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Dispute over supply of cars ends in liquidation

ATNZ's site in south Auckland

Appeal pending against $35m high court judgement as liquidators enter talks with potential buyers of company

Negotiations are taking place to sell Autoterminal New Zealand Ltd (ATNZ) after a number of interested parties have stepped forward following the company going into liquidation with about $40 million of debts.

Liquidators were appointed last month after a high court order for ATNZ to repay $38,648,006 to IBC Japan Ltd – less a credit for heat-treatment rebates – under a vehicle-supply agreement (VSA).

Steven Khov and Kieran Jones, of Khov Jones, and Thomas Rodewald, of Rodewald Consulting, have been appointed as joint liquidators.

They say ATNZ is continuing to trade and provide cars to dealers as they pore over the company's books with the prospect of selling the business also on the horizon.

"We have fielded interest from multiple parties and are in negotiations with a party over the sale," Khov told Autofile. "However, there is no sale finalised at this stage."

The recent case follows years of litigation between ATNZ and IBC.

The legal battle's roots can be traced back to the falling out of business partners Robert Stone and Jojo Hemi, who created a global enterprise to purchase cars from Japan and export them to New Zealand and elsewhere for sale.

ATNZ, a vehicle importer and wholesaler based in Manukau, south Auckland, began the liquidation process on September 11.

In their first report of September 16, the liquidators note they had frozen the company's bank account and issued notices to secured creditors asking for details of their debt and securities.

They were also encouraging dealers who owe ATNZ money to pay their debts in the normal way to "avoid unnecessary impact and cost" to those businesses.

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GUEST EDITORIAL

Bigger change than going electric nears

Neeraj Lala says marques embracing mobility as a service will be key to slashing emissions

While the immediate focus of the automotive industry centres on the impact of Covid-19, supply-chain challenges and the race towards electric vehicles (EVs), we must not forget the role mobility as a service (MaaS) will have to play in reducing transport emissions.

NEERAJ LALA
CEO, Toyota NZ

Although still an industry catchphrase perhaps, it is gaining traction as what might be the largest transformational change to happen to the motor-vehicle industry.

MaaS, which includes car-sharing and autonomous vehicles, is attracting powerful players from manufacturers such as Toyota to digital developers and financial services.

Its development has slowed for the time being as we and other manufacturers get to grips with how coronavirus-related requirements for social distancing and vehicle sanitisation will impact car-sharing services.

Initially, MaaS was about shifting from personal vehicle ownership to ride-sharing services.

Commuters in New Zealand's largest cities now have more mobility options than before. They can use their car or leave it at home and take a bus, train, pick up an e-bike, rent an e-scooter or "e-hail" a taxi to work.

But with increasing connectivity via a smartphone and the internet of things via 5G, MaaS is likely to be much more.

Increasing urbanisation and traffic congestion is another factor hurrying along the introduction of MaaS.

When we combine the efficiency of digitally connected vehicles with autonomous driving, it will be a powerful and transformative transport system.

Toyota NZ sees MaaS as a pathway to move towards a low-emissions economy supporting the reduction of global carbon dioxide (CO_2) emissions.

We've set significant targets in emission reduction and have made low carbon-emissions vehicles more widely available.

We see a near future when a customer will be able to book a vehicle, pay for its use, its insurance, the power consumed by the car and a share of its road-user charges via one application.

Going one step forward, the same app will connect to public transport systems and pay for a bus ride or unlock an e-bike.

Even further into the future, MaaS is likely to cover an entire door-to-door trip involving a multiple of transport modes, including autonomous cars and other service providers.

A key part of MaaS is the concept of a vehicle-subscription service. Initially we see car-subscription services as a natural extension to leasing, particularly to fleets.

A commercial car-subscription service could offer greater flexibility in terms of choice and rotation of vehicles and access to a wider range of maintenance services.

Through MaaS, Toyota is going through a transition from being a car company to a technology company and this will have far-reaching impacts beyond the electrification of vehicles.

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Khov says: "The lockdown restrictions have limited the company's ability to comply vehicles. However, the company is trading otherwise in terms of collecting debtors and releasing vehicles to customers via VTNZ/NZTA."

He adds that while Mike Tyler, who is listed as director of ATNZ on the Companies Register, is co-operating with them, it is the liquidators who are "now responsible for making decisions relating to the company".

The high Covid-19 alert levels for the Auckland region since the lockdown on August 17 have also impeded the liquidators' ability to carry out their usual functions and access physical records at ATNZ's office.

"We have had limited access to the site and have engaged with relevant stakeholders in the meantime," says Khov.

No timeframe has been put on completing the liquidation process, with Khov noting statutory reports will be released every six months as per the Companies Act and will be sent to creditors.

> **"We have had limited access to the site and have engaged with relevant stakeholders in the meantime" – Steven Khov**

DEALER DEBTS

A statement of company affairs, which was included in the liquidators' first report to creditors and shareholders, shows ATNZ's assets total more than $41m.

However, that total excludes the value of vehicle stock on-hand, plant and equipment, office equipment and intellectual property.

The assets include $3.96m cash on-hand and $31.36m yet to be paid by customers, including "a number of car dealerships that are debtors and owe various amounts".

Khov says: "We understand the company sold fully complied vehicles to a number of dealerships around New Zealand and at the date of our appointment held a substantial debtors' ledger.

"We encourage those dealerships to pay their debts in the normal course and as they fall due.

"If there are dealerships out there that have overdue amounts to ATNZ, we encourage them to engage with the liquidators proactively. This will avoid unnecessary impact and cost to those dealerships and their businesses."

As of September 16, the liquidators stated between 150 and 200 vehicles were at the Manukau site. Most of those were either owned by ATNZ, or provisionally sold by the company pending compliance.

Overall, its disclosed assets totalled $41.01m. But the value of items such as vehicle inventory on-hand and office equipment are not being revealed as the liquidators say such information may be prejudicial to a future sale.

The figures will have given optimism to the 40 creditors who had come forward as of September 16 and are claiming a combined $39.52m, which includes the IBC judgement of $38.65m.

A number of Auckland-based businesses and organisations are listed as company creditors in the report.

Liabilities to preferential creditors total $533,235, and includes wages for some of ATNZ's 21 employees, staff holiday pay, and money owing to Inland Revenue and Customs.

Meanwhile, the liquidators say a search of the Personal Properties Securities Register has disclosed 17 security interests registered against the company.

The liquidators are also investigating whether there are any other assets and or potential claims, which may give rise to additional recoveries for the benefit of creditors.

"The liquidators will take steps to secure and realise assets and continue their investigations into the affairs of the company to determine if there are any insolvent transactions and or breaches of any relevant legislation by the company or its officers," their report says.

COURT DECISION

The current situation follows ATNZ being ordered to pay millions of dollars to IBC Japan on July 6 as part of a judgement made in the Hamilton registry of the high court.

The matter on which judgement was handed down by Justice Christopher Toogood arose from the supply of vehicles into New Zealand and a counterclaim by IBC for the immediate payment of the $38.65m.

ATNZ had claimed money wasn't due for payment until June 30, 2022, but Justice Toogood ruled there was "no proper basis founded on the VSA" for ATNZ withholding the funds which, in his view, were immediately payable to IBC.

He ruled IBC did not breach the VSA – and subsequent agreements between the parties ▶

– by refusing to ship vehicles from Japan that had been ordered by ATNZ, and also found ATNZ should have been paying "on the invoice" for each vehicle after making deductions.

Justice Toogood made this decision based on there being an "implied term" in the VSA signed in 2014 that ATNZ would provide IBC with records verifying when payments had been received or collected from buyers of vehicles sold by IBC to ATNZ.

ATNZ had claimed its obligation to pay any amount owing was deferred until June 30, 2022, based on the "true construction" of the VSA, and IBC was precluded from demanding payment if it had itself breached the agreement.

The judge ordered ATNZ to pay interest on the sum until that amount was paid in full.

ATNZ is also subject to a demand to repay $2.9m over an alleged voidable transaction with a previous debtor that's in liquidation – 3224647 Ltd, which was formerly Nigel Thompson Motor Company. The liquidators say they are also investigating the merits of this dispute.

FALLING OUT

The high court's judgement follows litigation between IBC Japan and ATNZ over about three years after their business relationship started to deteriorate.

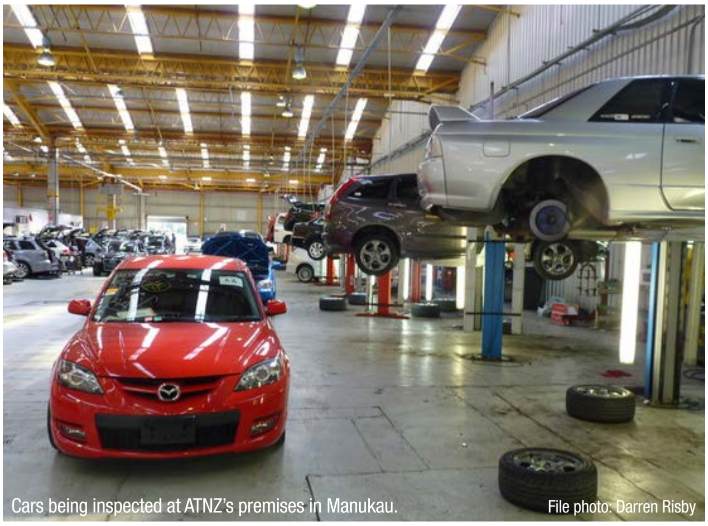
The latter previously traded as IBC NZ and the two companies had worked together for more than two decades.

When Robert Stone and Jojo Hemi launched their first venture together in 1991, their business relationship was founded on what Justice Toogood describes as "mutual respect and trust".

Years later those bonds crumbled and the subsequent fallout played a significant part in ATNZ, a company they founded in April 2000, going into liquidation.

Justice Toogood observes: "The personal relationship between the two businessmen faltered, however, and is now broken down, irretrievably it seems."

Following the creation of



Cars being inspected at ATNZ's premises in Manukau. File photo: Darren Risby

IBC, the business interests of the partnership grew on a global scale to include companies carrying out vehicle appraisals and inspections, import distribution, and shipping and logistics.

All of the entities in the partnership were ultimately owned directly or beneficially by Hemi and Stone, or their respective interests, in equal shares, notes the judgement.

They created ATNZ to buy, sell and distribute vehicles that IBC imported into New Zealand, with Hemi's brother, Apihai Hemi, employed to manage the business and act as its director.

Mike Tyler replaced Apihai Hemi as ATNZ's director in 2004 before taking over the role of chief executive four years later. At that time, ATNZ had built up an inventory of more than 6,000 cars spread across seven sales yards in New Zealand.

Tyler described the operation as having "crippling overheads and a huge ongoing investment in the inventory", and that it was losing a significant amount of money.

He worked closely with Stone, who was IBC's representative director, to address the difficulties faced by IBC and ATNZ in the New Zealand market.

"ATNZ and IBC had a debtor-creditor relationship, they did not trade with each other at arm's length at least until mid-2018," the judgement notes.

"During the period in which Stone was representative director of IBC, dealings between the two companies were founded much less on the contractual arrangements than on the close co-operation between Stone and Tyler, who focused on what they perceived to be the best commercial outcomes for both companies."

The judgement notes that like most of the other entities formed by Hemi and Stone "downstream" of IBC, ATNZ's purpose was to support IBC's car-export business.

Hemi told the high-court hearing in March 2021 that IBC carried the major debt burden for the whole global business, most of which related to the cost of vehicles supplied to ATNZ.

The judgement adds: "Significantly, ATNZ was not required to pay IBC for the vehicles ATNZ purchased from IBC until after they had been shipped to New Zealand and sold to dealers, and payment had been collected from the dealers by ATNZ."

Hemi told the court that before Stone and he fell out, Tyler used to act as ATNZ's chief executive under instructions from both men, but after Hemi started raising critical questions about ATNZ's operations and the level of its expenses, Tyler turned to Stone for support.

Tyler changed the focus of ATNZ, the court heard, from the wholesale business model of importing unsold vehicles and holding them for resale to dealers, to one that sold directly to New Zealand customers.

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Issues between IBC Japan and ATNZ, and their ship-by-ship agreement, came to a head when the Euro Spirit arrived in New Zealand in November 2018

The changed arrangements meant vehicles were pre-sold before importation and customers bore the cost of holding the stock.

Tyler told the court ATNZ had always had a VSA with IBC, but the earliest one produced in evidence dated from 2014, with supplementary agreements made in 2016 and 2017.

"Taken at face value, the terms of the VSA reflect a relatively straightforward willing buyer-willing seller or debtor-creditor relationship between ATNZ and IBC," the judgement says.

"ATNZ would order vehicles selected from those displayed by IBC for sale, and IBC would sell the vehicles to ATNZ at a price calculated in accordance with an agreement between the companies. IBC would arrange delivery of the vehicles and then invoice ATNZ for each shipment."

At that stage, ATNZ was not required to make any payment on IBC's invoices until it had collected payment from its customers.

PAYMENT DISPUTE

Hemi replaced Stone as representative director in May 2018 and began seeking detailed information from ATNZ, which he said he required to undertake "a complete review of the service contract" between the two companies and its receivables.

Hemi later asked Tyler to note that if ATNZ couldn't satisfy IBC on payments, the latter would stop supplying cars to ATNZ and appoint another agent in New Zealand and file for ATNZ's liquidation to recover IBC's receivables.

"What was clearly a formal request for the provision of information by ATNZ to Hemi, as a 50 per cent shareholder in both companies, indicated a remarkably different approach to the relationship between the two companies from that which had existed while Stone was representative director," observes Justice Toogood.

"It included a threat that IBC would cease supplying cars to ATNZ. That was a clear signal the relationship would thereafter be conducted very much on an arm's length basis."

Hemi and Tyler clashed over the operation of the VSA, and the ship-by-ship agreement with matters coming to a head when the Euro Spirit arrived in New Zealand in November 2018.

"Hemi refused to authorise the release of the shipment of vehicles from the port unless ATNZ met his demands for a different payment regime and other new terms," the judgement says.

"Tyler maintained ATNZ's ability to pay money to IBC depended upon the sale to customers of vehicles on-board the Euro Spirit."

After exchanges between Tyler and IBC's accountant, a deal was reached regarding four shipments due from Japan that also involved the payment of $1m by ATNZ to IBC and the release of cars on the vessel.

The payment arrangements proposed were different from those set out in the existing VSA. Payments to IBC would no longer be deferred until ATNZ collected funds from its customers and Hemi proposed ATNZ was to cease using the name IBC NZ and was to represent itself in New Zealand.

In addition, Hemi expected ATNZ to commit to paying IBC an extra $2m each month to gradually clear off its outstanding balance, which he predicted would take about 20 to 24 months.

The judgement says it was clear Hemi had decided, by the end of November 2018 if not earlier, that he didn't wish the status quo to continue and sought alternative terms to those in the VSA.

At the time, Hemi said: "The current relationship is completely broken. Unless an agreement can be reached that satisfies IBC's requirements, IBC will have no choice but to cease supplying vehicles to ATNZ, claim what is owed and relaunch a new sales module in NZ without ATNZ."

Tyler refused to make an agreed payment to IBC in January 2019 and said IBC's "decision to refuse to ship ATNZ vehicles" made it clear IBC had no intention of complying with the VSA.

The stand-off over how payments should be made, and when, ultimately led to the case heading to court.

The two parties had already been embroiled in legal action after ATNZ was refused an interim injunction in February 2019 to block IBC Japan from supplying Japanese used imports to 2 Cheap Cars.

The Hamilton registry of the high court heard in November 2018 that IBC had "just signed an agreement to supply cars to ATNZ's competitor in New Zealand – 2 Cheap Cars".

ATNZ claimed this meant IBC had breached the VSA and supplementary agreements, leading to it seeking the injunction to preserve what it said was its position as a preferred recipient of vehicles from IBC.

Clean car goals ‘nasty surprise’

The new-vehicle sector is warning proposed legislation will impose “crippling costs” on distributors, inflate car prices and will fail to reduce emissions to the extent the government is aiming for.

The Motor Industry Association (MIA) has withdrawn its tacit support for the clean car standard after the Land Transport (Clean Vehicles) Amendment Bill passed its first reading on September 21.

Also known as the fuel-economy standard, it will eventually operate alongside the clean car discount, which has been delayed by three months until April 2022.

But the MIA believes the bill shows an “appalling lack of understanding” on how to effectively reduce carbon dioxide (CO2) emissions from New Zealand’s light-vehicle fleet.

“It will impose unwarranted and significant costs onto consumers,” says David Crawford, chief executive. “The bill with its current targets shows the government has ignored considered advice from the industry.”

He also warns the proposed legislation for the clean car standard could amount to a ban on light vehicles with internal combustion engines (ICEs) “by stealth”.


A Mercedes-Benz being tested on the World Harmonised Light Vehicle Testing Procedure

The bill, introduced to parliament by Michael Wood, Minister of Transport, on September 8, has created widespread opposition with the Imported Motor Vehicle Industry Association (VIA) and Motor Trade Association (MTA) joining the MIA’s objection to the standard.

While the feebate scheme, which the MIA still supports, will apply when vehicles are first registered, the standard aims to influence what models cross our border. It is set to come into effect for data-collection purposes from mid-2022 before penalties and credits at time of importation kick in on January 1, 2023.

Crawford notes the MIA has often said it will support “well thought-out and constructive policies that will lead to an increased rate in the reduction of CO2 emissions from the light-vehicle fleet”.

However, he says concerns about the proposed clean car standard now include the ability for regulators to specify a proportion of zero-emissions vehicles to be sold by marques and CO2 targets dropping unexpectedly sharply beyond 2025.

“The 2026/27 targets are a nasty surprise. Under the bill, there is a 40 per cent reduction in emissions required from now until the end of 2025 and then a 43 per cent reduction required over the following two years to the end of 2027.

“Nowhere in the world requires this rate of reduction, which will see us get ahead of Europe for the same time period. There is no obvious rationale. It seems to be a revenue-gathering exercise to have targets tougher than other jurisdictions.

“The rate of reduction – emissions targets – is so steep that no current distributors apart from those solely supplying battery electric vehicles [BEVs] can reach them in the timespan required.”

TESTING SYSTEMS

A major bone of contention with the clean car standard is the emissions-testing regime the government wants to use to measure how polluting vehicles crossing the border are in order to determine those to be pinged with penalties.

Industry associations are concerned at a cabinet decision to require all vehicles, new and used and made from January 2022, to be tested on the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) protocol or – if that is unavailable – the American Environmental Protection Agency (EPA) certification.

Wood’s cabinet paper, which

was announced around January and months before the bill, states doing so "should not create a supply constraint given our major source markets of Europe and Japan will have had to align to WLTP testing prior to that date, although it may create impacts on suppliers using Australian models who have not adopted the WLTP".

However, Crawford says in a letter from the MIA to Wood dated August 4: "While it is true WLTP testing is required for vehicles entering those markets, it isn't true for vehicles made for other markets as these are tested to what is required in those jurisdictions.

"Also – and more importantly – New Zealand's major source market is vehicles made for Australasia.

"Saying our major source markets are Europe and Japan only relates to where those brands originate from.

"European and Japanese brands that come to New Zealand are made for the Australasian market. Australia doesn't accept nor require WLTP testing and will not for some time.

