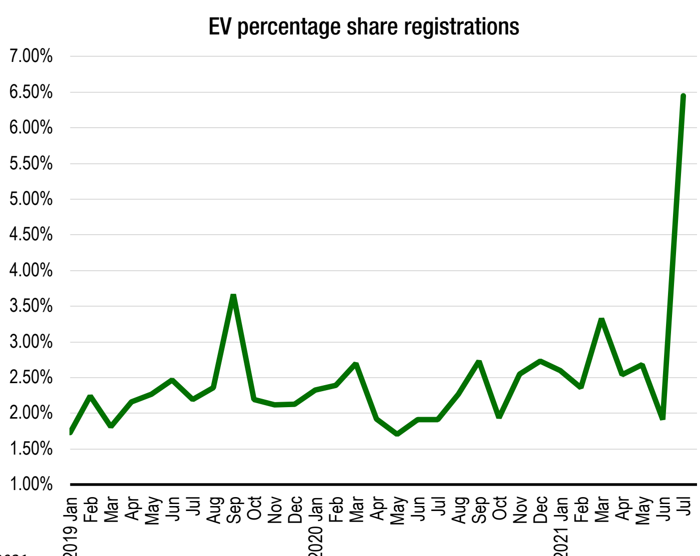
Broadening the fund to cover transport, rather than just vehicles, enables the funding of projects such as maritime and off-road motive power applications if they meet EECA's criteria. It will also be to support projects for low-emissions fuels, such as hydrogen and biofuel from renewable energy sources.

Total EVs by region

Northland	873
Auckland	12,313
Waikato	1,764
Bay of Plenty	1,091
Gisborne	87
Hawkes Bay	550
Taranaki	373
Manawatu/Wanganui	857
Wellington	4,499
Nelson/Marlborough	1,036
Canterbury	4,430
West Coast	40
Otago	1,735
Southland	199

Source: MoT, August 9, 2021





Source: MoT, August 9, 2021

‘Irrefutable’ evidence to make switch

I keep seeing arguments questioning whether electric vehicles (EVs) really do result in lower greenhouse gas (GHG) emissions if we include their manufacture, power generation and eventual scrappage.

Of course, these “arguments” are always posed as questions and not claims, even though they have the same unfortunate effect of spreading anti-EV sentiment.

Luckily, there are still people willing do what it takes to help us find the truth through observation and research – you know, actual evidence.

The International Council on Clean Transportation (ICCT), an independent non-profit organisation founded to provide unbiased research and technical and scientific analysis to regulators, has released a report on the “global comparison of the life-cycle GHG emissions of combustion engine and electric passenger cars”.

The report, which can be found online at theicct.org/publications/global-LCA-passenger-cars-jul2021, determines that EVs win hands down in every jurisdiction, even those with extremely “dirty” power generation.

For example, the average emissions reduction when comparing the life cycle of EVs to vehicles with internal combustion engines (ICEs) are 66-69 per cent in Europe, 60-68 per cent in the US, 37-45 per cent in China and 19-34 per cent in India.

I often hear the question asked whether EVs are cleaner than ICE or hybrid vehicles where electricity generation is dirty. The argument is based on the comparison between the emissions from burning the fuel in the ICE versus emissions from generating electricity used to charge and drive an EV.

While this might seem valid at quick glance, it is not comparing like for like. To make the comparison work, the ICE emissions would be compared to the EV emissions, which the electric car obviously wins, and then the emissions from the production of the electricity used to charge the EV should be compared with those from making the petrol to drive the ICE vehicle.

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

Fleet lifetime emissions in European Union – 2021

	MID-SIZED CARS	SUVS	FLEET AVERAGE
Diesel	250	280	265
Petrol	250	275	262.5
Natural gas	255	255	255
HFC (natural gas-sourced hydrogen)	205	240	222.5
ICE hybrids	195	220	207.5
Plug-in hybrids	180	190	185
Electric (grid-sourced electricity)	85	90	87.5
HFC (zero-emissions sourced hydrogen)	60	65	62.5
Electric (zero-emissions electricity)	48	50	49

Note: Emissions values in grams of CO2-equivalent per kilometre. Source: ICCT

That last part – emissions created by fuel production – is rarely considered even though it should probably be included in calculations of vehicle emissions.

The ICCT report does include the cost of producing both electricity and fuel. And while it does not explicitly discuss New Zealand, we can draw some conclusions based on what it says about other jurisdictions.

Using the European Union (EU) as an example, of the vehicles registered in 2021, all of those powered by fossil fuels directly were the worst emitters with natural gas-sourced hydrogen for hydrogen fuel cells (HFCs) closely trailing.

We can make some assumptions about what New Zealand’s statistics would look like in comparison to the EU. Our power generation is cleaner, which means our grid-powered EVs would be cleaner, although not quite to the pure green stage. And if we can produce hydrogen off our grid, it will be closer to “green” hydrogen than the natural gas hydrogen.

New petrol and diesel vehicles in our market are less clean, so emissions ratings for ICEs would be significantly higher.

Our cars stay on the road for longer, which would both maximise the effect that daily use would have on a vehicle’s rating and minimise the emissions impact from manufacture and scrappage.

In conclusion, each of these differences further strengthen the case for EVs in New Zealand because they would emit less GHGs per kilometre than in the EU and ICE vehicles would emit more GHGs per kilometre.

With EVs in the EU emitting 66-69 per cent less GHGs that ICE vehicles, we can easily conclude that electric cars in New Zealand will emit more than 70 per cent less GHGs than ICEs over their lifetimes.

There were a few other interesting points from the report on hydrogen fuel cells and hybrids.

The benefits of HFC-powered vehicles vary greatly. With fossil fuel-sourced hydrogen, which is commonly called “blue hydrogen” and currently accounts for more than 95 per cent of the hydrogen produced globally, the emissions are worse than ICE hybrids.

Hybrids that do not draw power from the grid have – on average – 20 per cent lower life-cycle GHG emissions than ICE vehicles, while plug-in hybrids are 30 per cent lower.

This is the strongest case I have seen for transitioning away from fossil fuels in the transport sector. We will have a problem sourcing sufficient supply for the next decade, or even two, but the case to make the shift to an electrified fleet is irrefutable.

Supply often 'late and lumpy'

The chairman of Colonial Motor Company says supply has grown to meet extra demand so far this year despite problems with deliveries.

Jim Gibbons says customers' appetites for all new vehicles has been very strong, which has been highlighted by registrations for the first six months of 2021 coming in at a record 84,598 units.

"Supply to meet this demand has been variable," he adds. "Arrivals are often late and lumpy, sometimes significantly so."

Gibbons expects strong demand for new vehicles, but constrained by supply difficulties, to continue for the immediate future.

However, he warns that may change once the clean car discount scheme is introduced in January 2022.

"In the medium term, the planned new taxes will change the pricing relativity of vehicles, but the deeper driver of ongoing demand will be the strength of the economy and consumer confidence."

Gibbons describes the supply of electric vehicles from the Colonial's franchisors as "small but growing", with Ford launching plug-in hybrid variants of the Escape and Transit Custom and Mazda a fully electric MX-30.

On August 18, the company, which operates 20 dealerships nationwide, announced a preliminary record profit for the year ending June 2021 of $27.9 million. That was up by 61 per cent on the previous financial year and by 13 per cent on its previous best figure in 2018.

All areas of the business – car dealerships, heavy trucks and tractors – performed well with group revenue coming in at $901m, while total comprehensive income was impacted by a material $25.2m increase in the property revaluation reserve.

The past year has seen the new branch facility for Southern Autos Manukau, which represents Suzuki and Isuzu, opening its doors in Botany, east Auckland.

Electric vehicles, such as Mazda's fully electric MX-30, left, and Ford's plug-in Escape, have boosted line-ups at Colonial's dealerships

Major developments in Christchurch for Team Hutchinson Ford, and the Lower Hutt Ford and Mazda hub for Capital City Motors in Wellington, are also nearing completion. And a property has been purchased in Rotorua to build a parts and service facility for Southpac Trucks.

Jim Gibbons has announced he will retire following the company's annual general meeting in November. His departure will come soon after the retirement of Graeme Gibbons, Colonial's long-serving chief executive, in September.

Independent director Ash Waugh has been appointed by the board as chairman-elect, and the directors have appointed Gillian Watson as an additional director with effect from September 1. She will stand for election by shareholders at the annual meeting.

BIGGER SITE NEEDED

New Zealand Automotive Investments (NZAI), which owns 2 Cheap Cars, plans to shift to a new hub in Otahuhu, south Auckland, early next year to help it process more vehicles because its current site in Mount Wellington is nearing capacity.

NZAI told its annual shareholders' meeting on August 25 that the move and rearrangement of its leases is expected to deliver a one-off, non-recurring gain of about $800,000 pre-tax in the 2022 financial year.

David Page, chief executive, told the online meeting the new site will have a "more functional layout and space for new equipment, which will enable NZAI to automate existing manual processes".

"The Onehunga location is also closer to a number of key suppliers and partners, creating further efficiencies, and is closer to a rail network making it more attractive to staff."

Page says NZAI has had a successful start to the current financial year in the lead-up to the latest coronavirus lockdown and car sales have been solid.

"Revenues are up 37 per cent to $24.7m to July 21, driven by vehicle sales, which are up 28 per cent on the same period last year through recapturing lost vehicles sales from Covid-19 and through stronger finance penetration," he explains.

"NZ Motor Finance continues to grow the loan book, up 18 per cent to $4.5m since March 2021. It now has 576 loans. Revenues and income across the group are up 38 per cent to $25.2m to July 2021."

The month that was... September

September 21, 1998

MIA, IMVDA want licences abolished


AUTOFILE
ON THE LOT
MIA, IMVDA Want Licences Abolished: MVDI Favours Expansion
ALLIED FINANCE
Dealer Finance Specialists

The Imported Motor Vehicle Dealers' Association (IMVDA) and Motor Industry Association (MIA) were agreed on one thing.

And that was traders' licences should be canned when they made submissions to a select committee on proposed changes to the Motor Vehicle Dealers' Act.

The MIA and IMVDA argued for the act to be revoked mainly because the bill applied to only about one-third of vehicle sales.

They added it didn't address issues with modern selling methods, such as 0800 numbers and the internet let alone auctions, car fairs, park-and-sell facilities, rentals, leased cars and taxis.

Submissions made by the Motor Vehicle Dealers' Institute (MVDI) didn't recommend the abolition of licensing, but stated the definition of a trader should be broadened to include "all dealers".

It was unhappy with the lack of provision for enforcement and wanted confusion over statutory warranties overlapping with the Consumer Guarantees Act to be sorted out.

It considered extra penalties for offences already tackled by the Fair Trading Act were excessive and unfair.

The MVDI supported scrapping the Dealers' Fidelity Guarantee Fund with the proviso that transitional provisions for addressing outstanding claims against the fund be strengthened.

September 7, 2007

MAF consults industry on new standards


autofile
UDC
MAF consults industry on new standards
Your ticket to China
Buying Solutions

The Ministry of Agriculture and Forestry, along with Biosecurity NZ, hosted the first meeting of an industry advisory group to discuss the future management of risks associated with importing vehicles into New Zealand for a scheme that was set for implementation in late 2008.

They were revising the current import health standard (IHS) for used vehicles and machinery following the release of an import-risk analysis earlier in the year.

The group included government staff, as well as key industry representatives from supply-chain operators, such as JEVIC, Kiwi Car Carriers and Ports of Auckland, and industry organisations.

Attendees at the meeting were informed that a draft IHS was expected to be released for public consultation by mid-November 2007, and it was being prepared around a framework of mandatory cleaning and treatment.

In common with other risk goods and commodities, the government said it would aim to manage the risks offshore as much as possible.

September 22, 2006

$2.2 million MTA profit


autofile
$2.2 million MTA profit
UDC
Get going

Rigorous cost-cutting resulted in healthy results for the Motor Trade Association (MTA) over the past financial year, according to its annual report.

The group reported a $2.2 million surplus for 2005/06, including a $2.1m tax offset from subsidiary Vehicle Testing New Zealand.

Stephen Matthews, chief executive, said: "The financial results reflect gains made through rigorous cost-reduction programmes and demonstrate sound conduct of our affairs.

"This is consistent with our plan to provide value-for-money services to members while conserving our capability to take advantage of opportunities that are ahead of us."

