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Industry body votes to get behind clean cars

Organisation says change of strategy will ensure it has significant input in shaping emissions-cutting legislation

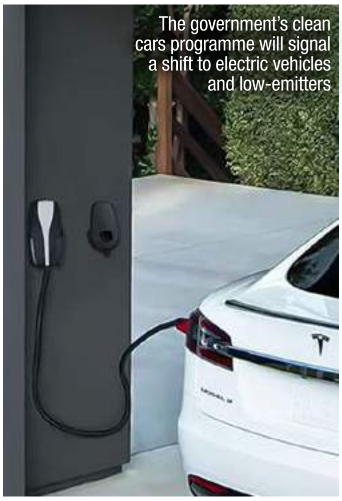
The Imported Motor Vehicle Industry Association (VIA) has decided to officially back the government's clean cars programme because it wants to be "part of the solution and not part of the problem" when it comes to cutting transport emissions.

It took the decision following a vote by its 18-member council, and now plans to work with officials in developing the clean car discount and standard ahead of their introduction.

David Vinsen, chief executive, told Autofile it will seek to ensure any legislation is fit for purpose because VIA still has concerns about the availability of low-emissions cars for the used-vehicle market.

He describes the move to support the government as a shift from its previous "sitting on the fence" approach and says it will help members make the most of the "commercial opportunities" that arise from the clean cars programme.

Michael Wood, Minister of Transport, has welcomed VIA's


The government's clean cars programme will signal a shift to electric vehicles and low-emitters

backing and has also encouraged others to "grasp the opportunity before us".

VIA announced on October 14 its new policy is to support the government's policies in principle because it recognises New Zealand's commitments under the Paris Climate Change Accord will require a transition to electric vehicles (EVs) and other low-emitters.

It adds the used-vehicle industry is committed to supplying such cars when stock is available to help meet emissions reduction targets, with traditional petrol hybrids being a transitional step.

The government plans to expand the clean car discount for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) into a full feebate scheme from April next year.

If a bill currently before parliament is passed, this will see discounts for consumers when low-emitting vehicles are first registered here and fees on gas-guzzlers.

Meanwhile, the clean car standard will focus on light-vehicle importers' fleets by applying penalties if average carbon dioxide (CO_2) emissions exceed set targets from 2023.

Vinsen says VIA's council acknowledged regulatory changes were inevitable and there was vigorous debate about the government's proposals before council members were surveyed on the topic.

Those members then looked at internal survey results, had

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GUEST EDITORIAL

Time for talk done, let's get on with it

MARK GILBERT
Chairman, Drive Electric

The government released the much-anticipated discussion document for its emissions reductions plan last month.

As you would expect, it has caused a stir in all directions. Non-government organisations have said the plan isn't ambitious enough, nor does it contain the required detail. Voices from elsewhere have said it goes too far.

In my view, the time for talk is just about over. We need to get on with reducing emissions from transport.

The government is proposing for 30 per cent of the entire light-vehicle fleet to be electric by 2035.

I'm confident this can be achieved because we're fast-approaching a tipping point in e-mobility. This isn't being driven by this country, of course, but government policy is nudging people towards e-mobility.

This domestic policy is also a strong signal to the offshore headquarters of our local car importers – and that's New Zealand is now in the game.

The real momentum shift is occurring among global automotive giants. Billions are being invested in producing electric vehicles, and companies such as Honda, General Motors, Volvo, the Volkswagen Group and Ford (Europe) are committing to joining Tesla as all-EV.

Toyota has just announced the development of a game-changing solid-state battery, an alternative to lithium-ion batteries, which could see trips of 500km on one charge and recharging from zero to full in 10 minutes.

While the technology will improve, the reality is that it's already here. The UK, which is a major right-hand-drive market, already has more than 150 models of hybrid EVs, battery EVs and plug-in hybrids available. Sales of plug-ins there during September made up 21.7 per cent of the market.

Clearly, consumers there are getting product, so I encourage New Zealand's distributors to piggyback on their UK colleagues and their models.

Back home, the sales figures for September figures were astonishing. In the first month of spring, while most people in our country were locked down, 2,282 EVs were registered for their highest month of all time. They achieved approximately 12.5 per cent of monthly sales.

There are early signs that emissions from our fleet may be starting to come down. Recent reporting shows new and second-hand cars imported during September would produce an average of 147 grams of carbon dioxide per kilometre travelled.

That was a dramatic decrease from June when the average emissions of imported cars came in at 173g/km. Still dirty, but down.

We're still some way off the standard of 105g/km, which is the government's proposed target for 2025. The law introducing standards is before a select committee and voices from around the industry are increasingly supportive.

So, all told, I'm becoming more confident we are at a tipping point for e-mobility. Forces are aligning. Anyone who filled up with petrol this past month might share that very feeling. If that's you, remember it only costs the equivalent of 30-40 cents a litre to recharge your EV.

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more talks and voted on its policy strategy. The council's decision to back the clean cars programme was almost unanimous.

"Our position up until now has probably been one of sitting on the fence and the tactic with government policies was to delay and dilute, but that's no longer tenable," says Vinsen.

"The reduction of emissions is an international, inexorable movement. We're not going to hold the tide back and a sense of realism has pervaded our discussions.

"It was a formal process to change our policy position to support the government's initiatives to reduce emissions from transport. We want to be on the right side of history and part of the solution – not part of the problem.

"We now look forward to working with the government and officials to ensure any legislation in this area is fit for purpose."

A benefit of VIA's decision will be "political positioning and making sure we're not left on the outer".

"There will also be commercial opportunities. Radical changes like this and market disruption always bring opportunities. We need to be in the right position to make the most of those."

VIA still believes the emissions trading scheme should be used to send pricing signals to consumers, but acknowledges the government is going to proceed with the clean cars programme to influence consumer choice and buying behaviour.

The association is already tackling clean car issues with working groups and more directly with members seconded to Waka Kotahi.

Vinsen notes the council's policy shift is "pragmatic and realistic", and reflects how the industry and VIA's relationship with ministers and officials has matured over time.

"Going back many years we would have resisted such changes with all our might, including publicity and political campaigns right up to court action, but that's inappropriate and counterproductive."

"I encourage other players to grasp the opportunity before us"
– Michael Wood

'SMART MOVE'

The Minister of Transport says it is important for officials and the automotive industry to work together in developing policies to help reduce emissions from vehicles being imported into New Zealand.

Michael Wood adds VIA's input into government initiatives has been constructive, and he is pleased it will continue to be involved in developing legislation and policies.

He told Autofile: "They've made a smart move and seen that there's an opportunity to boost both clean cars and their members' business. I encourage other players to grasp the opportunity before us.

"David Vinsen is a key member of our clean car sector leadership group. His and other members' work is invaluable to helping us accelerate the uptake of clean cars."

Tackling supply issues is part of the government's work with this leadership group, and Wood is planning to continue engaging with the sector, suppliers and manufacturers.

"There's no doubt current global supply-chain issues and Australia's reluctance to implement clean car policies at a federal level make it more difficult for our used-car sector," he adds.

"With these and the impacts of Covid-19, I want to acknowledge the work importers and distributors are doing under difficult circumstances.

"This just highlights how important it is to work with the sector and give them the tools they need to go to the distributors and argue for more clean cars, like the import standard and discount."

Survey at a glance

The 18 members of VIA's council were asked to respond to a number of statements.

POLICY STANCE

0% wanted to fight the government's clean cars programme.

50% wanted to support the proposals with the goal of maximising advantages.

38.9% preferred to keep the current policy of opposing the programme.

5.6% wanted to support the clean cars programme with the goal of minimising risk.

5.6% were unsure about which solution would be best.

KEY NUMBERS

94% supported that it's politically important for VIA to be seen as backing efforts to mitigate climate change.

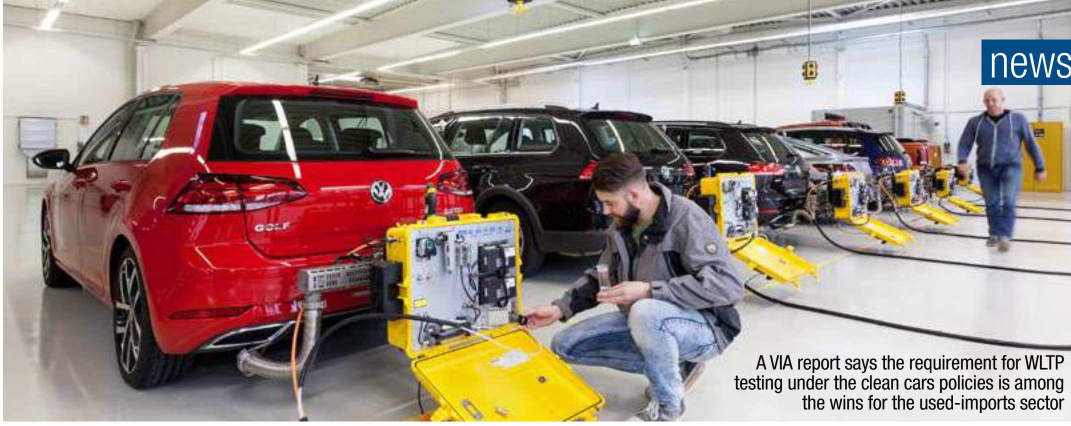
78% supported that instead of fighting the move to a carbon-neutral economy, the association should spend resources trying to find solutions to assist the industry in adapting or meeting the requirements of the change.

66% supported the clean cars programme as it might create opportunities for independent importers to collectively capture more market share.

61% agreed the used-imports industry will benefit more – or be penalised less – than the new-car industry under the programme.

PROS AND CONS

VIA's council contemplated changing ▶



A VIA report says the requirement for WLTP testing under the clean cars policies is among the wins for the used-imports sector

its policy stance when it discussed a report updating it on the clean car standard at a meeting on September 27. The report highlights positives for the used-imports industry to come out of these proposals.

These include penalties being half that of new-car imports, Euro 6 requirements having been negotiated to apply to all vehicles manufactured after a certain date as opposed to "imported after", all vehicles from Japan already meeting this requirement, and using Japanese emission tests as New Zealand's default.

"These wins, especially the requirement for WLTP-3P, are a huge issue for the new-car industry," the paper notes.

It explains VIA's previous position was that the standard was unfit for purpose for the used-imports sector, but says the association's council needed to decide on a position to inform "current consultation and to guide our goals and actions moving forward as related to public efforts to decarbonise the economy".

The paper outlines three possible positions – strengthen opposition, continue current strategy or support decarbonisation.

"While it is not VIA's role to advocate for decarbonisation, we can be the collective voice of the industry," the report says.

"Since our members represent the majority of the supply chain, we actually sit in about the same position as a manufacturer. It would not be unexpected to see a manufacturer support a pro-decarbonisation position.

"The choices we make now may shape our legitimacy and influence in the future. Acting like a manufacturer may reward us with being treated with the same level of respect as a manufacturer."

It goes on to highlight the pros and cons of each stance, noting the benefits of supporting decarbonisation include that it appeals to pro-decarbonisation customers, builds political capital and "allows us to focus resources where they will yield the highest long-term return".

The cons listed for backing decarbonisation are that it could be viewed as against the interests of the industry, and it could erode support and subscriptions – at least in the short term.

Following September's meeting, council members completed a survey that posed a number of statements on emissions, climate change and the clean cars programme.

Their answers were collated by Kit Wilkerson, VIA's senior policy adviser, into a document to better gauge the overall council's mood.

Wilkerson's report also outlines the potential benefits and risks of the organisation changing its position on the proposals.