"This is further exacerbated by the implication in the cabinet paper that introducing Euro 6 and WLTP testing can be done separately. This is not accurate. WLTP testing is a part of Euro 6d. Euro 6b and Euro 5 standards rely on the NEDC [New European Driving Cycle].

"We have provided advice on when brands can move to Euro 6d, which in effect is at the same time as Australia adopts Euro 6d. Apart from a few low-volume models, there is no unique New Zealand market."

As for the implications of all this, currently more than 90 per cent of light vehicles coming into this country are complied to the Euro 5 vehicle exhaust-emissions standard with a smaller number to Euro 6b. Only a few models are complied to Euro 6d.

Crawford adds: "Come 2022, more than 90 per cent of new light vehicles entering New Zealand will not be able to be tested using the WLTP because they are homologated for the Australian market under Euro 5 or Euro 6b, which uses the NEDC. I don't believe the government intends to exclude more than 90 per cent of new light vehicles from being able to be complied for entry into service next year."

The MIA has been asking a lot of questions of transport officials, and vice-versa, since around March on this matter.

"It was in early August that we produced data showing that, year to date until the end of July 2021, 96 per cent of new vehicles sold here had been tested on the NEDC or EPA protocol and just four per cent on the WLTP," Crawford told Autofile.

"Basically, government officials have made a mistake. Europe has had WLTP for quite a while and Japan has had it from 2020, but vehicles for New Zealand are essentially the same as those built for Australia.

"Converting to the WLTP is expensive when NEDC testing has already been done. We are talking hundreds of thousands of dollars for each model."

So what's the solution? Well, a way forward was suggested by the MIA in its letter of August 4. That advice includes:

- Allowing all three testing protocols to continue being used now to enable WLTP-3 cycle testing in addition to the

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Have your say

Submissions on the Land Transport (Clean Vehicles) Amendment Bill close at 11.59pm on November 4. They will be considered by the select committee for transport and infrastructure. Log onto www.parliament.nz/make-a-submission to find out more.

Michael Wood, Minister of Transport

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A technician using WLTP equipment…

NEDC and WLTP-4 test cycles.
- Liaising with the car industry to arrive at a date when WLTP testing for new-model new vehicles can be introduced that ties in with Australia's timeline.
- Working with industry on a later date for when existing-model new vehicles transfer to WLTP-only testing.
- Aligning those dates with the introduction of Euro 6d, noting the linkage of New Zealand to the Australian market.

In addition, the MIA's letter states the government should require CO_2 and fuel-consumption data derived from the WLTP-4 cycle or NEDC testing protocols to be converted to WLTP-3 cycle values, which are used in Japan.

Crawford remarks: "In other words, tie together Euro 6d and the WLTP test protocol work programmes as these are directly inter-related standards. We need to leave the NEDC in place until we can transition to WLTP."

To convert NEDC results to the WLTP, the MIA has made changes to software used to collect information on vehicle exhaust-emissions standards, CO_2 emissions and fuel-economy standards for inclusion on the motor-vehicle register.

"That all went live in the last week of September, so there are now processes in place to convert testing protocols," says Crawford. "We are expecting to hear back from the minister imminently."

And there could be some light at the end of the WLTP testing tunnel because, as of October 1, the MIA understood "things may change".

This is because of comments Wood made to the media in the middle of last month that he was recently given advice on this matter and will respond to the MIA shortly.

GOVERNMENT'S VIEW

It was on September 17 that the Minister of Transport defended his policies after the MIA withdrew its support for the clean car standard while maintaining support for the clean car discount.

Wood says targets outlined in last month's amendment bill aims to stop New Zealand becoming a "dumping ground for the world's dirtiest cars".

He adds he will continue dialogue with the MIA through the clean car leadership group and on other matters about increasing the uptake of low-emissions vehicles.

"I'm sure they will engage constructively through the select committee process as well, although my understanding is they've never supported the standard's targets, so it's surprising they are saying they are withdrawing support," says the minister.

"It's important to note that countries such as the UK and Norway are banning the sale of petrol and diesel vehicles between 2025 and 2030, so we have to move quickly to stop us becoming a dumping ground.

"The New Zealand 2025 target has already been met in some other jurisdictions like Japan and the EU, so we know it's achievable."

Wood adds the standard applies to what importers bring in annually and it will be the fleet's average emissions that are measured.

Opposition condemns 'tax grab'

National's spokesman for transport, David Bennett, says the MIA's withdrawal of support for the clean car standard is more reason for the government to ditch the plan.

"The MIA has told Minister Wood the same thing officials told him in December last year – his proposed targets and fines are far too strict and will do nothing more than act as another car tax."

Bennett describes the scheme as a "tax grab", which will "hit hard-working and vulnerable New Zealanders the hardest".

Bennett adds many costs and details to fall on the automotive industry are still unknown because they need to be laid down in regulations. He has urged the government to release details around this now.

He warns people will keep their old vehicles for longer, and the proposed policies will do little for the economy and lower emissions "because we will be keeping those older cars".

Simon Court, ACT's transport spokesman, says the bill is "virtue-signalling nonsense" and a "sneaky revenue grab on motorists".

"The MIA has pointed out the bill deviates from reality by setting standards so steep so that only distributors of BEVs could reach them in the time span set by the bill," he adds.

"This puts New Zealand out of step with comparable countries, even if the policy results in lower emissions.

"The MIA estimates the combination of fees under the clean car discount and penalties under the standard could see between 15 and 20 per cent increases to the price of light vehicles."

…and a front-end test being conducted

"We have made adjustments to the standard to help the industry shift gears, and they'll be given flexibility by allowing them to bank, borrow and transfer achievement of the annual targets.

"Banking will allow suppliers to carry over any overachievement of their CO2 targets to offset the following three years. Borrowing allows suppliers to miss targets for one year as long as they make it up the following year.

"Transferring allows suppliers to transfer overachievement to one or more other suppliers operating in the same compliance regime."

Wood says the targets for 2026 and 2027 have been provided to give the industry more time to undertake changes necessary to decarbonise the fleet.

"It's not correct to say they can only be met by suppliers that exclusively sell EVs. It does, however, rely on suppliers having an increasing proportion of EVs or, if they don't, trading credits with those that do.

"We have already seen an increase in the range of low-emissions vehicles being offered in New Zealand in the first few months of the clean car discount and I expect this will continue."

TARGETS ARE TOUGH

The clean car standard is slated to come into force in January 2023 with the aim of influencing what models are imported.

The draft bill, which must go through a full select committee process before being reported back to the house by February 2, states new light vehicles entering the fleet must average 145g of CO2 per kilometre in 2023 with that level dropping further to 63.3gCO2/km by 2027. The current average for the new-vehicle industry, according to the Ministry of Transport, is 171gCO2/km.

Crawford says: "Our importers' parent companies are already making production plans out to 2030. These will be based on what Europe, Asia and Australia need – not what our government wants.

"When combining fees under the clean car discount with penalties under the standard, the price for light vehicles will need to increase on average by about 15 to 20 per cent to offset the penalties.

"The targets are particularly severe on light commercials where there are few options for alternative low-emissions vehicles this side of 2030. Even small vehicles will be hard hit because the standard will be applied on a weighted basis.

"As drafted, the bill will impose crippling penalties on the vast majority of current new-vehicle distributors operating in New Zealand."

Targets 'too steep and unrealistic'

The Imported Motor Vehicle Industry Association (VIA) understands why the Motor Industry Association (MIA) has pulled its support for the government's clean car standard.

Its chief executive, David Vinsen, believes targets in the Land Transport (Clean Vehicles) Amendment Bill are unachievable by the timeframes suggested because there is an inadequate supply of zero and low-emissions vehicles available to the New Zealand market.

"The whole standard is unnecessary, and the targets are too steep and unrealistic," he says. "I can completely understand why the MIA has withdrawn its support for the proposal.

"As I understand, the MIA thought having a firm standard would help its members in negotiations with suppliers, but they now realise the government proposals – as they stand – are unworkable."

Vinsen told Autofile that VIA has never supported the standard and made its feelings known to then-Associate Minister of Transport, Julie Anne Genter, when the scheme was first talked about in 2017.

The bill passed its first reading last month. It has now gone to the transport and infrastructure select committee, which will report back to parliament in February.

VIA will be repeating its previous concerns about the standard in its submission.

"We will be saying the timelines are too tight and the gradient we have to achieve those targets is too steep," says Vinsen. "The volumes of vehicles coming in are not available to meet requirements set out in the standard.

"This isn't about us not looking hard enough or not being prepared to pay more for vehicles, it's just the vehicles do not exist."

He also laments the change in timing for introducing the standard, which he notes was previously intended to be implemented ahead of the clean car discount.

Under the current proposals, the discount scheme will start on April 1 next year while the standard will be applied from January 2023.

"The standard is intended to influence vehicles being imported," explains Vinsen. "Once that was in place and affecting the vehicles coming in, then we would have the discount to incentivise purchases and retail.

"But, for whatever reason, the government decided to invert that plan and introduce the clean car discount first.

"The government hopes the standard will influence people to bring in vehicles that meet its targets, but I believe we won't be able to source and supply sufficient vehicles to meet demand. This means costs will rise and prices of vehicles already in the market will increase."

Industry organisations fear there will be insufficient supply of low-emissions vehicles to bring into New Zealand

He predicts the standard in its proposed form will fail to achieve the government's desired outcomes and questions the political motives for introducing the clean car policies.

"It's virtue signalling so New Zealand can say we have a fuel-economy standard for our fleet – that's what it's all about and effectiveness appears to have nothing to do with it.

"The increase of prices of vehicles is not an unfortunate consequence of these proposals. The whole purpose of this government's scheme is to hurt people financially to force them to change their buying behaviours. It's forcing a change in the sorts of vehicles we purchase, own and use."

Despite his concerns about the bill and the challenges it is expected to bring for many businesses, Vinsen remains upbeat about the future of the used-vehicle industry.

"For the foreseeable future, there will be a need for privately owned and operated vehicles. Where there's a need, there will be an industry for buying and supplying that market.

"The clean car policies will create difficult times but I'm confident the industry will survive, albeit in a changed format."

The Motor Trade Association (MTA) is surprised by the government's targets for 2026 and 2027 in the bill that covers the clean car standard because there are now differences between what was previously on the cards.

"We have especially been blown away by the steep reduction from 2025-26 and then from 2026-27," says Greig Epps, advocacy and strategy manager. "They are both a drop of about 25 per cent.

He adds a quickly calculated forecast shows that, on the basis of 250,000 vehicle imports in 2027, almost 50 per cent will need to be zero-emitters of carbon dioxide – that's to say battery electric vehicles (BEVs) – to meet the annual target.

"In our submission to the Climate Change Commission, we said its forecast of a 50 per cent EV mix by 2030 would be impossible to meet, so clearly this new set of targets for 2027 is more unrealistic.

"We also suggested that, using targets for the clean car standard, the average vehicle price with any drivetrain in 2030 would be about 22 per cent more expensive. We can only assume these harsher goals will push prices higher still."

The MTA is also concerned about the introduction of a "minimum proportion" of zero-carbon vehicles.

"The bill is silent as to when this power might be exercised and how it might apply," says Epps. "In particular, we can see this mechanism being a way to introduce a ban on light vehicles with internal combustion engines without further consultation with the public or industry.

"Given the carbon targets are specified through until 2027, it is potentially how the government might further impact the market from 2028. What we're still working to understand is how this regime will land on a practical level."

The MTA will now engage further with officials to understand mechanisms for registering and paying penalties, as well as how the process will affect two different categories for importers.

"It would be useful for the Ministry of Transport to produce a flowchart of how it sees each importer bringing in each type of car and worked examples of exactly how various transactions will happen.

"As for the standard's targets, the numbers in the bill confused us at first until we realised the previously published targets have been converted from the NEDC to WLTP. As best we can tell, the target numbers through to 2025 are the same."

Feebate scheme delayed by three months. Full story: page 20

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.

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21-321

Survey shows impact of virus

The Motor Trade Association (MTA) says Auckland moving out of level three will ease the financial and mental strain being felt by its members.

A survey of 800 businesses in the city reveals people have been stressed because of the Covid-19 lockdown with 28 per cent unsure if they will still be operating by the end of the year.

The MTA supports the New Zealand government's ambition in battling the threat from the virus, but warns the cost to business is raising concerns.

"Our members have drained their reserves – financial and mental – and need more help from government," says Craig Pomare, chief executive.

"It is becoming increasingly important to balance public-health outcomes alongside the economic and mental-health impact lockdowns are having."

The survey conducted by the MTA in mid-September found most Auckland members have accessed the wage subsidy and resurgence payment to stay afloat. That said, the government's support payments cover, on average, less than half of total operating costs.

Pomare says: "While businesses are expected to use government support to maintain 80 per cent of wages, the businesses themselves are emptying the tank with expenses."

Some 66 per cent have reduced staff wages and one-third have asked employees to take annual leave. The MTA's survey also shows businesses that have cut wages recently have mostly reduced rates by 20 per cent.

Other findings include 96 per cent of respondents accessing the wage subsidy in August. Five per cent say they found the process difficult, and one member did not apply because of the complexity.

Car dealers can trade under level three if they do so in a contactless manner and by following strict government guidelines

With regard to the resurgence payment, 98 per cent of members accessed those funds, with 10 per cent describing the application as complex and one member ditching their efforts to apply as a result.

Since announcing its survey results, the MTA has welcomed an unexpected announcement by the government to drive discussions on rent relief between small businesses and landlords.

Pomare says: "This mechanism is a good first step to easing some of the burden of rent and other fixed costs.

"There will still be hurdles for small business owners to clear before they see change, and we expect that debating what a 'fair proportion' amounts to will create some issues."

To make the package more complete, the MTA would like to see the reintroduction of subsidised arbitration and mediation services for businesses and landlords, which allowed parties to access up to $6,000 per dispute.

In this way, the rent-relief announcement will be supported with a "safety net" for both parties. "This Covid-specific support ended in March 2021."

In addition, the MTA wants sector feedback groups set up and to be engaged during future response planning for coronavirus.

"We think this a huge opportunity for the government," says Greig Epps, advocacy and strategy manager.

"Inevitably, organisations working in a sector are closer to what's happening. We are talking with our member businesses around the country every day.

"We can provide a rapid and informed response to government and officials to ensure policy decisions are meaningful, pragmatic and clearly communicated."

Epps cites confusion around whether Covid-19 tests being mandatory for workers regularly crossing alert-level boundaries as an example of where a transport sector feedback group could help.

"Trying to get to the bottom of this takes time and can cause stress for businesses that may have staff affected.

"A feedback group made up of MTA and other key organisations in the sector could act as a sounding board, pointing out the benefits but also the challenges for implementation and impacts on businesses."

Feedback groups could also be used when New Zealand gets back to alert level one to look at lessons learned.

"They could work with officials to determine what standing policies and protocols might be established to smoothly transition between nationwide and regionalised alert levels in the future," add Epps.

"Clear guidance that's known and understood before any future lockdown would help businesses avoid chasing answers every time we shut down."

For now, Auckland remains at level three, it was announced on October 4. Hamilton and parts of northern Waikato have been at the same setting since 11.59pm on October 3. That decision was set to be reviewed after five days as government policy shifts from elimination to containment.

REWARD & INCENTIVE	DISCOUNT/ REBATE
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Highly visible for customer	Lost in the business
Personal connection	No connection
Creates new data & insights	No data
Measurable	Difficult to measure
Point of difference	Anyone can offer a discount
Marketing tool	No marketing capability

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Stock policy drives legal row

A major shift in the make-up of vehicles being sold at Buy Right Cars was a key factor in the breakdown of the relationship between the company's founder and its new owners, which eventually led to the two sides doing battle in the high court.

Turners Automotive Group purchased Buy Right Cars, which was founded by used-car dealer Brandon Orlandini in 1997, and an associated compliance business for $15.3 million in cash and shares in July 2016.

The acquisition was valued at more than $37m, of which about $22m was for existing stock.

An initial $9.18m in cash and shares was handed over, with the notional balance of $6.12m set to be paid over the course of two separate one-year earn-out periods.

Orlandini was largely in control of vehicle stock for the first earn-out spell from July 2016, but not the second when profit targets were not met.

Dealings between the parties deteriorated over that time and led to Turnover Ltd, a company owned by Orlandini, his family members and associates, suing for $2.06m in what it described as unpaid obligations.

Turners, which was named as Buy Right Cars 2016 Ltd (BRC16) in the court case, was accused by Turnover of breaking fundamental covenants in the asset purchase agreement (APA).

The claims against BRC16, and two counterclaims it made against Orlandini, were dismissed by Auckland High Court in an August 27 judgement issued by Justice Tracey Walker, which was publicly released last month.

One of the central arguments to Turnover's case was an allegation that without its consent BRC16 changed the type of vehicles sold by the Buy Right Cars business in four ways.

These were introducing vehicles first registered in New Zealand, reducing its European stock, ceasing to sell vehicles with a retail price of less than $10,000 and increased purchasing of lower-grade models.

Turners decided to rebrand Buy Right Cars branches to its own trading name in April 2019

During the court hearing in August and September last year, Orlandini said almost all of the cars in stock at the time of the APA were imported from overseas, with about 98 per cent from Japan and the rest from the UK. About one-third of the total stock was made up of European models.

Turnover said BRC16 purchased a significant number of vehicles first registered in New Zealand for about $10m and also bought cars from Turners' own business for about $4m. These transactions resulted in a reduction in volume and profits for the vehicle compliance part of the business.

An expert report presented to the hearing showed that during the second earn-out period (EO2), BRC16 purchased 407 "local vehicles" of which 381 were first registered in this country.

BRC16 pointed out the type of vehicles stocked made no material contribution to a drop in profit in EO2 and the average margin on local vehicles was "considerably higher" than the margin on Japanese imports during both earn-out periods.

The average margin on its New Zealand local sales in EO2 was $2,502. On ex-Japan vehicles it was $1,762 in the same period and $2,368.65 in EO1.

However, the judgement says: "The issue is not how profitable each vehicle sold was, but whether this was a change to the scope or nature of the business or the manner in which the business was carried on."

BRC16 said decisions relating to the type of vehicles stocked were operational matters and fell outside the fundamental covenants, or decisions that "could not even be characterised as changes".

It was argued the vehicles first registered in New Zealand did not "cannibalise" the sale of ex-Japan vehicles but augmented them.

"The New Zealand units remained a relatively small proportion of overall units in stock," says Justice Walker.

"Thus, if the stock composition was a change, it was one of degree, and relatively modest, rather than a significant change in the nature, scope or the manner in which the business was carried on.

"While it is accurate to say that the number of European vehicles purchased fluctuated, in my assessment, any shift was not a change which engages any of the fundamental covenants. Again, it was a difference of degree or emphasis.

"In conclusion, none of the allegations about stock composition, individually or collectively, fall within the ambit of a fundamental covenant because they are operational decisions of a character not objectively intended ▶

TIMELINE TO CASE

1997 FOUNDING MOMENT
Buy Right Cars is founded by Brandon Orlandini and goes on to open eight branches across Auckland.

JULY 2016 TAKING OVER
Turners announces $15.3 million cash and shares deal to acquire Buy Right Cars, with about $6m of the consideration to be determined by an earn-out arrangement over two years. Settlement is completed by month's end.

MAY 2017 DEAL VARIATION
A variation to the asset purchase agreement is negotiated, with Orlandini interests to cede operational and day-to-day control of Buy Right Cars to Turners from September 2017 – a year earlier than planned.