A main focus of the annual report was on the development of the MTA brand. A survey undertaken by Ignite Research in July 2006 showed 75 per cent of the public associated the association with being professional and safety conscious, 66 per cent saw it as important in choosing a supplier and 75 per cent said it was a trustworthy organisation.

September 18, 2009

Aim, fire! The big guns fight back


FOCUS ON SHIPPING SPECIAL
autofile
Aim, fire!
THE BIG GUNS FIGHT BACK
Used sites
Auction website goes live
Subaru's Euro diesels

As Autofile revealed in its July 2009 issue, Japanese vehicles were being bought new in this country before being sold back in Asia for a profit.

For a few canny individuals, it was easy to make a few grand each time – by purchasing a New Zealand-new vehicle at a fixed price for less than in Tokyo, then flicking it back to Asia within weeks of the transaction taking place.

"It comes about because new vehicles are obviously priced to the market by country," said Steve Prangnell, of Toyota NZ. "With no tariffs and limited trademark protection in New Zealand, our recommended retail prices are among the most competitive in the world.

"In terms of Toyota New Zealand, we are prohibited under our distributor agreement with Toyota Japan from supporting this practice. But that doesn't stop private individuals from purchasing a car and deregistering it for export."

Toyota NZ had asked dealers to tip off its head office about customers shopping around for vehicles to export.

The Motor Industry Association had informed Prangnell there had been nine Toyotas deregistered and exported so far that year – eight Hiaces and one Hilux.

However, Graeme Seymour, managing director of Honda NZ, said the rise of the Kiwi dollar seemed to have ended this practice.

Care needed when opting out of law

Contracting out of the Consumer Guarantees Act (CGA) when selling to a business is harder than it sounds and decisions made by the Motor Vehicle Disputes Tribunal (MVDT) support this assumption.

The CGA has always included the right for traders to contract out of the legislation when selling to a business customer. However, as time has passed, it has become progressively harder to get across the line.

First up, the intended business use must be substantially more than that expected in the context of normal domestic or household use.

The average consumer use is likely to be in the range of 13,000km per year, whereas a company rep might easily travel double or triple that rate, or even more.

If the vehicle is a taxi, for example, the greater travel distances will also include much more use of the doors and interior as passengers enter and exit the vehicle. A company work ute or van will more likely carry heavy loads given that was primarily purpose for which it was purchased.

Conversely, a manager's company car will more likely resemble that of a private owner with use more than likely being mainly limited to commuter duty and some weekend action.

For these reasons, business use can be a complex matter. And not all business use is created equal.

Consideration of these variances in usage may have helped promote changes in the legal interpretation about what is reasonable in relation to the application of the CGA to business vehicle usage.

In June 2014 – when section 43 of the act was amended – more stringent requirements were imposed when contracting out of the legislation.

Parties who are in trade and agree to contract out of the provisions of the CGA will only have that agreement upheld if the MVDT concludes it is fair and reasonable that the parties are bound by it, and several factors will come into that evaluation.

It all boils down to the dealer having to apply a concise and detailed process to successfully contract out of the act when selling to a business customer.

Do it wrong, or miss a step, and you're out. Even if you've covered all the steps and the tribunal adjudicator thinks it was unfair, then you're out again.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Here's a quick recap on what's required to contract out of the CGA.

- All parties to the agreement must be in-trade – that's to say, they are in business.
- The use of the vehicle must be beyond that considered typical of normal household or domestic use. The manager's company car will probably not meet that threshold.
- All parties must agree to contract out of the provisions of the legislation. Specific evidence to that effect must in writing, such as there being a specific clause in the vehicle offer and sale agreement signed by the buyer.

In addition to these three points, the consequences of contracting out must be fully disclosed to the purchaser – with evidence in writing to that effect being useful – and ideally the consumer should be encouraged to seek legal guidance. Again, written evidence to that effect would be wise, and a separate form setting out all these steps would help.

And finally, as alluded to above, it must fair and reasonable that the parties are bound by the provision in the agreement. Only the adjudicator can make that decision.

To reach a conclusion, the tribunal will consider:

(a) The subject matter of the agreement and,
(b) The value of the goods, services and,
(c) The respective bargaining power of the parties.

The final point above includes:

(i) The extent to which a party was able to negotiate the terms of the agreement and,
(ii) Whether a party was required to either accept or reject the agreement on the terms and conditions presented by another party and,
(iii) Whether all or any of the parties received advice from, or were represented by, a lawyer either at the time of the negotiations leading to the agreement or at any other relevant time.

So, there it is in a snapshot. The fact that so many dealers fail to get this across the line with the MVDT is a problem. Do it properly and you might have a chance to opt out of the CGA, but there are no guarantees.

This is commentary only and does not constitute legal advice

'Stepping stones' to low emissions

The Highlander Limited ZR Hybrid

Toyota NZ is continuing to drive towards lower emissions with what it describes as its new "fuel-efficient and environmentally conscious" Highlander line-up.

Following the success of the RAV4 hybrid, the 2021 seven-seat midsize SUV becomes the ninth model in the marque's range to feature a hybrid powertrain.

Steve Prangnell, general manager of new-vehicle sales and product planning, says one-in-three of the company's new-car sales are now hybrids.

"Hybrids are stepping stones to a lower carbon-emissions future. The introduction of the Highlander extends our focus on moving our business towards a more sustainable low-emissions economy while delivering customers cost savings through increased fuel efficiency.

"We are confident of the potential for hybrid sales and have ordered four hybrids for every petrol version."

The hybrid variants of the 2021 Highlander feature a revised version of the RAV4's 2.5-litre petrol engine and an upgraded hybrid system for enough power to tow 2,000kg braked.

The larger drive motor produces total system output of 184kW and a combined cycle fuel-consumption rate of 5.6l/100km.

Like the RAV4, the rear wheels are driven by an E-Four all-wheel-drive system, with carbon-dioxide emissions coming in at 128g/km on hybrid variants.

For consumers who still want a 3.5-litre V6 engine, Toyota NZ will continue to offer the petrol-only version in two grades.

The V6 in the GXL and Limited variants have engine stop-start functionality that helps reduce fuel consumption from 9.5l/100km to 8.8l/100km.

"The decision to retain a V6 option in the 2021 Highlander line-up was driven by demand – mainly from fleets," says Prangnell.

"While Toyota will introduce more hybrid and pure electric cars, we will continue to offer multiple powertrains to meet the needs of our customers."

The new Highlander is built on the Toyota New Global Architecture platform and features a 60mm longer wheelbase, 60mm more in overall length and is slightly wider at 5mm than the current generation to create more interior space and improved stability.

Inside, the new Highlander offers a premium atmosphere and larger cabin, particularly for third row passengers, and increased luggage space.

For maximum versatility, the Highlander features sliding and 60/40-split folding second row seats and 60/40-split folding third row seats.

Entertainment and information are provided via a multi-media system with controls accessed on the steering wheel and an eight-inch touchscreen display atop the centre console.

The system incorporates Bluetooth connectivity, Apple CarPlay and Android Auto compatibility. The Limited ZR variant's new features include an 11-speaker JBL premium sound system, a colour head-up display and a large panoramic sunroof.

Standard equipment includes smart key entry and push-button start, rain-sensing wipers, automatic lights and five USB ports.

Limited grades gain heated front seats with 10-way powered driver's seat adjustments, three-zone climate control, synthetic leather upholstery, satellite navigation and a seven-inch multi-information display.

The range benefits from new features for Toyota Safety Sense, which includes road sign-assist, emergency-steering assist and intersection turn assistance on all variants.

These build on an extensive list of driver assistance features, such as the pre-collision system with AEB for vehicle, pedestrian and bicyclist detection, lane-tracing assist, all-speed dynamic radar cruise control with curve speed reduction, and automatic high beam.

Other standard safety features include a blind-spot monitor with rear cross-traffic alert auto brake, reversing camera, seven airbags, and front and rear parking sensors.

Prices for Highlander variants start at $60,990 and top out at $74,990. These include a full tank of fuel, a fixed-price servicing package, floor mats and a 100,000km or three-year warranty.

‘Holistic’ process to precision

The GTR-R Nismo

Nissan has unveiled the latest iteration of its GT-R Nismo which, along with a special-edition version, is slated to be launched in Japan in October.

Both models will be offered in the new “stealth” grey body colour, which is exclusive to them. It has also been inspired by tracks that drivers of GT-Rs have set records and competed on.

The special edition features a clear-coated hood. Opting out of a painted hood not only exposes the carbon-fibre weave, it also sheds 100g in body weight.

The edition-exclusive 20-inch aluminium forged wheels sport a red accent that matches existing such touches around the body.

And, for the first time, the new Nissan logo unveiled on the Ariya is on the lid and the boot, and in the centre of the wheel caps.

The large Brembo calipers and carbon-ceramic rotors are the biggest ever fitted to a Japanese performance car. They come in at 410mm in the front and 390mm at the rear.

The GT-R Nismo’s VR38DETT 3.8-litre twin-turbo V6 engine with GT3 race car-supplied turbochargers remains at the heart of the drivetrain that’s rated at 441kW.

The built-to-order special edition utilises high-precision, weight-balanced parts. These include the piston rings, connecting rods, crankshaft, flywheel, crank pulley and valve springs dialled in with tighter tolerances in order to deliver snappier revs and quicker turbo spooling.

Each engine is handcrafted by its own technician with certification plates on them also coming in an exclusive colour.

“The GT-R Nismo has always been an ongoing pursuit of ultimate driving pleasure,” says Hiroshi Tamura, chief product specialist.

“We take a holistic approach by seeking precision performance through a meticulous balance of engine components and shaving weight, and evolving its appearance to deliver balance of power and performance.”

Give up on parking

GWM says the all-new Haval H6 boasts technology and standard safety features usually found in SUVs in higher price brackets.

The Premium opens the range and is followed by the mid-specification Lux. Both are two-wheel drive (2WD), while the range-topping Ultra is also available in 4WD.

The H6 is equipped with a Mobile Eye Q4 autonomous driving chip. Its 14 radars and five cameras provide level-two-plus autonomy.

Four round-view cameras provide the driver with an intelligent 360-degree view of the H6 and allow it – in combination with ultrasonic sensors – to fully automate park in parallel, perpendicular or angled spots.

The three H6s are powered by a two-litre turbo-charged petrol engine producing 150kW of power and 320Nm torque, which is mated to a seven-speed dual-clutch automatic transmission.

All variants have four driving modes – economic, standard, sports, snowfield – with torque adjusted specifically for conditions, while rear-differential lock has been included.

Those with 2WD boast combined cycle fuel-economy figures of 7.4l/100km, while the 4WD’s statistics are 8.3l/100km. As for emissions, 2WD versions come in at 169gCO_2/km and 4WDs at 190gCO_2/km.

Prices start at $31,990, including GST and excluding on-road costs, for the entry-level Premium.

Harker returns for Spa debut


Reid Harker tackling the high-speed straights of the Spa-Francorchamps circuit

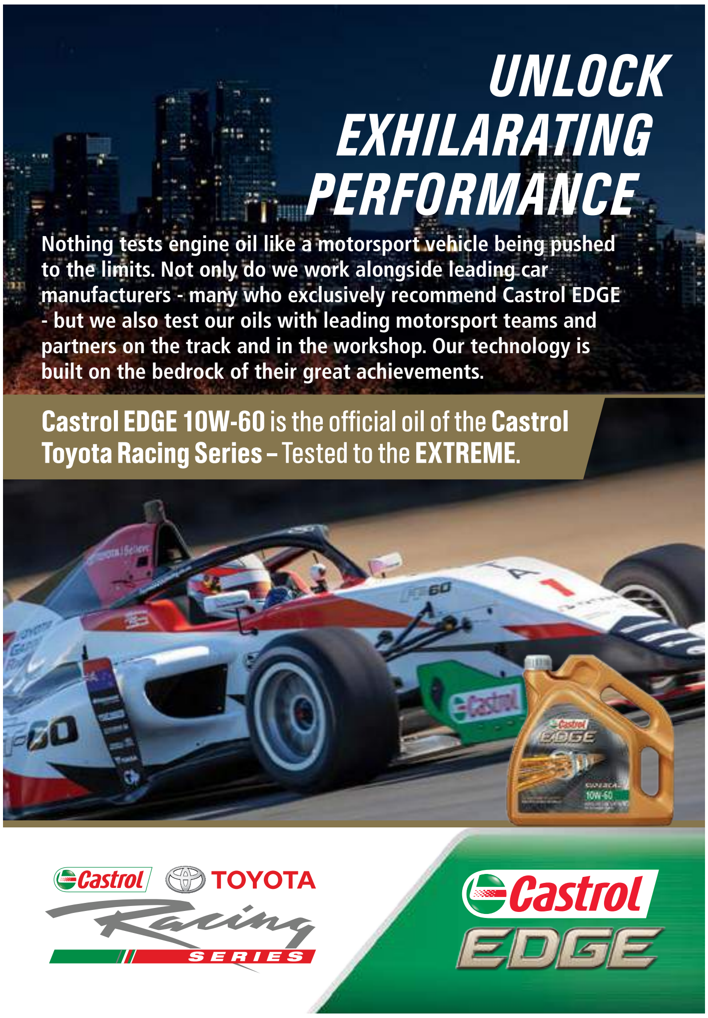
Reid Harker scored a creditable fifth in class and 20th overall in the gruelling 24 Hours of Spa endurance race, which marked his international GT3 debut.