The survey of the 18 council members showed none wanted to fight the clean cars programme and 50 per cent selected the option to support the programme with the goal of maximising advantages. Other results, which are rounded, included:

- 38.9 per cent preferred to keep the previous policy of opposing the programme.
- 5.6 per cent chose to support the legislation with the goal of minimising risk.
- 5.6 per cent were unsure about which solution would be best.

Comments on the survey ranged from "resigned acceptance of our inability to fight the tide" to a recognition that "public attitudes are changing globally and support for global warming mitigation is increasing".

The survey showed council members strongly supported suggestions the independent import industry be seen as mature and responsible, be part of the solution to transport challenges and that it should reflect New Zealanders' values.

Members also gave strong support to the statement that the new and used-car industries have distinct needs.

The statement "the independent import industry will benefit more – or be penalised less – than the new-car industry under the clean cars programme", was supported by 61 per cent of respondents, 22 per cent were neutral and 17 per cent opposed it.

A suggestion the proposals might create opportunities for independent importers to collectively capture more market share was backed by 66 per cent of council members.

Wilkerson's report notes that adopting a strategy to support the government "could potentially gain the industry significant political capital".

"There are other advantages, such as reinforcing the perception that our industry is a necessary part of the solution and willing to make decisions based on the public good," he adds.

"Finally, and perhaps most importantly, we will be supporting our industry in that the clean cars programme will create commercial opportunities for our industry specifically, at least until new EVs are available in significant quantity."

He highlights a danger of VIA adopting its new strategy is the clean cars programme itself, "because it will force significant changes to the used-car industry and there are risks related to increased costs and limited supply".

Wilkerson adds VIA will continue to keep government informed of risks and challenges as soon as they are identified.

Scrappage vital for cleaner fleet

The Motor Trade Association (MTA) has applauded the government for acknowledging a scrappage scheme will benefit New Zealand's light-vehicle fleet.

Not only will such an initiative decrease carbon dioxide (CO2) emissions from transport, it will boost on-road safety by lowering the fleet's age.

The idea for a scrappage initiative is one of the suggestions in the government's discussion document for its emissions reduction plan.

"We welcome recognition that we need scrappage to ensure all New Zealanders can benefit from moving to low-emissions vehicles," says Craig Pomare, chief executive of the MTA.

"We are pleased the government listened to our submissions and to see a sustainable biofuels mandate to reduce emissions from existing vehicles."

Greig Epps, the association's advocacy and strategy manager, adds that it's good a scrappage scheme will also be used to help low-income families get into green and safer vehicles.

Until the discussion document's release on October 13, Epps notes there had been insufficient focus on tackling pollution caused by the existing fleet, while another positive among the proposals is the government acknowledging behaviour change will be key to cutting emissions.

"We called for this in our response to the Climate Change Commission's report on which the emissions reduction plan is based. It will help when people understand what they can do to effect change."

The September 2021 issue of Autofile revealed the MTA's own proposals for a scrappage scheme to be in place within two years' time to target vehicles more than 15 years old.

Its idea is to offer Kiwis up to $2,500 to get rid of their old cars with that cash then spent on more modern and efficient models.

"Our research suggests people are keen to see something that incentivises scrappage," says Greig Epps, of the MTA

"Our research suggests people are keen to see something that incentivises scrappage with what they describe as a car buy-back scheme with an amount that means something to consumers," says Epps.

"If the idea is to try to get people into cleaner and safer cars, it shouldn't be cash in-hand. The money should be credited to a registered trader and go towards a car with an appropriate safety rating.

"The government might like to think about setting CO2 targets for such vehicles. It means people can look at cars that may otherwise be less affordable."

The MTA's ideas were put to Michael Wood, Minister of Transport, at an industry event it hosted in Wellington on August 14. "A scrappage mechanism focused on equity goals could be part of this," Wood told attendees. "We will work with you to explore options."

It now seems to be firmly on the agenda with the discussion document stating: "We are already ensuring vehicles entering Aotearoa have progressively lower emissions.

"However, transport decarbonisation will stall unless low-income New Zealanders can buy or access them through convenient and affordable alternatives, like EV car-share services.

"To make quality cleaner vehicles more accessible, we will introduce a scrappage scheme for low-income New Zealanders similar to California's Clean Cars 4 All initiative.

"This could have income-tiered rebates coupled with support for the installation of home EV charging. It could also offer incentives for people to opt for low-emissions alternatives, such as bicycles."

So, what is the programme in the US all about? It was started by the California Air Resources Board in January 2019 and helps people on lower incomes to retire older, higher-polluting vehicles.

Successful applicants get up to US$9,500 – or about NZ$13,300 – towards a new or used plug-in hybrid (PHEV), battery electric (BEV) or fuel-cell EV (FCEV). They can also opt for up to US$7,500 to access public, private and shared-mobility options.

By the end of February 2021, more than 10,000 cars had been scrapped and replaced with greener alternatives.

Some 89 per cent of Clean Cars 4 All participants fall into the low-income bracket set by the federal government, which is US$58,950 per year – or around NZ$82,400 – for a household of four, while the same proportion reside in disadvantaged communities.

The MTA describes the Californian programme as a "great starting point for the discussion", not only about removing older vehicles but also in-service emissions testing, which helps to identify problem vehicles.

Epps adds: "Along with scrappage incentives, there are consumer-assistance programmes to help owners rectify engine issues that have caused a failed smog check, which is a Californian emissions test."

The overall aim of the government in New Zealand is for a 41 per cent reduction in transport emissions by 2035 from 2019's levels.

Ideas covered in its discussion document include setting a maximum CO2 limit for vehicles powered by fossil fuels crossing the border. This would be more stringent than the current clean car standard and discount proposals.

Others are reducing vehicle kilometres travelled by light vehicles by 20 per cent by 2035 by providing cleaner travel options, particularly in the country's largest cities, and producing a national EV infrastructure plan.

The document also mentions reducing the emissions intensity of transport fuel by 15 per cent by 2035 by utilising biofuels, electrification, hydrogen and other technology.

Submissions close on November 24, with feedback from public consultation to be fed into the emissions reduction plan, which is due out in May 2022.

While supporting scrappage and a mandate for biofuels, the MTA has highlighted some issues with the discussion document, which include the timings of emissions budgets and their targets.

The government is aiming to have its clean car standard and

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discount in place before the end of the first budget period, "and that will see prices rising".

In turn, it will become more expensive for people to replace their older, less safe and more polluting cars. This means they may have to retain existing vehicles for longer.

The MTA also says improving public transport does not feature until the second and third emissions budget periods, but the government needs to "start on the groundwork" during the first budget for 2022-25.

"This is because vehicles will become more expensive, the supply of zero-emissions vehicles will be an issue and used imports' prices will rise," says Epps. "This is already being seen in the US and UK where rising used-car prices are being reported due to a lack of supply."

He adds some timings of government actions "appear out of whack" to ensure adequate replacement vehicles can be sourced for the market so people don't hold onto their cars for longer or look for replacements from the existing fleet.

DEADLINE TARGETS

The Motor Industry Association (MIA) is urging the government to do more to boost electric-car uptake and investigate ways to reduce emissions from internal combustion engines (ICEs), such as by investing in alternative fuels.

Porsche and ExxonMobil are researching biofuels and lower-carbon e-fuels to find pathways for potential consumer adoption. As early as 2022, they plan to test the second iteration of Esso's renewable racing fuel with e-fuel components. It's anticipated to achieve a reduction in emissions of up to 85 per cent when blended to fuel standards for today's passenger vehicles

It's also calling for any ban on ICE vehicles to lag equivalent action in source manufacturing jurisdictions by two years, although discussion of such bans may be premature if synthetic fuel can be produced at scale.

The MIA is, however, pleased to see clear targets in the discussion document and proposals to develop EV infrastructure.

"There is recognition the government needs to look at not just vehicles as they enter the fleet, but introduce measures to make it easier to cut emissions from those already here," says David Crawford, chief executive.

"A target being proposed for 30 per cent of the car park to be BEVs and PHEVs by 2035 is more realistic than initial modelling proposed by the Climate Change Commission. It will be hard to achieve, but not impossible.

"We need to consider current EU targets for CO2 emission levels by 2030 and aim to reach them here in 2032, and then look at an ICE ban two years after Europe in 2037.

"We're also concerned about the proposed CO2 limit for light ICE vehicles imported in that it needs to complement the clean car standard and discount."

Crawford notes such a measure, if introduced prematurely, would "kill off" super-cars in New Zealand, which make up a small proportion of the fleet and emissions, albeit their pollution is higher per individual vehicle.

Effectively banning super-cars "is like running a nanny state considering there are other options to import and use these small number of vehicles in a carbon-neutral way".

The MIA believes sustainable alternative fuels will have an important role to play in the shift to net-zero emissions, including using hydrogen to decarbonise heavy freight.

"In the short term, we believe reducing emissions from the current fleet should be a key focus," says Crawford. "Synthetic fuels, such as e-fuel, are a powerful initiative to decarbonise transport."

The association is also calling for a review of tax treatment to incentivise EVs, including fringe-benefit tax and depreciation rates, and scrappage to support Kiwis buying lower-emissions vehicles.

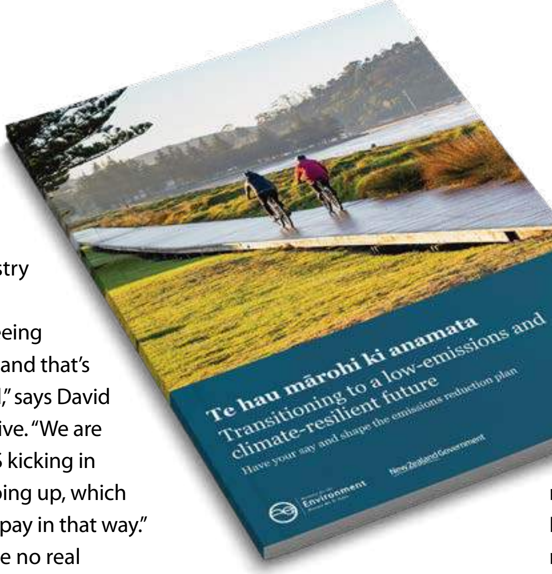
The MIA recognises more can be done to accelerate the reduction of greenhouse gas emissions from transport.

"However, to do more than is possible under business as usual will require the government to leverage policies that are realistic and achievable to incentivise a faster rate of change," notes Crawford.

"The MIA and its members are committed to making transport greener. This is the business model we have been transforming into and will continue to do so with increasing speed."

TRADING EMISSIONS

The emissions trading scheme (ETS) will be as big, and may have a bigger effect, on cutting pollution than what's outlined in the government's discussion paper on the emissions reduction



The discussion document for the emissions reduction plan

plan, according to the Imported Motor Vehicle Industry Association (VIA).

"We're already seeing fuel prices climbing and that's just market demand," says David Vinsen, chief executive. "We are going to see the ETS kicking in and carbon taxes going up, which means emitters will pay in that way."

He adds there are no real surprises in the discussion document following on from the Climate Change Commission's recommendations.

"It has attracted opinions that it doesn't go far and fast enough as well as that it goes too far and too fast.

"At the moment, transport is the low-hanging fruit and will be the first sector to be dealt with under the emissions reduction plan."

The government already has work under way on the clean cars programme. It has now recognised the need to strategically manage the fleet to meet its goals and has included a scrappage scheme, which VIA supports.

Vinsen says: "The idea is to encourage the acceleration of attrition of less-desirable cars, but do we look at vehicles that are less safe or less efficient in environmental terms?

"Some characteristics conflict with each other. You can use age as a proxy, but sometimes an efficient vehicle isn't necessarily safer because fuel-efficient cars tend to be lighter. Likewise, a big vehicle is generally safer but less fuel-efficient.

"There has always been disagreements, and EECA may have quite a different view of what a desirable vehicle is compared to the NZTA.