JULY 2017 CHANGING ROLES
Orlandini no longer has oversight of the Buy Right business, with Campbell Smith hired as acting general manager. Julian Stone is appointed general manager in September 2017.

SEPTEMBER 2018 EXPANDING REACH
Two more Buy Right Cars sites have opened – one in Hamilton, the other in Penrose, Auckland.

APRIL 2019 NAME CHANGE
Turners decides to rebrand Buy Right Cars branches with its own name.

JULY 2019 LEGAL ACTION
Turnover, a company owned by Orlandini, sues Turners Automotive Group over allegations it mismanaged the business and owed him money under an earn-out arrangement. Turners maintains it has done nothing wrong.

JUNE 2020 COMPLIANCE CLOSURE
Turners confirms it is closing a compliance workshop in Manukau that was part of the Buy Right Cars deal.

AUGUST, SEPTEMBER 2020 COURT CASE
Auckland High Court spends 10 days hearing arguments and evidence presented by both parties.

SEPTEMBER 2021 JUDGEMENT RELEASED
The high court dismisses the claims and counterclaims. The parties are given 28 working days to arrange costs between them.

to be caught by those fundamental covenants."

Another key issue in the case was personnel changes made in 2017 as Turners took full management of BRC16.

Under the APA, Orlandini was initially due to remain a contractor to the Buy Right business by working at least one day per week on average in return for an annual fee of $100,000.

However, on the eve of settlement, he communicated to Turners he didn't want to be bound by the contractor's agreement and it was terminated.

Orlandini kept his hand in the business for the first year after the takeover, but Turners told him in July 2017 it "no longer required or wanted any involvement from him in the business on a day-to-day basis".

At the same time, Turners dispensed with the services of two people contracted to Buy Right Cars and appointed an acting general manager. A general manager was hired in the following months.

Turnover claimed those appointments lacked "relevant experience" and, overall, the business was understaffed.

BRC16 said personnel decisions did not require approval or consent and were made in accordance with "good commercial practice".

Justice Walker ruled the actions didn't fall within the compass of the fundamental covenants because they were "operational matters", and did not amount to implementing changes to the scope or nature of the business or the manner in which the business was carried on.

"I consider that once Orlandini was not subject to his contractor's agreement, BRC16 was not bound to obtain Turnover's consent to engage staff."

She adds in her findings: "The dispute is the product of a culture clash between an agile, entrepreneurial business and a disciplined corporation.

"The parties are at odds about the meaning of many of the terms of the asset purchase agreement [APA] and particularly of the fundamental covenants."

Turners completed settlement for Buy Right Cars in July 2016

The judgement states each earn-out period after the acquisition had a target profitability measure, which had been the subject of negotiation in forming the APA.

After the first earn-out period ended on July 28, 2017, an earn-out payment of more than $3.4m was made to Turnover. A non-refundable advance of $1m for the second earn-out period was paid at the same time.

In the second earn-out spell, the financial performance of Buy Right Cars did not satisfy the conditions in the APA for payment of earn-out consideration and Orlandini was advised by Turners there would be no further payment.

This prompted Turnover to sue in July 2019, claiming BRC16 had breached fundamental covenants and that the full amount of the earn-out consideration was payable.

BRC16 denied breaching any obligation under the APA, let alone of a fundamental covenant.

It launched two counterclaims against Orlandini, with the first seeking to claw back $300,000 it said was overpaid in the first earn-out period.

The second claimed more than $114,000 in compensation from Orlandini over a Dodge Hellcat, which it alleged he had the company buy for his personal use but was unable to be made compliant for registration here.

Justice Walker dismissed Turnover's claims for breach of fundamental covenant and threw out the counterclaims against Orlandini.

She says while Turnover was disappointed by the bottom-line performance of the Buy Right Cars business in EO2, the explanations for it were "many and varied".

"The financial performance may or may not have been the same had the Orlandini interests been responsible for the business," she adds. "But, as BRC16 argued, this is not a breach of duty or a negligence case and Turnover's grievances do not translate into breaches of a fundamental covenant."

The judge reserved costs with the parties, which were given 28 working days to agree a figure.

> **"The dispute is the product of a culture clash between an agile, entrepreneurial business and a disciplined corporation"**
> **– Justice Tracey Walker**

Electric action across Tasman


Australia's most popular battery EVs in the first half of 2021 were, in order, the Tesla Model 3, MG ZS EV and Porsche Taycan

Decisions made by state governments in Australia to introduce schemes to boost the uptake of EVs have been welcomed by the Motor Industry Association (MIA).

"It shows the Australasian region is open for business on low-emissions vehicles [LEVs]," says chief executive David Crawford.

However, whether packages being rolled out across the Tasman will help the car market in New Zealand is difficult to predict.

"In the short term, it's unlikely to mean we get any more LEVs over and above what's already coming and planned to come to New Zealand," says Crawford.

"This is because production planning and allocations for the remainder of 2021 are already completed.

"In the longer term of three to five years, the NSW government's scheme will be helpful. The bigger the market for right-hand-drive LEVs, the more likely we will see more models entering our country."

So what action is being taken across the Tasman on the electric front and how has the automotive industry there reacted?

Consumers in NSW will soon be able to land rebates on EVs but face the prospect of road-user charges (RUC) from 2027.

The state government's incentives include a discount of A$3,000 – or about NZ$3,230 – on the first 25,000 electric cars priced below A$68,750 purchased after September 1.

EVs costing up to A$78,000 will be exempt from stamp duty from the same date with this tax eliminated from all battery EVs (BEVs) and plug-in hybrids (PHEVs) from July 1, 2027.

NSW's government has also pledged to improve charging infrastructure and EVs will have access to T2 and T3 transit lanes.

All these incentives are designed to offset a per kilometre charge for BEVs and PHEVs. The 2.5c/km fee for electric cars and 2c/km charge for PHEVs will be introduced in the state from July 1, 2027, or when EVs make up at least 30 per cent of new-car sales.

The average petrol and diesel vehicle owner in NSW pays about $613 a year in fuel excise. Under the new road-user system, EV drivers will pay on average $315 annually.

The state government hopes the strategy will increase EV sales to 52 per cent of all new-vehicle registrations by 2030/31 and help NSW achieve net-zero emissions by 2050.

Some A$171m is being dedicated to expanding NSW's charging infrastructure, of which A$131m will be spent on ultra-fast chargers.

The remaining A$40m will be split equally between grants for destination chargers to assist regional tourism and infrastructure at public-transport hubs.

All of this comes on top of A$33m to help transition the state government's passenger fleet to EVs "where feasible" with the goal of a fully electric fleet by 2030.

Tony Weber, chief executive of the Federal Chamber of Automotive Industries (FCAI), Australia's equivalent of the MIA, describes NSW's package as having the "capacity to kickstart serious EV penetration" and that it's "consistent with actions being taken by forward-thinking governments across the world".

He adds: "Now is the time for governments to relieve motorists of a myriad of outdated, confusing and inefficient charges and replace them with a simplified RUC approach.

"The change in taxation for BEVs and PHEVs, significant investment in charging infrastructure, initiatives supporting fleets and consumer incentives balanced with a user charge represent the most significant steps we've seen in decades."

Behyad Jafari, chief executive of the Electric Vehicle Council of Australia, adds: "Many Australian governments have announced EV 'plans', sometimes even 'plans to have a plan', but NSW was the first state to step up and deliver real action.

Emissions plan delayed

Public consultation on the government's emissions reduction plan gets under way this month after cabinet granted itself a five-month extension for releasing its final targets.

James Shaw, Minister for Climate Change, says the final plan, which was due out by the end of 2021, will now be released by the end of May.

A document with new proposals was set to be released to the public by now, but the latest Covid-19 outbreak delayed this until October.

The plan is a response to the Climate Change Commission's final advice to government on how the country should start to cut carbon emissions.

This includes banning new and used cars with internal combustion engines from as early as 2030.

The commission has also recommended that ministers focus on reducing the reliance on cars, rapidly adopting electric vehicles, and for work on decarbonising heavy transport and freight to be started.

The final emissions reduction plan will set out strategies to meet the country's first emissions budget.

It will also set the direction for the next two five-year emissions budgets, taking us out to 2035.

The six-week consultation will invite feedback on the role different sectors can play in meeting those budgets and what government support may be needed.

The final plan aims to put the country on-track to meet the government's target of net-zero emissions of long-lived greenhouse gases by 2050.

"This package will see the world's leading manufacturers offering their most affordable EV models to the state. Currently, there is a strong incentive to reserve less-expensive models for overseas markets. That changes with this announcement."

Meanwhile, Victoria's subsidy scheme for zero-emissions vehicles offers 4,000 rebates of A$3,000 – but no waived stamp duty – on new EVs purchased for less than A$68,740.

Once the initial round of 4,000 has expired, another two rounds of about 8,000 rebates will be offered, although the value of these will be determined after consultation with the car industry.

The RUC system in NSW is similar to Victoria's, which came into effect in August, and will be re-evaluated in June 2022.

In August, the South Australian government introduced legislation to provide consumers with a A$3,000 subsidy when purchasing an electric vehicle. It will also reform RUC as fuel-excise revenue drops. Its proposed user charge for electric cars will start in 2027 or when they represent 30 per cent of sales.

Another region with an active vehicle-emissions strategy is the ACT. Its scheme waives stamp duty on the purchase of a new vehicle that emits less than 130g of carbon dioxide (CO_2) per kilometre and offers a 50 per cent discount on those in the 131-175gCO_2/km range.

New or used EVs purchased or acquired in the ACT until the end of June 2024 receive two years of free registration.

Tasmania unveiled its programme on July 1. That waives EV stamp duty for two years, which should average out at A$2,000 for consumers at time of purchase. The state is ideally suited to benefit from the transition with its supply of clean, low-cost and reliable renewable energy.

The Northern Territory's measures include a reduction in stamp duty for eligible models, road-user charges and more charging infrastructure.

While the FCAI has welcomed various states' initiatives to bolster EV uptake, it is calling for a national approach.

"Consistency is the critical element for customers," says Weber. "If states introduce their own programmes, they must align. Otherwise, the result will be another disjointed and chaotic system like the introduction of different rail gauges across the country."

He adds the federal government should be focusing on setting achievable CO_2 emissions targets rather than just technologies.

For example, Weber describes Victoria's target of 50 per cent of new vehicles sold being EVs by 2030 as "ambitious". Instead, he warns governments should focus on sensible and achievable targets rather than mandating specific technologies.

He says these targets should be as set out in the FCAI's 2020 voluntary CO_2 emissions standard that allows consumers to choose the vehicles and technology they want to suit personal and commercial needs.

"If governments set targets, carmakers will deliver the range of vehicles into the market that achieve the environmental outcomes and meet the needs of Australians."

Lack of uniformity

On-road costs in Australia include stamp duty – a state-imposed tax.

For an A$30,000 four-cylinder passenger car for private use, it can vary between $900 to $1,260 depending on the state or territory in which someone resides.

There are exemptions and no uniformity to them either. Some states charge by how green the vehicle is, others by the number of cylinders under the bonnet.

Stamp duty is usually payable on new and used cars, but this can also vary.

Feebate scheme 'ill-conceived'

An industry organisation says a disaster has been avoided by the government deciding to push back the clean car discount's launch date by three months.

Also known as a feebate scheme, it was originally slated to start on January 1. But it has been postponed with disruption due to the Covid-19 delta outbreak being cited as the reason.

It will now come in on April 1 with rebates on battery electric vehicles (BEVs) and plug-in hybrids (PHEVs), which started in July, continuing until March 31.

Michael Wood, Minister of Transport, says the delay will help give the industry more time to "gear up" for the clean car discount while funding allocated in the budget for interim rebates "will be more than enough until the full regime comes into force".

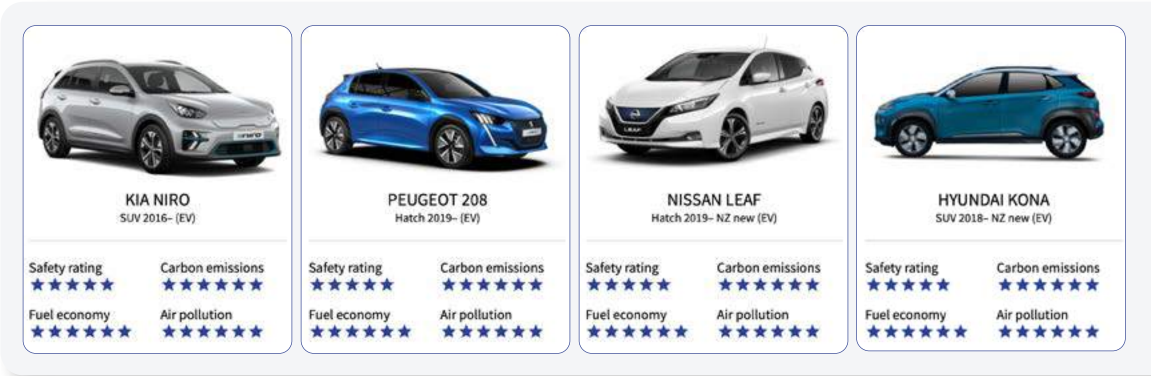
The postponement comes with proposed legislation passing its first reading on September 21. It will set up the framework for the clean car standard – dubbed a fuel-economy standard – in addition to the discount.

The decision to push out the feebate scheme's launch has been welcomed by the Imported Motor Vehicle Industry Association (VIA), Motor Trade Association (MTA) and Motor Industry Association (MIA).

David Vinsen, VIA's chief executive, describes the revised start date of April 1 as "sensible". He adds: "Had the government proceeded with the timetable for implementation in January, which was purely political, I believe it would have been a disaster.

"It would have left transport officials scrambling to put together a viable scheme of penalties and discounts for newly registered cars. This decision will give more time to develop the policy with proper consultation.

"It will also give dealers more time to understand the scheme and extra time to get vehicles, which have been backed up because of the lockdowns, processed before the end of the year."



The Rightcar website lists BEVs and PHEVs that are eligible for rebates until March 31, 2022

VIA has always contested the original timeframe for the clean car discount was insufficient for the industry.

"Had the scheme gone ahead on January 1, it would have delivered us a negative trifecta of an ill-conceived policy that was poorly planned and poorly implemented," Vinsen told Autofile.

"At least we will now only have an ill-conceived policy that will have better preparation and planning, and will be properly implemented regardless of its merits."

He suggests politicians should use the extra time to ensure people understand why it has created the feebate system and how it will work.

Vinsen says Waka Kotahi has put together a good team to work on the operational and implementation aspects of the clean car discount.

"It has been seeking advice and meeting industry people, amassing information, and working with the big logistics companies on sharing information and data.

"By the agency's own admission, it has started well-behind the start line because this scheme was introduced in haste. The three-month delay will give it more time to continue its work and have a scheme that has some semblance of practicality."

The previous implementation date of January 1 for the clean car discount would have made it difficult for the industry to manage lead-up processes and expected demand shifts, especially with it coinciding with the busy Christmas period, says Craig Pomare, the MTA's chief executive.

He adds: "That is notwithstanding the relevant legislation – the act and related regulations – are not yet in place or even defined in the case of regulations and won't be until the end of the year.

"That would have left very little time for the collective industry to work its way through the requirements and related implementation processes."

David Crawford, chief executive of the MIA, describes April 1 for rolling out the feebate scheme as "a pragmatic step".

He says: "What is important is getting the legislation right because rushing it through would have led to poor legislation.

"Industry now has extra time to scrutinise the bill and to argue our case for amendments – specifically around the targets for the clean car standard."

Current rebates on BEVs and PHEVs, which started on July 1, apply to new and used light vehicles when registered in New Zealand for the first time.

The discounts are $8,625 for new and $3,450 for used BEVs. The rates for PHEVs are $5,750 for new and $2,300 for used.

Vehicles priced $80,000-plus – including GST and on-roads – and those with less than three-star safety ratings – are not eligible. More details are available online at www.rightcar.co.nz.

The clean car discount when implemented will see consumers rewarded with rebates for buying zero or low-emissions vehicles and paying fees for purchasing higher-emitting models.

Wood says the clean vehicles bill passing its first reading is another step to meeting New Zealand's climate goals and fulfilling Labour's manifesto commitment to implement the clean car standard.

"Countries and manufacturers around the world are shifting to cleaner cars, so we have to move quickly to stop us becoming a dumping ground for the world's dirtiest vehicles," adds the minister.

He believes the bill will help prevent millions of tonnes of emissions from the light-vehicle fleet, give Kiwis access to more cars that are cheaper to run, and make it cheaper for families to buy electric and low-emissions models.

"It also helps bring us into line with most other countries in the OECD that already have import-emissions standards," says the minister.

James Shaw, Minister for Climate Change, says the legislation will help the country move more meaningfully towards cleaning up its light-vehicle fleet, which is a crucial part of plans to decarbonise the transport system, more of which will be outlined in the government's emissions reduction plan.

The select committee overseeing the Land Transport (Clean Vehicles) Amendment Bill is inviting submissions before it reports back to parliament in early February.

Backlog for inspectors increasing

Vehicle-inspection companies are struggling to keep up with a growing backlog of work as Covid-19 restrictions and staff shortages affect the industry.

The government's decision to allow people to use warrants and certificates of fitness that expired on or after July 21 until November 30 is adding to the problem.

It means vehicle owners are likely to try to cram hundreds of thousands of extra inspections into the final months of this year.

Testing stations, such as VINZ's facility in Rolleston, faced lockdown during Covid-19 alert level four except for work classed as essential. Inset, Sean Stevens

Sean Stevens, chief executive of Vehicle Inspection NZ (VINZ), says Waka Kotahi figures show that as of September 20 there were 507,389 inspections outstanding for WOFs and COFs that expired between July 21 and September 19.

He adds that backlog is expected to grow in October and November when the number of expiries averages more than 400,000 per month.

There were also 423,437 WOFs and COFs set to run out last month, but only 121,320 had been renewed by September 20.

Over the whole extension period, nearly 1.8 million WOFs and COFs are due to expire.

The industry discussed last year's lockdown and the impacts of the 2020 extensions at length with transport officials.

While Stevens accepts the decision announced by the government last month, he believes there are better ways to manage the situation.

"The solution in place will likely result in the same outcomes as 2020 as the only real change is the length of extension," he told Autofile. "The industry put a proposal to the government to utilise either road policing or a shorter extension period.

"I'm not sure there is any magic bullet. This is something we all have to work through. The next few months are going to create some pressure as everybody gets through the backlog.

"If the industry wasn't already faced with staffing shortages, this would be easier to handle."

Inspectors were left playing catch-up last year after an extension for expired transport documents because of changing alert levels saw 3.6 million vehicles granted WOF and COF exemptions between January 1 and October 19.

The current measures mean the bulk of renewals are likely to fall in November, which Stevens notes "already had large volumes of expiries".

"This will also compound an issue in 2022 when low volumes are expected in April, but May already has large volumes expiring."

Compliance checks for used-imported vehicles have also built up as they are not considered an essential service and could not be carried out at level four.

Stevens says all industry participants will be looking at ways to allow for increased throughput, although staff shortages also add to problems.

"Under level four, no used-entry inspections were completed. This was at a time when the volume of used imports arriving continued to grow.