The Aucklander was joined by fellow Kiwi Will Bamber, and international drivers Adrian Henry D'Silva and Carlos Rivas, in the Team Porsche NZ 911 at the Circuit de Spa-Francorchamps in Belgium last month.

Bamber's older brother Earl ran the entry through his self-named team. Harker had planned to race with the outfit in last year's Asian Porsche Carrera Cup until Covid-19 disrupted his plans.

There are few more punishing motor-racing disciplines than a 24-hour endurance with the fearsome straights and swooping corners of Spa's 7.004km circuit famous for consuming drivers and cars in a split second. A momentary lapse of concentration or minor mechanical issue can put an end to hopes of a finish or podium.

The 24-hour race has been run annually since 1928. Spa has also been a round of the SRO Group's Intercontinental GT Challenge since its inception in 2016.



Last year, it was held "behind closed doors" in response to the coronavirus lockdown and was won by Earl Bamber in a 911 GT3R. Porsches have won the race eight times and the marque is the second most successful at the event.

Today, eligible cars run under FIA GT3 rules and the vehicles are very different to those in the Porsche Carrera Cup that Harker is accustomed to.

"The GT3R has a lot more aero, which means you can carry a lot more corner speed," he explains. "You've got ABS and traction control. This gives you more tune ability over a long run and in changing conditions. Ergonomically, the seating position is closer to a formula car and is quite cosy."

Harker has raced locally in the Toyota 86 Championship – he came second overall in 2016/17 – and returned for a season in the Castrol Toyota Racing Series, finishing eighth. He has risen through the BMW E30 Series, Formula First and five years of karting.

Going into this year's Spa race, Harker hadn't spent a lot of time behind the wheel except for an e-sport online presence during the initial Covid-19 lockdown.

"It was a dream come true to drive this race," he told Autofile. "It's arguably the most challenging GT3 race in the world and I think this year was especially exciting.

"To be honest, I was both excited and relieved to be back behind the wheel after the disruptions in 2020. It all comes back naturally after a few laps of practice, although it was a bit of a challenge racing against guys who are racing every weekend, like Earl Bamber."

With only a handful of days of practice, Harker had to trust the team's engineers to develop a race-winning car in time for the start of the 24 Hours.

"You never really get much running time. There's practice on the Thursday and Friday, and then you're straight into the race. That means you are always pushing to the maximum."

Heading into the race, Harker trained in Europe with Kiwi driver Brendon Leitch.

After striking transmission issues in qualifying, the Harker car started 56th – almost last. However, a strong race in abysmal wet conditions typical of Spa landed the team a 20th overall finish and fifth in the pro-am class.

The strategy was simple – drive as fast as possible for 24 hours, and running in a pro-am class meant Harker and Bamber joined forces with two non-professional drivers.

"Seeing we started at the back due to gearbox issues in qualification, it made sense to start with one of our 'amateur' drivers," says Harker.

"Will and I drove the night stints and I jumped in when it rained. We chipped away throughout the race, making up positions almost

The Porsche Team NZ line up before starting the 24 Hours of Spa

Harker monitoring his team's progress from the garage

Duelling with the T2 Racing 911 GT3-R

every stint. We had strong pace throughout and kept the car on-track with minimal mistakes."

Finishing inside the top 20 overall was a great achievement for the team and for Harker personally.

"Of course, we would have liked more, but knowing what we know now it would be great to come back next year and get on the podium. It was my first time driving the car and my first proper endurance race, so there's lots to reflect on. I'm super-excited to take what I've learned and build for the future."

Harker had seven stints, three of them "doubles", and drove the Team Porsche NZ car on the final stint home.

"At the start of a stint you have a new set of tyres but are carrying more fuel, which is noticeable at high speeds. At the end of the stint when the car is low on fuel and light, the tyres are well past their peak and are dropping off, so it's never perfect. We can play with brake bias to help the balance as tyres degrade."

A sudden downpour in the final hour caused on-track mayhem. Crashes brought out the safety vehicle, bunching the field and giving Harker a chance to battle for a top-three spot in his class.

"The conditions changed really quickly. Even before the full-course yellow period, there were huge amounts of standing water that caught out a few cars. It was difficult to close in on those ahead with such an amount of spray, so we decided it was better to make sure of a finish."

Getting time off from his day job was relatively easy. Harker works for Earl Bamber Motorsport and contracts his services to the Downforce driver-training organisation while in New Zealand.

"I'm so thankful to have amazing people and supporters behind me. It's awesome to have the support of Porsche NZ, Washworld and, of course, Earl Bamber Motorsport."

Reid Harker plans to race in Asia in 2022 and is keen to return to Spa next year. ⊕

Hartley secures second at Le Mans

Former Formula 1 driver Brendon Hartley has taken second overall at the 24 Hours of Le Mans.

He helped the factory Toyota team secure a one-two result in the process with the race being the first to feature the new hypercars class for hybrid drivetrains.

Driving the team's number-eight GR010 hypercar with Sebastien Buemi and Satoru Nakajima, Hartley led for a significant period of the race, but the car carried damage from the start.

With Buemi at the wheel, it was hit and spun. It then later had to stop to have its power system reset before rejoining dead last.

A gritty drive from the team of Hartley, Buemi and Nakajima landed them on second on the podium

The Hartley-Buemi-Nakajima car carved its way back to the front and then hit the lead with one-third of the race done.

In the closing four hours, it was slowed by recurring fuel pick-up problems that forced the team to run with shorter driving stints.

Buemi also lost one minute when the vehicle cut out as he was trying to reset it on the side of the road.

They finished two laps behind the number-seven GR010 of Mike Conway, Kamui Kobayashi and Jose Maria Lopez.

Other Kiwis had mixed results. Earl Bamber's race ended when the Porsche 911 RSR he shared with Laurens Vanthoor and American Cooper MacNeil crashed out with MacNeil at the wheel after 232 laps. Its chassis was damaged too badly to continue.

Jaxon Evans' first Le Mans netted him 31st overall and fifth in the LM GTE Am class. ⊕

Obligation on buyer to know difference between different types of car engines

The case: The buyer wanted to reject her 2015 Mazda Demio. She didn't know when she bought it that the car needed to be regularly driven on open roads to burn off soot accumulated inside the diesel particulate filter. She only wanted to go a short distance to her workplace. The trader said the purchaser didn't say she was buying it for short distances at low speed.

The decision: The consumer's application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Melissa Muollo purchased a 2015 diesel Mazda Demio for $12,000 from Portage Cars Ltd in December 2020.

She wanted to reject it after alleging she was misled by the trader about the differences between petrol and diesel vehicles.

Muollo also claimed the Demio was unfit for her use because she only drove short distances on suburban streets and it wasn't of acceptable quality under the Consumer Guarantees Act (CGA) due to a pre-existing fault with its diesel particulate filter (DPF).

Portage Cars said it didn't know Muollo only intended to use the car over short distances and at low speeds.

The case

Muollo had never owned a diesel vehicle. Prior to purchase, she asked Portage Cars' director Angad Bhatia about its differences to petrol car.

She told the tribunal Bhatia advised her there were none other than the need to pay road-user charges with a diesel.

Following purchase, Muollo learned the car needed to be regularly driven on the open road for at least 30 minutes to burn off the soot accumulated inside the DPF.

That regular maintenance requirement didn't suit her needs because she had bought the Demio to drive around Auckland. She said Portage Cars should have told her about the filter system.

Another issue Muollo had with the vehicle was that its service warning light was activated at the time of purchase.

She returned it to Portage Cars expecting it to perform the work required to remedy it.

That didn't happen and, after about a month of further delays, Muollo took her Demio to John Andrew Ford & Mazda in Henderson on January 19, 2021. It reset the service light and performed a DPF burn-off.

Muollo said that John Andrew Ford & Mazda also found the car's oil level was "dangerously high", so it drained off the excess.

She added the mechanics also explained that diesel vehicles were designed to be driven "long distances at high speed" and because of this they weren't not ideal for city driving as the DPF couldn't regenerate. Continued low-speed driving over short distances could potentially cause engine damage.

Therefore, Muollo considered the Demio was unfit for purpose and wasn't of acceptable quality.

The finding

Non-disclosure of information can be a breach of section nine of the Fair Trading Act (FTA).

The buyer alleged Portage Cars should have informed her about the importance of maintaining the DPF, but the adjudicator didn't consider that a motor-vehicle trader had a general obligation to ensure a prospective purchaser of a diesel vehicle understood all its differences to a petrol engine.

For most drivers, the presence of a DPF wasn't material to a consumer's decision as the vehicle would be frequently driven on the open road to regenerate the filter.

In this case, Portage Cars didn't know Muollo only intended to drive the Demio short distances at low speed, so the tribunal wasn't satisfied it could reasonably have had any obligation to disclose the existence and maintenance needs of the DPF.

Ultimately, it was Muollo who had an obligation to herself to understand the differences between a diesel and petrol vehicle.

The tribunal was satisfied she hadn't proven Portage Cars engaged in misleading conduct by failing to disclose the existence and maintenance requirements of the DPF.

In regard to the service warning light, section six of the CGA imposes a guarantee for goods to be of acceptable quality, but the evidence didn't show the Demio had any defect that affected the DPF's operation.

The warning light was on at time of purchase, which showed it wasn't turned off when the vehicle was serviced pre-sale.

The tribunal acknowledged that John Andrew Ford & Mazda found the car's oil levels were high, which could have been a sign the DPF needed regeneration. However, it considered it far more likely the Demio was overfilled when it was serviced.

The adjudicator noted John Andrew Ford & Mazda didn't change the oil, which it would have done if the high levels were caused by a faulty DPF.

Although Muollo claimed the Demio was unfit for her particular uses, the tribunal was satisfied it was fit for all of the purposes for which a diesel vehicle was commonly supplied and that it was of acceptable quality.

Finally, the tribunal considered section eight of the CGA, which imposes an obligation on all suppliers for their goods to be fit for any particular purpose made known by the consumer.

Muollo suggested that, because the trader knew her residential address and that she was wearing a supermarket worker's uniform when she inspected the vehicle, it should have known she intended to use it to drive short distances at low speed.

However, the tribunal was not satisfied the circumstances were such that the dealer could reasonably have known of her intended use of the Demio.

Order

The application was dismissed.

Trader forfeits right to remedy vehicle after disputing all issues buyer raises

The case: Ten months after purchase, the buyer's Mazda Atenza failed its warrant of fitness (WOF) due to a fuel-tank leak, rear tyres fouling the guards and perished control-arm bushes. The purchaser wanted the dealer to repair the car to WOF standard. The trader disputed all the claimed issues with the vehicle and suggested it had been overloaded, which caused its tyres to rub against the guards.

The decision: The trader was ordered to pay the buyer $2,471.80 plus the fuel-tank repair costs.

At: The Motor Vehicle Disputes Tribunal, Palmerston North.

Background

Jessie Hayes purchased her 2008 Mazda Atenza with a two-month-old WOF from You-Cars Ltd on November 28, 2019.

When he took it to Warren Anderson Motors to get a new warrant on September 10, 2020, it failed the inspection.

Hayes was unhappy with the sale condition of the car. He produced three independent reports stating the fuel tank leaked, the rear tyres rubbed on the guards and the arm-control brushes were perished.

He wanted the trader to repair the car so it would pass its WOF. However, You-Cars disputed all the issues, although it had offered to supply replacement bushes if Hayes paid to have them fitted.

The case

When Hayes took his car to Warren Anderson Motors for a new WOF some 10 months post-purchase, it failed the inspection. Three serious issues were identified – the leaking fuel tank, the problem with the tyres, and perished rear lower and top arm bushes.