"We have been working collectively on how we meld these requirements into the RightCar information. Then it's a matter of education and people will have different preferences. Some won't care about efficiency if they have a safe vehicle. Some will look at it the other way."

As for setting an age limit for scrappage, "absolutes like that do not work" because "trends, nudges and encouragement" are needed.

"The best thing is to put a price on it under the ETS and let people work it out," suggests Vinsen. "To bring in an absolute limit is counterproductive. It would mean old vehicles would stay in the fleet longer because these things will only apply to those entering the fleet.

"Scrappage is only one part of an effective, overall strategy. Until the government grasps the nettle of dealing with what's in the fleet, other measures are tinkering around the edges.

"If we want to get a better fleet in terms of safety and fuel economy, we need a plan and not just ad-hoc interventions over time with different ministers and governments."

Vinsen believes a strategy needs to look at the fleet with regard to the size of vehicles, their age and other characteristics, and "how we want it to look in five and 10 years' time".

"From there, we can decide the path to follow and what interventions may be needed, such as legislation, standards or incentives, to get there.

"If we have a road map that gives the industry some certainty, which should also be in-line with the overall emissions reduction plan. Then we will all know what we're trying to achieve."

Japanese company buys wholesaler

The liquidators of Autoterminal New Zealand Ltd have completed the sale of the business to ATNZ 2000 Ltd – a wholly owned subsidiary of IBC Japan Ltd.

The deal was signed on October 11 and came after the south Auckland-based vehicle importer and wholesaler put itself into liquidation in early September.

The liquidation followed the high court issuing a $38.65 million judgement in favour of IBC Japan on July 6 following a dispute between the two companies.

After Autoterminal's sale was completed by the liquidators last month, IBC Japan confirmed car dealers in New Zealand using ATNZ 2000 will enjoy the same rates and terms as what they had under the previous ownership.

IBC Japan says, in addition to collecting its payment due, its

Autoterminal's site in Manukau before the business was purchased by IBC Japan from liquidators

"greatest concern" during the process has been to protect and support customers buying from Autoterminal "so they could continue trading".

"IBC has purchased all trade receivables [AR], inventory and assets of Autoterminal from the liquidators as a going concern – excluding liabilities," says the company. "The business will now be operated by IBC's subsidiary in New Zealand, ATNZ 2000."

The purchase of AR from the liquidators means all amounts owed by dealers to Autoterminal are now legally assigned and payable to ATNZ 2000, which also assumes "all rights and obligations under trading terms agreed between Autoterminal and its customers".

"We have set up a new trading account for all customers on the ATNZ 2000/IBC system with the same rates and terms as what they had with Autoterminal," says IBC Japan, whose accounts team has been following up with clients on invoicing and the document security release process moving forward.

"We will try our best to work on a smooth transition for customers, but would ask for understanding of any inconvenience caused while we implement new systems during this period," it adds in a statement.

Before IBC Japan bought the business, the liquidators – Steven Khov and Kieran Jones, of Khov Jones, and Tom Rodewald, of Rodewald Consulting – continued to trade on the business and kept some staff.

They also engaged with stakeholders, such as customers, employees, suppliers, creditors and interested parties, while Autoterminal staff they retained assisted with an orderly transition to ATNZ 2000.

The liquidators worked with stakeholders "to maintain the status quo to preserve the value of the business and maximise the sale price of the business", while a number of interested parties submitted offers for various parts of Autoterminal.

They decided ATNZ 2000 "would ensure the business would continue going forward and customers would receive continued service from the purchaser".

The liquidators say: "The representatives for ATNZ 2000 are Paul Carruthers in the North Island and Glenn Keatley in the South Island."

And they are confident the results of the sale would allow for distributions to all preferential creditors – employees, Inland Revenue and Customs – in full as well as unsecured creditors that submitted in-time and valid claims to them.

"The liquidators would like to thank the employees, suppliers and customers for their support during the liquidation. We are proud to achieve a sale of the business given the Covid and lockdown circumstances."

Number crunching

A report issued in mid-September by the liquidators showed Autoterminal's disclosed assets totalled more than $41m, excluding vehicle stock on-hand, plant and equipment, office equipment and intellectual property.

Assets at the time included $3.96m cash on-hand and $31.36m unpaid by customers, including "a number of car dealerships".

The liquidators reported that between 150 and 200 vehicles were at the Manukau site as of September 16. Most were owned by Autoterminal or provisionally sold pending compliance.

Some 40 creditors had come forward as of that date to claim a combined $39.52m, which included the IBC judgement of $38.65m. Liabilities to preferential creditors totalled $533,235.

Changes loom for car finance

Dealers and finance companies are preparing for major changes to credit contract laws while also facing challenges caused by Covid-19 restrictions.

Updates to the Credit Contracts and Consumer Finance Act 2003 (CCCFA) will come into effect on December 1. They will prescribe minimum standards for lenders' assessment of suitability and affordability of loans.

The new measures were originally due to kick in from the start of October, but have been pushed back by two months because of the impact of this year's coronavirus lockdowns.

The Financial Services Federation (FSF) says getting ready for the legislation is a substantial undertaking for its members and once introduced it may make it harder for consumers, including vehicle buyers, to secure loans.

Lyn McMorran, executive director, says finance companies and other lenders are having to create new, more comprehensive plans around how they process loan applications so they comply.

"It also requires all sorts of IT systems changes, document changes and staff training," she told Autofile. "That's hard to do in a lockdown when most companies have head offices in Auckland, and a lot of their dealers and agents are spread across the country.

"Members have been talking about plans for getting out and training. You can do some of that on Zoom, but a lot of it – from a lender's point of view – is better done face to face to gain a thorough level of understanding from dealers and agents. Once at level two, at least our members in Auckland can travel to see people."

"Consumers may get a shock on December 1 when they walk into a dealership"
– Lyn McMorran

Besides finance companies, registered motor-vehicle traders and agents getting up to speed with the legislation, the FSF has also been preparing consumer guidance.

McMorran says the new rules are expected to make accessing credit tighter. The process will be more time-consuming because finance providers will be required to ask more questions and conduct extra verification checks.

"Lenders are familiar with what's required and dealers will have to be, but consumers may get a shock on December 1 when they walk into a dealership.

"A lot more questions will have to be asked and not as much will be taken on trust as in the past. For returning customers, it may almost feel insulting. Suddenly, they will be asked about why they took $200 out of the ATM and if that was absolutely necessary.

"We're producing a resource that dealers, lenders, retailers and anyone offering credit can provide to consumers. It will explain the changes and why they are happening. People need to understand the questioning isn't something that's just directed at them. It's simply what's required by the law."

The new obligations for lenders will be introduced under the Credit Contracts Legislation Amendment Act 2019 and Credit Contracts and Consumer Finance (Lender Inquiries into Suitability and Affordability) Amendment Regulations 2020. All of this will update the CCCFA.

McMorran notes the government's reason for making the amendments is to protect consumers, especially those in vulnerable circumstances, from irresponsible lending practices.

She says "people sometimes lose sight of the fact that the vast majority of lending in New Zealand is done responsibly" and it's the actions of a small percentage of companies that has led to the upcoming changes.

"We support the idea lending should be responsible, but we have never agreed the problem is as big as the government thinks it is. The key to the problem of stopping that is enforcement rather than more legislation."

The FSF backs the changes to the CCCFA that define what high-cost lenders are and setting parameters around what they can charge, but describes other measures being introduced as "extreme".

However, it says it will do whatever it can to ensure members are compliant with the requirements and support them in achieving that status.

As a result, it commissioned legal company Chapman Tripp to detail all amendments and revised guidance that will emerge from the legislation, and put it into a plan for members to check they have everything covered. The document runs to 125 pages, which shows the extent of the changes that businesses are having to grapple with.

"Overall, it's always a question of lenders having to work these things out for themselves, and determine the level of risk they're prepared to take and what their operating models will be."

'TIGHT DEADLINE'

There was considerable relief among dealers and finance companies when the government announced it would delay introducing the new laws by two months.

The move came after the FSF lobbied for the changes to be stalled after the country went into Covid-19 lockdown in mid-August because of a community outbreak of the delta variant.

McMorran welcomes the decision as otherwise FSF members would have been "facing an impossible task" to be ready by the start of October.

"The changes are significant. It's a massive undertaking, not just a few tweaks. I'm unsure how on earth we were going to get through such a big project with all those changes in alert level four, so it's welcome they are now not being introduced until December 1.

"October 1 was always a tight deadline without the extra pressure of lockdowns, so asking the government for the extension after going to level four seemed logical. Being granted the extra two months has allowed some FSF members to get a good night's sleep for a change."

Stakeholders were advised of the delay in September by the Ministry of Business, Innovation and Employment. It says the postponement was needed "due to the impact of alert levels on lenders' implementation of the reforms, which has disrupted training and other preparations and forced a reprioritisation of resources to support existing customers".

The requirements for creditors and mobile traders to receive certification by the Commerce Commission that their directors and senior managers are fit and proper persons for their roles still came into force on October 1.

However, due-diligence duties on directors and senior managers have been put back to the start of December.

Tips for traders

How customers access credit alters significantly from December when legislation will require more in-depth enquiries to be made of borrowers.

It will be important for registered motor-vehicle traders to follow the processes and policies of their finance providers.

Key areas of change affecting dealer networks include:

Advertising credit. If you include the weekly repayment amount, you will also have to include the interest rate and the term of the loan used to calculate that, as well any fees that may apply – all with equal prominence to the weekly repayment.

Assessing loan suitability. Products must meet the customer's goals and objectives. If you have a range of products to offer, you must choose the one that best meets the consumer's needs.

Affordability of finance. You have to consider all of the client's fixed expenses, regular discretionary expenses they are not prepared to give up or reduce, and apply a buffer or surplus to the expenses as well as the new loan repayment to determine if the finance is affordable.

Source: Financial Services Federation

ENFORCING RULES

McMorran believes most finance companies and dealers will be ready for the reforms come next month, but with many of them battling for the same expertise and resources some may miss that target.

"The Commerce Commission has no mandate to allow any leeway around full compliance or not from December 1, but it has said it will take an educative

[continued on page 14]

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approach where they see people willingly trying to comply," she says.

"Resources are an issue for our members getting across the line in terms of compliance, so the commission's approach is a bit of comfort for those trying to comply and ticking off milestones as they can."

The regulator has held in-person and online seminars around the CCCFA in recent months. It has also produced fact sheets about advertising and fees, certification, disclosure, due diligence and responsible lending.

A spokesman for the commission adds that once the new rules come into force it will follow its enforcement response model. This states, whenever possible, it prefers to encourage compliance by using non-enforcement options. "This model underpins our focus on, and preference for, engagement, education and outreach in relation to compliance with the new laws," he adds.

"On the conduct side, we will be factoring in lender behaviour and willingness to comply in our investigations, including whether an approach taken by a lender is in our view a genuine mistake or misinterpretation of the new laws."

ADD-ON PRODUCTS

The CCCFA reforms mostly affect finance businesses, but there has previously been concern from insurance companies as to how it may affect some add-on products when vehicle loans are taken out.

"For insurers, there are some changes in the regulations, guidance and responsible lending code around the suitability of the product, and a consumer being able to lodge a claim," explains McMorran.

"However, in terms of the actual credit part of it and the affordability of any premium as part of a loan, then the responsibility is 100 per cent with the lender."

As for insurance companies, the Commerce Commission notes it may address any matters if raised by the industry as potential problems.

> **"We're making sure that insurance products offered by a dealer are fit for purpose"**
> **– Phil Hibbert**

"Engagement and education cover different activities and approaches by our credit branch team," says the commission's spokesman.

"One aspect involves meeting with lenders to discuss any issues they are facing when it comes to interpreting or applying new laws, which may also be in areas we aren't currently aware of.