"Many compliance shops now have large volumes in storage. While much of the country could operate at levels two and three, the backlog is significant.

"There was already a backlog of cars on both the North and South Islands, so the South Island – and areas outside of Auckland – already had work to get into.

"The backlog is still evident in these areas, but not to the same extent as will be felt in Auckland."

The Motor Trade Association shares concerns the November extension will put considerable strain on the understaffed inspection sector at its busiest time of the year. It would have preferred no extension for WOFs and COFs, and for enforcement agencies to exercise discretion.

Greig Epps, advocacy and strategy manager, notes many drivers during last year's grace period held off on inspections until well past expiry dates.

"We were well into 2021 before the backlog was cleared and inspectors worked tirelessly to get that done. Our message to owners is to get in as soon as possible for an overdue inspection.

"November and December are always the busiest months. It will be much worse if people delay getting vehicles inspected until the end of the extension period."

VTNZ is also urging people to think ahead and book inspections as early as possible.

Greg O'Connor, country manager, says VTNZ postponed about 26,000 WOF inspections and 13,000 driver-licence tests over the two weeks from August 17 when the whole country was in level-four lockdown.

While branches can operate at level three, inspections take longer to complete because of strict health and safety procedures.

O'Connor adds: "Everyone will do what we can to manage this peak in demand, relieve pressure on the system and ensure vehicles are safe on our roads."

Lending laws put back

Car dealers and finance companies have welcomed being given an extra two months before changes to laws around credit contracts and consumer finance kick in.

The new rules were due to be introduced from October 1, but have mostly been pushed back until December 1 by the government "due to the impact of recent Covid-19 alert levels".

Lyn McMorran, executive director of the Financial Services Federation, is pleased at the decision because members were "facing an impossible task" to be ready by the start of October.

The changes will update the Credit Contracts and Consumer Finance Act 2003 to prescribe minimum standards for lenders' assessment of suitability and affordability of loans.

Rules around creditors and mobile traders still came into force on October 1. They will need to receive Commerce Commission certification that their directors and senior managers are fit and proper persons for their roles.

However, due-diligence duties on directors and senior managers have been pushed back two months.

The responsible lending code has been updated by the government to reflect the later start date for the new laws and the Commerce Commission has refreshed its guidance.

Industry movers

DANE FISHER has been promoted from executive director to chief executive of Sixt NZ, the Giltrap Group's mobility division.

Before that, the former general manager of Audi NZ held senior leadership roles overseas for Lamborghini and Infiniti. On returning to New Zealand, he was instrumental in developing Giltrap's car rental and subscription mobility solution.

Fisher says: "With the ongoing challenges faced by the pandemic, especially how we work and play combined with a shift towards sustainability, the concept of new mobility is even more relevant than when I started this project."

DAVID BENNETT is now National's spokesman for transport following a reshuffle of the shadow cabinet.

The list MP from Hamilton East has taken over from Michael Woodhouse, who is now shadow leader of the house.

Bennett, pictured, who also has biosecurity, will be supported by Penny Simmonds and Christopher Luxon as National's associate transport spokespeople.

Todd McClay has commerce and consumer affairs among his responsibilities, and Scott Simpson environment.

Other National spokespeople include Barbara Kuriger – energy and resources, Stuart Smith – climate change, Simon O'Connor – customs, Erica Stanford – immigration and Simon Watts – ACC.

JAN DAWSON has been elected chairperson Ports of Auckland Ltd (POAL) following the retirement of Bill Osborne.

She is currently a director of Meridian Energy and AIG Insurance NZ, and was chair and chief executive for KPMG NZ for five years until 2011. Her previous roles include chair of Westpac NZ and deputy chairperson of Air NZ.

Dawson, who was appointed to POAL's board on August 31, says her priorities include implementing recommendations of a health and safety review, completing the automation project, lifting productivity, improving customer service and delivering "a reasonable return" to Auckland Council. The recruitment of a new CEO and board members for POAL is under way. Dawson intends to have both processes completed before the end of 2021.

ELIZABETH YEAMAN, who previously worked for the Energy Efficiency and Conservation Authority (EECA), has joined ChargeNet's board as an independent director.

During her career, she has held various positions, such as founding specialist with independent consultancy Retyna.

At EECA, Yeaman was responsible for designing and implementing the Low Emissions Vehicles Contestable Fund (LEVCF) and its EV information programme.

She says the next five years will be pivotal for ChargeNet as the increased adoption of electric cars, and the electrification of heavy vehicles, the marine industry and short-haul aircraft, will create more opportunities for providing charging services.

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

President 'thrilled' with appointment

The New Zealand Automobile Association has appointed its first female chief executive officer.

Nadine Tereora, chief operating officer of Partners Life, starts in February following Brian Gibbons' retirement in the new year.

The search for his replacement started in May after he announced he was stepping down after 30 years at the helm. For the decade before that, Gibbons was chief executive of the Wellington (Central) Automobile Association.

Nadine Tereora – the AA's new CEO

"We are thrilled Nadine will be joining us," says Gary Stocker, president of the AA. "Her leadership experience in financial services is extensive and varied. She's one of most innovative executives in the sector.

"We have worked with her before when she was CEO at Asteron Life, our joint-venture partner on AA Life Insurance, and have held her in high esteem for many years.

"Nadine is an exceptional people leader. She has a natural drive towards customer innovation, and understands we are here to serve our members and for the greater public good."

Tereora has spent the past nine months at Partners Life, the country's second-largest insurance company. She joined it from Fidelity Life where she was CEO for four years.

She played a central role at Fidelity Life in securing a $100 million cornerstone investment from the NZ Super Fund to drive innovation and growth.

Tereora also served as chief executive and executive general manager at Asteron Life for more than two-and-a-half years. Her appointment to that position in 2014 distinguished her as the first female CEO of a Suncorp Group company.

Under her leadership, Asteron Life and Fidelity Life scooped numerous industry awards, including the latter being named life insurance company of the year at the ANZIIF Awards in 2017, 2018 and 2019. Asteron took out the same title in 2014 and 2015.

She has been a board member of the Financial Services Council since October 2016 serving as chairwoman of the life insurance committee, and was a founding member of its diversity and inclusion committee.

Stocker says Gibbons is "very supportive of this changing of the guard and, having worked so closely with Nadine, knows how well her expertise will fit the organisation and its aspirations to ensure a smooth transition.

"At this time, I would also like to once more pay tribute to Brian, who has been such an inspirational leader over the past four decades," he adds.

"He has achieved an immense number of milestones, such as turning a membership base of 600,000 into 1.8 million while building an association regarded as one of the world's most successful.

"Its activities are diverse – offering roadside assistance to more than 500,000 members each year, providing driver-licensing services nationwide on behalf of Waka Kotahi and supplying all forms of insurance to members.

"The association also offers financial and tourism services, expert advice at AA Auto Centres nationwide and driver training. This has all been achieved without increasing the annual membership fee for 30 years."

After finishing up with the AA, Gibbons is expected to continue his role with the FIA where he has been senate president since 2017.

Converting official emissions values

The government's clean car programme has finally been introduced into parliament.

This initiative has two parts – the clean car standard, which is payable by importers, while the clean car discount is payable by purchasers.

The standard is set to come into effect for educational and data-collection purposes from mid-2022 with penalties and credits starting from January 2023.

The discount is already providing credits on purchases of electric vehicles (EVs), but credits and penalties will be extended to those creating emissions during their use from April 2022.

The quanta of the fee in both programmes is based on a vehicle's greenhouse gas (GHG) emissions with importers or purchasers of models boasting low-to-no emissions receiving a credit.

The penalties for the clean car standard are adjusted by the car's mass with more massive vehicles having higher targets.

The official rationale for the weight adjustment is to put pressure on all makes and models to improve efficiency.

However, this justification becomes ironic when we realise it sacrifices the purpose of the programme – and that's to reduce GHG emissions.

It must be assumed that, in reality, it's a concession to those who intend to continue to supply and buy heavier, higher GHG-emitting vehicles.

One factor that many might overlook is the requirement to convert official emissions values to the WLTP, the Worldwide Harmonised Light-Duty Test Procedure.

This is a relatively new standard for measuring fuel consumption, carbon dioxide (CO_2) emissions and range. Most major jurisdictions are adopting the WLTP, including Japan.

The rationale for this requirement is to create a level playing field. It prevents importers from gaming the system by targeting vehicles tested to standards that less accurately reflect real-world driving and, as always seems to be the case, errs conservatively in its OEM-reported emissions values. In some cases, testing here has shown deviations between official and real-world results are more than 40 per cent.

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Emissions averages – grams of CO_2 per kilometre

	OLD STANDARD	WLTP-3P	CHANGE
Average emissions of NZ model inventory	167.74	192.67	16%
Average emissions of NZ imported fleet	148.54	173.50	17%
TOP 10 USED-IMPORTED MODELS			
Toyota Aqua	68.76	90.53	32%
Mazda Axela	154.91	184.45	19%
Toyota Prius	73.96	99.83	35%
Nissan X-Trail	176.21	208.37	18%
Volkswagen Golf	165.63	199.93	21%
Mitsubishi Outlander	176.85	220.54	25%
Honda Fit	113.76	134.50	18%
Mazda CX-5	150.43	170.12	13%
Subaru Impreza	170.63	193.66	13%
Nissan Leaf	0.00	0.00	0%

Effects on emissions ratings based on year-to-date registrations of used vehicles imported into New Zealand up to August 31, 2021

The results of converting from the old standards, such as 10/15 mode, JC08 and the New European Driving Cycle (NEDC), to the WLTP will potentially shock some. These differences are extremely meaningful when the penalties or credits are calculated per gram of CO_2/km per vehicle.

The most significant effects of the conversion will hit vehicles with the lowest reported GHG emissions.

Plug-in hybrids, with an average 55 per cent jump, are hit twice as hard as non-plug-in hybrids with an average 25 per cent increase. These are followed by petrol and diesel-powered vehicles, with diesel cars performing slightly worse.

Lighter vehicles are also impacted more than heavier vehicles, although this is likely a consequence of the fact that lighter vehicles tend to have lower reported GHG emissions.

Waka Kotahi has promised to supply tools for importers to use to find the updated values prior to purchase and has said the RightCar website will soon publish all such ratings based on the WLTP.

Another consequence of the clean car standard that will have a major effect on supply to our market is a ban on models tested to 10/15 mode, which was a standard used in Japan in the early 2000s.

Instead, we will need to assure all vehicles are tested to JC08 or later from mid-2022.

I expect the government to then start considering ending imports of vehicles tested to JC08 between the middle and end of this decade. Both restrictions will likely come with exemptions for EVs and hybrids.

The clean car standard provides targets out to 2027. Beyond that point, the government has reserved the right to specify absolute proportions of vehicles imported that must be zero emissions.

It might also include finalising the move to Euro 5, which would end the importation of any vehicles with a three-digit emissions code starting with "A" and potentially even "C".

Ideology and intent aside, these penalties and costs will simply be passed onto the New Zealand consumer.

The one prediction we can make with absolute certainty is the price of vehicles will increase.

Initially, this will affect fresh imports. But as the price of those cars rise, a vacuum will be created that will drive up the prices of those currently in the fleet as well.

All light vehicles will simply get more expensive and we can expect them to stay in the fleet for longer until a sufficient supply of EVs – or other cars with other no GHG-emitting technology – becomes available.

The month that was... October

October 13, 1997

IMVDA grabs initiative with new code

A code of practice was about to be adopted by the Imported Motor Vehicle Dealers' Association (IMVDA) that would result in its 470-plus members signing up to maintain minimum business standards.

The move was seen as a fightback by the used-imports industry, which had been under considerable pressure after the media war about odometer readings in May.

As a result of the skirmishes, the used-import market had suffered heavy losses with fewer cars being sold during September than in any other month during that year.

In fact, 18 per cent fewer units were registered in that month than during September 1996. To the end of the third quarter, 76,605 used cars had been sold compared with 82,649 in 1996 – a difference of about 6,000 units or some seven per cent.

Changes would be made to the code when the IMVDA felt they were necessary, reflecting any decisions on points of law resulting from Motor Vehicle Disputes Tribunal judgements or outcomes from the odometer working party.

The objectives of the code included ensuring vehicles sold by IMVDA members met high standards of presentation and servicing. Other aims included used imports being accurately and fairly described, such vehicles being supported by available documentation verifying their histories and that they complied with all of New Zealand's safety requirements.

October 14, 2004

VW finance moves into New Zealand

In a joint venture with European Motor Distributors (EMD), Volkswagen Financial Services – a subsidiary of Giltrap Group Holdings – had undertaken its own operation in New Zealand.

The business would offer a broad range of products for Volkswagen, Audi, Skoda, Bentley, Lamborghini and Porsche. EMD, as the importer of these brands, had a 49 per cent share of the operation.

Richard Giltrap, EMD's managing director, said the creation of Volkswagen Financial Services NZ Ltd was an exciting development that would provide a further catalyst to the development of Volkswagen Group vehicles in this country.

Volkswagen Financial Services was represented in 24 countries across Europe and Asia-Pacific. It was the largest provider of automotive financial services in Europe, with total assets of €32.5 billion, profit before tax of €656b and more than four million contracts as of December 2003.

October 5, 1998

Kia Motors sold to Holyoake Industries

What must have been one of the industry's worst-kept secrets was finally publicly acknowledged – Kia Motors had a new owner.

The company was bought by Holyoake Industries Ltd with the previous owner, Adam Poulopoulos, staying on as a consultant during the changeover.

The new company would trade as Kia Motors Ltd, and continue to supply vehicles and parts from South Korea. It was based in south Auckland after moving from the city centre in August.

The acquisition took Holyoake Industries into the wholesale distribution segment of the automotive industry for the first time.

The 100 per cent New Zealand-owned family business was one of the country's leading manufacturers of commercial air-distribution systems. It also had business interests in industrial property, automotive servicing, marine-engine importation and forestry.

Chairman Noel Holyoake said: "Our new investment will broaden Kia's capital base."

October 23, 2009

Flag that! Used dealers are fighting back

Used-import dealers around the country said they were being unjustly targeted by the flagging system for their products because New Zealand-new vehicles were excluded from the scheme.

When used cars crossed the border, they were inspected and if there was any damage they were flagged. Only a registered repair certifier could remove that flag if the damage wasn't structural. But if it was, the flag stayed with the vehicle for the remainder of its time on our roads.

However, some used-import dealers claimed this was unfair because the same rules didn't apply to New Zealand-new vehicles.

Dealers contacted Autofile to point out this issue and some said the flag rule should apply to all vehicles that had been involved in accidents and were structurally damaged.

Andrew Knackstedt, of the NZTA, said: "Vehicles already on New Zealand roads and crashed are not currently subject to this requirement because that wasn't the problem the system was designed to fix."

He added the flagging system was introduced in response to concerns that crash-damaged cars were being dumped in this country.

"Flagging the vehicle means the crash repair must be approved by NZTA certifiers before it is entry certified so we can ensure that airbags are replaced, the welding is done properly and so on."

Dealer survey stands test of time

How are you feeling about your franchise? That's always a controversial question, even though it's ever-present in the daily life of being such a dealer.

A small relief valve comes in the form of the annual dealer attitude survey run by the MTA in which franchisees can express their views en-masse and under the cover of anonymity.

It might sound like a volatile and highly combative initiative, but in reality it's not.

"Nobody die" – the line from an unrelated advert on Kiwi television from 2015 featuring a Zsa Zsa Gabor-esque character giving the audience permission to take a break without feeling guilty about it – seems an appropriate parallel.

Our survey is not, nor ever has, been about finding winners. Its sole purpose is to provide a conduit for full and frank feedback from dealers to their distributor partners.

And the outcomes can help all parties, including dealers and distributors, identify any pinch-points in their relationships. That's all.

The MTA jealously controls the survey's conclusions and no public promotion of its results is allowed. In short, it's an initiative by the industry, for the industry.

This survey idea isn't unique to our country with similar ones being run in many other markets around the world. In fact, the survey we use is modelled off the National Automobile Dealers' Association's equivalent in the US.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Check out the 'Nobody die' advert online at https://www.youtube.com/watch?v=PmfRa16t2ls

The New Zealand survey enjoys a very strong participation rate – about 50 per cent overall with some brands regularly drawing an 80 per cent to 100 per cent response.

Now into its 15th year, the survey has stood the test of time and has arguably built strong levels of trust among the franchise community on both sides.

What do the respective distributors think? That is, perhaps, a tricky question given they are the subject of collective criticisms and complaints, as well as positives – and, yes, there are plenty of them as well.

You might be surprised to hear that some – not all – distributors treat the results positively and seriously, and actively encourage their dealer networks to participate. That must be a positive and a vote of support from our perspective.

So, a reminder to light-vehicle franchise dealers to do their bit for themselves and their peers by participating.

This sort of initiative really only has value if it reflects the widest possible "voice" of the respective network. Comprehensive participation carries much more weight and validity. Conversely, a sample of responses can only ever serve as an indicator, or not.

This year's survey forms were posted out – yes, mailed as in "snail mail" – to all franchise dealers at the start of this month, including those who are unconnected to the MTA.

As we say, this is about you, not us, but why post? Well, because it works. As a tangible item, the survey form can sit comfortably on dealer principals' desks as a reminder until addressed and it doesn't fall out of sight under the weight of the endless daily stream of emails.

If you haven't received a copy, or have mislaid or even dumped it, call me on 027-457-4340 or flick an email to me at tony.everett@mta.org.nz.

We are always happy to send another copy, no questions asked, and the survey period closes on October 31. It will be great to hear from you.

Winging it from yesteryear

The Lamborghini Countach LPI 800-4 and an example of the icon originally designed by Marcello Gandini. Inset, a poster from the Eighties of the LP5000 QV

It was a case of back to the future at Monterey Car Week, the umbrella for more than 30 automotive events around the coastal town in northern California.

Making its return after an enforced two-year absence, 2021's festivities included the launch of the Lamborghini Countach LPI 800-4.

It references many of the design details of Marcello Gandini's original Countach that was in production from 1974 to 1990 and was the quintessential poster car to adorn many teenagers' bedroom walls.

If you have a spare NZ$3.38m – give or take a few cents – good on you, but you will probably be out of luck trying to get your hands on an LPI 800-4. That's because its production run of 112, with that number being a nod to its development name, has already been allocated.

Some of that sticker price is down to the unique, carbon-fibre panels on the new car, but what else has Lamborghini done to create the new Countach?

Chief executive officer Stephan Winkelmann insists LPI 800-4 is no starry-eyed retrospective. Instead, he says it "imagines how the iconic Countach of the '70s and '80s might have evolved into an elite super-sports model of this decade".

Indeed, it references the original's "pursed lip" air vent and pop-up headlights, while lines have been sharpened to evoke that signature wedge look. On the flanks, "gille" details have been added to reference the original's detailed air intakes.

The tail-lights reference the 1970s car, while a blacked-out rear bumper recalls the drama of the late-model Countach's dark voids.

The LPI 800-4 is clearly modern in profile, which is where it shows off its Avendator underpinnings the most. But its staggered 20 and 21-inch alloys are reminiscent of the telephone dial-design of the original Countach.

The car packs a longitudinally arranged, mid-mounted 6.5-litre V12 petrol engine with a 25kW electric motor. It's based on the all-wheel-drive Aventador, the marque's flagship model that first emerged in 2011.