The mechanic also noted other problems. The right-inner CV boot was split and there was surface rust on the rear sub-frame. Repairs were estimated at $3,751.88.

Hayes also produced a VINZ pre-purchase inspection report dated July 30, 2020, which identified similar issues.

In addition, a VTNZ inspection report dated October 8 stated the car had failed its WOF because the rear tyres were fouling against the vehicle body and there was a brake imbalance in axle two.

You-Cars produced an invoice dated September 26, 2019, from the Bling Company confirming that four Stance SF03 DB F1 wheels and four Antares Ingens A1 tyres were supplied at a cost of $1,546.

In a letter dated April 1, 2021, Warren Anderson stated the Atenza's tyres were rubbing because the car had been lowered and the rim offset was wrong.

Anderson said the vehicle needed eight-inch-wide rims with 19-inch diameters and 42mm offsets.

You-Cars director, Quinton Miller, suggested the rear tyres might have been rubbing because Hayes had overloaded the car, but Anderson disagreed.

However, Hayes advised the current tyres would pass a WOF even though they had been damaged due to the wide rims with an incorrect offset.

You-Cars submitted the tyres' size was correct for the original wheels and that the wheels were replaced prior to the vehicle being sold.

The finding

During the hearing, Miller confirmed the wheels were replaced after the car was issued with its WOF in September 2019.

That suggested if the Atenza had been issued a warrant within one month of sale after the rims and tyres had been replaced, then it would have failed that WOF.

The adjudicator said a reasonable consumer would expect a car's tyres to remain clear from its body at all times.

Accordingly, the tribunal found Hayes had established that his vehicle didn't comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA) in respect of the incorrect size of its wheel rims.

Photos were produced showing the perished state of the lower control-arm inner bushes, which the tribunal agreed also failed the guarantee of acceptable quality.

Anderson said the vehicle appeared to have a leak from the top of the tank around the sender unit. He would not give anything more than an approximate cost of repairs without removing and inspecting the tank, but estimated it would be about $345.

Given this was a reason to fail a WOF as well as being a safety issue, the adjudicator concluded the fuel leak also constituted a failure to comply with the CGA.

The tribunal didn't consider any of the other issues with the car were failures to comply with the guarantee of acceptable quality because these items were identified more than a year after purchase and after Hayes had driven more than 10,000km in it, so the Mazda had been reasonably durable and fit for purpose.

The primary remedy under section 18 of the CGA is to allow the trader to fix a vehicle within a reasonable amount of time.

But the tribunal ruled You-Cars had forfeited that right by disputing all matters raised by Hayes. It did offer to supply replacement bushes, but only if Hayes paid to have them fitted.

Therefore, the buyer was entitled to have the Atenza fixed elsewhere and recover the reasonable costs of doing so from You-Cars.

The tribunal ruled the wheel rims should be replaced but the tyres could be safely reused.

Repair estimates outlined by Warren Anderson Motors were considered reasonable – $1,199.45 to replace the rims, $1,178.05 to replace the rear bushes and about $345 to repair the fuel tank.

Hayes was also entitled to recover Wayne Anderson Motors' diagnostic costs of $94.30.

Orders

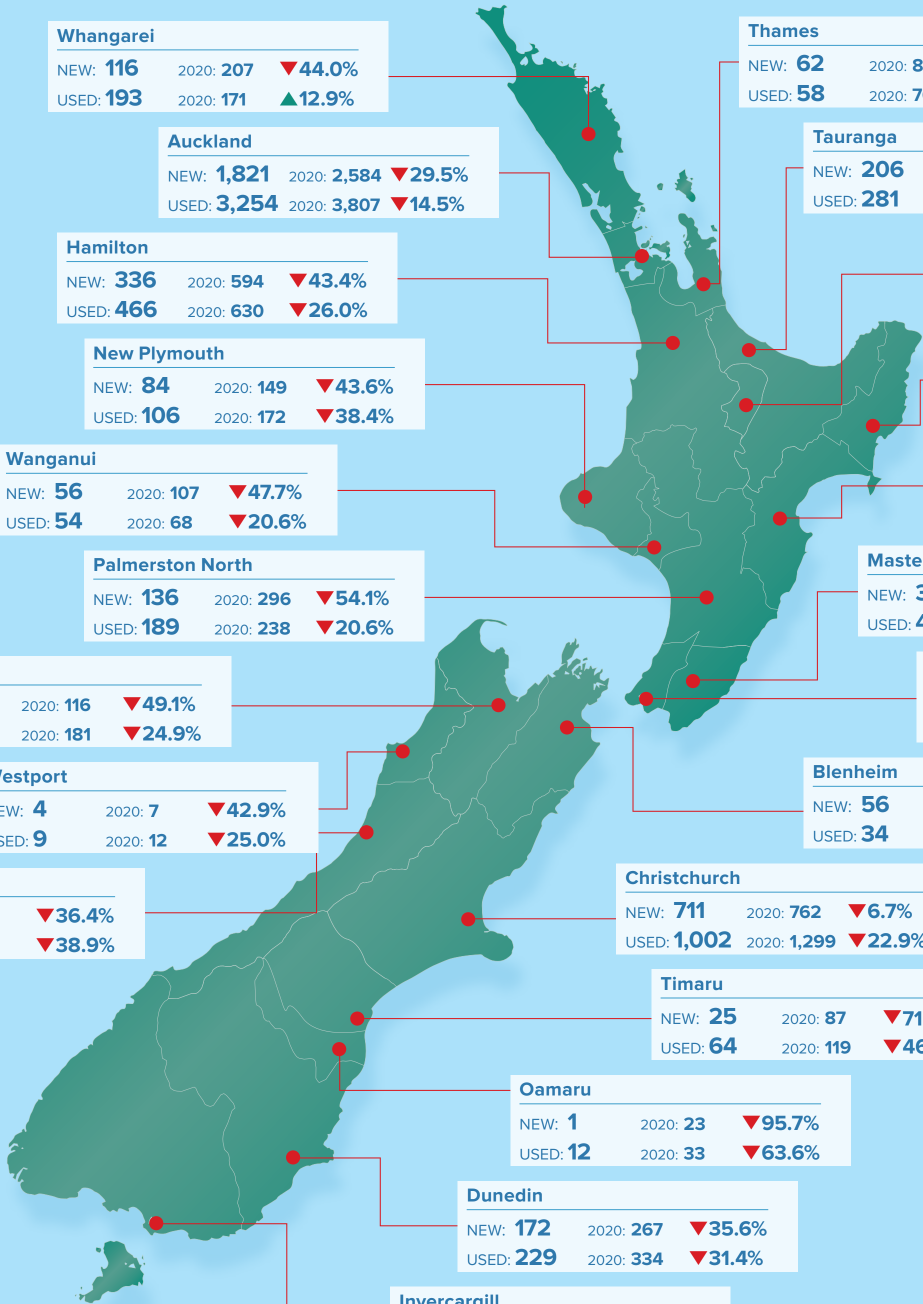
You-Cars had to pay Hayes $2,471.80 plus the cost of the fuel-tank repairs when established. Hayes was instructed to return the wheel rims to the trader.

Around the Country

August 2021

Total new cars	
4,627	
2020: 7,072	▼ 34.6%

Total imported used cars	
7,103	
2020: 9,054	▼ 21.5%



			2020	
Whangarei	NEW:	116	2020: 207	▼44.0%
	USED:	193	2020: 171	▲12.9%
Thames	NEW:	62	2020: 81	▼23.5%
	USED:	58	2020: 76	▼23.7%
Auckland	NEW:	1,821	2020: 2,584	▼29.5%
	USED:	3,254	2020: 3,807	▼14.5%
Tauranga	NEW:	206	2020: 380	▼45.8%
	USED:	281	2020: 431	▼34.8%
Hamilton	NEW:	336	2020: 594	▼43.4%
	USED:	466	2020: 630	▼26.0%
Rotorua	NEW:	91	2020: 102	▼10.8%
	USED:	89	2020: 115	▼22.6%
New Plymouth	NEW:	84	2020: 149	▼43.6%
	USED:	106	2020: 172	▼38.4%
Gisborne	NEW:	23	2020: 40	▼42.5%
	USED:	60	2020: 67	▼10.4%
Wanganui	NEW:	56	2020: 107	▼47.7%
	USED:	54	2020: 68	▼20.6%
Napier	NEW:	126	2020: 262	▼51.9%
	USED:	162	2020: 230	▼29.6%
Palmerston North	NEW:	136	2020: 296	▼54.1%
	USED:	189	2020: 238	▼20.6%
Masterton	NEW:	36	2020: 83	▼56.6%
	USED:	43	2020: 72	▼40.3%
Nelson	NEW:	59	2020: 116	▼49.1%
	USED:	136	2020: 181	▼24.9%
Wellington	NEW:	434	2020: 749	▼42.1%
	USED:	517	2020: 743	▼30.4%
Westport	NEW:	4	2020: 7	▼42.9%
	USED:	9	2020: 12	▼25.0%
Blenheim	NEW:	56	2020: 60	▼6.7%
	USED:	34	2020: 46	▼26.1%
Greymouth	NEW:	7	2020: 11	▼36.4%
	USED:	22	2020: 36	▼38.9%
Christchurch	NEW:	711	2020: 762	▼6.7%
	USED:	1,002	2020: 1,299	▼22.9%
Timaru	NEW:	25	2020: 87	▼71.3%
	USED:	64	2020: 119	▼46.2%
Oamaru	NEW:	1	2020: 23	▼95.7%
	USED:	12	2020: 33	▼63.6%
Dunedin	NEW:	172	2020: 267	▼35.6%
	USED:	229	2020: 334	▼31.4%
Invercargill	NEW:	65	2020: 105	▼38.1%
	USED:	123	2020: 174	▼29.3%

Imported Passenger Vehicle Sales by Make - August 2021

MAKE	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,054	2,262	-9.2	28.9%	23,396	28.4%
Mazda	977	1,458	-33.0	13.8%	11,360	13.8%
Nissan	932	1,500	-37.9	13.1%	11,209	13.6%
Honda	589	754	-21.9	8.3%	7,118	8.6%
Subaru	547	681	-19.7	7.7%	6,169	7.5%
BMW	367	340	7.9	5.2%	4,176	5.1%
Volkswagen	323	343	-5.8	4.5%	3,900	4.7%
Mitsubishi	321	431	-25.5	4.5%	3,619	4.4%
Audi	222	217	2.3	3.1%	2,409	2.9%
Lexus	151	129	17.1	2.1%	1,635	2.0%
Suzuki	147	308	-52.3	2.1%	2,041	2.5%
Mercedes-Benz	130	155	-16.1	1.8%	1,495	1.8%
Land Rover	50	30	66.7	0.7%	387	0.5%
Volvo	46	61	-24.6	0.6%	536	0.7%
Ford	37	81	-54.3	0.5%	466	0.6%
Jaguar	28	39	-28.2	0.4%	293	0.4%
Jeep	23	35	-34.3	0.3%	228	0.3%
Chevrolet	19	31	-38.7	0.3%	225	0.3%
Chrysler	19	23	-17.4	0.3%	151	0.2%
Porsche	17	20	-15.0	0.2%	211	0.3%
Dodge	13	6	116.7	0.2%	180	0.2%
Holden	13	28	-53.6	0.2%	166	0.2%
Hyundai	11	25	-56.0	0.2%	153	0.2%
Mini	11	22	-50.0	0.2%	179	0.2%
Kia	7	15	-53.3	0.1%	83	0.1%
Renault	6	5	20.0	0.1%	40	0.0%
Peugeot	5	4	25.0	0.1%	100	0.1%
Smart	5	3	66.7	0.1%	14	0.0%
Daihatsu	4	4	0.0	0.1%	27	0.0%
MG	4	0	400.0	0.1%	20	0.0%
GMC	3	1	200.0	0.0%	6	0.0%
Range Rover	3	1	200.0	0.0%	9	0.0%
Alfa Romeo	2	2	0.0	0.0%	21	0.0%
Citroen	2	4	-50.0	0.0%	42	0.1%
Maserati	2	1	100.0	0.0%	10	0.0%
Others	13	35	-62.9	0.2%	330	0.4%
Total	**7,103**	**9,054**	**-21.5**	**100.0%**	**82,404**	**100.0%**