"Discussing these issues with lenders will allow us to have better visibility of compliance challenges. This will in turn inform those areas in which we may need to provide clarification on particular points where we can, as well as more guidance."

Phil Hibbert, chief executive officer of Protecta Insurance, says his company has had to make some adjustments to its processes because of the upcoming changes. These are designed to speed up the process, reassure dealers and financiers, and ensure products are suitable for consumers.

"The energy and hype around the CCCFA at the moment is more on lender responsibility," he told Autofile.

"Under the CCCFA, any add-on insurance products fall under the obligations of the lender to ensure there is product suitability and affordability. As insurers, we have to put a few more processes and procedures in place that lenders are happy with to help them with this.

"We're making sure that insurance products offered by a dealer are fit for purpose, and that dealers have been trained and given the right tools and capabilities to ensure the right guidelines are being followed.

"We're pretty well set up as we've got a lot of online training already with our Elmo system. We're also looking at putting in more real-time and digital disclosure that can be forwarded to financiers to give them comfort that suitability of the product has been acknowledged by the customer at point of sale."

Hibbert adds that while insurers may not directly be affected by the CCCFA changes, "indirectly our products are very much aligned with those of financiers so it's something we need to be mindful of".

"As long as you accept there's a couple more hurdles to go through and introduce the right capabilities, you can just carry on. Historically, when there has been change, we all kicked and screamed but ultimately everyone moves on. You have got to take every opportunity to make these changes work as best as you can."

FSF members have been trying to meet the demands of shifts in the CCCFA while also dealing with restrictions on their day-to-day business because of lockdowns.

McMorran says it took longer to get call centres cleared as essential services by the government than it did in the first shutdown in March and April last year.

While such measures were approved in a matter of days in 2020, this time around it took weeks to gain the same clearance.

"It makes it hard trying to assist customers experiencing hardship if you can't run your call centre," she adds.

"We're not hearing from members that their arrears have skyrocketed. We expected that in the first lockdown, but people continue to meet payment commitments and repay loans.

"If the lockdowns continue then how much resilience people have got, and if we will see a spike in defaults and repayments, remains to be seen."

Car processing times stay high

Ports of Auckland Ltd (POAL) is hailing the amount of time vehicles remain at its wharves as world-leading.

That's despite huge pressures facing the global supply chain caused by the coronavirus pandemic and inspections that used to be completed in Japan now being carried out on-shore.

The average wharf-dwell time for cars at the port was 2.07 days in the 2021 financial year, the same as in 2019/20.

In addition, the number of passenger and light commercial vehicles coming through the port rose to 236,260 units.

That was up by 9.2 per cent when compared to 216,356 units in the previous financial year, but 7.4 per cent lower than the 255,252 in pre-pandemic 2018/19.

"There has been a steady rise in car-import volumes, which means our car-handling building and wharves have been well-utilised," says Spencer Brown, POAL's manager of multi-cargo.

"As a result of Covid-19, the Ministry for Primary Industries [MPI] removed its Biosecurity NZ officers from Japan where they previously carried out inspections before vehicles departed.

"Inspections must now be completed in New Zealand, which increases the time ships are in port. However, the average wharf-dwell time for cars remains at 2.07 days,

The car-handling building at Ports of Auckland has been "well-utilised" since opening. The average dwell time in 2020/21 was 2.07 days – the same as in the previous financial year, which in turn was down from 2.42 days in 2018/19. Dwell times for cars were 2.90, 2.93, 2.46 and 2.70 days in the 2018, 2017, 2016 and 2015 financial years respectively

which is a leading figure around the world thanks to the work of the trucking community."

Brown describes members of his multi-cargo team – along with independent stevedores, shipping-line customers and key service providers – as having been "star performers" over the past year.

"Their ability to manage global pressures has ensured we continue to support the local supply chain safely and effectively.

"While, initially, they were significantly affected by Covid-19 lockdowns, freight volumes across the multi-cargo wharves have bounced back to higher-than-expected levels."

Mike Lightfoot, POAL's chief operating officer, notes the pandemic has caused significant upheaval to shipping and, along with increased demand, this has resulted in congestion.

The knock-on effect has been disrupted schedules in addition to the global shortage of containers and vessels.

"In Auckland, we've had the complication of trying to complete our automation project during the pandemic, which added to congestion," adds Lightfoot.

"We're addressing this. We remain committed to completing automation because it delivers the capacity needed to cater for Auckland's growing freight demand.

"We have increased the scale of manual operation to keep freight moving while we progress automation. We've completed almost all physical works, which has increased terminal capacity."

POAL is aiming for its automation project to go live by late March 2022, which is normally a quieter time of year. But, because of the pandemic, "normal" no longer exists.

There could still be high demand for imports and the export season will start to ramp up from then, so the target date may be put back to avoid further disruption.

Auckland's volumes in 2020/21 were mixed with those through the container terminal and multi-cargo wharves dropping by 7.1 per cent to 818,238 TEUs – 20-foot equivalent units – compared with 880,781 in the previous financial year.

However, 6.67 million tonnes in bulk and break-bulk volumes, which include motor vehicles, were close to record levels and up by 15 per cent from 5.8m tonnes.

There were only 975 ship visits – down from 1,272 or by 23.3 per cent, which reflected the loss of the cruise business and congestion at the container terminal.

As for key financials, revenue fell to $226.3m from $231.4m, but net profit after tax increased to $45.6m compared to $23m in 2019/20, which included a significant revaluation of investment property. Underlying annual profit fell to $20.7m from $30m.

Wayne Thompson, interim chief executive officer, describes the past ►

Expanding existing operations will be greener

Shifting the port away from downtown Auckland will have more adverse environmental effects than allowing it to expand.

That was the warning issued by Alistair Kirk, general manager of infrastructure and property at POAL, when he appeared before the environment select committee considering submissions on the exposure draft for the Natural and Built Environments Act (NBA).

It's the first piece of legislation that will replace the Resource Management Act. The other two – the Strategic Planning Bill and Climate Adaptation Bill – will be introduced at a future date.

POAL's submission on the exposure draft states existing facilities will need stronger protection in the NBA.

Kirk recently told the select committee via Zoom that it made no sense developing a new port when Auckland could continue to operate and expand where environmental sacrifices had already been made. He added that applied to all ports and nothing should be done to limit their functions or capacity.

POAL is calling for changes to improve the NBA's exposure draft. These include the need for the better provision of infrastructure outcomes.

It adds there should be a clear transition framework from the existing RMA to the new system.

"This must integrate with existing reforms and legislation that will continue alongside the NBA and other new acts," says the port's submission.

"This needs to happen as soon as possible to allow large-scale companies and infrastructure providers to "adequately plan and invest in future development".

Visit www.autofile.co.nz for more on this story.


Port of Tauranga

year as "tough", but POAL is seeking higher returns in the current financial year.

"The pandemic and a fatal accident a year ago have had a heavy impact. Disruption in the global supply chain has been felt across our business. At our multi-cargo terminal, we've seen significantly higher volumes despite shipping delays.

"This next year will have challenges and setbacks as the lockdown shows. However, we've made good progress on addressing problems."

DISRUPTION TO REMAIN

One port's loss is another's gain, although Port of Tauranga has also felt the impact of disruption to global shipping.

In addition, it "has done its best" to accommodate cargo diverted from Auckland and to process vessels arriving "off window".

Ships have been sent to its Mount Maunganui bulk-cargo wharves and Northport to alleviate pressures during peak times.

Chief executive Leonard Sampson predicts Tauranga's congestion issues are unlikely to be resolved permanently until vessels can return to schedule and POAL is operating at full capacity.

He says the problem highlights the need for the port to increase capacity and it has applied for resource consent to extend its container berths.

Sampson is confident Tauranga has solved its land-side congestion issues, but warns "the disruption to the international supply chain remains and challenges in Auckland are unlikely to be resolved soon".

As for the Upper North Island Supply Chain Review, its independent working group recommended in late 2019 that POAL be moved to Northport.

A subsequent review, by economic consultancy Sapere and released in July 2020, suggested Manukau Harbour was the best location. The government is now undertaking further policy analysis on options.

Sampson says: "The Minister of Transport, Michael Wood, has indicated a strategic decision will be made by the next election in 2023 and that it will be part of a broader national freight strategy.

"We have stressed to policy makers the need for pragmatic, fact-based analysis and solutions, rather than the politically motivated, interest-driven reports undertaken previously."

Port of Tauranga has posted a net profit of $102.4m for 2020/21 – up by 15 per cent from $88.7m in the previous year.

Total trade climbed to 25.7m tonnes, an increase of 3.8 per cent from 24.8m tonnes in the 2020 financial year. Imports rose by four per cent to 9.4m tonnes, and exports by 3.6 per cent to 16.3m tonnes.

David Pilkington, chairman, says: "Constrained capacity in parts of the supply chain has exacerbated delays and restricted our ability to adapt quickly to needs of importers and exporters. International capacity is in hot demand and costs for shippers have skyrocketed."

Meanwhile, Marsden Maritime Holdings has announced a net profit of $14.26m for the past financial year, more than double the previous year's $6.68m. The company and Port of Tauranga own Northport, which delivered a record $9.53m profit.

Industry movers

JASON JARVIS has become Volkswagen NZ's new dealer development manager.

He brings more than 30 years' experience in the industry to the role, which he took up last month.

Jarvis was previously managing director and trainer for his Auckland-based company, JMIS Training, providing professional sales, management and leadership skills to dealers and distributors.

Prior to that he spent 11 years working for Isuzu Utes NZ, Continental Cars BMW, Continental Cars, and City and West Auckland Nissan.

Dennis Kelly

DENNIS KELLY and **KIRSTEN CORSON** have been appointed to the board of Drive Electric, the not-for-profit organisation aiming to mainstream e-mobility in New Zealand.

Kelly is director of group fleet at FleetPartners NZ and Australia, and has more 40 years' experience in leasing, commercial asset financing and banking.

Kirsten Corson

Corson is co-founder and executive director at Zilch Car Sharing, an all-electric mobility-as-a-service business.

She is also a director and co-founder of Carbn Asset Management, a green-fleet consulting company, and Sustainable Fleet Finance.

LAUREN QUAINTANCE, a journalist and media executive turned entrepreneur and content marketer, has been appointed as emerging director at Turners Automotive Group.

Most recently, she was the co-founder and managing director of Storyation, which is a digital content marketing agency with offices in Auckland and Sydney. It was sold to ASX-listed NewsCorp Australia in late-2019.

Stephen Reindler

STEPHEN REINDLER and **GEOFF PLUNKET** have become directors of Ports of Auckland's board.

Reindler, a director of Z Energy and Steel & Tube NZ, was previously director of Port of Napier, Meridian Energy and Worksafe NZ, and is past-president of the Institution of Professional Engineers NZ.

Geoff Plunket

Plunket is former chief executive of Port Otago and has nearly 30 years' experience in senior roles in that company.

He worked for Coopers & Lybrand and KPMG in Dunedin and the UK through the 1980s. He is currently chairman of Blis Technologies.

Chief financial officer Wayne Thompson remains as interim CEO. He joined POAL in 2004 and became deputy chief executive in 2016.

LEONARD SAMPSON has taken over from Mark Cairns as Port of Tauranga's chief executive, a position he held for 16 years.

He was promoted into the position after working there for nearly eight years.

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

Extra time for border inspection approvals

Waka Kotahi NZ Transport Agency has appointed another border-inspection organisation (BIO) after spending nearly two years working through the application process with the company.

KMA (NZ) Ltd, an affiliate of Autoterminal Japan, can now provide inspection services for vehicles being imported here along with five other companies, which secured their approvals from the agency earlier in the year.