The resulting total outputs are 599kW of power and 720Nm of torque. Like the Aventador, the Countach is mated with a seven-speed, single-clutch automatic transmission.

Those outputs propel the 1,595kg LPI 800-4 from 0-100kph in 2.8 seconds, 200kph comes up in at just 8.6 seconds and the blistering top speed is 355kph. Oh happy days, indeed.

LIKE A BUTTERFLY

The MC20, Maserati's first "super sports car", made its debut in California at the prestigious Pebble Beach Concours d'Elegance near Monterey.

Boasting a top end of more than 326kph, it boasts the marque's first carbon-fibre monocoque with butterfly doors, and features the marque's powerful new Nettuno engine. The V6 incorporates F1-derived technology to deliver 0-100kph acceleration in 2.88 seconds.

The MC20, which is 100 per cent made in Modena, is being touted as a worthy successor to the legendary MC12. As an aside, MC stands for "Maserati Corse", the Italian word for "racing".

The 470kW engine with twin-combustion technology is also a return to Maserati producing its own power units after a hiatus of more than 20 years.

The three-litre power unit features a dry sump, the compression ratio is 11:1, the stroke is 82mm and the bore 88mm, while the pre-chamber combustion system features twin spark plugs.

The engine has three main features. For the pre-chamber, a combustion chamber is set between the central electrode and traditional combustion chamber, and is connected by a series of specially-designed holes.

Then there's the lateral spark plug. A traditional plug acts as a support to ensure constant combustion when the engine is operating at a level that doesn't need the pre-chamber to kick in.

Finally, the twin-injection system is direct and indirect, and it's linked to the fuel-supply

Maserati's MC20


Audi's Skysphere concept boasts a "variable wheelbase" for autonomous driving

pressure at 350 bar. The system reduces noise low down in the rev range to lower emissions and improve consumption.

REACH FOR THE SKY

Audi has unveiled its two-door convertible Skysphere, the first in a series of concepts. The marque says the all-electric vehicle showcases its future design language, and has been made for those seeking a grand touring and sports experience.

It boasts a "variable wheelbase", electric motors and a "sophisticated mechanism" with body and frame components that slide into one another to make it possible to vary the wheelbase and exterior length by 250mm. At the same time, the Skysphere's ground clearance is adjusted by 10mm to "enhance comfort and driving dynamics."

In sports mode, the roadster shrinks to 4,940mm in length and drops itself down with agility aided by the four-wheel steering system.

The alternative is grand-touring mode. This sees the Skysphere extend itself to its full length of 5,190mm and ready for fully autonomous touring.

The steering wheel and pedals fold away for added comfort in GT mode, and the driver's side of the massive touchscreen dashboard moves back to give those in the front a more spacious experience.

The Skysphere mainly has electric drive components between the front axle and windscreen, such as the charger, DC/DC converter and actuators, as well as electronic and mechanical components for the adaptive wheelbase.

The concept's weight comes in at 1,800kg meaning the rear-axle 465kW and 750Nm electric motor can make the 0-100kph dash in four seconds.

The battery modules are mostly behind the cabin for weight distribution, but more can be found between the seats in the centre tunnel of the interior to boost vehicle dynamics. Total battery capacity is expected to be more than 80kWh for a 500km range in GT mode when based on the WLTP standard.

A characteristic feature of the side view are the rocker panels, which seem to protrude into the rear-wheel arch. This is needed when varying the wheelbase.

Audi will follow up the Skysphere with two more "sphere" concepts – the Grandsphere, which is due to be revealed later this year, and the Urbansphere in early 2022.

It says they are all about the space that surrounds the passengers becoming an experience for them because all three vehicles are designed for level-four autonomous driving.

THE NEED FOR SPEED

It was a busy week in Monterey for Lotus. The Quail witnessed the return of the Evija in an F1-inspired guise. There was also the unveiling of the Emira, its new sports car for more than a decade, and the Radford Type 62-2 was on show.

The Evija uses a 70kWh battery pack and four electric motors, each driving one wheel, to generate a claimed 1,470kW of peak power and 1,700Nm of torque with its kerb weight of 1,680kg coming in close to Porsche 911 Turbo S.

To meet a full range of daily needs, the Evija offers five drive modes with one featuring a drag-reduction system for extra straight-line handling.

The Emira, meanwhile, comes with the choice of four and six-cylinder engines – AMG's two-litre turbo paired with a dual-clutch transmission, while the bigger

The Lotus stand at Monterey featured the Evija and new AMG-powered Emira

Radford's Type 62-2 pays homage to the Lotus Type 62

option is the Evora's supercharged V6 with a manual transmission.

Between these two engines, it can boast anything from 270kW to 300kW, and can reach 100kph in about 4.5 seconds. Power is sent exclusively to the rear wheels.

Finally, reborn British coachbuilder Radford's Type 62-2 is a reboot of the classic Lotus Type 62 racer from 1969.

The base Classic model gets the lowest output on 321kW and pairs the engine with a six-speed manual transmission.

The Gold Leaf edition bumps power to 373kW, but swaps the transmission for a seven-speed dual-clutch automatic, while the top-end JPS variant pushes output up to 447kW.

Just 62 will be built with pricing rumoured to start at about NZ$715,000.

Focused on electric success

New Zealand's most accomplished rally driver has won the 2021 New Zealand Rally Championship with a round to spare.

And that's just as well with Covid-19 restrictions put in place during August and lockdown forcing the cancellation of the final round of the series in the Coromandel.

Hayden Paddon and his team ran to a strategy that included developing new components in the opening round and adapting his driving to suit.

Hayden Paddon and John Kennard in their petrol-powered Hyundai i20 AP4+ at the 2021 Otago Rally

"All four events went to plan," he enthuses. "We would generally push a little harder on stages where we had records to break and consolidate on new stages.

"Other than punctures in the first couple of events, all four went smoothly. It wasn't until Hawke's Bay that we were able to start to find the sweet spot and that was while we didn't have optimised pace notes on what were new stages for everyone.

"So we ticked a lot of boxes and achieved what we set out to achieve as a team, which gives me great confidence about what we want to achieve long term."

With that title behind him, Paddon has now turned his focus to electric-vehicle (EV) motorsport.

His locally developed Hyundai Kona EV is likely to make its rally debut in 2022. It can now complete a full stage and touring section on one battery charge.

"That's working with current battery technology and electronic management systems," Paddon told Autofile. "The new battery technology coming onto the market will push forward the viability of EV rallying."

Although he credits his small but dedicated team with the progress made, Paddon's contribution as development driver cannot be downplayed.

He may be the only driver in the world with experience in World Rally Championship (WRC) and FIA R5 rally cars, the Asia-Pacific specified AP4 and EV rally technology.

The team has a prototype battery array in the vehicle, but is awaiting coming industry-wide moves to more "energy dense" batteries.

In terms of range, Paddon's team is evaluating both battery change-out systems and fast-charging systems.

"With a larger battery due late this year, we're aiming for 40-45km of stage range. Voltage drop is a factor, but we are trying to manage that the best we can to reduce the effect on performance."

Rallying currently does not allow competitive stages of 45km in distance, although cars must tour out to service and some stages are run back-to-back with short touring stages in between.

The electric motors in Paddon's Kona make peak power in rally trim of 400kW, while comparable rally vehicles with internal combustion engines (ICEs) make about 200-250kW.

"We still have so much to learn and a lot of what works with a combustion car – even in terms of chassis dynamics – is all completely different with this vehicle," he explains.

"This means we have to try everything to establish

The Kona EV rally car in full flight at the Battle of Jack's Ridge

The Hyundai Kona's electric motors are set low in the front and rear of the car. This offers excellent weight distribution and a low centre of gravity

With no internal combustion engine, turbo or intercooler, the front of the car seems empty. Almost all the weight of the motors and batteries is in the wheelbase to further improve handling

Paddon sits on the left with the custom controller panel easily to hand. To the right and set down on the floor is the EV motors' management array

The steering wheel carries controls for functions used most often, while the full-colour Motec display provides Paddon with vital information and data

as much data and evidence as we can. We are only scratching the surface, which is exciting as all of us in the team love the challenge of exploring and innovating our own solutions.

"We have a lot of IP in this car that's unique to what we are doing and hopefully relevant for the future of motorsport.

"The only barriers to this are funds and time. Things are moving very quickly and with our limitations we have to work hard to not be left behind."

There is now a rival EV rally car under development in Belgium, which has more financial backing "but that's only for tarmac and gravel is a much more challenging proposition".

Paddon's EV is now on pace with current ICE-powered cars. "Compared to the R5/AP4 in a pure test situation, the EV is faster and not necessarily from the power side, more so in terms of handling."

For now, development is focused on the dual-motor 400kW rally drivetrain.

Later, the team has plans to fit two extra motors. This will boost the Kona's power to an equivalent 800kW for events such as the Ashley Forest Rallysprint and Paddon's own Ben Nevis Station Golden 1200 Hillclimb, which takes place in February.

> "New battery technology coming onto the market will push forward the viability of EV rallying"
> – Hayden Paddon

The car is 100kg heavier than an equivalent AP4, but has a handling advantage thanks to the low profile of the battery pack and electric motors.

Paddon expects to be able to significantly reduce the vehicle's weight as battery technology advances.

Going into the closing months of 2021, the build team is in data-collection mode and is doing development testing.

"This has been an exciting challenge for our team so far because every time we drive the Kona and gather data, we learn so much about how to take the project forward. We are tuning both the software and the chassis to extract as much performance as we can."

Some of the systems echo developments in Formula One, including powerful regenerative braking that pushes charge back into the car's batteries.

Conventional braking is by a full WRC disc-brake system with four piston calipers at each corner, while the regenerative "engine braking" effect switches in seamlessly when brakes are applied. Electronic management will ensure mechanical and regenerative braking is managed for best effect.

Paddon says the FIA's new WRC hybrid rules for 2022 are a small step in the right direction, but they are unlikely to bring new manufacturers to the championship without further support.

He adds the development of hydrogen fuel-cell energy systems will be influential on hybrid and EV uptake for motorsport.

"I'm so incredibly proud of our team and the work and effort they have put in – not just to give us fast cars, but more importantly reliable cars. That is always our first focus."

Trader claims difficulty in getting service record due to privacy laws in Singapore

The case: The buyer rejected her Audi soon after purchase because it didn't have its promised full service history and had a number of problems. The trader disputed the buyer's evidence, but said it would remedy the faults or swap it for a similar-priced vehicle.

The decision: The tribunal ruled the car didn't match its sale description and wasn't of acceptable quality. It upheld the buyer's decision to reject the vehicle under the Consumer Guarantees Act (CGA).

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

About six weeks after supply, Louise Clark rejected her 2012 Audi S3, which she purchased on June 16, 2020, for $25,500 from Millbrook Car Co Ltd.

She said it didn't have the full service history and performance issues meant it wasn't of acceptable quality under the terms of the CGA.

The trader disputed all of Clark's evidence. It told her it was likely it could secure some of the service history, but had been unable to do so due to Covid-19 lockdowns in Singapore and the country's strict privacy rules.

As for the faults, the dealer was willing to pay for repairs or swap the Audi for another car of similar value.

The case

Before the tribunal heard the case, it noted the Audi was sold by the dealer without a consumer information notice (CIN) in breach of the Consumer Information Standards and Fair Trading Act (FTA).

The adjudicator told its director Phillip Mills this was his final warning and future non-compliance would be referred to the Commerce Commission.

At the hearing, Clark told the tribunal that after viewing an online listing for the Audi, she contacted the trader and asked if it had a full service history and Mills confirmed it did. The Aucklander said that was the only reason she bought it sight unseen from a dealer in Christchurch.

However, the vehicle was delivered on June 16 last year without its service history, so Clark emailed Mills that day asking for the documents.

Mills replied: "I have got my man asking for that but in Singapore all service records are on computer, not in service books nowadays. I have my man looking to get a copy of it from the dealer but, of course, that car has been highly tuned and that won't have been done at a dealer, more a performance tune shop."

Over the next two months, Clark repeatedly emailed Mills asking for the documents and was told Singapore was shut down due to Covid-19 and he couldn't get the information.

During the hearing, Mills disputed Clark's evidence. He said: "We never said we had any service records, but likely we will be able to secure some. I have sent numerous emails to my agent. Initially, Singapore was in severe lockdown but he did respond by saying it was extremely difficult to get service records – Singapore's privacy laws are very strict."

The Audi also had mechanical issues. Soon after purchase, Clark had trouble starting it in the mornings. She told Mills about this issue about six days after delivery.

On June 28, the pod filter came off and there was a hole in the air intake. Mills asked Clark to take the car to Autohaus for repairs. Instead, she took it to Autostance and negotiated a contribution towards the repairs from Mills.

However, this didn't fix the problem with starting the Audi and its technician raised questions about an upgrade to the engine control unit (ECU).

Clark took the vehicle to Autohaus, but it couldn't diagnose the cause of the starting issue. It thought the problem was intermittent and could be linked to a ticking noise from the high-pressure common rail injector pump. It suggested taking advice from an Audi service agent.

Autohaus also noted an intermittent central-locking issue, large engine oil leak, a screw through the lower intercooler boost hose and an extremely worn tyre suggesting an alignment issue. The transmission appeared to "play up" when shifting depending on temperature and throttle position.

Mills said he was willing to pay for repairs Autohaus suggested. However, the remedy appeared to involve derating the ECU to the point where the Audi's description as having "uprated performance" would no longer apply.

Clark rejected the vehicle on August 2, 2020, about six weeks after supply. Mills refused to issue a refund, but offered to swap it for a car of similar value.

The finding

The evidence showed that, prior to sale, Mills promised Clark that the vehicle had a full service history when, in fact, he didn't have any of its history.

He then denied he had promised to provide this history when it became clear the documents would be difficult to obtain.

The tribunal found the trader breached the guarantee to ensure the vehicle corresponded with the description by which it was supplied. Also, the Audi didn't comply with the CGA's guarantee of acceptable quality, but there was no certainty over what was wrong with it.

The trader's solution was to put the car back to standard factory specifications, but Clark would have then had a lesser vehicle than what she purchased, which led the tribunal to conclude the "appropriate" remedy.

Orders

The rejection of the car was upheld. The vehicle was purchased through a collateral credit agreement with Platinum Finance and the tribunal vested that in the trader under the Motor Vehicle Sales Act.

Adjudicator rules auctioneer not liable for transaction on behalf of third-party client

The case: A business bought a 2009 Volkswagen Caddy using an auction service and then discovered it had engine damage. The applicant wanted to reject it and receive a refund of the purchase price. However, the respondent said it had no liability under the Consumer Guarantees Act (CGA) because it sold the vehicle on behalf of a third party.

The decision: The tribunal agreed the trader had no liability in this case. It suggested the purchaser lodge a claim against the Caddy's previous owner.

At: The Motor Vehicle Disputes Tribunal, Hamilton.

Background

Cinders Fairies Ltd – a Whitianga-based cleaning business – successfully bid on an auction conducted by Turners Group NZ to purchase a 2009 Volkswagen Caddy for $5,730 in September 2020.

Unfortunately, it had pre-existing engine damage and the cheapest repair was a second-hand engine.

Cinders Fairies' owner, Andrea Smith, said the vehicle wasn't of acceptable quality for the purposes the CGA.

She claimed Turners had engaged in misleading conduct by failing to disclose pre-existing defects and by failing to advise the vehicle was being auctioned on behalf of a third party.

The buyer wanted a refund from the respondent of all amounts paid in respect of the vehicle.

Turners said it had no liability under the CGA because it had auctioned the Caddy on behalf of a third party and denied it had engaged in misleading conduct.

The case

The CGA only applies to sales between a consumer and a supplier.

In this case, Turners wasn't a supplier under the CGA because it was a registered auctioneer and the Caddy was sold to Cinders Fairies by auction with Turners acting as an agent for Espresso Coffee Ltd, the previous owner of the vehicle.

Cinders Fairies, therefore, had no claim against Turners.

However, the tribunal said the purchaser might have a claim under the CGA against Espresso Coffee, but it would need to pursue that claim in the Disputes Tribunal or another forum because it only had jurisdiction to determine claims when one of the parties was a registered motor-vehicle trader.

The adjudicator then looked at the claims that Turners engaged in conduct that breached the Fair Trading Act (FTA).

Smith said Turners failed to advise the vehicle had pre-existing defects with its engine, a window and its air conditioning, and that it was sold on behalf of a third party.

But Turners, as the auctioneer, had no obligation to disclose defects it didn't know about.

Smith said the faults were so obvious that Turners must have known about the problems because it test-drove the vehicle, performed an assessment on it and published a basic vehicle condition guide (BVCG) before it was sold.

However, Smith said she didn't see the BVCG so Cinders Fairies wasn't misled by any failure to identify and disclose any issues with the vehicle.

Further, the uncontested evidence from Turners' spokesman, David Mason, was that the Caddy was assessed and taken for a short, low-speed test drive and no faults with the engine or window were found.

With respect to the engine damage, the tribunal's assessor said there was a real possibility the shuddering and a misfire wouldn't have been found during a test drive as the one described.

In those circumstances, the tribunal wasn't satisfied – on the balance of probabilities – that Turners didn't know the Caddy had engine problems or a faulty window at the time of sale, so it hadn't breached the FTA.

However, Turners did know the air conditioning was faulty because the BVCG stated it failed Turners' pre-purchase testing whereas the website listing stated the Caddy had air conditioning.

Mason said any fault with the system would have been minor, so the representation the Caddy had air conditioning wasn't misleading. The adjudicator disagreed and said Turners failed to adequately disclose the system didn't work as it should.

Cinders Fairies also submitted Turners engaged in misleading conduct by failing to disclose the vehicle was being sold on behalf of Espresso Coffee.

But Mason said such information was readily available to the applicant, including information on the website listing and in its buyers' terms and conditions. He added that was sufficient to notify Cinders Fairies that the vehicle was being sold on behalf of a third party.

The finding

The tribunal was satisfied the overall impression a reasonable consumer exercising an appropriate degree of care would have obtained from the online listing was that Turners was acting as an auctioneer.

In regard to the air conditioning, it was ruled that Turners had engaged in misleading conduct breaching the FTA.

The remedies available for such a breach are discretionary and are aimed to do justice to the parties in the particular circumstances of each case.

In this matter, Turners made a misleading representation about the vehicle's air conditioning, which was likely to be a minor and easily repaired fault.

However, because the significant engine damage would likely cost more than the purchase price of the vehicle to repair, the tribunal ruled it was redundant to make any order requiring Turners to rectify its air-conditioning system.

Order

The application was dismissed.

However, the tribunal noted that if Cinders Fairies lodged a claim against Espresso Coffee in respect of the engine damage, it might also have a case against that company under the CGA or FTA in respect of the faulty air conditioning.