Imported Passenger Vehicle Sales by Model - August 2021

MAKE	MODEL	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	599	379	58.0	8.4%	5,780	7.0%
Mazda	Axela	337	475	-29.1	4.7%	3,910	4.7%
Toyota	Prius	278	323	-13.9	3.9%	3,323	4.0%
Nissan	X-Trail	252	197	27.9	3.5%	2,787	3.4%
Volkswagen	Golf	204	218	-6.4	2.9%	2,412	2.9%
Mitsubishi	Outlander	204	239	-14.6	2.9%	2,306	2.8%
Honda	Fit	201	300	-33.0	2.8%	2,776	3.4%
Mazda	CX-5	196	161	21.7	2.8%	1,778	2.2%
Subaru	Impreza	181	212	-14.6	2.5%	1,845	2.2%
Nissan	Leaf	148	180	-17.8	2.1%	1,715	2.1%
Subaru	Legacy	143	244	-41.4	2.0%	1,756	2.1%
Toyota	Vanguard	133	124	7.3	1.9%	1,712	2.1%
Toyota	Mark X	132	116	13.8	1.9%	1,410	1.7%
Mazda	Atenza	125	173	-27.7	1.8%	1,390	1.7%
Mazda	Demio	119	310	-61.6	1.7%	1,963	2.4%
Suzuki	Swift	118	255	-53.7	1.7%	1,624	2.0%
Toyota	Corolla	108	217	-50.2	1.5%	1,735	2.1%
Toyota	Wish	101	131	-22.9	1.4%	1,374	1.7%
Nissan	Skyline	87	118	-26.3	1.2%	936	1.1%
Toyota	Blade	80	148	-45.9	1.1%	1,000	1.2%
Honda	CR-V	79	110	-28.2	1.1%	1,001	1.2%
Honda	Odyssey	77	67	14.9	1.1%	941	1.1%
Subaru	Forester	75	76	-1.3	1.1%	926	1.1%
Mazda	Premacy	75	147	-49.0	1.1%	909	1.1%
BMW	116i	73	55	32.7	1.0%	713	0.9%
Volkswagen	Polo	68	45	51.1	1.0%	678	0.8%
BMW	320i	65	57	14.0	0.9%	832	1.0%
Nissan	Fuga	59	73	-19.2	0.8%	705	0.9%
Audi	A4	58	41	41.5	0.8%	550	0.7%
Nissan	Serena	58	91	-36.3	0.8%	775	0.9%
Nissan	Note	52	110	-52.7	0.7%	805	1.0%
Toyota	Vitz	52	118	-55.9	0.7%	691	0.8%
Toyota	Vellfire	50	18	177.8	0.7%	464	0.6%
Toyota	Alphard	47	20	135.0	0.7%	346	0.4%
Subaru	Exiga	46	44	4.5	0.6%	499	0.6%
Others		2,423	3,462	-30.0	34.1%	28,037	34.0%
Total		**7,103**	**9,054**	**-21.5**	**100.0%**	**82,404**	**100.0%**

Rushed off feet by rebates

A specialist in used and new electric vehicles (EVs) has been able to access the models that consumers want despite prices spiking due to extra demand from dealers.

"At the moment, we are getting stock," says Steve Greenwood, owner of Taupo-based Drive EV. "It has always been our biggest fear that we could have supply issues.

"We bring cars in from Japan and the UK. The Japanese market has had an obvious price spike since the government's rebates were brought in, whereas cars from the UK are usually new, big-ticket vehicles."

Greenwood's customers are prepared to wait a few months for the vehicles they want to arrive in New Zealand, which helps.

"Around the rebate side of things, people are after $20,000 Nissan Leafs," he told Autofile. "They were around $22,000 to $23,000 so if you knock $3,000 off that it's a big change and that's where most of our sales are.

"Some people have been waiting for long-range EVs to come onto the market, while others have owned a Leaf for a few years and now want to upgrade. Most of our other sales are quite niche. We are getting a few EVs as trades. We also take petrol engines as trades and pass them onto our dealer network."

So far, 2021 has been the dealership's best year – it opened in 2017 – and "it now seems like everyone is talking about electric cars".

Greenwood believes a positive side of the rebate scheme is that some manufacturers, such as Volkswagen and Hyundai, "no longer have an excuse to not supply EV stock".

He explains: "Before the rebate, there were new EVs that weren't coming to New Zealand, but since the rebate manufacturers have decided to supply more to our market."

Prior to the clean car discount, this country was missing the release of "many significant electric models", but marques are now saying they are prepared to supply the market with more.

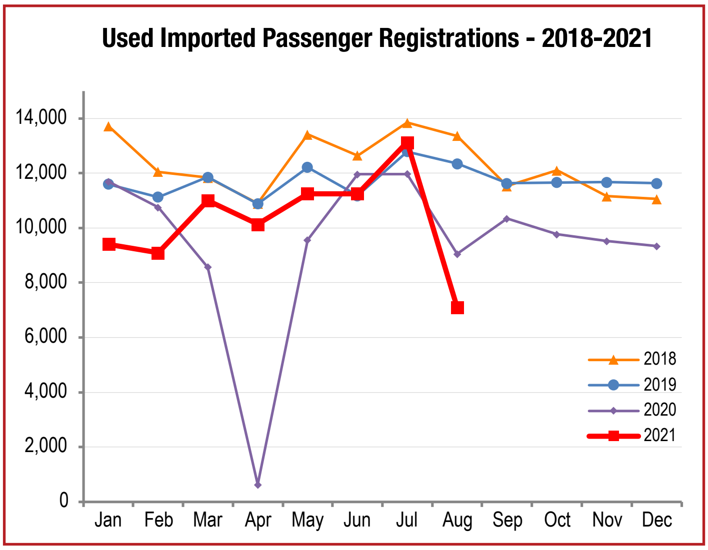
"But if a manufacturer only supplies say 50 EVs, then in a few months' time we will be in the same position," opines Greenwood.

"There have probably been people rushing out to buy cars that will have a fee added to their sale prices next year.

"However, I think the feebate scheme is so small that it won't have a big impact on the market.

Level four hits sales

There were 7,103 used-imported cars registered last month. That was down by 21.5 per cent from 9,054 when compared to August 2020.
Toyota's Aqua was the best-selling model on 599 units. Mazda's Axela was second on 337 with the Toyota Prius third on 278.
Nissans X-Trail was fourth with 252, and Volkswagen's Golf and Mitsubishi's Outlander came joint fifth on 204.
The top-selling marque was Toyota with 2,054 units.



"I have been dealing with the UK market for about seven years and when they bring out these types of schemes, it's more the principles behind them than vehicles being cheaper or more expensive.

"It's more about the government wanting people to buy EVs because it's a good thing to do and you will be rewarded for it. I do think buyers appreciate that, rather than being able to afford to buy a certain type of car that they couldn't afford to purchase before the scheme."

That said, staff at Drive EV have been rushed off their feet since the government launched discounts for EVs on July 1.

"It seems like a good thing and has really kick-started EV sales," says Greenwood. "Business has never been quiet for us since we opened. We are a small team, so we noticed a big increase in customer enquiry straight after the rebate scheme was announced.

"There have been a lot of new people to the market. They have a lot of questions, such as can you charge the car at home and how long will it take to charge.

"Before the rebate scheme was announced, most of our customers had been interested in EVs for some time or had already owned one and were clued up on these vehicles."

Not all car dealers, however, are convinced. Barrie Hellyer, owner of Barrie Hellyer Motors in Karaka, south of Auckland, says the clean car discount will hurt people on low incomes who can't afford electric cars.

"There are already plenty of people driving around where I live in top-of-the-range EVs that cost more than $70,000.

"Where are we going to get more EVs from because there will not be enough stock to satisfy demand. The prices of used imports from Japan have gone up. The prices of EVs and hybrids have increased dramatically."

Imports getting to dealerships

Deliveries of vehicles have been flowing smoothly around New Zealand, although unloading them is taking longer than usual because of coronavirus restrictions.

Chris Carr, director of transport company Carr & Haslam, says getting cars from ports has continued since the country went into lockdown on August 17.

He adds those imported have been moving between regions at different alert levels to help keep the supply chain flowing.

"There's no issue moving vehicles from an area at level four into one at level three because they fall into the freight category, so a dealer from Hamilton can get a car that has arrived in Auckland," explains Carr.

"At level four we can deliver cars off wharves to a site, but people there can't work on them if they are also under full lockdown. However, under level three they can if they go through all safety procedures. They are then able to deliver to customers in an approved, contactless method."

Carr notes one of the biggest challenges for transport companies has been a reduction in staff receiving vehicles at compliance centres and yards.

"There would normally be a team to receive vehicles but at level four that's not possible, so there's often only one person receiving them. Those vehicles also have to be delivered in a contactless manner making it a slower and more difficult process but at least it's happening."

He notes some vehicle sites have run close to capacity and everywhere south of Auckland going to level three at 11.50pm on August 31 has got things moving.

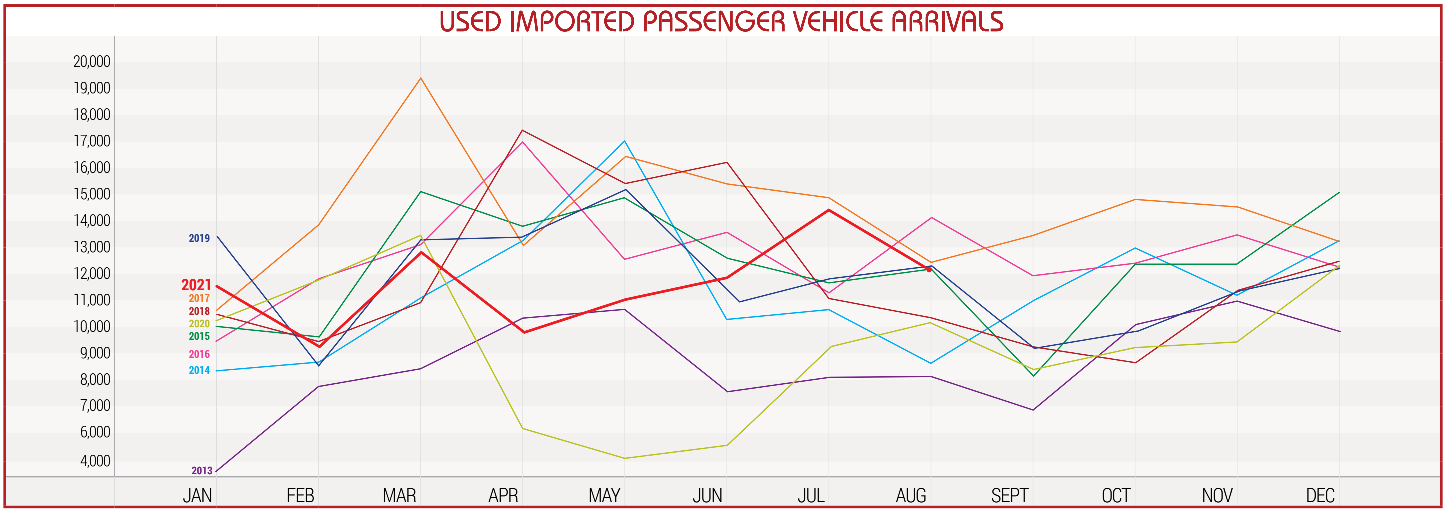
The transition between alert levels has been smoother this year thanks to lessons learnt by businesses and government departments from previous lockdowns.

"We didn't have to go through the learning-curve process and we saw that [on September 1] at checkpoints south of Auckland. There were hiccups last year, but this time the freight lanes have worked well from day one."

USED ARRIVALS UP

There were 12,101 used cars imported during August. That was up by 19.8 per cent compared to 10,098 in the same month of 2020.

The total included 11,551 from Japan for a market share of 95.9 per cent and 294 from Australia.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2021										2020		2019	
	JAN '21	FEB '21	MAR '21	APR '21	MAY '21	JUN '21	JUL '21	AUG '21	AUG SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	285	307	271	282	294	2.0%	**2,286**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	120	147	161	97	84	0.7%	**976**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,243	10,314	11,296	13,805	11,551	95.9%	**87,982**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	90	130	83	0.9%	**1,014**	1,846	1.7%	1,678	1.2%
USA	30	33	24	97	78	61	55	60	0.4%	**438**	480	0.4%	664	0.5%
Other countries	30	36	25	40	29	63	28	29	0.2%	**280**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,922**	**11,016**	**11,942**	**14,397**	**12,101**	**100.0%**	**92,976**	**108,663**	**100.0%**	**141,218**	**100.0%**

Profits increase despite lockdowns

Geneva Finance's pre-tax profit soared to $6.9 million in the year ending March 2021 – up by $2.7m, or 67 per cent, on 2019/20.