The Hamilton-based business previously operated as Autoterminal Japan (NZ) Ltd and has accepted a notice of appointment from the transport agency that started on November 1 and runs until the end of June 2024.

The other appointments were made from July 1 this year and were granted to Automotive Technologies Ltd (ATL), Bordercheck, JEVIC, NZ Biosecurity Services and Independent Verification Services. All of those BIOs were given five-year appointments, except for NZ Biosecurity Services, which secured a three-year contract.

Mamoru Fujie, director of KMA, says the company is pleased to have its reappointment as a BIO confirmed after a "thorough and robust process".

"KMA wholeheartedly supports Waka Kotahi taking such a rigorous approach," he told Autofile. "It is important to ensure that the public can have confidence in border-inspecting organisations."

The process for appointing BIOs opened in late 2019 and attracted eight applicants. Waka Kotahi says one organisation chose not to progress its bid and it is working through the appointment process with one other company, which it expects will be able to start operations from January 2022.

The agency will not release details of the final applicant until the company accepts a notice of appointment, but says it is likely to be appointed until June 30, 2024, to align its contract with other BIOs.

"We are nearing the final stage for the remaining border-inspection organisation applicant and it is likely to be appointed when we have confirmed site improvements have been undertaken," says a Waka Kotahi spokesperson.

The appointment process has taken longer than previous rounds because the transport agency is strengthening its regulatory oversight of BIO activities following a review of the sector in 2019.

The spokesperson says this has led to staff spending more time with KMA (NZ) Ltd and the other outstanding applicant. "The extra time has been required for one applicant to improve their overseas inspection site to ensure it matches the required Waka Kotahi standard," says the transport agency.

"We required further information from the other BIO to understand its conflict of interest and inappropriate influence controls in place within the company to ensure suitable controls were in place to mitigate any risk. This was consistent across all BIO applications."

The BIOs appointed in July are all operating and have been meeting the conditions of their new contracts, while the border and entry team will continue to monitor them.

Sue Hardiman, Waka Kotahi's senior manager of vehicle driver and licensing, previously said the more robust application process was to "ensure imported vehicles are safe".

"Inspection functions need to be rigorous and protected from inappropriate influence. We expect high professional standards at all times."

The transport agency will maintain oversight of the companies through a compliance team created last year. This in turn means extra auditing requirements for the successful BIOs.

Engagement can boost progess

After much internal debate and careful consideration, VIA has taken the decision to change its policy position and support the government's clean car programme.

Our previous policy regarding the policies can be summarised as follows: "We understand and support the need for New Zealand to meet our legal obligations under the Paris Climate Change Agreement and recognise that reducing greenhouse gases from the transport sector is vital to achieving these goals. But the clean car programme is not fit for purpose and we oppose it on that basis."

This position was an honest critique in that the clean car programme was based on policies adopted in the EU and designed to incentivise manufacturers to supply cleaner vehicles.

It's both carrot and stick – subsidy and penalty. The problem is we have no domestic manufacturing and, more importantly, half our vehicles are sourced competitively from overseas markets.

This means the carrot will simply funnel money overseas to foreign manufacturers or foreign used-car markets, and the stick just makes it more difficult for us to supply vehicles and will increase prices for consumers. At no point do New Zealand interests benefit from the initiative.

For that reason, VIA argued that the clean car standard is not fit for purpose.

The government, however, saw our position as opposition to the clean car programme, quickly generalised and dismissed as a simple and disingenuous, "we support your goals, but…"

KIT WILKERSON
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The government has one goal when it comes to this effort – to reduce greenhouse gas (GHG) emissions.

Although the government has a number of initiatives aimed at the general transport sector, the clean car programme is the only proposal directed specifically at the light-vehicle fleet.

Our objection to it makes us appear "part of the problem, rather than part of the solution", and makes us sound disingenuous when we claim to support climate change mitigation.

> **"It's both carrot and stick – subsidy and penalty"**

We did ask for the opportunity to develop something that better fits the needs of New Zealand's unique vehicle-supply situation, but – in all honesty – any solution that the industry proposed could not have amounted to anything more than an obvious delaying tactic.

Put simply, there is no way to make the changes the government and our commitments deem necessary without the negative impacts we expect from the clean car programme.

We often hear about how the efficiency of the fleet was improving naturally and question why we could not allow the market to address the issue.

The problem with that approach is that assuming the approximately 1.5 per cent improvement we were seeing annually and an average efficiency of 163gCO_2/km in 2021, we would only achieve an average of 105gCO_2/km in 2050.

The clean car programme is demanding we achieve 105gCO_2/km by 2025 and we are legally required to be carbon neutral by 2050.

All new imports need to emit no GHGs by then and the vast majority of the fleet would also need to emit such emissions.

We need to plan to have all new imports be low-to-no emitters early enough that the fleet has time to turn over.

We are facing the need for rapid change as New Zealand needs to accelerate its efforts after decades of delays and inaction. Our industry might not be to directly responsible for those delays and inaction, but we have benefited from it.

We have engaged constructively with the government over the past few years to negotiate conditions that will enable our industry to have a chance to survive the transition to a low-emissions light-vehicle fleet. We will continue to do so.

The clean car programme will inevitably limit the choice of models, as well as overall supply, but it will also create opportunities for those companies that are willing and able to adapt to the new requirements. By the mid-2030s, we should have just as many options as we do now, but they will be electric or other low-to-no emitting vehicles.

VIA's new position stresses our support for the goal and our intent to be part of the solution.

It can be summarised as: "We recognise and support the need to reduce GHG emissions quickly and the importance of public policies that will accomplish this goal in a fair way across all industries.

"VIA supports the clean car programme in principle, and looks forward to continuing to work closely with government to find a balance between the greater good and economic opportunity.

"These goals are not mutually exclusive and we will continue to supply quality cars for New Zealanders during this time of unprecedented change."

This focuses on supporting mitigation policies while acknowledging that we intend to be actively engaged with the government to help shape them.

VIA and its members intend to continue to supply vehicles to meet market requirements, while also doing our best to meet the government's emissions reduction targets.

A transition to EVs – and or other zero GHG-emitting vehicles – is inevitable and our industry is willing to supply those vehicles as soon as supply is available. In the meantime, hybrids will need to be an intermediate step.

The clean car programme, viewed holistically, will accomplish these goals over time.

The month that was... November

November 2, 1998

Competitor defends Daewoo initiatives

Daewoo's radical direct-selling stance was supported by an arch-rival after its operation was restricted through the Motor Vehicle Dealer Licensing Board following action initiated by the Motor Vehicle Dealers' Institute (MVDI).

John Leighton, managing director of Mitsubishi Motors NZ, said the action against Daewoo showed just how out of touch with commercial reality the Motor Vehicle Dealers' Act (MVDA) was.

Almost two weeks prior, Daewoo was compelled to restrict its selling activities to the Auckland area, the only region for which it had a licence.

Daewoo's general manager, Mark Vidak, said regional private sales accounted for up to 25 per cent of the company's business.

Leighton questioned how the industry was to develop the marketing and retailing of its products when constrained by convoluted and restrictive practices. He added there was an argument to repeal the MVDA.

Steve Downes, the MVDI's executive director, said his institute stood by its belief that Daewoo had been operating in contravention of the legislation.

He added the MVDI had initiated the action after receiving complaints from individual members and branches around the country.

November 14, 2008

Obama to bail out automakers

US president-elect Barack Obama was calling on the Bush administration to speed up aid to carmakers, saying his economic team was working on additional assistance to be considered after his inauguration on January 20.

"The automotive industry is the backbone of American manufacturing and a critical part of our attempt to reduce our dependency on foreign oil," said Obama.

The Bush administration had approved rules for US\$25 billion in loans to marques for retooling plants, but the money wouldn't reach the companies until 2009. Congress had to enact any addition aid.

Vehicle makers were pressing for an extra US\$25b in loans, as well as financing from the Treasury or Federal Reserve.

With the three big marques – Ford, General Motors and Chrysler – haemorrhaging billions on a monthly basis, the latter two had been in talks about a merger.

However, talks for GM to acquire Chrysler had been suspended and the former said it was setting aside considerations for a "strategic acquisition".

November 10, 2006

Fuel-efficiency labelling for vehicles?

David Parker, Minister for Climate Change, released a discussion document that week regarding mandatory fuel-economy labelling for vehicles at point of sale.

The proposal aimed to cut greenhouse gas emissions and improve air quality by informing consumers about the efficiency of vehicles they were considering buying.

The scheme would cover all new and used vehicles for which fuel-efficiency information was available.

Mike Noon, the AA's general manager of motoring affairs, said: "Motorists want better and more complete data on fuel economy so they can make informed choices at time of purchase."

Perry Kerr, chief executive officer of the Motor Industry Association, was unhappy with the proposal.

"Research shows that by the time people get to a new-vehicle dealership, they have made up their minds as to the make and often the model they're going to buy," he said. "We believe that labelling will be effective in the second-hand market."

November 28, 2008

Subaru diesels are here

Subaru had launched its first diesel engine cars – the Legacy 2.0D and Outback 2.0D Euro – into the New Zealand market before Christmas.

The company said the efficient high-performance boxer-engined vehicles were on a par with the best two-litre turbocharged diesels available on the market, offering 110kW of power and 350Nm of torque.

Fuel consumption was said to be as low as 5.6/100km on the EC combined-cycle measurement and with carbon-dioxide emissions of 148g/km. According to registration and statistical data, the Legacy 2.0D Euro was the most efficient petrol or diesel all-wheel drive or 4WD model available in this country, while the Outback 2.0D Euro was the most efficient petrol or diesel SUV available here.

"Diesel is becoming an increasingly important segment with sales growing from just under 10 per cent last year to 15 per cent of the total market this year," said Graeme Woodlands, managing director of Subaru of NZ.

"Higher fuel costs and an increasing awareness of the environment have contributed to the increased sale of diesel vehicles. These cars give us entry into an area of the market we have never competed in before."

Industry on wrong side of history

Are you getting confused by the clean cars programme and other changes that are coming? It wouldn't be surprising given what seems like an endless stream of new ideas on how to fix our problems.

The reality is that the good ol' motor industry is now the whipping child of anyone with an idea. After all, we're dirty polluters and must be curtailed at all cost.

For those of you old enough and with a twisted sense of humour, you might see some similarities with the Monty Python skit showing a bunch of Yorkshire lads sitting in a club supping a shot of something and puffing on large cigars. While outdoing each other with tales of how bad they had it when growing up, one quips, "lived in small shoe box in middle o' road".

Unfortunately, in our case, it's not a skit. We're on the wrong side of history and the car business will have to change.

In the interests of putting all the ideas in one place, this article lays them out for your easy consideration.

First up, the clean car discount. This is targeted at the purchaser and provides a mix of rebates or fees based on the carbon dioxide (CO_2) output of the vehicle in question. It was first debated in 2019 as part of the clean cars programme.

Rebates came into effect on July 1 for electric vehicles (EVs) and plug-in hybrids (PHEVs) priced at less than $80,000.

Petrol hybrids and vehicles with internal combustion engines (ICEs) will be added to the scheme from April 1.

Overall, this is a simple demand-led initiative that's easy to understand. Similar ideas have been used in other countries.

Next comes clean car standard, which is more complex and designed to influence importers of new and used vehicles. Also first debated two years ago, the industry has had some time to ponder its impacts and ramifications.

The recently introduced Land Transport (Clean Vehicles) Amendment Bill puts it into play and sets out the high-level structure with details to come via regulations.

Under this scheme, the importer will attract credits for vehicles that have emissions below a defined threshold, which reduces each year, and there will be penalties for dirty vehicles with CO_2 outputs above respective thresholds.