Around the Country

September 2021

Total new cars

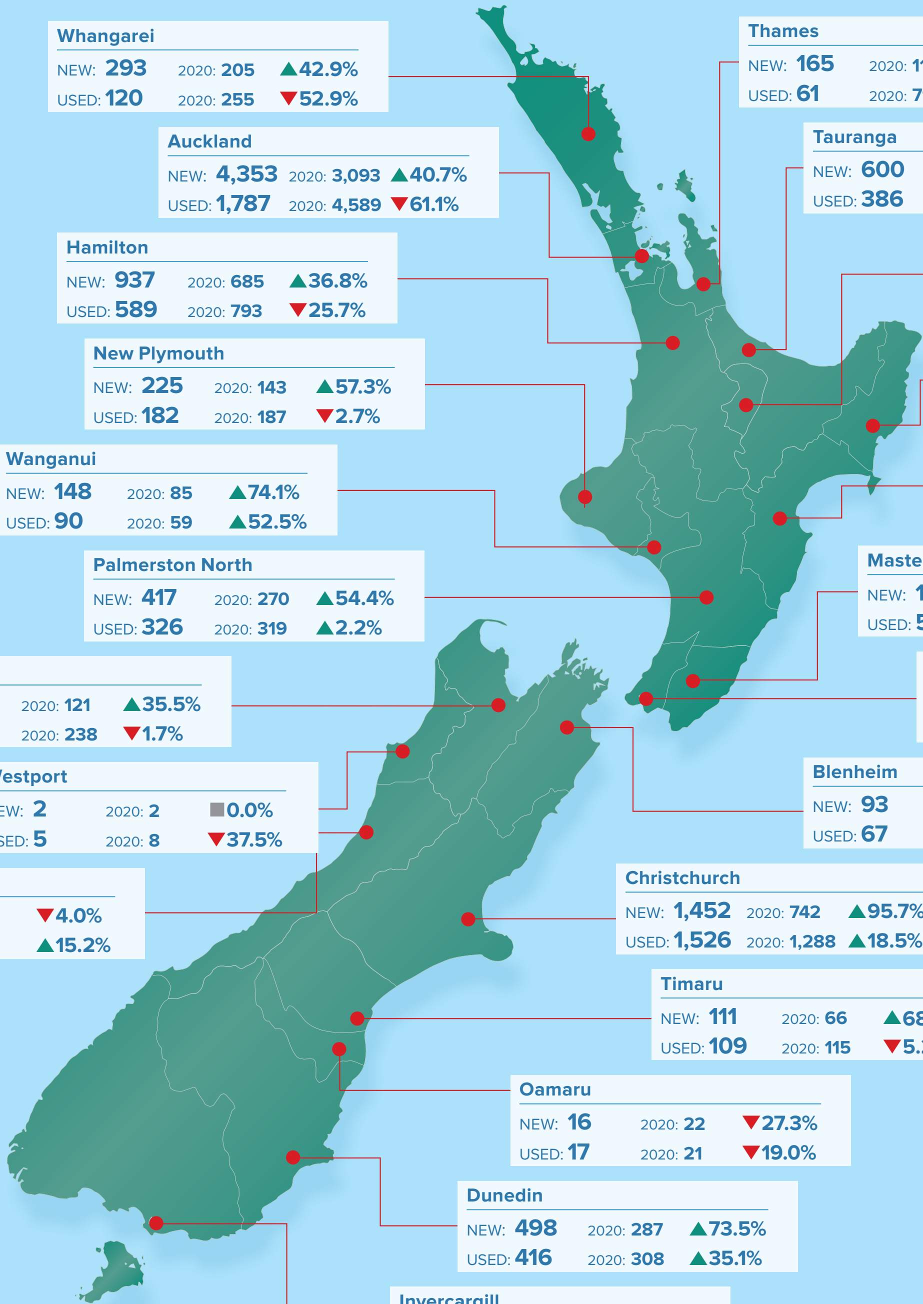
11,875

2020: 7,735 ▲ 53.5%

Total imported used cars

7,444

2020: 10,339 ▼ 28.0%



Whangarei

NEW:	293	2020: 205	▲42.9%
USED:	120	2020: 255	▼52.9%

Auckland

NEW:	4,353	2020: 3,093	▲40.7%
USED:	1,787	2020: 4,589	▼61.1%

Hamilton

NEW:	937	2020: 685	▲36.8%
USED:	589	2020: 793	▼25.7%

New Plymouth

NEW:	225	2020: 143	▲57.3%
USED:	182	2020: 187	▼2.7%

Wanganui

NEW:	148	2020: 85	▲74.1%
USED:	90	2020: 59	▲52.5%

Palmerston North

NEW:	417	2020: 270	▲54.4%
USED:	326	2020: 319	▲2.2%

Nelson

NEW:	164	2020: 121	▲35.5%
USED:	234	2020: 238	▼1.7%

Westport

NEW:	2	2020: 2	■0.0%
USED:	5	2020: 8	▼37.5%

Greymouth

NEW:	24	2020: 25	▼4.0%
USED:	38	2020: 33	▲15.2%

Thames

NEW:	165	2020: 112	▲47.3%
USED:	61	2020: 79	▼22.8%

Tauranga

NEW:	600	2020: 433	▲38.6%
USED:	386	2020: 519	▼25.6%

Rotorua

NEW:	210	2020: 89	▲136.0%
USED:	133	2020: 135	▼1.5%

Gisborne

NEW:	91	2020: 40	▲127.5%
USED:	55	2020: 58	▼5.2%

Napier

NEW:	391	2020: 235	▲66.4%
USED:	230	2020: 258	▼10.9%

Masterton

NEW:	142	2020: 91	▲56.0%
USED:	53	2020: 74	▼28.4%

Wellington

NEW:	1,341	2020: 803	▲67.0%
USED:	784	2020: 788	▼0.5%

Blenheim

NEW:	93	2020: 68	▲36.8%
USED:	67	2020: 41	▲63.4%

Christchurch

NEW:	1,452	2020: 742	▲95.7%
USED:	1,526	2020: 1,288	▲18.5%

Timaru

NEW:	111	2020: 66	▲68.2%
USED:	109	2020: 115	▼5.2%

Oamaru

NEW:	16	2020: 22	▼27.3%
USED:	17	2020: 21	▼19.0%

Dunedin

NEW:	498	2020: 287	▲73.5%
USED:	416	2020: 308	▲35.1%

Invercargill

NEW:	202	2020: 118	▲71.2%
USED:	236	2020: 174	▲35.6%

Imported Passenger Vehicle Sales by Make - September 2021

MAKE	SEP '21	SEP '20	+/- %	SEP '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,880	2,497	-24.7	25.3%	25,276	28.1%
Mazda	1,114	1,638	-32.0	15.0%	12,474	13.9%
Nissan	990	1,631	-39.3	13.3%	12,199	13.6%
Subaru	693	781	-11.3	9.3%	6,862	7.6%
Honda	548	905	-39.4	7.4%	7,666	8.5%
Mitsubishi	385	470	-18.1	5.2%	4,004	4.5%
BMW	368	486	-24.3	4.9%	4,544	5.1%
Volkswagen	320	386	-17.1	4.3%	4,220	4.7%
Audi	262	259	1.2	3.5%	2,671	3.0%
Suzuki	191	333	-42.6	2.6%	2,232	2.5%
Lexus	150	174	-13.8	2.0%	1,785	2.0%
Mercedes-Benz	146	173	-15.6	2.0%	1,641	1.8%
Land Rover	56	35	60.0	0.8%	443	0.5%
Ford	50	83	-39.8	0.7%	516	0.6%
Volvo	49	76	-35.5	0.7%	585	0.7%
Dodge	37	25	48.0	0.5%	217	0.2%
Jaguar	32	42	-23.8	0.4%	325	0.4%
Chevrolet	25	35	-28.6	0.3%	250	0.3%
Chrysler	24	21	14.3	0.3%	175	0.2%
Jeep	21	26	-19.2	0.3%	249	0.3%
Porsche	15	18	-16.7	0.2%	226	0.3%
Hyundai	14	32	-56.3	0.2%	167	0.2%
Mini	10	33	-69.7	0.1%	189	0.2%
Holden	7	59	-88.1	0.1%	173	0.2%
Citroen	6	7	-14.3	0.1%	48	0.1%
Kia	6	20	-70.0	0.1%	89	0.1%
Plymouth	5	2	150.0	0.1%	15	0.0%
Alfa Romeo	4	1	300.0	0.1%	25	0.0%
Ferrari	4	3	33.3	0.1%	14	0.0%
Tesla	4	0	400.0	0.1%	29	0.0%
Aston Martin	2	0	200.0	0.0%	11	0.0%
Bentley	2	2	0.0	0.0%	32	0.0%
Buick	2	1	100.0	0.0%	8	0.0%
Cadillac	2	3	-33.3	0.0%	25	0.0%
Chrysler Jeep	2	5	-60.0	0.0%	27	0.0%
Others	18	77	-76.6	0.2%	436	0.5%
Total	**7,444**	**10,339**	**-28.0**	**100.0%**	**89,848**	**100.0%**

Imported Passenger Vehicle Sales by Model - September 2021

MAKE	MODEL	SEP '21	SEP '20	+/- %	SEP '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	482	512	-5.9	6.5%	6,262	7.0%
Mazda	Axela	360	536	-32.8	4.8%	4,270	4.8%
Nissan	X-Trail	276	224	23.2	3.7%	3,063	3.4%
Mazda	CX-5	255	173	47.4	3.4%	2,033	2.3%
Mitsubishi	Outlander	228	282	-19.1	3.1%	2,534	2.8%
Toyota	Prius	227	334	-32.0	3.0%	3,550	4.0%
Honda	Fit	199	337	-40.9	2.7%	2,975	3.3%
Subaru	Legacy	196	258	-24.0	2.6%	1,952	2.2%
Volkswagen	Golf	195	242	-19.4	2.6%	2,607	2.9%
Subaru	Impreza	184	241	-23.7	2.5%	2,029	2.3%
Toyota	Vanguard	159	147	8.2	2.1%	1,871	2.1%
Nissan	Leaf	141	210	-32.9	1.9%	1,856	2.1%
Suzuki	Swift	138	289	-52.2	1.9%	1,762	2.0%
Mazda	Atenza	137	209	-34.4	1.8%	1,527	1.7%
Mazda	Demio	126	353	-64.3	1.7%	2,089	2.3%
Toyota	Corolla	102	183	-44.3	1.4%	1,837	2.0%
Toyota	Mark X	102	127	-19.7	1.4%	1,512	1.7%
Honda	CR-V	98	119	-17.6	1.3%	1,099	1.2%
Mazda	Premacy	90	132	-31.8	1.2%	999	1.1%
Subaru	Forester	89	101	-11.9	1.2%	1,015	1.1%
Toyota	Wish	88	137	-35.8	1.2%	1,462	1.6%
Nissan	Skyline	86	137	-37.2	1.2%	1,022	1.1%
Nissan	Note	78	127	-38.6	1.0%	883	1.0%
Nissan	Serena	75	88	-14.8	1.0%	850	0.9%
Subaru	XV	75	58	29.3	1.0%	560	0.6%
Honda	Odyssey	74	110	-32.7	1.0%	1,015	1.1%
BMW	320i	69	90	-23.3	0.9%	901	1.0%
Audi	A4	66	59	11.9	0.9%	616	0.7%
Toyota	Blade	65	131	-50.4	0.9%	1,065	1.2%
BMW	116i	64	80	-20.0	0.9%	777	0.9%
Toyota	Land Cruiser	62	36	72.2	0.8%	439	0.5%
Volkswagen	Polo	61	48	27.1	0.8%	739	0.8%
Subaru	Exiga	58	57	1.8	0.8%	557	0.6%
Nissan	Fuga	57	82	-30.5	0.8%	762	0.8%
Ford	Crown	56	30	86.7	0.8%	579	0.6%
Others		2,626	4,060	-35.3	35.3%	30,779	34.3%
Total		**7,444**	**10,339**	**-28.0**	**100.0%**	**89,848**	**100.0%**

Covid pushes up car prices

Values of used vehicles have accelerated because of the coronavirus pandemic, according to the latest data from Trade Me Motors.

It reports the median asking price as increasing by 35 per cent since 2019 to hit $13,494 in July.

Jayme Fuller, sales director, says in the past year alone that the median asking price for a used car in New Zealand has jumped by nearly $2,500.

"Unusual market conditions as a result of Covid-19 have seen car prices skyrocket and in July, prior to the latest lockdown, the national median asking price jumped by 23 per cent in 12 months," she adds.

The national median asking price for a used vehicle in New Zealand was $11,000 in July 2020 and $9,974 in the same month of 2019.

For the first time, Fuller says current market conditions have resulted in a phenomenon where Kiwis are selling their vehicles for more than they originally paid, despite adding more kilometres to their odometers.

"Anyone will tell you that you start losing money on your car as soon as you drive it out of the dealership and traditionally cars have been well-known to be depreciating assets.

"However, our latest data shows that's no longer the case with many Kiwis actually making money on their used cars."

Fuller believes factors behind the increases include ongoing global shortages in the market resulting in a drop in supply of new and used vehicles entering the country.

"When compared with the same month in 2019 prior to the pandemic, we saw a 27 per cent drop in the total number of cars listed on-site in July," she says, adding demand has also taken off since the start of 2020.

"With our borders closed for 18 months, many Kiwis are redirecting overseas holiday funds to purchase big-ticket items like a new car.

"In July, we saw a 65 per cent increase in views and a 36 per cent increase in watchlists on used-car listings on-site when compared with the same month in 2019.

"This combination of low supply and high demand has put enormous pressure on the market, and is driving prices up."

Looking ahead, Fuller says it's difficult to gauge how long it will take before the used-car market looks like it did pre-coronavirus.

"We're not likely to see a change until the country's used-car inventory returns to healthier levels, which is realistically not going to happen for at least another year."

POPULAR MODELS

Prices have been impacted across the board with increases also seen in higher-value models.

"For cars over $15,000, the median asking price increased by 12 per cent in July when compared with the same month in 2019, while those over $25,000 saw an 11 per cent jump in the same period," says Fuller.

Looking at the median asking price of the country's most popular model, the Toyota Hilux, shows how much prices have shot up over the past two years.

"In the past seven days alone, we've seen more than 136,000 searches for Hiluxes and it has long been New Zealand's favourite vehicle."

In July this year, Fuller says the median asking price of a 2016 Toyota Hilux was sitting at $39,490.

"This marks a nine per cent increase when compared with the median asking price of the same ute in 2019 even though it's now an older model.

"We're also seeing Kiwis flock to buy a Hilux before the government's clean car scheme comes into effect next year and they face extra charges on utes. This will no doubt be playing a part in the price growth of this make."

Fuller says two more of New Zealand's most-loved models – the 2016 Ford Ranger and 2016 Mazda Axela – also saw year-on-year increases in value in July.

The only model to buck the trend out of the top five most-popular Kiwi models was the 2016 Suzuki Swift, which saw no price change compared to 2020.

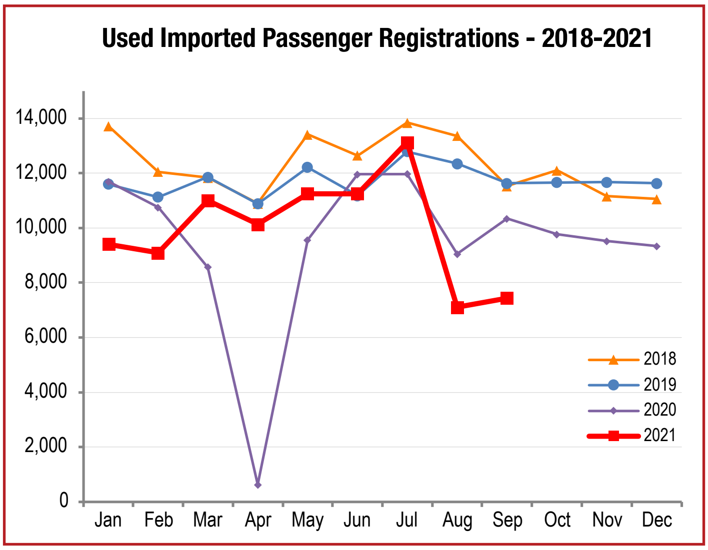
At this stage, Fuller says it's too early to say whether prices will continue to climb.

"As we come out of the latest lockdown, there is a bit of uncertainty going forward. But one thing is clear. There's never been a better time for Kiwis to sell."

Lockdown takes toll

There were 7,444 used-imported cars registered last month. That was down by 28 per cent from 10,339 when compared to September 2020.

Toyota's Aqua was the best-selling model on 482 units. Mazda's Axela was second on 360 with the Nissan X-Trail third on 276. Mazda's CX-5 was fourth with 255 and Mitsubishi's Outlander came fifth on 228. The top-selling marque was Toyota with 1,880 units. Second spot was claimed by Mazda on 1,114.



Advice given on seatbelt parts

The Imported Motor Vehicle Industry Association (VIA) reports that transporting seatbelt assemblies with pyrotechnic pre-tensioners have been clarified.

The units contain an explosive charge, so they are categorised as class-nine miscellaneous dangerous goods with the UN classification number 3268.

The assemblies shouldn't be shipped in pre-paid satchels because these are normally transported by air and such items are banned by law from carriage by airlines.

"Package all assemblies in robust containers ensuring you use bubble wrap or a similar material to protect the retractor in its container," advises Malcolm Yorston, VIA's technical manager.

"And complete a dangerous goods declaration and use the correct identification on the exterior of the packaging."

Liaison with a courier company for guidance on correct packaging, marking and completing the declaration is recommended.

Yorston also says businesses should update health and safety manuals by adding a standard operating procedure for handling dangerous goods.

The same rules apply to sending airbags by courier and items with a lithium-ion batteries, such as cellphones.

In addition, two companies have been added as exempted seatbelt re-webbing organisations by Waka Kotahi. Belt Tech NZ and Seatbelts NZ have joined APV Australia and Autosafe as being permitted to legally repair seatbelts made by other providers.

The update is included in the transport agency's technical bulletin 16 on seatbelt repair and re-webbing, which can be found online at https://vehicleinspection.nzta.govt.nz/news.

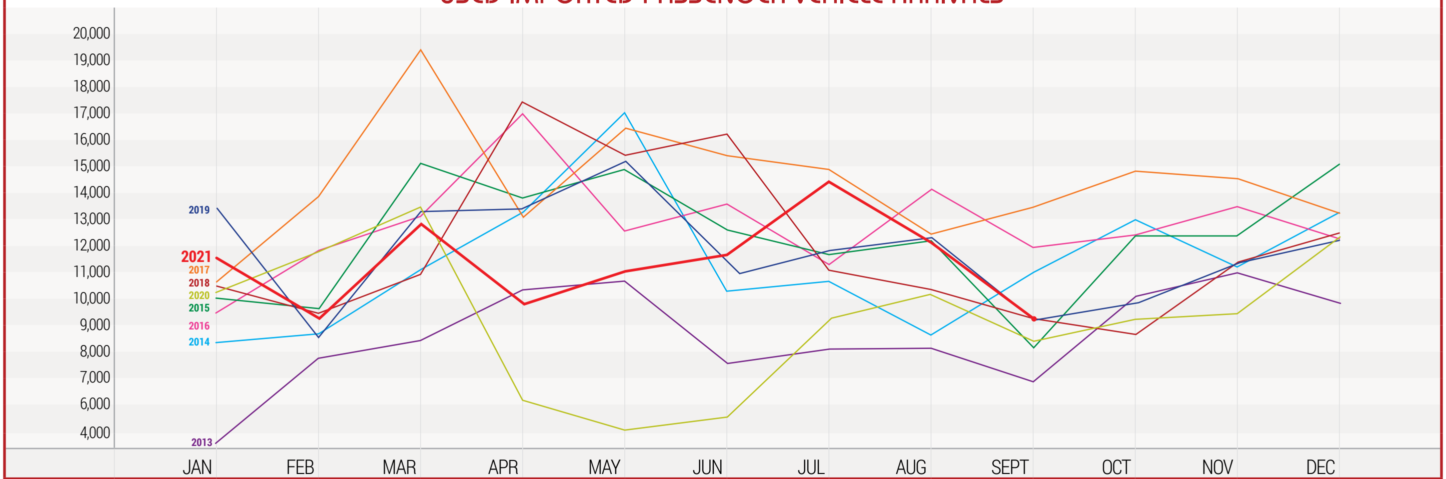
Waka Kotahi has refreshed the bulletin so vehicle inspectors can easily identify seatbelts that are compliantly re-webbed and those that aren't. "Seatbelts that are not re-webbed by an approved repairer are likely to be unsafe," it says.