The jump is a result of improved contributions from all segments, with Quest Insurance rising by $1.5m and Geneva Financial Services increasing by $600,000.

David O'Connell, managing director, says: "Covid-19 severely impacted the company's ability to write new business during April 2020 resulting in new business during lockdown being down by more than 70 per cent on the previous year. However, the recovery was better than expected. Nevertheless, these are uncertain times."

Quest Insurance returned a profit of $3.2m, up by 89 per cent from a year ago. The result – excluding a one-off $600,000 increase in distribution income – rose by $900,000, or 67 per cent, on 2019/20.

Its premium sales hit a record level – up by 53 per cent to $21.52m – and it received a cash distribution from its investment in AMPL of $3.7m.

"Quest's direct channel delivered the biggest increase – of 107 per cent – and it is pleasing to see an increasing proportion of premium sales being derived by group-owned distribution channels," says O'Connell.

Geneva Financial Services posted a pre-tax profit of $4.8m for the 2021 financial year, which was 14 per cent higher than the year prior. O'Connell notes the increased focus on growing the tier-one lending business delivered a 21 per cent increase in lending volume.

While the full impact of coronavirus remains unknown, the board considers Geneva Finance will be able to deal with any challenges.

"The group remains focused on core trading operations and continues to invest in IT to improve origination processes."

Despite Covid's impact, structural changes made in the March 2020 year have impacted the business positively and have delivered profit improvements.

TRADE TUMBLES

Dealers sold 9,974 second-hand cars to the public during August. That was down by 45.8 per cent compared to 18,388 units in the same month of 2020.

There were 8,272 trade-ins – a decrease of 38.4 per cent compared to 13,432 – over the same period.

SECONDHAND CAR SALES - August 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	AUG'21	AUG'20	+/- %	MARKET SHARE	AUG'21	AUG'20	+/- %	AUG'21	AUG'20	+/- %
Whangarei	342	579	-40.9	3.43	1,507	2,171	-30.6	164	237	-30.8
Auckland	3,488	5,319	-34.4	34.97	9,893	12,400	-20.2	3,571	4,488	-20.4
Hamilton	783	1,608	-51.3	7.85	2,609	3,960	-34.1	566	1,255	-54.9
Thames	140	235	-40.4	1.40	445	539	-17.4	121	95	27.4
Tauranga	499	1,006	-50.4	5.00	1,567	2,608	-39.9	340	683	-50.2
Rotorua	197	285	-30.9	1.98	715	799	-10.5	79	101	-21.8
Gisborne	110	169	-34.9	1.10	310	442	-29.9	26	47	-44.7
Napier	435	755	-42.4	4.36	1,157	1,684	-31.3	291	509	-42.8
New Plymouth	222	472	-53.0	2.23	779	1,173	-33.6	100	232	-56.9
Wanganui	130	194	-33.0	1.30	452	553	-18.3	73	154	-52.6
Palmerston North	443	963	-54.0	4.44	1,380	2,127	-35.1	414	717	-42.3
Masterton	114	163	-30.1	1.14	371	460	-19.3	56	100	-44.0
Wellington	854	1,938	-55.9	8.56	2,234	3,512	-36.4	663	1,307	-49.3
Nelson	172	328	-47.6	1.72	721	1,157	-37.7	115	200	-42.5
Blenheim	83	205	-59.5	0.83	310	468	-33.8	66	116	-43.1
Greymouth	36	97	-62.9	0.36	129	228	-43.4	20	41	-51.2
Westport	7	27	-74.1	0.07	41	100	-59.0	1	0	100.0
Christchurch	1,160	2,399	-51.6	11.63	3,805	5,507	-30.9	1,089	2,242	-51.4
Timaru	100	285	-64.9	1.00	359	643	-44.2	66	120	-45.0
Oamaru	21	74	-71.6	0.21	104	228	-54.4	5	12	-58.3
Dunedin	421	849	-50.4	4.22	1,324	2,099	-36.9	320	503	-36.4
Invercargill	217	438	-50.5	2.18	853	1,213	-29.7	126	273	-53.8
NZ Total	**9,974**	**18,388**	**-45.8**	**100.00**	**31,065**	**44,071**	**-29.5**	**8,272**	**13,432**	**-38.4**

New Passenger Vehicle Sales by Make - August 2021

MAKE	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,133	1,363	-16.9	24.5%	9,979	13.8%
Mitsubishi	518	435	19.1	11.2%	8,863	12.3%
Suzuki	416	558	-25.4	9.0%	5,471	7.6%
Mazda	368	552	-33.3	8.0%	5,463	7.6%
Hyundai	238	490	-51.4	5.1%	3,972	5.5%
MG	192	97	97.9	4.1%	2,187	3.0%
Tesla	191	37	416.2	4.1%	1,101	1.5%
Haval	179	70	155.7	3.9%	1,293	1.8%
Kia	171	735	-76.7	3.7%	7,471	10.3%
Volkswagen	166	299	-44.5	3.6%	3,254	4.5%
Honda	153	309	-50.5	3.3%	2,660	3.7%
Nissan	131	231	-43.3	2.8%	3,151	4.4%
Skoda	100	131	-23.7	2.2%	1,234	1.7%
Ford	88	288	-69.4	1.9%	2,270	3.1%
Mercedes-Benz	88	178	-50.6	1.9%	1,590	2.2%
Subaru	84	210	-60.0	1.8%	1,970	2.7%
BMW	57	129	-55.8	1.2%	1,351	1.9%
Audi	51	142	-64.1	1.1%	1,229	1.7%
Volvo	41	40	2.5	0.9%	484	0.7%
Jeep	38	51	-25.5	0.8%	972	1.3%
Lexus	37	66	-43.9	0.8%	678	0.9%
SsangYong	33	60	-45.0	0.7%	635	0.9%
Mini	26	81	-67.9	0.6%	633	0.9%
Isuzu	22	18	22.2	0.5%	402	0.6%
Land Rover	17	97	-82.5	0.4%	993	1.4%
Porsche	13	32	-59.4	0.3%	380	0.5%
Peugeot	12	81	-85.2	0.3%	800	1.1%
LDV	10	10	0.0	0.2%	175	0.2%
Alfa Romeo	9	12	-25.0	0.2%	88	0.1%
Citroen	7	11	-36.4	0.2%	192	0.3%
Jaguar	7	20	-65.0	0.2%	313	0.4%
Renault	7	37	-81.1	0.2%	193	0.3%
Bentley	4	3	33.3	0.1%	56	0.1%
Fiat	4	1	300.0	0.1%	68	0.1%
Seat	4	7	-42.9	0.1%	115	0.2%
Mahindra	3	7	-57.1	0.1%	97	0.1%
Cupra	2	0	200.0	0.0%	95	0.1%
McLaren	2	0	200.0	0.0%	23	0.0%
Aston Martin	1	4	-75.0	0.0%	43	0.1%
Chrysler	1	0	100.0	0.0%	2	0.0%
Lamborghini	1	1	0.0	0.0%	18	0.0%
Maserati	1	3	-66.7	0.0%	39	0.1%
Yamaha	1	5	-80.0	0.0%	37	0.1%
Others		171			247	0.3%
Total	**4,627**	**7,072**	**-34.6**	**100.0%**	**72,287**	**100.0%**

New Passenger Vehicle Sales by Model - August 2021

MAKE	MODEL	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Corolla	450	194	132.0	9.7%	2,152	3.0%
Toyota	RAV4	305	638	-52.2	6.6%	3,523	4.9%
Mitsubishi	ASX	245	145	69.0	5.3%	3,643	5.0%
Tesla	Model 3	191	32	496.9	4.1%	1,094	1.5%
Mazda	CX-5	183	196	-6.6	4.0%	2,345	3.2%
Suzuki	Swift	169	220	-23.2	3.7%	2,118	2.9%
Mitsubishi	Outlander	157	159	-1.3	3.4%	3,319	4.6%
MG	ZS	138	46	200.0	3.0%	1,218	1.7%
Haval	H6	118	17	594.1	2.6%	298	0.4%
Hyundai	Kona	112	104	7.7	2.4%	1,361	1.9%
Suzuki	Vitara	100	154	-35.1	2.2%	1,007	1.4%
Toyota	Camry	94	30	213.3	2.0%	291	0.4%
Nissan	Qashqai	92	73	26.0	2.0%	1,592	2.2%
Mitsubishi	Eclipse Cross	83	60	38.3	1.8%	1,123	1.6%
Honda	Jazz	83	90	-7.8	1.8%	905	1.3%
Toyota	Highlander	82	54	51.9	1.8%	790	1.1%
Mazda	CX-9	81	67	20.9	1.8%	742	1.0%
Kia	Seltos	69	243	-71.6	1.5%	1,521	2.1%
Toyota	Yaris Cross	63	0	6,300.0	1.4%	674	0.9%
Haval	Jolion	60	0	6,000.0	1.3%	439	0.6%
Suzuki	Jimny	55	81	-32.1	1.2%	804	1.1%
Hyundai	Santa Fe	51	105	-51.4	1.1%	1,146	1.6%
Volkswagen	Tiguan	48	74	-35.1	1.0%	1,064	1.5%
Suzuki	Ignis	47	41	14.6	1.0%	451	0.6%
Toyota	Yaris	42	183	-77.0	0.9%	796	1.1%
Toyota	C-HR	37	200	-81.5	0.8%	828	1.1%
Ford	Everest	37	31	19.4	0.8%	493	0.7%
Ford	Puma	37	0	3,700.0	0.8%	648	0.9%
Subaru	XV	36	60	-40.0	0.8%	553	0.8%
Skoda	Kodiaq	33	56	-41.1	0.7%	359	0.5%
Kia	Stonic	33	0	3,300.0	0.7%	1,918	2.7%
Volkswagen	T-Roc	33	40	-17.5	0.7%	587	0.8%
Volkswagen	Golf	32	32	0.0	0.7%	510	0.7%
Honda	HR-V	30	73	-58.9	0.6%	749	1.0%
Skoda	Superb	30	11	172.7	0.6%	292	0.4%
Hyundai	Tucson	30	188	-84.0	0.6%	281	0.4%
Honda	CR-V	29	121	-76.0	0.6%	727	1.0%
Toyota	Fortuner	29	12	141.7	0.6%	233	0.3%
MG	HS	29	31	-6.5	0.6%	329	0.5%
Subaru	Forester	25	60	-58.3	0.5%	546	0.8%
Mercedes-Benz	GLE	25	25	0.0	0.5%	218	0.3%
Mazda	CX-3	24	49	-51.0	0.5%	610	0.8%
Mitsubishi	Mirage	24	27	-11.1	0.5%	376	0.5%
Suzuki	SX4 S-Cross	23	30	-23.3	0.5%	297	0.4%
MG	MG3	22	20	10.0	0.5%	336	0.5%
Others		911	3,000	-69.6	19.7%	26,981	37.3%
Total		**4,627**	**7,072**	**-34.6**	**100.0%**	**72,287**	**100.0%**

Businesses investing in future

A dealership in Alexandra has been moved across Centennial Avenue into newly built premises.

GWD Toyota now boasts a modern showroom, service area with seven-bay workshop and an on-site charging station for electric vehicles (EVs).

The dealership is part of the GWD Motor Group, which also has outlets for the marque in Queenstown, Gore and Invercargill.

Glen Rutherford, group chief executive officer, says customer experience was the focus of creating a better facility – from the initial design through to the approach taken during construction.

Service disruption was also kept to a minimum with the new site being so close to GWD Toyota's previous premises.

"We wanted to build a destination for our clients and the community, showing GWD's and Toyota's commitment to the brand in central Otago," says Rutherford.

"The store is a striking, modern building that's easy for customers to use whether they're shopping for a vehicle or bringing their car into the workshop. We also managed to continue servicing the community while the build was taking place."

Steve Prangnell, Toyota New Zealand's general manager of franchise development, says the new facilities are an example of the marque's commitment to "providing the highest level of service".

He adds: "Regardless of where in the country our customers are located, we want them to experience excellent service in modern facilities. This investment shows how important the link between Toyota and the local communities we operate in is to us."

SETTING STANDARDS

Armstrong's has opened the doors at its three-storey Peugeot and Citroen dealership in Greenlane, Auckland.

The business has shifted from 227 to 500 Great South Road.

The site, which was previously home to Renault and Infiniti, covers 2,600 metres of floor area and is the first in the country to feature Peugeot's new branding.