Importers will need to balance their import mixes to offset penalties with credits and predict where the market might head. This type of approach has been rolled out in Europe, albeit with some differences.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

New Zealand differs from Europe in that we have a significant used-imports industry with many more participants all sourcing stock from the same market. It will be interesting to see how the scheme works in that sector.

The difficulty is that the CO_2 targets change every year up to 2027, by which time all ICE vehicles will be subject to penalties – read that as substantial price increases on the horizon.

Collectively the two schemes, the clean car discount and standard, work to incentive EVs at the expense of ICEs.

The over-arching question is whether importers will be able to source adequate volumes of EVs and PHEVs in coming years to capitalise on the more favourable positioning, and problems may arise in segments where there is no reasonable electric option.

Thirdly, the previously mentioned bill included an additional clause when it was released on September 21.

Buried in the detail, clause 167C(1)(m), is an option for the government to introduce an obligation on importers – new and used – to meet a defined minimum proportion of vehicles with zero CO_2 emissions or face another penalty.

This provision was never raised during consultations in 2019 and came as a surprise to the industry.

Speculation is that this tool will be rolled out if a review in 2024 finds sufficient progress isn't being achieved. In short, it's a fee on top of a fee.

But just as in the Yorkshire lads' skit, there's more.

The recently released discussion document on the emissions reduction plan, which is currently out for consultation, throws another idea on the table – specifically the setting of a maximum CO_2 limit for individual light ICE imports.

This would simply serve to ban any vehicle imported that emits CO_2 over the defined threshold and "would apply until made redundant by a phase-out of light ICE vehicle imports".

As always, the devil will be in the detail, but I'm sure you get the picture. The automotive industry has always been dynamic and interesting, and that's not going to change anytime soon.

Iconic brand getting plugged in

Jeep is celebrating its 80th year by introducing its first electrified model, the Grand Cherokee 4xe, alongside its "ultimate off-road" Trailhawk.

The fifth-generation range boasts a plug-in hybrid (PHEV) variant, as well an all-new architecture, exteriors and interiors.

The 4xe targets an estimated 40km all-electric range, and an estimated total range of more than 708km along with a maximum towing capability of 2,720kg.

Available in the Grand Cherokee Limited, Trailhawk, Overland, Summit and Summit Reserve, the 4xe's propulsion system combines two electric motors, a 400-volt battery pack, two-litre turbocharged and four-cylinder engine, and TorqueFlite eight-speed automatic transmission.

It can produce 280kW of power and 637Nm of torque with its direct-injection engine, which utilises a twin-scroll, low-inertia turbocharger mounted directly on the cylinder head.

Efficiency is enhanced via the use of electric power steering and an electrically driven air-conditioning compressor to remove those loads from the engine.

The conventional alternator is replaced with a high-voltage, liquid-cooled motor generator. Connected to the engine crankshaft pulley via a belt, this unit spins the engine for nearly seamless and fuel-saving start-stop operation as well as generating electricity for the battery pack.

A first for Jeep – its plug-in hybrid Grand Cherokee 4xe

A larger high-voltage motor generator is mounted in the transmission, replacing the torque converter. Two clutches manage power and torque from the e-motor and engine.

A clutch is mounted between the engine and motor. When the system operates in electric-only mode, this clutch is open so there is no mechanical linkage between the engine and e-motor.

When the clutch is closed, combined torque from the two-litre engine and e-motor flow through the automatic transmission. A variable clutch mounted behind the e-motor manages engagement with the transmission to improve drivability and efficiency.

The Grand Cherokee 4xe carries a 17kWh EV battery. Its units and controls are mounted underneath and are protected by a series of skid plates.

Its system also includes an integrated dual-charging module that combines a battery charger and a DC/DC converter in a single, compact unit and a power inverter module that's reduced in size.

With three "E Selec" modes, the 4xe's driver can tailor the hybrid powertrain to best suit each trip, such as commuting, off-roading or long-distance travel.

When the brake pedal is applied, the powertrain control engages the maximum available regenerative braking, up to 0.25g, from the electric motors to slow the vehicle, which is augmented with the Grand Cherokee's traditional friction brakes.

With four-wheel drive (4WD) engaged, all wheels feed torque for regenerative braking with electricity from it fed to the battery pack to maintain or increase the state of charge.

As for the new Trailhawk, Jeep is billing it as its "most capable" Grand Cherokee with its 4WD capability elevated "even further".

It features standard all-terrain tyres, integrated off-road camera, Quadra-Lift air suspension with up to 28.7cm of ground clearance, and improved approach, departure and breakover angles.

It also has class-exclusive sway-bar disconnect to allow for improved articulation and traction over rocks and rough conditions.

Its Selec-Speed Control manages speed in low-range 4WD while traversing off-road terrain.

On steep inclines and declines or when going over obstacles, the system automatically applies engine torque and or brake pressure to maintain a consistent and safe off-roading speed without requiring the driver to control the throttle or brake.

In addition to the PHEV 4xe, the 2022 Grand Cherokee line-up has a choice of two engines. The all-aluminium 3.6-litre Pentastar V6 comes as standard with a 5.7-litre V8 being optional.

The all-new model range will be rolled out in the US during the final quarter of 2021. It will be followed by the 4xe in early in 2022 with global markets to follow later next year.

The range's Trailhawk variant in action

Different looks across range

The new CX-5

Mazda says its best-selling SUV will bolster the marque's reputation for style, safety and versatility when the redesigned CX-5 comes to market.

All grades will share a new front face, and improved comfort and dynamic performance with visual definitions for each variant.

Applying "the matured Kodo design principles manifest in the sleek aesthetics" of the new-generation Mazda3 and CX-30, character lines have been minimised in favour of reflective body surfaces.

A new signature wing extends outward from the front grille, which is updated with a three-dimensional texture that replaces the outgoing mesh surface.

The headlights and taillights receive design changes with each lamp featuring a pair of horizontally spaced, rectangular LEDs to create a sleek expression.

Further exterior changes will be deployed grade by grade to give visual definition to the line-up.

There are luxury enhancements for the top-specification CX-5 Akera, such as its exterior cladding being unified with the body colour contrasted with bright silver-finished wheels and premium nappa leather for the interior.

Black highlights provide a sporty look for the second-to-top grade GT SP. It also boasts a gloss-black signature wing, grille and mirror caps with the wheels complemented by an all-black interior with red accents.

Mazda says the CX-5 Touring is best showcased in the new metallic zircon-sand body colour.

It also has exterior cladding on doors, while the front and rear bumpers are enhanced with a lime-green accent on the grille. Inside, the same colour accents seat upholstery and air-conditioning louvres.

The CX-5 range, which is due to arrive down under next year, will benefit from new-generation technology with updates common to all grades to offer a smoother, quieter and more comfortable drive.

The SUV's seats have been redesigned to help provide the driver and occupants with greater stability to support the spine's natural s-curve.

The marque says the range benefits from smoother acceleration with a more responsive and refreshed transmission.

Improvements to the dampening control structure and increased frame rigidity minimise vibrations, reduce road noise and boost ride comfort.

Racing to its roots

The UK's oldest car manufacturer, AC Cars, has unveiled its Ace RS electric.

The nameplate has been restored for the first time in more than two decades as an official model while retaining the original's shape.

Despite its classic styling, the car delivers a 0-100kph time of about 5.5 seconds, produces 230kW of power and 500Nm of peak torque, and boasts an electric range of 322km on a single charge.

"Our move to electric has proved to be more important for the brand than anything else we've attempted before," enthuses Alan Lubinsky, chief executive of 25 years.

"Interest around the world in our electric cars has been tremendous and has proved that developing a bespoke EV powertrain is the right approach in ensuring AC Cars' future success."

The original AC Ace was launched in 1954 and remained in production until 1962. In turn, it led directly to the AC Cobra's development.

With a production run of 37 planned, the new electric model is priced from £129,500 – or about NZ$254,500.

The Ace RS electric

Lawson rules out return to Germany

A "gutted" Liam Lawson has announced he will not return to the high-stakes Deutsche Tourenwagen Meisterschaft (DTM) in 2022.

Going into the final race weekend at the Norisring, Nuremburg, in early October, the Kiwi was looking good for the title win.

His AF Corse Ferrari team had brought in experienced fellow New Zealander Nick Cassidy to compete as Lawson's wingman.

They qualified at the front of the field with Lawson on pole, which made him the firm title favourite especially as he held a 22-point lead.

Hit in two successive races by championship rival Kelvin van der Linde, Lawson then had to watch helplessly as Mercedes used team orders to ensure its driver Maximilian Gotz could snatch away the title.

Liam Lawson contemplating the end of his DTM campaign in the pit garage. Inset, Lawson in action at Germany's Norisring

Lawson says the events of that final weekend left him with a bitter taste – and he's not keen on another season.

"In the future, it's not something I want, not the championship, not the way the weekend went down," he adds.

"Working with this team I didn't feel so much like a junior anymore. I was treated a bit more like a professional and that side of it was awesome. But the way the season finished, no, it's not something I expected, saw coming or would like to be a part of in the future."

Red Bull has yet to announce whether it will continue in the DTM in 2022, but its motorsport adviser Helmut Marko has confirmed Lawson will not be a part of the outfit should it decide to remain in the series next year.

"DTM is over for him next year," says Marko. "Liam will do the Formula 1 young driver test and have a couple of Friday F1 practice sessions. He will be doing the full Formula 2 season next year."

David Turner

ON THE WAY UP

He might not have taken the 2021 DTM title but Lawson's star is rising, according to experienced motorsport TV producer and director David Turner.

"The final weekend was a huge disappointment for him, but he handled it with maturity and professionalism, and he has the full backing of Red Bull and Helmut Marko," says the Aucklander. "Liam's on the way up."

The current DTM is the most intense ever, so seeing a Kiwi rookie come in and "ruffle feathers" was a demonstration of Lawson's calibre and the depth of his ability.

"Let's not forget he's racing at one step below F1 and the DTM put him into a type of car far removed from his single-seater experience," says Turner.

"Not many in Europe could have expected him to consistently outqualify and outrace his team-mate Alex Albon and then be leading the championship going into that final race."

It was clear, Turner adds, that the DTM organisers had failed to deal with the race incidents and had done so to ensure a German marque took the title.

"Liam comes out the winner from this. He has shown his massive potential on the world stage. Just watch him go."

World rallying back

The Rally of New Zealand has been confirmed as a round of the 2022 World Rally Championship (WRC).

Based in Auckland, it will be part of the 50th series and will be staged from September 29 to October 2.

The event will be the first full-status Rally NZ in more than a decade with hosting being supported by Auckland Unlimited, the super-city's promotional arm.

"We've worked so hard and waited so long for this moment," says Peter "PJ" Johnston, chairman of Rally NZ. "We got agonisingly close to having the WRC return last year before Covid-19 interrupted.

"We're so grateful the WRC promoter has decided to bring the championship back to New Zealand. We can't wait to get working on the details over coming months."

The news has been widely welcomed by fans, drivers and governing body MotorSport NZ.

Top women star in race series

Karting top gun Rianna O'Meara-Hunt will be making the switch to circuit racing this year when she joins the most competitive field ever in the Best Bars Toyota 86 Championship for the 2021/22 season.

She joins another top female racer, Chelsea Herbert, who is making a return to the sport after a crash that took her out of the Toyota Racing Series left her with a broken back.

Karting sensation Rianna O'Meara-Hunt will race in the 2021/22 Toyota 86 Championship

The pair will race as part of a three-vehicle The Heart Of Racing entry that will be run by International Motorsport and supports Starship Hospital in Auckland.

After an extended period of rehabilitation, 22-year-old Herbert is adapting to a switch back to "tin-top" racing and an H-pattern gearshift while O'Meara-Hunt, who is 20, is adjusting to the step up from karting into touring cars.