USED IMPORTS CLIMB

There were 9,190 used cars imported last month. That was up by 9.9 per cent compared to 8,358 during September 2020.

The total included 8,621 from Japan for a market share of 93.8 per cent, 196 arrived from Australia and 142 units were imported from Singapore.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



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	SEP '21	SEP SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	285	307	268	282	294	196	2.1%	**2,479**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	120	147	157	97	84	98	1.1%	**1,070**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,243	10,314	11,116	13,805	11,551	8,621	93.8%	**96,423**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	85	130	83	142	1.5%	**1,151**	1,846	1.7%	1,678	1.2%
USA	30	33	24	97	78	60	55	60	87	0.9%	**524**	480	0.4%	664	0.5%
Other countries	30	36	25	40	29	63	28	29	46	0.5%	**326**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,922**	**11,016**	**11,749**	**14,397**	**12,101**	**9,190**	**100.0%**	**101,973**	**108,663**	**100.0%**	**141,218**	**100.0%**

Expenditure on vehicles tumbles

Spending on motor vehicles during August declined by $95 million, or 44.5 per cent, when compared to July.

The total spent on the industry with retail cards came in at $119m as registrations all but ground to a halt after the country was put in a Covid-19 lockdown for August's second half.

In July, the monthly figure was $214m, while in August 2020 consumers used their retail cards to spend $187m on vehicles.

The amount they forked out for fuel also tumbled to $418m during the month for a decrease of $156m, or by 27.2 per cent, from July.

Overall, retail-card spending slipped by 19.8 per cent over the same timeframe, which was less than half the decline seen in April 2020 – down by 47.3 per cent – when the country was in lockdown for almost the entire month.

Ricky Ho, business performance manager at Stats NZ, says: "Card-spending habits of New Zealanders were broadly similar during both lockdowns.

"As expected, total transactions fell sharply since this time last year. We haven't seen this level of card activity since May 2020 when the whole country was last under level three."

On the flipside, imports of vehicles, parts and accessories shot up to $892m in August 2021 for a $415m or 87.1 per cent increase on the same month in 2020.

Japan contributed the most to the surge with an increase of $165m. Next up was the European Union, which climbed by $64m.

The total value of imports for vehicles and associated goods was $9.3 billion in the year to the end of August, which was a jump of 39.6 per cent from $6.66b in the previous 12-month period.

The industry's contribution helped drive overall imports in August alone up $1.8b from the same month of 2020 to $6.5b.

"This is a larger deficit than normal because of higher values for imports, particularly vehicles, continuing the trend observed over the past few months," says Alasdair Allen, Stats NZ's international trade manager.

SALES TAKE HIT

Dealers sold 12,157 second-hand cars to the public during September. That was down by 40.8 per cent compared to 20,530 units in the same month of 2020.

There were 10,415 trade-ins – a decrease of 29.6 per cent compared to 14,802 over the same period.

SECONDHAND CAR SALES - September 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	SEP'21	SEP'20	+/- %	MARKET SHARE	SEP'21	SEP'20	+/- %	SEP'21	SEP'20	+/- %
Whangarei	366	701	-47.8	3.01	1,587	2,317	-31.5	198	263	-24.7
Auckland	2,179	6,439	-66.2	17.92	7,042	14,723	-52.2	2,177	5,684	-61.7
Hamilton	1,132	1,841	-38.5	9.31	3,305	4,192	-21.2	1,043	1,397	-25.3
Thames	216	266	-18.8	1.78	579	563	2.8	212	99	114.1
Tauranga	672	1,160	-42.1	5.53	2,036	2,629	-22.6	581	752	-22.7
Rotorua	301	353	-14.7	2.48	908	886	2.5	129	105	22.9
Gisborne	138	195	-29.2	1.14	406	448	-9.4	59	55	7.3
Napier	588	733	-19.8	4.84	1,436	1,546	-7.1	460	455	1.1
New Plymouth	300	506	-40.7	2.47	955	1,131	-15.6	174	262	-33.6
Wanganui	222	250	-11.2	1.83	587	541	8.5	141	117	20.5
Palmerston North	696	981	-29.1	5.73	1,635	1,918	-14.8	715	736	-2.9
Masterton	211	234	-9.8	1.74	517	502	3.0	125	131	-4.6
Wellington	1,399	1,932	-27.6	11.51	3,025	3,339	-9.4	1,105	1,205	-8.3
Nelson	299	375	-20.3	2.46	987	1,120	-11.9	174	219	-20.5
Blenheim	160	203	-21.2	1.32	414	412	0.5	121	121	0.0
Greymouth	63	81	-22.2	0.52	164	207	-20.8	31	44	-29.5
Westport	10	29	-65.5	0.08	32	73	-56.2	1	1	0.0
Christchurch	1,923	2,627	-26.8	15.82	4,860	5,252	-7.5	2,052	2,213	-7.3
Timaru	179	281	-36.3	1.47	505	706	-28.5	89	123	-27.6
Oamaru	33	79	-58.2	0.27	125	192	-34.9	7	6	600.0
Dunedin	650	893	-27.2	5.35	1,888	2,009	-6.0	531	552	-3.8
Invercargill	420	371	13.2	3.45	1,151	1,041	10.6	290	262	10.7
NZ Total	**12,157**	**20,530**	**-40.8**	**100.00**	**34,144**	**45,747**	**-25.4**	**10,415**	**14,802**	**-29.6**

New Passenger Vehicle Sales by Make - September 2021

MAKE	SEP'21	SEP'20	+/- %	SEP'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	1,993	1,217	63.8	16.8%	11,972	14.2%
Mitsubishi	1,921	618	210.8	16.2%	10,784	12.8%
Tesla	1,066	158	574.7	9.0%	2,167	2.6%
Kia	829	801	3.5	7.0%	8,300	9.9%
Suzuki	727	625	16.3	6.1%	6,198	7.4%
Hyundai	673	603	11.6	5.7%	4,645	5.5%
Mazda	570	604	-5.6	4.8%	6,033	7.2%
MG	454	145	213.1	3.8%	2,641	3.1%
Haval	389	103	277.7	3.3%	1,682	2.0%
Ford	367	191	92.1	3.1%	2,637	3.1%
Volkswagen	349	339	2.9	2.9%	3,603	4.3%
Honda	302	350	-13.7	2.5%	2,962	3.5%
Subaru	273	211	29.4	2.3%	2,243	2.7%
Nissan	266	268	-0.7	2.2%	3,417	4.1%
Mercedes-Benz	251	193	30.1	2.1%	1,841	2.2%
Peugeot	225	83	171.1	1.9%	1,025	1.2%
BMW	198	168	17.9	1.7%	1,549	1.8%
Skoda	180	184	-2.2	1.5%	1,414	1.7%
Audi	145	134	8.2	1.2%	1,374	1.6%
Jeep	85	109	-22.0	0.7%	1,057	1.3%
SsangYong	83	84	-1.2	0.7%	718	0.9%
Volvo	71	53	34.0	0.6%	555	0.7%
Lexus	67	75	-10.7	0.6%	745	0.9%
Isuzu	63	20	215.0	0.5%	465	0.6%
Land Rover	63	83	-24.1	0.5%	1,056	1.3%
Porsche	58	11	427.3	0.5%	438	0.5%
Mini	45	31	45.2	0.4%	678	0.8%
Citroen	44	18	144.4	0.4%	236	0.3%
LDV	24	13	84.6	0.2%	199	0.2%
Jaguar	23	32	-28.1	0.2%	336	0.4%
Renault	19	18	5.6	0.2%	212	0.3%
Fiat	14	2	600.0	0.1%	82	0.1%
Alfa Romeo	12	12	0.0	0.1%	100	0.1%
Seat	10	10	0.0	0.1%	125	0.1%
Can-Am	4	6	-33.3	0.0%	49	0.1%
Yamaha	4	6	-33.3	0.0%	41	0.0%
Aston Martin	3	4	-25.0	0.0%	46	0.1%
Cupra	2	0	200.0	0.0%	97	0.1%
Maserati	2	3	-33.3	0.0%	41	0.0%
Ferrari	1	4	-75.0	0.0%	31	0.0%
Others	0	146	-100.0	0.0%	368	0.4%
Total	**11,875**	**7,735**	**53.5**	**100.0%**	**84,162**	**100.0%**

New Passenger Vehicle Sales by Model - September 2021

MAKE	MODEL	SEP'21	SEP'20	+/- %	SEP'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Tesla	Model 3	1,066	139	666.9	9.0%	2,160	2.6%
Mitsubishi	Outlander	963	262	267.6	8.1%	4,282	5.1%
Toyota	Corolla	744	283	162.9	6.3%	2,896	3.4%
Toyota	RAV4	575	464	23.9	4.8%	4,098	4.9%
Mitsubishi	ASX	473	227	108.4	4.0%	4,116	4.9%
Mitsubishi	Eclipse Cross	427	69	518.8	3.6%	1,550	1.8%
MG	ZS	328	48	583.3	2.8%	1,546	1.8%
Mazda	CX-5	296	242	22.3	2.5%	2,641	3.1%
Kia	Sportage	266	285	-6.7	2.2%	1,982	2.4%
Hyundai	Kona	242	150	61.3	2.0%	1,603	1.9%
Suzuki	Vitara	232	143	62.2	2.0%	1,239	1.5%
Ford	Everest	215	38	465.8	1.8%	708	0.8%
Haval	Jolion	210	0	21,000.0	1.8%	649	0.8%
Toyota	Highlander	194	71	173.2	1.6%	984	1.2%
Kia	Stonic	191	0	19,100.0	1.6%	2,109	2.5%
Haval	H6	174	18	866.7	1.5%	472	0.6%
Suzuki	Jimny	162	75	116.0	1.4%	966	1.1%
Suzuki	Swift	155	290	-46.6	1.3%	2,273	2.7%
Honda	Jazz	148	69	114.5	1.2%	1,053	1.3%
Nissan	Qashqai	142	42	238.1	1.2%	1,734	2.1%
Subaru	Outback	141	80	76.3	1.2%	894	1.1%
Volkswagen	Tiguan	141	74	90.5	1.2%	1,205	1.4%
Toyota	Yaris Cross	133	0	13,300.0	1.1%	807	1.0%
Hyundai	Santa Fe	108	81	33.3	0.9%	1,254	1.5%
Mazda	CX-9	107	68	57.4	0.9%	849	1.0%
Kia	Seltos	102	229	-55.5	0.9%	1,623	1.9%
Toyota	Fortuner	96	13	638.5	0.8%	329	0.4%
Nissan	X-Trail	96	201	-52.2	0.8%	1,347	1.6%
Hyundai	Tucson	95	232	-59.1	0.8%	376	0.4%
Subaru	XV	94	35	168.6	0.8%	647	0.8%
Peugeot	3008	93	18	416.7	0.8%	454	0.5%
Kia	Niro	92	24	283.3	0.8%	483	0.6%
Toyota	Yaris	91	182	-50.0	0.8%	887	1.1%
Hyundai	Ioniq	90	15	500.0	0.8%	433	0.5%
Suzuki	Baleno	84	41	104.9	0.7%	844	1.0%
Toyota	Camry	84	19	342.1	0.7%	375	0.4%
Ford	Puma	81	0	8,100.0	0.7%	729	0.9%
Honda	CR-V	79	148	-46.6	0.7%	806	1.0%
MG	HS	75	43	74.4	0.6%	404	0.5%
Peugeot	208	63	0	6,300.0	0.5%	126	0.1%
Isuzu	MU-X	63	20	215.0	0.5%	465	0.6%
Volkswagen	T-Roc	62	42	47.6	0.5%	649	0.8%
Honda	HR-V	59	94	-37.2	0.5%	808	1.0%
Skoda	Superb	57	17	235.3	0.5%	349	0.4%
Skoda	Kodiaq	56	81	-30.9	0.5%	415	0.5%
Others		2,430	3,063	-20.7	20.5%	27,543	32.7%
Total		**11,875**	**7,735**	**53.5**	**100.0%**	**84,162**	**100.0%**

Major overhaul for capital site

Plans have been unveiled by Armstrong's to redevelop its dealership in central Wellington into a two-storey facility for Audi, Jaguar, Land Rover, Volvo and Porsche.

The project is slated to start before the end of this year, with the initial stage of the build seeing 20 Barker Street redeveloped into a new Jaguar and Land Rover customer-service facility.

There will also be warehousing for the group's parts operations, and new grooming, detailing and extra off-street parking areas.

Armstrong's acquisition of the building has provided the opportunity to unlock the overall site and expand further.

This includes the major refurbishment of the Porsche showroom, which will benefit from the addition of a mezzanine area to provide a large customer experience centre.

The second stage of the project will see the current parts and service facility at 8 Barker Street knocked down, with a two-level facility for all the brands replacing it.

Total display space will increase when a 50-vehicle enclosed showroom for used vehicles is added on the first floor.

Troy Kennedy, chief executive officer, says: "In recent years, Armstrong's has progressively purchased adjacent properties.

"We now have the full block to work with, which is a rare opportunity considering our position in the sought-after central Wellington location based on Cambridge Terrace.

"The new facility at this iconic site will be bold and innovative, reinforcing Armstrong's vision of the best people, best locations and best brands."

The redevelopment also features a customer suite for hosting events such as model launches, electric-vehicle charging facilities and a bigger after-sales area. Service bays will increase from 12 to 19 and include those dedicated to electric cars.

"Investment in this location signifies our commitment to the region, as well as our focus on striving to improve customer experience," adds Kennedy.

An artist's impression of Armstrong's new site in the capital

Tesla tops ladder

There were 11,875 new cars registered in September compared to 7,735 in the same month of 2020 for an increase of 53.5 per cent.

The top two models were the Tesla Model 3 with 1,066 units for a market share of nine per cent with the Mitsubishi Outlander on 963 for 8.1 per cent.

Toyota's Corolla was third with 744 and its RAV4 fourth on 575. The Mitsubishi ASX rounded off the top five on 473.

Lexus of New Shore's new showroom

"Given these increases, Armstrong's will be recruiting personnel into key strategic roles and looking to employ additional staff to fulfil projected growth."

GOING UPMARKET

Lexus of North Shore has officially opened its new showroom, which it says aims to mimic the quality and hospitality of a five-star hotel.

A glitzy celebration marked the revamp of the site in Auckland's Wairau Valley, which was one of the marque's first dealerships in New Zealand when it originally opened in 2001.

Mark Jago, chief executive officer, says: "The Lexus ethos is about the pursuit of perfection and this has been applied to our showroom.

"We have created a warm and comforting dealership with a customer lounge we trust our patrons will enjoy. The quality is, indeed, like a five-star hotel."

Ash Pateriya, sales leader of North Shore Toyota and Lexus, acknowledges the support of Lexus NZ, as well as design and build partners Lanta Construction and Brand Partners, in creating the facility.

He was among the speakers at a function to officially open the site on July 22. Also in attendance were two Lexus of North Shore ambassadors.

Fashion designer Adrian Hailwood showcased some latest creations and chef Ben Bayly, of Ahi restaurant in Auckland's Commercial Bay, cooked up some canapes.

SPORTS MARKET ENTRANT

Corvette fans have two reasons to celebrate with the first C8 in right-hand drive (RHD) having been registered down under.

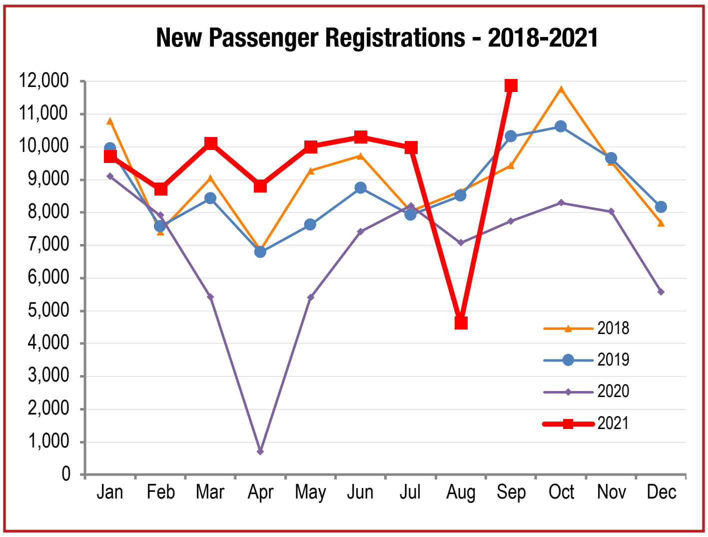
The factory-built model is part of the GMSV's head-office fleet in Victoria for engineering validation in New Zealand and Australia.

Joanne Stogiannis, director of GMSV, describes it as a significant milestone for the company, which would have been marked with more fanfare but for coronavirus restrictions.

"We always wanted the arrival of C8 to be a special experience, but the situation in which we find ourselves means we have to adapt," she says.

"We can't wait to see more of these amazing RHD models on our roads in coming months, and look forward to engaging with owners and clubs."

The RHD C8s went into regular production at the Bowling Green Plant in Kentucky last month.



Bid to beat feebate charges

Mitsubishi Motors NZ (MMNZ) has been prioritised for the delivery of 5,000 model-year 2022 Tritons before the government's full clear car discount starts on April 1, 2022.

Also known as the feebate scheme, it will see charges imposed on new and used high-emitting vehicles when registered for the first time in New Zealand.

In addition, there will be rebates for no and low-emissions vehicles, while some models will fall into the "neutral" category – that's to say, attracting no fees or discounts.

Daniel Cook, chief operating officer of MMNZ, notes prices of some vehicles will result from the government's scheme and hopes the extra delivery of Tritons "will provide some peace of mind" in what he describes as "challenging times".

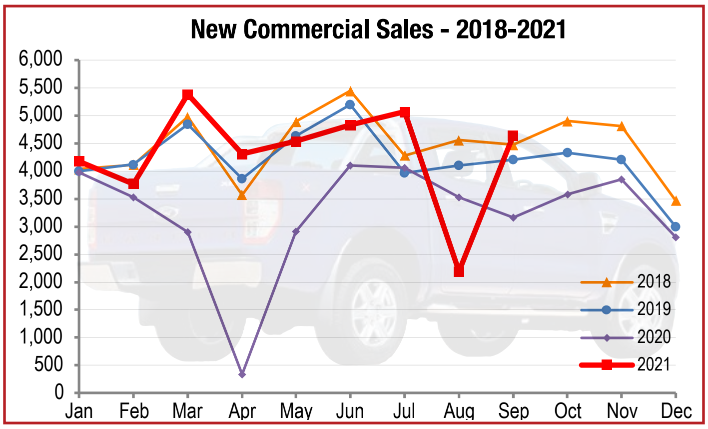
He says: "We are fully committed to supporting ute customers across the country, and we're delighted to be in a position to meet the strong demand we have received for this vehicle with a huge delivery before the end of the year.