Rick Armstrong, managing director, says the development is a sign of the company's commitment to the two French marques.

"Their current product portfolios, as well as what we know of future models including EV options, means the time is right to showcase the respective ranges in an engaging, bespoke setting befitting of the level of vehicles on offer," he adds.

"The proximity of the premises to central Auckland and a motorway interchange means it's a straightforward area to access and offers varied test-drive environments."

Chris Brown, chief executive officer of Peugeot and Citroen NZ, adds the dealership, which features a dedicated event centre, sets a "new standard for the brands".

SERVICING KEY

Gazley Motor Group has expanded into Paraparaumu after taking over a site previously occupied by a Honda dealership.

Oliver Gazley, group dealer principal, says it had long been wanting to open a business in the area to complement its four locations in Wellington and Lower Hutt. It sells marques not currently represented on the Kapiti Coast, although a main focus of the venture is servicing and parts.

"We had been looking for space up there for a wee while," Gazley told Autofile. "The focus is on a service centre for our clients and brands we represent in the city.

"For a lot of the brands, we are the sole agent for them in Wellington and we need to ensure our clients a little further out can be serviced.

"People can buy a car from us in Wellington or Lower Hutt. This new venture means they don't have to drive back in for warranty and service work, which makes it more convenient for them.

"There's a six-bay workshop so the main purpose is servicing. There's also good space for selling cars, mainly used and demonstrator models we have there."

Gazley notes the addition of Paraparaumu doesn't indicate plans to grow the business much further from the capital.

"We're Wellington born and bred and don't have a vision to expand outside of the region. However, we are trying to find opportunities within the region and doing well in the area we have focused on."

HISTORIC GAIN

The Ateco Group now has more than 215 dealerships operating across both sides of the Tasman after welcoming Renault Australia into its fold.

Neville Crichton, founder and executive chairman of the group, says: "History shows we usually initiate the presence of automotive brands in Australia, but this is the first time in more than 30 years we have taken on an established OEM.

"Renault joins LDV, Maserati, Ram Trucks and Upfitter in Australia, alongside Alfa Romeo, Fiat, Jeep, Maserati and Ram in New Zealand. We look forward to making further brand announcements in due course."

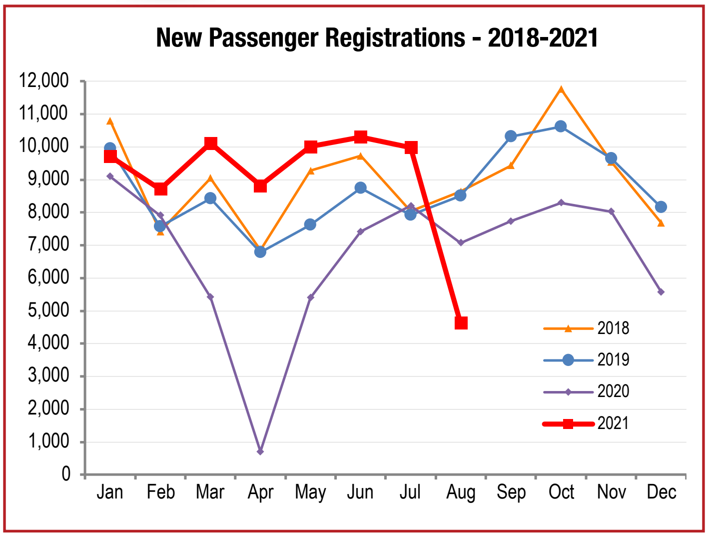
Ateco says the extra dealerships selling and servicing its marques means the group is on-track for turnover of more than $1 billion in this financial year.

The new GWD Toyota store in Alexandra

Toyota one-two

There were 4,627 new cars registered in August compared to 7,072 in the same month of 2020 for a decrease of 34.6 per cent.

The top two models were Toyotas – the Corolla with 450 for a market share of 9.7 per cent and the RAV4 on 305 for 6.6 per cent. Mitsubishi's ASX was third 245 and Tesla's Model 3 fourth on 191. The Mazda CX-5 rounded off the top with five on 183.



Forward-selling anticipated

Dealerships with good access to stock are likely to be those that will reap the biggest rewards from the government's clean car discount until the end of this year.

"The whole industry is in a position of unprecedented demand and restricted supply," says Matthew Wales, group dealer principal of Auckland-based AndrewSimms.co.nz.

"Along with the clean car discount, it's creating an environment where some vehicles are producing very solid sales.

"I haven't seen the upsurge I would have expected on some of the higher emitters yet, but supply has been constrained on double-cab utes for many manufacturers."

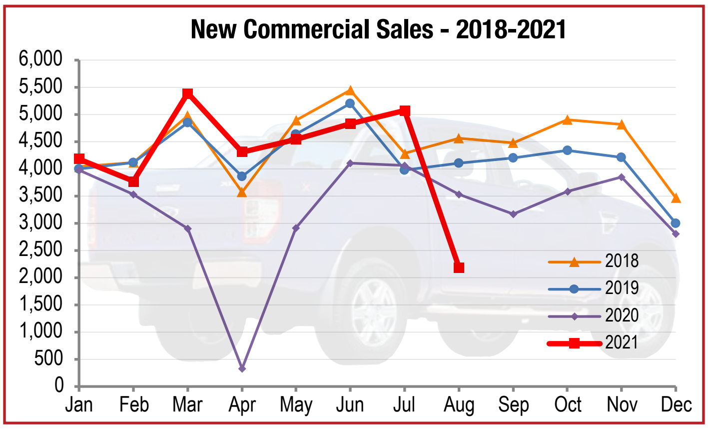
That said, franchises that can source a good supply of utilities in the October to December quarter will do very well because people will get dragged into the market earlier than otherwise may have been the case as they seek to avoid "the clean car tax".

"The rest of this year will remain strong for sales and with supply constraints there will be a lot of forward selling into the fourth quarter," thinks Wales.

As for the first two quarters of 2022, that's "anybody's guess". He adds: "I imagine there will be a lot of pre-registering of high-emitting vehicles at the end of this year before the government's fees come in.

"The second half of next year may end up being a carbon copy of this year because when the clean car standard comes in there will be an upsurge for certain models."

There were 2,189 new commercials sold in August – down by 38 per cent on 3,533 in the same month of last year. There were 678 Ford Rangers and 301 Toyota Hiluxes registered



New Commercial Sales by Make - August 2021

MAKE	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	737	1,061	-30.5	33.7%	8,019	23.4%
Toyota	459	685	-33.0	21.0%	7,593	22.2%
Mitsubishi	161	376	-57.2	7.4%	4,004	11.7%
Nissan	83	122	-32.0	3.8%	2,184	6.4%
Isuzu	81	166	-51.2	3.7%	2,288	6.7%
LDV	79	91	-13.2	3.6%	1,614	4.7%
Mazda	77	200	-61.5	3.5%	1,485	4.3%
Great Wall	65	29	124.1	3.0%	974	2.8%
Scania	52	36	44.4	2.4%	285	0.8%
Hino	49	53	-7.5	2.2%	464	1.4%
Volkswagen	42	62	-32.3	1.9%	770	2.2%
Hyundai	40	77	-48.1	1.8%	1,021	3.0%
Fuso	39	34	14.7	1.8%	567	1.7%
Iveco	24	33	-27.3	1.1%	236	0.7%
Mercedes-Benz	23	82	-72.0	1.1%	415	1.2%
Ram	21	17	23.5	1.0%	176	0.5%
CRRC	20	0	2,000.0	0.9%	24	0.1%
Fiat	19	48	-60.4	0.9%	503	1.5%
UD Trucks	16	13	23.1	0.7%	114	0.3%
DAF	15	16	-6.3	0.7%	101	0.3%
Others	87	332	-73.8	4.0%	1,441	4.2%
Total	**2,189**	**3,533**	**-38.0**	**100.0%**	**34,278**	**100.0%**

New Commercial Sales by Model - August 2021

MAKE	MODEL	AUG'21	AUG'20	+/- %	AUG'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	678	964	-29.7	31.0%	7,237	21.1%
Toyota	Hilux	301	524	-42.6	13.8%	5,891	17.2%
Toyota	Hiace	137	124	10.5	6.3%	1,351	3.9%
Mitsubishi	Triton	126	376	-66.5	5.8%	3,618	10.6%
Nissan	Navara	83	122	-32.0	3.8%	2,184	6.4%
Mazda	BT-50	77	199	-61.3	3.5%	1,485	4.3%
Great Wall	GWM Cannon	62	0	6,200.0	2.8%	806	2.4%
Ford	Transit	59	97	-39.2	2.7%	782	2.3%
Isuzu	D-Max	50	54	-7.4	2.3%	1,697	5.0%
Mitsubishi	Express	35	0	3,500.0	1.6%	382	1.1%
Hyundai	iLoad	26	70	-62.9	1.2%	955	2.8%
LDV	G10	24	22	9.1	1.1%	480	1.4%
Hino	500	23	26	-11.5	1.1%	219	0.6%
Ram	1500	21	17	23.5	1.0%	176	0.5%
Toyota	Land Cruiser	21	37	-43.2	1.0%	351	1.0%
LDV	Deliver 9	20	0	2,000.0	0.9%	257	0.7%
CRRC	eT12 Max	20	0	2,000.0	0.9%	24	0.1%
Mercedes-Benz	Sprinter	20	33	-39.4	0.9%	333	1.0%
Hino	300	19	18	5.6	0.9%	185	0.5%
Fiat	Ducato	19	46	-58.7	0.9%	503	1.5%
Others		368	804	-54.2	16.8%	5,362	15.6%
Total		**2,189**	**3,533**	**-38.0**	**100.0%**	**34,278**	**100.0%**

Fees on utes won't stop buyers

Financial penalties for utes and gas-guzzlers are unlikely to put the brakes on consumers who are fixed on buying them.

That's the view of Steve Greenwood, owner of Taupo-based Drive EV, when it comes to the clean car discount being launched.

Greenwood says that next year when the feebate scheme starts, rebates on low-emissions vehicles will attract more buyers to smaller and more economical models.

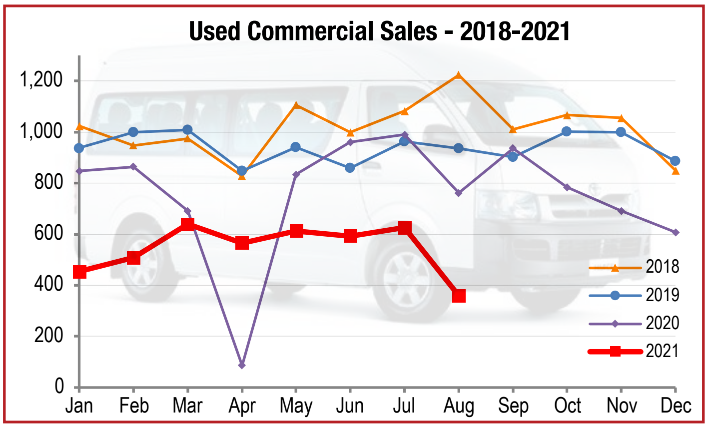
"But at the end of the day if someone wants to purchase a Ford Ranger, then the extra fee will not stop them from buying what they want," he told Autofile. "If people want a big car and there is a hybrid option available, then that's better than only having a petrol option.

"We might see manufacturers start to reduce engine sizes and begin focusing on carbon-dioxide emissions because they are getting a push from many countries not wanting big polluters. And I think that once people decide they want an electric vehicle, then everything else falls off their shopping list."

Peter Bredenbeck, director of Bluestone Cars in Otahuhu, south Auckland, reports that July and August up to the Covid-19 lockdown were good for business. However, he is being hampered by "hardly any" suitable stock available for sale in Japan.

"Last year's electronic stability control rule change killed our trade in used vans," adds Bredenbeck. "But we recently brought in three 2018 Nissan vans, which we will sell for $25,000 to $30,000. Unfortunately, that is expensive for young tradies looking for a van."

There were 360 used-imported commercials registered in New Zealand last month. That was down by 52.7 per cent from 761 in August 2020.