Herbert says the prospect of returning to circuit racing is exciting.

"It has been two years since I've been in a tin-top and I haven't raced with an H-pattern gearbox since I was in class two V8s back in 2017, so that will be an area where I will need to blow out the cobwebs and focus," she told Autofile.

She competed in class one of the NZ V8 Touring Car Race Series in 2018/19.

Herbert has taken her racing seriously and prepares to a meticulous standard off-track. Her TR86 campaign will be no different, despite it being more than 18 months since she last raced in anything.

"I am really proud to be a part of The Heart Of Racing," enthuses Herbert. "Having been a Starship kid myself, competing for that cause is very important for me.

"Having the opportunity to make a difference on and off the track this season is something special. I feel lucky to be involved in this opportunity for young Kiwis like me and racing with International Motorsport is a dream. I'm feeling very grateful to be in such capable hands heading into this season."

O'Meara-Hunt is one of the country's top karters and has raced with distinction in the class for 12 years.

She represented New Zealand in 2019 at the ROK World Finals in Italy and has a history of impressive achievements on her karting CV.

And she was the first junior female to secure a Rotax Max Pro Tour state title in Australia and the first junior female to win Rotax Max Challenge events in New Zealand.

Last season, O'Meara-Hunt took victory in the ROK's senior class of the North Island championship. She was selected as this country's representative again in 2020 for the ROK finals in Italy, but was unable to attend due to the pandemic.

The young racing star is looking forward to travelling for competition again once it is safe to do so.

"With my plans to race karts in Europe being postponed due to Covid-19, I'm looking for a fresh and exciting challenge," she explains.

"The TR86 championship looks to be a super-competitive series this year and it has become a proven pathway for racers to learn great race craft while providing a solid foundation to start any race car journey."

O'Meara-Hunt says she plans to be racing "at the pointy end of the rookie field", although many believe she is likely to be closer to the outright pace than that.

Chelsea Herbert will return to the TRS after her crash in January last year

TOYOTA 86 CHAMPIONSHIP 2021/22

Dec 3-5	Pukekohe Park Raceway
Jan 14-16	Highlands Motorsport Park, Cromwell
Jan 21-23	Mike Pero Motorsport Park, Ruapuna
Feb 11-13	Hampton Downs Motorsport Park
Mar 25-27	Bruce McLaren Motorsport Park, Taupo
Apr 22-24	Hampton Downs Motorsport Park

Importance of regular and professional vehicle servicing underlined by tribunal

The case: The purchaser's 2009 Nissan Navara suffered serious engine failure 11 months after it was supplied. He wanted the trader to pay for repairs or refund what he paid for it. The trader said the ute hadn't been adequately serviced and it wasn't liable for repairs because too much time had lapsed.

The decision: The buyer's application was dismissed because he hadn't established that his ute failed to comply with the Consumer Guarantees Act (CGA).

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Danny Kay bought a 2009 Nissan Navara from Auto Connect for $19,990 on September 7, 2019.

About 11 months post-purchase, the ute suffered so much engine damage that it needed to be rebuilt or replaced.

Kay claimed the vehicle was unfit for use and wanted the dealer to pay the cost of remedial action or give him a refund.

Auto Connect said it wasn't liable for repairs because too much time had passed since supply and Kay had travelled 16,000km in the ute before the engine failed. It added he had failed to adequately maintain and service his vehicle.

The case

The issue for the tribunal to determine was whether the ute failed to comply with the CGA's guarantee of acceptable quality.

Kay told the tribunal the Navara had had "extensive motor work done but now has the same motor problem".

He said it started revving, but had no power and produced "white smoke like a train". He added the ute hadn't been used since August 2020 when he first noticed the smoke.

The trader's director, Milton Purver, produced three invoices from New Brighton Automotive relating to repair work since Kay had owned the vehicle.

The first invoice was for a warrant of fitness inspection on September 9, 2019. The second, dated October 4, described fault codes relating to the fuel pump and airflow meter, which were cleaned before a new fuel filter was fitted.

The third invoice of October 18 reported the Nissan was assessed for a "knocking noise". Mechanics repaired the bottom control-arm rear bush.

Kay told the tribunal a new head and radiator had been installed before he owned the ute, but he had misplaced the repair invoices.

Purver wanted Kay to provide evidence the Navara had been serviced following purchase because common-rail diesel vehicles needed to be serviced by experienced technicians using appropriate products.

Kay said he had changed the oil and filter himself after driving about 10,000km in the ute.

Purver said Kay had owned the Navara for some 19 months and hadn't treated it as well as a reasonable consumer would have done, so the trader no longer had any legal responsibility for repairs.

New Brighton Automotive had assessed the ute at Auto Connect's expense. Its technician, Michael Cromwell, reported the engine oil was black and dirty, there was a burning smell and seemed old.

Cromwell noted the vehicle was "smoking bad and not getting up in speed". He found the ute was jammed in four-wheel drive (4WD) low range and the water level was very low.

He added water and pressure-tested the cooling system. The radiator had a slow leak, and it looked like something had flicked up and hit the radiator.

Cromwell believed the ute had overheated and was likely to need an engine rebuild or replacement. He doubted the vehicle would have lasted for 16,000km if it had problems with its head gasket or radiator at the time of purchase.

Kay took the vehicle to MDS Diesel Specialists for a second opinion. Technician Hayden Corbett found the exhaust gas recirculation (EGR) valve foot had fallen off putting gases back into the intake, which explained the lack of power.

Corbett reported a radiator leak. He fitted a temporary radiator, ran up the engine and found it began to push water out when warm. He also noted the ute was stuck in low-range 4WD.

He carried out a Tee-Kay test that confirmed the cooling system had combustion gases present. He concluded they were coming from a blown head gasket, cracked cylinder head or cracked block.

Corbett surmised either the radiator had failed through a slow coolant leak causing the head gasket to be damaged by the engine overheating, or the head gasket or head had been leaking, pressurised the cooling system and had blown the radiator.

He accepted regularly servicing the ute might have found the leak. However, this might not have averted an alternative scenario involving sudden radiator failure.

The finding

It appeared the ute had lost coolant and overheated but the cause of the overheating was less clear. It could have been due to a faulty radiator, and issues with the EGR valve and 4WD might have contributed.

However, the tribunal ruled Kay hadn't established that Auto Connect was liable for the issues.

The engine damage happened about 11 months post-supply and after he had driven it about 16,000km. The adjudicator decided Kay had been unable to establish the damage was connected to previously repaired faults.

After considering all the evidence, the tribunal found the ute had been as durable as a reasonable consumer would consider acceptable in light of all relevant factors including its age, mileage and extent of use.

Furthermore, in failing to have his vehicle serviced, Kay had potentially missed an opportunity to spot the current problems and organise repairs.

Order

The application was dismissed.

Buyer secures refund of deposit because online description fails to match advert

The case: The buyer wanted the trader to refund the $345 deposit she paid on a vehicle. After she inspected the car, she discovered it didn't meet the description on the website and it had defects that should have caused it to fail a warrant of fitness (WOF) inspection. The supplier didn't attend the hearing and failed to explain its absence.

The decision: The tribunal ordered the dealer to refund the deposit and $50 hearing fee to the customer.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

In January 2021, Rochelle Weedon paid a $345 deposit to purchase a 2016 Mitsubishi Outlander from Penrose Enterprises.

But when she inspected the vehicle, she decided against going ahead with the transaction because it wasn't in the condition as represented online.

Penrose Enterprises refused to refund the $345 so Weedon lodged an application to make it do so.

Despite receiving a notice of hearing, the trader failed to attend and provided no reasonable explanation for its non-attendance. The application was heard in its absence.

The case

In this matter, the tribunal had to consider if Penrose Enterprises had engaged in misleading conduct that breached section nine of the Fair Trading Act (FTA).

The test for establishing such a breach was set out by the supreme court in Red Eagle Corp versus Ellis.

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

Weedon saw the Outlander advertised on Penrose Enterprises' website. She was attracted to it because of the make, model and price, and because it was described in that listing as being "very tidy, well looked after and drives perfect".

She contacted the trader and paid the deposit. The purchase was subject to her being satisfied with the car's condition and obtaining finance.

Weedon travelled to Auckland with her husband Justin on January 8, 2021, to inspect the Outlander.

Although it had recently passed a WOF inspection, the couple said the vehicle had defects that should have caused it to fail and it wasn't in the condition described on the website.

Mr Weedon, who was a mechanic, was concerned about its condition because the tyres were degraded to the wear indicators, which are the dimples in the tread that indicate the minimum legal depth.

There was a clicking noise from the engine bay consistent with badly worn bushes or ball joints, which he believed should have caused a warrant failure, and the interior was dirty, scratched and damaged.

The couple then asked to see the inspection sheet for the recent WOF, which Penrose Enterprises provided.

Most concerning to Mr Weedon was the fact this report stated the tyres each had at least 5mm of tread at the time the warrant was carried out.

He said the tyres had much less tread than described on the inspection sheet and in his view should not have passed the WOF.

Unhappy with the condition of the vehicle, Mrs Weedon decided not to purchase it and asked for a refund of the $345 deposit.

Penrose Enterprises refused to return the money, but it did offer to replace the tyres. However, she declined that offer.

The finding

The tribunal found the Weedons to be clear and credible witnesses. Without any evidence to the contrary from Penrose Enterprises, it accepted their evidence about the relevant events and the condition of the vehicle.

The adjudicator accepted the couple's concerns about the Outlander's worn tyres, that it made an unusual noise consistent with worn bushes or ball joints, and its interior was dirty and scratched.

In those circumstances, Penrose Enterprises' description of the vehicle as being very tidy, well looked after and that it "drives well" was misleading and in breach of section nine of the FTA.

This was because it had pre-existing defects that were inconsistent with that description.

The remedies available under the act are discretionary and discretion is to be exercised so as to give effect to the policy of the FTA, which includes protecting the interests of consumers. The objective of the remedies was to do justice to the parties in the particular circumstances of the case.

It was ruled that Mrs Weedon was induced to pay the deposit by the "misleading website representations" about the vehicle's condition and had suffered loss as a result because the deposit wasn't returned to her after she, "quite reasonably", declined to purchase the car because of its condition.

In those circumstances, the tribunal decided the appropriate remedy was an order that Penrose Enterprises refund the $345 to Mrs Weedon.

In addition, the tribunal can also award costs under the Motor Vehicle Sales Act (MVSA) against a party when that party fails to attend the hearing without good cause.

A tribunal staff member contacted Penrose Enterprises on the day of the hearing and was told the company was aware of the hearing. But an employee who knew about the case expressed no interest in attending.

Accordingly, under the MVSA, Mrs Weedon was entitled to recover the $50 filing fee for her application.