"More than half of our Triton customers work in infrastructure, trade or agriculture, so we are extremely pleased to be able to support them so robustly in the face of ongoing global supply issues and shipping delays.

"With an unprecedented volume about to hit our shores in the coming quarter, now is the time for customers to secure a Triton before the feebate scheme hits."

The marque says the first-time registration date is key. If this happens before April, then the clean car discount doesn't apply even if consumers receive their vehicles after that date.

As for the used market, Gareth Karrasch, of 317 – The Commercial Specialists in Takanini, south



New Commercial Sales by Make - September 2021

MAKE	SEP'21	SEP'20	+/- %	SEP'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	1,503	803	87.2	32.4%	9,522	24.5%
Toyota	941	406	131.8	20.3%	8,534	21.9%
Isuzu	299	112	167.0	6.4%	2,587	6.6%
Mitsubishi	256	361	-29.1	5.5%	4,260	10.9%
LDV	248	146	69.9	5.3%	1,862	4.8%
Nissan	205	227	-9.7	4.4%	2,389	6.1%
Mazda	173	206	-16.0	3.7%	1,658	4.3%
Great Wall	136	52	161.5	2.9%	1,110	2.9%
Volkswagen	106	79	34.2	2.3%	876	2.3%
Fuso	92	81	13.6	2.0%	659	1.7%
Hino	83	53	56.6	1.8%	547	1.4%
Hyundai	71	53	34.0	1.5%	1,092	2.8%
Mercedes-Benz	66	96	-31.3	1.4%	481	1.2%
SsangYong	61	58	5.2	1.3%	370	1.0%
RAM	60	21	185.7	1.3%	236	0.6%
Scania	51	39	30.8	1.1%	336	0.9%
Renault	44	24	83.3	0.9%	263	0.7%
Fiat	41	95	-56.8	0.9%	544	1.4%
Iveco	41	31	32.3	0.9%	277	0.7%
Chevrolet	33	2	1,550.0	0.7%	160	0.4%
Others	134	222	-39.6	2.9%	1,159	3.0%
Total	**4,644**	**3,167**	**46.6**	**100.0%**	**38,922**	**100.0%**

New Commercial Sales by Model - September 2021

MAKE	MODEL	SEP'21	SEP'20	+/- %	SEP'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	1,408	663	112.4	30.3%	8,645	22.2%
Toyota	Hilux	648	265	144.5	14.0%	6,539	16.8%
Toyota	Hiace	232	122	90.2	5.0%	1,583	4.1%
Isuzu	D-Max	210	30	600.0	4.5%	1,907	4.9%
Nissan	Navara	205	227	-9.7	4.4%	2,389	6.1%
Mitsubishi	Triton	196	360	-45.6	4.2%	3,814	9.8%
Mazda	BT-50	173	206	-16.0	3.7%	1,658	4.3%
Great Wall	GWM Cannon	133	0	13,300.0	2.9%	939	2.4%
Ford	Transit	92	140	-34.3	2.0%	874	2.2%
LDV	T60	81	46	76.1	1.7%	633	1.6%
LDV	G10	77	43	79.1	1.7%	557	1.4%
Toyota	Land Cruiser	61	19	221.1	1.3%	412	1.1%
SsangYong	Rhino	61	58	5.2	1.3%	370	1.0%
RAM	1500	60	21	185.7	1.3%	236	0.6%
Mitsubishi	Express	60	0	6,000.0	1.3%	442	1.1%
Isuzu	N Series	56	33	69.7	1.2%	348	0.9%
LDV	Deliver 9	50	0	5,000.0	1.1%	307	0.8%
Mercedes-Benz	Sprinter	48	42	14.3	1.0%	381	1.0%
Volkswagen	Amarok	44	50	-12.0	0.9%	379	1.0%
Fiat	Ducato	41	95	-56.8	0.9%	544	1.4%
Others		708	747	-5.2	15.2%	5,965	15.3%
Total		**4,644**	**3,167**	**46.6**	**100.0%**	**38,922**	**100.0%**

Auckland, believes consumers will still opt for diesel light commercials and pay their going prices despite the introduction of the clean car discount.

He says there is limited choice when it comes to electric commercials, so people will continue to buy utes and vans with internal combustion engines while there are plenty of second-hand utilities for sale on Trade Me that are mostly listed by private sellers.

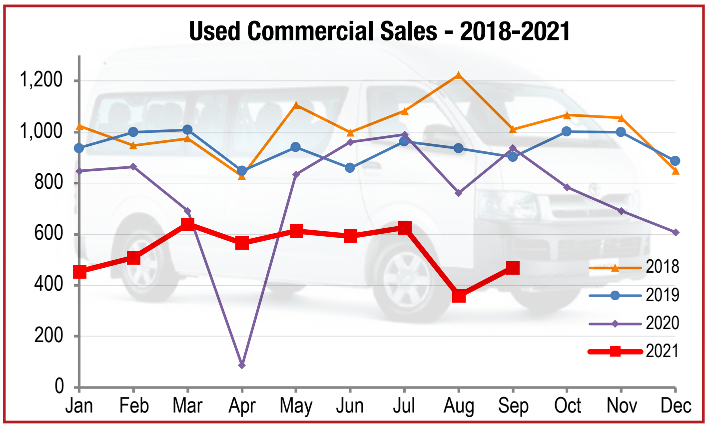
"Often price isn't a big deal for tradies, usually it's about a specific vehicle they want," Karrasch told Autofile. "They also want certainty and need to know if what they are buying has been serviced, appraised and checked over and is ready to go.

"I think demand for vans will plateau for the rest of this year and perhaps increase next year. There are many building and other big developments on the go, and I'm hearing there are lots of other projects ready to go."

As for demand for vans increasing at the expense of utilities when the feebate scheme starts, he says not many customers come onto his yard undecided about what they want.

"Ute buyers tend to be people who are going to use them for work and personal use, and they may need four-wheel drive or a big towing ability.

"Van buyers are dedicated tradies, such as plumbers and electricians. They need a van because they can't put enough gear into some of the utes."



As for the rebate scheme, Karrasch hasn't paid a lot of attention to this. He has noticed that a lot of Ranger and Hilux drivers have been complaining about the extra tax for utes next year, "but that will just become the cost of the vehicle and it will be passed on by business owners to their customers".

NEW UP, USED DOWN

There were 4,644 new commercials registered last month, which was up by 46.6 per cent from 3,167 during September 2020.

The top three models were Ford's Ranger, Toyota's Hilux and Toyota's Hiace with 1,408, 648 and 232 sales respectively.

As for used-imported commercials, there were 470 sold for the first time last month. That was down from 936 units and by 49.8 per cent.

Used Commercial Sales by Make - September 2021

MAKE	SEP '21	SEP '20	+/- %	SEP '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	163	445	-63.4	34.7%	1,910	39.5%
Nissan	98	205	-52.2	20.9%	813	16.8%
Hino	43	36	19.4	9.1%	362	7.5%
Isuzu	39	67	-41.8	8.3%	401	8.3%
Ford	26	34	-23.5	5.5%	239	4.9%
Mitsubishi	26	31	-16.1	5.5%	262	5.4%
Holden	13	20	-35.0	2.8%	121	2.5%
Chevrolet	7	11	-36.4	1.5%	89	1.8%
Mazda	7	28	-75.0	1.5%	122	2.5%
Daihatsu	5	7	-28.6	1.1%	57	1.2%
Suzuki	5	2	150.0	1.1%	44	0.9%
Volkswagen	5	10	-50.0	1.1%	57	1.2%
Dodge	4	4	0.0	0.9%	31	0.6%
Fuso	3	0	300.0	0.6%	15	0.3%
GMC	3	4	-25.0	0.6%	15	0.3%
Mitsubishi Fuso	3	1	200.0	0.6%	13	0.3%
Renault	3	1	200.0	0.6%	17	0.4%
Honda	2	0	200.0	0.4%	6	0.1%
Hyundai	2	2	0.0	0.4%	17	0.4%
Kenworth	2	2	0.0	0.4%	16	0.3%
Others	11	26	-57.7	2.3%	231	4.8%
Total	**470**	**936**	**-49.8**	**100.0%**	**4,838**	**100.0%**

Used Commercial Sales by Model - September 2021

MAKE	MODEL	SEP '21	SEP '20	+/- %	SEP '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	113	301	-62.5	24.0%	1,295	26.8%
Nissan	NV350	52	54	-3.7	11.1%	368	7.6%
Hino	Dutro	31	25	24.0	6.6%	250	5.2%
Nissan	Caravan	27	52	-48.1	5.7%	156	3.2%
Isuzu	Elf	21	36	-41.7	4.5%	255	5.3%
Toyota	Dyna	20	59	-66.1	4.3%	273	5.6%
Mitsubishi	Canter	16	19	-15.8	3.4%	170	3.5%
Toyota	Toyoace	16	20	-20.0	3.4%	157	3.2%
Ford	Ranger	13	19	-31.6	2.8%	110	2.3%
Isuzu	Forward	11	19	-42.1	2.3%	87	1.8%
Hino	Ranger	10	8	25.0	2.1%	82	1.7%
Nissan	Atlas	8	8	0.0	1.7%	112	2.3%
Holden	Colorado	8	12	-33.3	1.7%	75	1.6%
Suzuki	Carry	5	2	150.0	1.1%	44	0.9%
Ford	F150	5	4	25.0	1.1%	41	0.8%
Daihatsu	Hijet	5	7	-28.6	1.1%	57	1.2%
Toyota	Hilux	5	21	-76.2	1.1%	63	1.3%
Volkswagen	Amarok	4	8	-50.0	0.9%	34	0.7%
Nissan	Civilian	4	2	100.0	0.9%	25	0.5%
Holden	Commodore	4	4	0.0	0.9%	39	0.8%
Others		92	256	-64.1	19.6%	1,145	23.7%
Total		**470**	**936**	**-49.8**	**100.0%**	**4,838**	**100.0%**

Production woes hit marque

Toyota Motor Corporation has taken extra measures to reduce what comes out of its factories due to componentry parts supply shortages in the wake of coronavirus and the ongoing shortage of microchips.

It has announced further suspensions to its domestic production schedule for this month, which affects 27 out of 28 production lines across 14 of its plants in Japan.

"What we're seeing is disruption from the pandemic hitting the global supply chain," says Steve Prangnell, Toyota NZ's general manager of new vehicles.

"With the delta variant, many countries have seen a surge in cases resulting in factories having to be shut for periods of time. For Toyota, this has disrupted our supply of essential componentry parts for vehicle manufacturing."

Toyota NZ says this will place extra pressure on customers waiting for deliveries with most models affected.

"Unfortunately, these production adjustments are beyond our control, but we are doing our utmost to minimise impacts on new-vehicle wait times," adds Prangnell.

"We thank customers for their patience as we work through these global delays."

Suzuki NZ, meanwhile, has posted major gains in new-vehicle sales despite lockdowns.

The marque celebrated improving its monthly market share to nine per cent in August – a record for the brand for an August despite the country being shut down for the month's last two weeks.

Suzuki only bettered this performance when consumer activity was previously restricted by high alert levels by notching up 14.4 per cent of new-car sales in April 2020 and 9.4 per cent in May 2020.

Total sales of its new passenger vehicles climbed to 5,483 in the first eight months of 2021 for a 48.3 per cent increase from 3,698 compared to the same period of last year.

"Record market-share levels during times of uncertainty shows people are looking to us for affordable motoring and reliability," says Gary Collins, Suzuki NZ's general manager of automobile.

"It is exciting for us that a small-vehicle specialist can be selling at such high levels in our market with Suzuki's fuel efficiency proving to be in high demand."

He adds the marque offers a range of 24 fuel-efficient models in New Zealand – all with engine capacities of less than 1.6 litres. ⊕

Stock levels drop

Imports of new cars in September came in at 8,912. This was 7.2 per cent more than in the same month of 2020, but 18.9 per cent lower than August's 10,983 units.

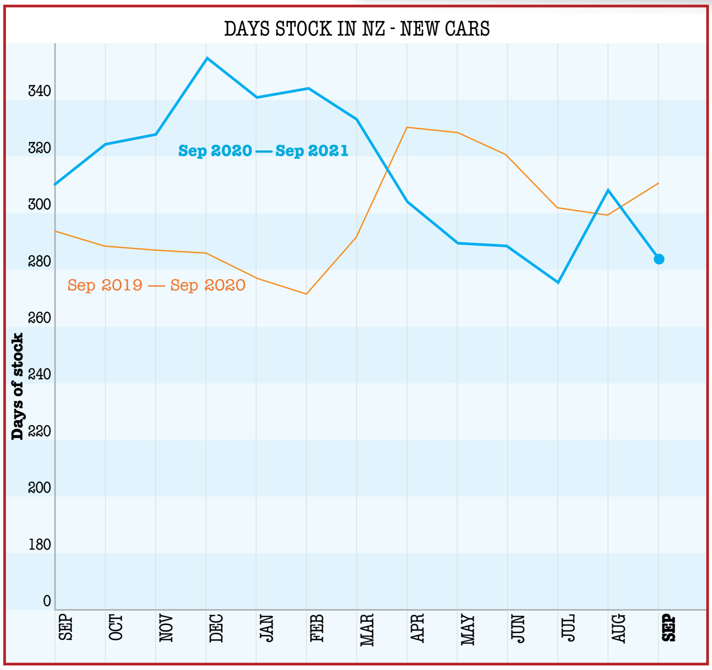
Registrations of new passenger vehicles totalled 11,875 last month, which was up by 53.5 per cent from 7,735 in September 2020 despite Covid-19 restrictions remaining in place for Auckland. It also represented an increase of 156.6 per cent from 4,627 units in August when the whole country was in lockdown for two weeks.

The numbers have resulted in the stock of new cars still to be registered decreasing by 2,963 to 82,403. Daily sales, as averaged over the previous 12 months, stand at 291 units per day.

September's results mean stock at-hand has dropped to 284 days, or 9.3 months, if sales continue at the current rate. In the same month of 2020, the figures were 312 days or 10.3 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
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	11,871	10,305	1,566	79,701	281	284
Jul '21	9,293	9,984	-691	79,010	286	276
Aug '21	10,983	4,627	6,356	85,366	279	306
Sep '21	**8,912**	**11,875**	**-2,963**	**82,403**	**291**	**284**
Year to date	**87,748**	**84,162**	**3,586**			
Change on last month	**-18.9%**	**156.6%**		**-3.5%**		
Change on Sep 2020	**7.2%** MORE IMPORTED	**53.5%** MORE SOLD		**10.2%** MORE STOCK		



Low-income earners face 'car tax'

The director of a dealership in south Auckland says the government's current rebates for electric vehicles (EVs) are great for people who can afford to buy one.

But Peter Bredenbeck, of Bluestone Cars in Otahuhu, is against imposing charges on cars with internal combustion engines because they will impact people on middle to low incomes who need them for work.

"I have strong feelings about the rebate scheme," he told Autofile. "Cheaper station wagons and people movers will have $2,500 tax added to sale prices, which will hurt a lot of low-income families."

Bredenbeck suggests there should be more focus on increasing the number of hybrids in the fleet. He says it can be expensive to remedy EV batteries whereas many hybrid cars can do high mileages without major repair costs.

"We will continue to focus on hybrids because customers want them, but they will be more expensive next year. Used-imported Suzuki Swifts and Mazda Demios may qualify for the low-emissions rebate next year. We will import small cars and hybrids but will have to wait for the price of hybrid people movers to drop."

Barrie Hellyer, owner of Barrie Hellyer Motors in Karaka, south of Auckland, says the feebate scheme could result in New Zealand's fleet age rising if people hold onto older vehicles even though it's in the Kiwi psyche to regularly change or update cars.

He adds businesses are retaining company vehicles for longer because many were unused during 2020's Covid-19 lockdowns and people have continued to work from home so they may not update for another two years. That, in turn, has also reduced the number of low-mileage New Zealand-new cars coming onto the second-hand market.

Craig Gilbert, owner of Craig Gilbert Motors in Timaru, notes the automotive industry has always experienced highs and lows.

"One minute you're going along fine and then the government introduces a new rule, such as for electronic stability control, and we all complain but that sort of thing will keep happening," he says.

"I have been getting pushback on used vehicles that have done 50,000 to 60,000km and are only $7,000 to $10,000 less than the price of a new model. Some people are saying that they may as well buy a new car." ⊕

Daily sales steady

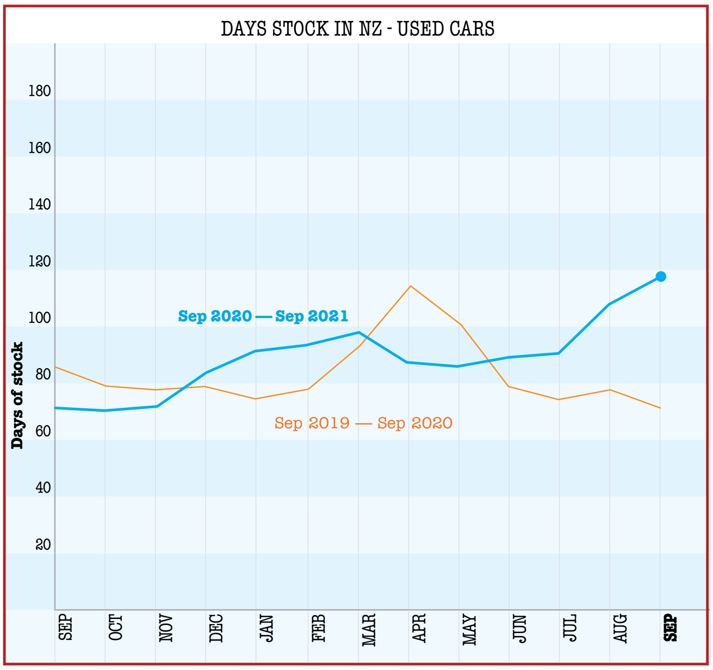
There were 9,190 used cars imported in September for an increase of 832 units, or by 9.95 per cent, on the same month of 2020.

However, last month's figure was down by 24.1 per cent on the 12,101 units imported in August this year.

A total of 7,444 units were sold during September, which compared to 10,339 in the same period a year ago, with sales impacted as Auckland remained at alert level three. The latest tally was 4.8 per cent higher than the 7,103 units sold in August.

With 1,746 more used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 37,958 units. This was 60.3 per cent, or 14,274 cars, higher than at the end of September 2020.

With current average daily sales decreasing to 325, there are 117 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
Sep '20	8,358	10,339	-1,981	23,684	327	72
Oct '20	9064	9763	-699	22985	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	11,749	11,256	493	29,949	335	89
Jul '21	14,397	13,132	1,265	31,214	338	92
Aug '21	12,101	7,103	4,998	36,212	332	109
Sep '21	**9,190**	**7,444**	**1,746**	**37,958**	**325**	**117**
Year to date	**101,973**	**89,834**	**12,139**			
Change on last month	**-24.1%**	**4.8%**		**4.8%**		
Change on Sep 2020	**9.95%** MORE IMPORTED	**-28.0%** LESS SOLD		**60.3%** MORE STOCK		