Used Commercial Sales by Make - August 2021

MAKE	AUG '21	AUG '20	+/- %	AUG '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	150	338	-55.6	41.7%	1,747	40.0%
Nissan	66	156	-57.7	18.3%	715	16.4%
Isuzu	31	45	-31.1	8.6%	362	8.3%
Hino	26	25	4.0	7.2%	319	7.3%
Mitsubishi	19	25	-24.0	5.3%	236	5.4%
Ford	16	30	-46.7	4.4%	213	4.9%
Holden	9	18	-50.0	2.5%	108	2.5%
Mazda	9	31	-71.0	2.5%	115	2.6%
Daihatsu	6	5	20.0	1.7%	52	1.2%
Chevrolet	5	14	-64.3	1.4%	82	1.9%
Fuso	5	1	400.0	1.4%	12	0.3%
Volkswagen	3	9	-66.7	0.8%	52	1.2%
GMC	2	3	-33.3	0.6%	12	0.3%
Suzuki	2	1	100.0	0.6%	39	0.9%
Volvo	2	6	-66.7	0.6%	18	0.4%
DAF	1	3	-66.7	0.3%	14	0.3%
Dodge	1	5	-80.0	0.3%	27	0.6%
Honda	1	1	0.0	0.3%	4	0.1%
Hyundai	1	0	100.0	0.3%	15	0.3%
MAN	1	1	0.0	0.3%	5	0.1%
Others	4	44	-90.9	1.1%	221	5.1%
Total	**360**	**761**	**-52.7**	**100.0%**	**4,368**	**100.0%**

Used Commercial Sales by Model - August 2021

MAKE	MODEL	AUG '21	AUG '20	+/- %	AUG '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	103	253	-59.3	28.6%	1,182	27.1%
Nissan	NV350	34	48	-29.2	9.4%	316	7.2%
Toyota	Dyna	20	21	-4.8	5.6%	253	5.8%
Isuzu	Elf	20	27	-25.9	5.6%	234	5.4%
Hino	Dutro	16	19	-15.8	4.4%	219	5.0%
Toyota	Toyoace	16	18	-11.1	4.4%	141	3.2%
Nissan	Caravan	14	30	-53.3	3.9%	129	3.0%
Mitsubishi	Canter	12	11	9.1	3.3%	154	3.5%
Ford	Ranger	10	14	-28.6	2.8%	97	2.2%
Nissan	Atlas	8	13	-38.5	2.2%	104	2.4%
Isuzu	Forward	8	12	-33.3	2.2%	76	1.7%
Holden	Colorado	7	11	-36.4	1.9%	67	1.5%
Hino	Ranger	7	5	40.0	1.9%	97	2.2%
Daihatsu	Hijet	6	5	20.0	1.7%	52	1.2%
Toyota	Regius	5	33	-84.8	1.4%	62	1.4%
Mazda	Bongo	4	22	-81.8	1.1%	39	0.9%
Mitsubishi	Canter	4	11	-63.6	1.1%	154	3.5%
Mitsubishi	Fuso	4	2	100.0	1.1%	23	0.5%
Toyota	Hilux	4	7	-42.9	1.1%	58	1.3%
Mazda	BT-50	3	3	0.0	0.8%	31	0.7%
Others		55	196	-71.9	15.3%	880	20.1%
Total		**360**	**761**	**-52.7**	**100.0%**	**4,368**	**100.0%**

Chip shortage hits output

Toyota is set to slash global vehicle production by 40 per cent this month because of the shortage of microchips.

The world's biggest marque had planned to make almost 900,000 cars in September but has revised that to 540,000 units.

Volkswagen, the world's second-biggest marque, has warned it may also be forced to limit output as well.

The Covid-19 pandemic has boosted demand for appliances that use chips, such as cellphones, games consoles and televisions, which in turn has affected the car industry.

A spokesman for Volkswagen says: "We currently expect supply of chips in the third quarter to be volatile and tight. We cannot rule out further changes to production."

General Motors, Ford, Nissan, Daimler and BMW have already scaled back production in the face of the global shortage of chips used in semi-conductors.

Until now, Toyota had managed to avoid doing the same except for extending factory shutdowns in France, the Czech Republic and Turkey by one week.

Toyota has benefited from having built up a stockpile of semi-conductors after revamping its business continuity plan, which was developed in the wake of the Fukushima earthquake and tsunami a decade ago. Its decision to reduce output has been prompted by the resurgence of coronavirus cases across Asia.

The company made some cuts at its plants in Japan and elsewhere last month, but the bulk of them – about 360,000 units – will be made this month in factories in Asia and the US. It aims to make up for lost volumes by the end of 2021.

Ford halted output for a week during August on production lines in the US that build its best-selling F-150 utes because of the shortage.

Earlier last month, General Motors suspended production for seven days at three North American truck plants, while Nissan halted it for two weeks at a Tennessee factory because of a Covid-19 outbreak at a chip plant.

Renault forecasts its car production may be down by about 100,000 this year, while Tesla is using alternative chips and rewriting software.

Some Taiwanese semi-conductor companies that are unaffected by the delta variant of Covid-19 are pushing production beyond the usual 10 per cent to satisfy demand, while Taiwan Semiconductor Manufacturing plans to build new factories in the US and Japan.

Stock levels jump

Imports of new cars in August came in at 10,983. This was 104.5 per cent more than in the same month of 2020 and 18.2 per cent higher than July's 9,293 units.

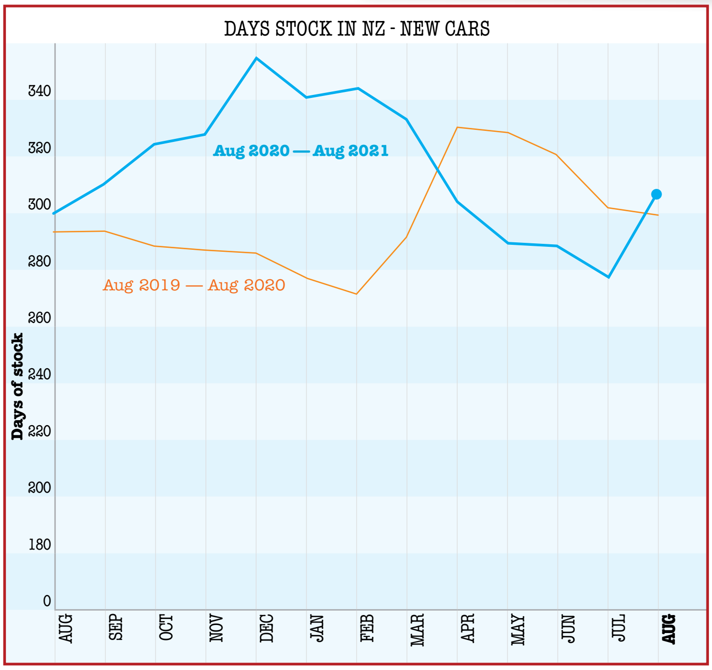
Registrations of new passenger vehicles totalled 4,627 last month, which was down by 34.6 per cent from 7,072 in August 2020 as the nationwide Covid-19 lockdown all but wiped out two weeks of trading. It also represented a fall of 53.7 per cent from 9,984 units in July.

The numbers have resulted in the stock of new cars still to be registered increasing by 6,356 to 85,589. Daily sales, as averaged over the previous 12 months, stand at 279 units per day.

August's results mean stock at-hand has increased to 307 days, or 10.1 months, if sales continue at the current rate. In the same month of 2020, the figures were 301 days or 9.9 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
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	10,547	8,710	1,837	77,973	225	346
Mar '21	11,091	10,112	979	78,952	238	331
Apr '21	8,032	8,825	-793	78,159	260	300
May '21	9,988	10,012	-24	78,135	273	286
Jun '21	12,094	10,305	1,789	79,924	281	284
Jul '21	9,293	9,984	-691	79,233	286	277
Aug '21	**10,983**	**4,627**	**6,356**	**85,589**	**279**	**307**
Year to date	**79,059**	**72,287**	**6,772**			
Change on last month	**18.2%**	**-53.7%**		**8.0%**		
Change on Aug 2020	**104.5%** MORE IMPORTED	**-34.6%** LESS SOLD		**15.3%** MORE STOCK		



Logistics operators have capacity

Dealers are being urged to start selling cars as best they can under Covid-19 restrictions, with the Imported Motor Vehicle Industry Association (VIA) revealing there is plenty of space to keep bringing used stock across the border.

The association has surveyed all the main logistics providers since the country was put into lockdown on August 17 after a community outbreak of the delta variant of the virus was discovered.

David Vinsen, chief executive, says those businesses have expressed no concerns about their capacity or capability to move used imports through the system and get them cleared from ports.

"There is plenty of spare capacity at the compliance shops," he says. "Based on the premise the supply chain is protected, at point of sale VIA's advice is to get on with selling vehicles and get cars moving through the system again.

"It's good news and what we need to do to climb out of this slump created by the lockdown."

VIA's message to its members is to work within the constraints of the various levels, get on with trade as much as possible to keep all parts of the supply chain moving, and keep people employed and businesses viable.

"There's a side to Covid-19 beyond health," adds Vinsen. "The quicker we can get back to business in some shape or form, the better for everyone."

Matt Ball, spokesman for Ports of Auckland, says: "We have got clear guidance from the government that freight must get through and keep moving.

"Ship changeover times at the container terminal are a bit slower because of extra controls, but otherwise it's operations as usual."

The port has reinstated separating people into work bubbles and is ensuring they maintain social distancing. It is also conducting temperature health checks on staff each day as they go on-site.

Ball says the transition to level four was easier than when it happened in March 2020 because facilities used in that lockdown have remained in place.

"We kept separate working areas and portacabins for different teams set up after the previous periods at higher alert levels and mothballed them in case we had another lockdown. A lot of what we had previously was on-hand and we were much better prepared for this lockdown than when we moved to level four the first time."

Daily sales suffer

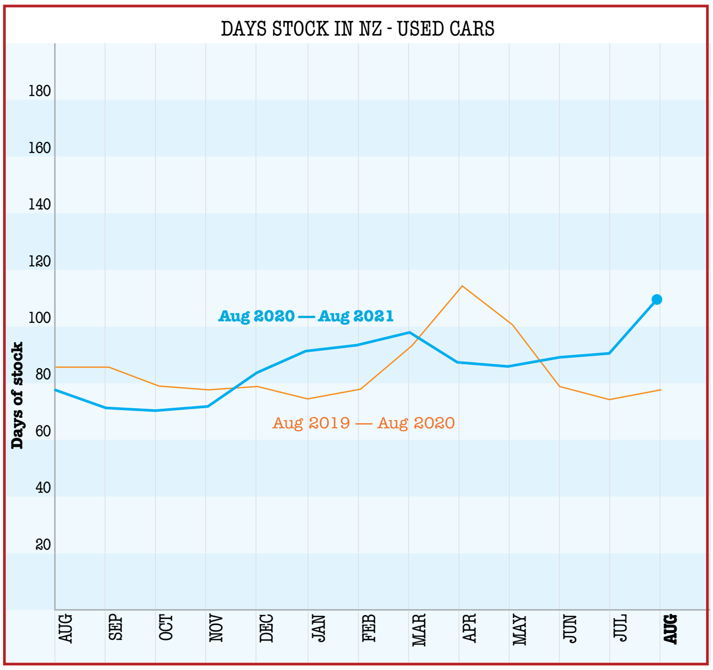
There were 12,101 used cars imported in August for an increase of 2,003 units, or by 19.8 per cent, on the same month of 2020.

However, last month's figure was down by 15.9 per cent on the 14,397 units imported in July this year.

A total of only 7,103 units were sold during August, which compared to 9,054 in the same period a year ago, after the country moving to alert level four effectively brought sales to a standstill. The latest tally was 45.9 per cent lower than the 13,132 units sold in July.

With 4,998 more used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 36,405 units. This was 41.8 per cent, or 10,740 cars, higher than at the end of August 2020.

With current average daily sales decreasing to 332, there are 110 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Aug '20	10,098	9,054	1,044	25,665	331	78
Sep '20	8358	10339	-1981	23684	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	9,359	9,096	263	28,149	299	94
Mar '21	12,768	11,008	1,760	29,909	306	98
Apr '21	9,922	10,134	-212	29,697	332	89
May '21	11,016	11,257	-241	29,456	337	88
Jun '21	11,942	11,256	686	30,142	335	90
Jul '21	14,397	13,132	1,265	31,407	338	93
Aug '21	**12,101**	**7,103**	**4,998**	**36,405**	**332**	**110**
Year to date	**92,976**	**82,390**	**10,586**			
Change on last month	**-15.9%**	**-45.9%**		**15.9%**		
Change on Aug 2020	**19.84%** MORE IMPORTED	**-21.5%** LESS SOLD		**41.8%** MORE STOCK		