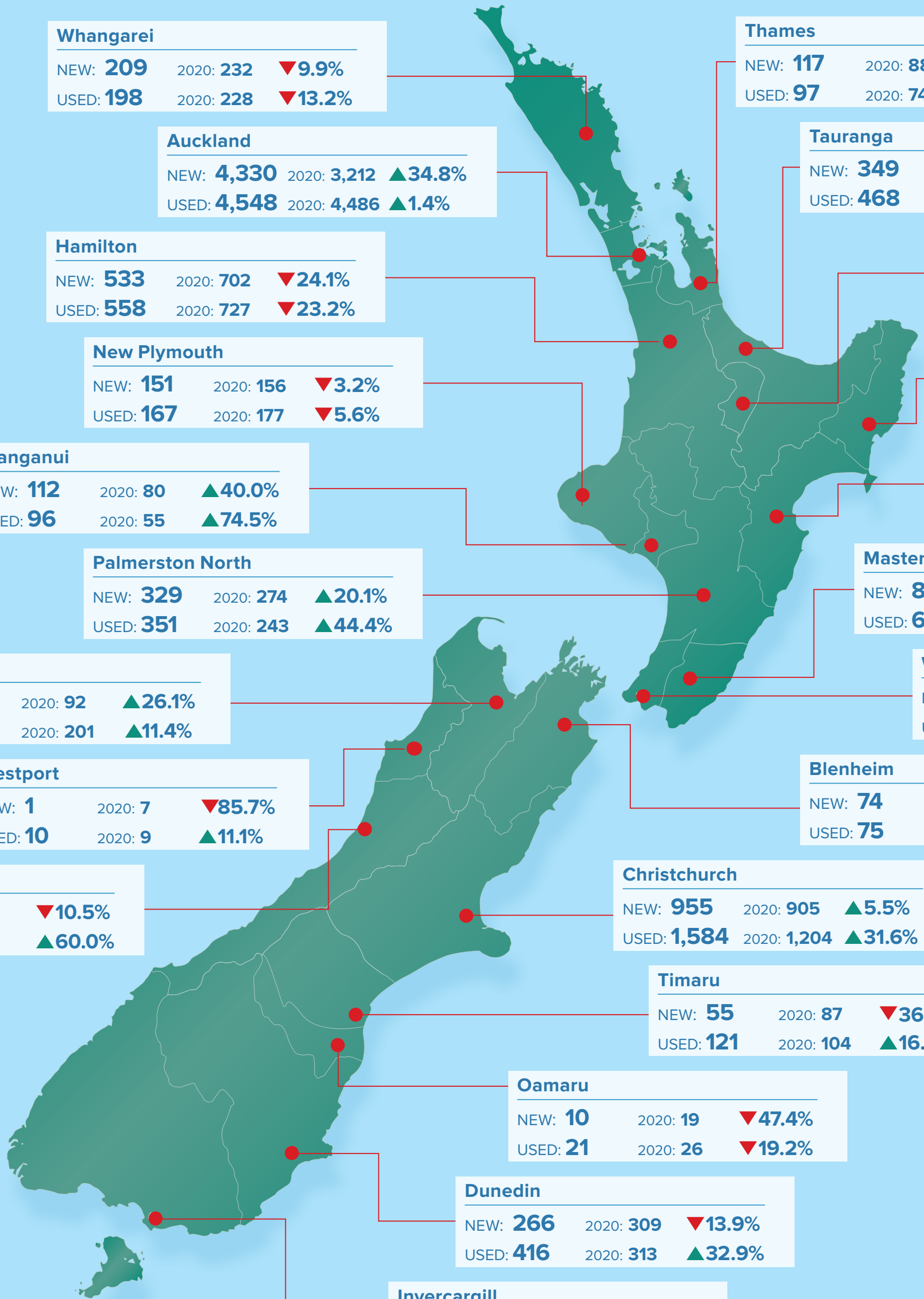
Order

The tribunal ordered the dealer to pay $395 to the buyer.

AROUND THE COUNTRY
October 2021

Total new cars
9,261
2020: 8,296 ▲11.6%

Total imported used cars
10,642
2020: 9,763 ▲9.0%



City	NEW	2020	Change	USED	2020	Change
Whangarei	209	232	▼9.9%	198	228	▼13.2%
Thames	117	88	▲33.0%	97	74	▲31.1%
Auckland	4,330	3,212	▲34.8%	4,548	4,486	▲1.4%
Tauranga	349	482	▼27.6%	468	494	▼5.3%
Hamilton	533	702	▼24.1%	558	727	▼23.2%
Rotorua	137	111	▲23.4%	150	116	▲29.3%
New Plymouth	151	156	▼3.2%	167	177	▼5.6%
Gisborne	49	63	▼22.2%	90	64	▲40.6%
Wanganui	112	80	▲40.0%	96	55	▲74.5%
Napier	241	277	▼13.0%	244	206	▲18.4%
Palmerston North	329	274	▲20.1%	351	243	▲44.4%
Masterton	89	102	▼12.7%	69	74	▼6.8%
Nelson	116	92	▲26.1%	224	201	▲11.4%
Wellington	1,002	905	▲10.7%	879	751	▲17.0%
Westport	1	7	▼85.7%	10	9	▲11.1%
Blenheim	74	77	▼3.9%	75	37	▲102.7%
Greymouth	17	19	▼10.5%	40	25	▲60.0%
Christchurch	955	905	▲5.5%	1,584	1,204	▲31.6%
Timaru	55	87	▼36.8%	121	104	▲16.3%
Oamaru	10	19	▼47.4%	21	26	▼19.2%
Dunedin	266	309	▼13.9%	416	313	▲32.9%
Invercargill	119	97	▲22.7%	236	149	▲58.4%

Imported Passenger Vehicle Sales by Make - October 2021

MAKE	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,949	2,561	15.2	27.7%	28,225	28.1%
Nissan	1,438	1,464	-1.8	13.5%	13,637	13.6%
Mazda	1,386	1,529	-9.4	13.0%	13,860	13.8%
Subaru	906	686	32.1	8.5%	7,768	7.7%
Honda	727	854	-14.9	6.8%	8,393	8.4%
BMW	660	468	41.0	6.2%	5,204	5.2%
Volkswagen	493	359	37.3	4.6%	4,713	4.7%
Mitsubishi	403	501	-19.6	3.8%	4,407	4.4%
Audi	389	222	75.2	3.7%	3,060	3.0%
Suzuki	250	283	-11.7	2.3%	2,482	2.5%
Mercedes-Benz	239	147	62.6	2.2%	1,880	1.9%
Lexus	231	164	40.9	2.2%	2,016	2.0%
Volvo	73	52	40.4	0.7%	658	0.7%
Ford	66	78	-15.4	0.6%	582	0.6%
Land Rover	65	45	44.4	0.6%	508	0.5%
Chrysler	39	19	105.3	0.4%	214	0.2%
Porsche	36	16	125.0	0.3%	262	0.3%
Jeep	33	30	10.0	0.3%	282	0.3%
Chevrolet	31	36	-13.9	0.3%	281	0.3%
Jaguar	31	34	-8.8	0.3%	356	0.4%
Mini	28	29	-3.4	0.3%	217	0.2%
Dodge	25	12	108.3	0.2%	242	0.2%
Hyundai	18	32	-43.8	0.2%	185	0.2%
Holden	13	37	-64.9	0.1%	186	0.2%
Peugeot	11	9	22.2	0.1%	112	0.1%
Cadillac	10	3	233.3	0.1%	35	0.0%
Kia	7	12	-41.7	0.1%	96	0.1%
MG	7	2	250.0	0.1%	27	0.0%
Citroen	6	7	-14.3	0.1%	54	0.1%
Tesla	6	1	500.0	0.1%	35	0.0%
Alfa Romeo	5	2	150.0	0.0%	30	0.0%
Skoda	4	3	33.3	0.0%	21	0.0%
Trike	4	0	400.0	0.0%	4	0.0%
Aston Martin	3	3	0.0	0.0%	14	0.0%
Daihatsu	3	3	0.0	0.0%	30	0.0%
Others	47	60	-21.7	0.4%	414	0.4%
Total	**10,642**	**9,763**	**9.0**	**100.0%**	**100,490**	**100.0%**

Imported Passenger Vehicle Sales by Model - October 2021

MAKE	MODEL	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	777	562	38.3	7.3%	7,039	7.0%
Mazda	Axela	461	541	-14.8	4.3%	4,731	4.7%
Toyota	Prius	382	341	12.0	3.6%	3,932	3.9%
Nissan	X-Trail	377	278	35.6	3.5%	3,440	3.4%
Volkswagen	Golf	302	227	33.0	2.8%	2,909	2.9%
Subaru	Impreza	290	234	23.9	2.7%	2,319	2.3%
Mazda	CX-5	289	155	86.5	2.7%	2,322	2.3%
Honda	Fit	252	328	-23.2	2.4%	3,227	3.2%
Mitsubishi	Outlander	242	315	-23.2	2.3%	2,776	2.8%
Subaru	Legacy	240	203	18.2	2.3%	2,192	2.2%
Toyota	Vanguard	229	145	57.9	2.2%	2,100	2.1%
Nissan	Leaf	207	171	21.1	1.9%	2,063	2.1%
Mazda	Atenza	203	200	1.5	1.9%	1,730	1.7%
Suzuki	Swift	183	237	-22.8	1.7%	1,945	1.9%
Mazda	Demio	175	300	-41.7	1.6%	2,264	2.3%
Toyota	Mark X	171	126	35.7	1.6%	1,683	1.7%
Toyota	Corolla	154	221	-30.3	1.4%	1,991	2.0%
Nissan	Skyline	138	130	6.2	1.3%	1,160	1.2%
Toyota	Wish	137	180	-23.9	1.3%	1,599	1.6%
Subaru	Forester	119	86	38.4	1.1%	1,134	1.1%
Honda	CR-V	118	133	-11.3	1.1%	1,217	1.2%
Nissan	Serena	112	91	23.1	1.1%	962	1.0%
Honda	Odyssey	110	102	7.8	1.0%	1,125	1.1%
Nissan	Note	103	107	-3.7	1.0%	986	1.0%
BMW	320i	98	65	50.8	0.9%	999	1.0%
Toyota	Blade	96	121	-20.7	0.9%	1,161	1.2%
Mazda	Premacy	96	128	-25.0	0.9%	1,095	1.1%
BMW	116i	89	88	1.1	0.8%	866	0.9%
Volkswagen	Polo	88	52	69.2	0.8%	827	0.8%
Audi	A3	80	40	100.0	0.8%	622	0.6%
Toyota	Vellfire	80	33	142.4	0.8%	578	0.6%
Toyota	Land Cruiser	79	32	146.9	0.7%	518	0.5%
Audi	A4	78	46	69.6	0.7%	694	0.7%
Nissan	Fuga	77	82	-6.1	0.7%	839	0.8%
Subaru	XV	76	49	55.1	0.7%	636	0.6%
Others		3,934	3,614	8.9	37.0%	34,809	34.6%
Total		**10,642**	**9,763**	**9.0**	**100.0%**	**100,490**	**100.0%**

Business model set to change

Turners Automotive Group is planning to source more of its inventory from across New Zealand in anticipation of the government's clean car policies significantly impacting on used dealers importing from Japan.

The company sells about 30,000 units a year, or some six per cent of the retail market, and like the rest of the industry is waiting to see how the feebate scheme starting in April 2022 will affect business.

Also known as the clean car discount, it will result in consumers paying extra fees for high-emitters and offered money back on zero and low-emissions vehicles while the clean car standard is also in the pipeline.

Aaron Saunders, chief financial officer at Turners Automotive Group, says the policies will impact new and used importers, especially those who mainly rely on bringing in stock from Japan.

"For us, circa 10 per cent of our inventory currently is sourced out of Japan and we've really pivoted to focus on sourcing much more of our stock locally," he says.

"We see a huge opportunity to source locally and essentially replenish through the locally installed base, and probably reduce our imports even further once the clean car standard and rebates scheme are fully introduced."

Todd Hunter, group chief executive officer, adds the introduction of the clean car regulations next year "will see used car prices continue to increase, so that is something for people to be aware of when they are shopping."

The company hopes to open more branches under the Turners Cars brand with work on sites in Rotorua and Nelson under way.

"We've got opportunities to be in more places, but also to reshape branches we have to be more retail friendly," says Hunter.

The business is well-positioned for the "new norm", and "used cars and the used-car market have demonstrated strong resilience during Covid-19 – they are more needs-based purchases than new cars".

He adds: "We've seen the benefits of having diversified businesses, and diversified in terms of geography so when we have had regional lockdowns we have been well-insured. We also have diversified sources of supply.

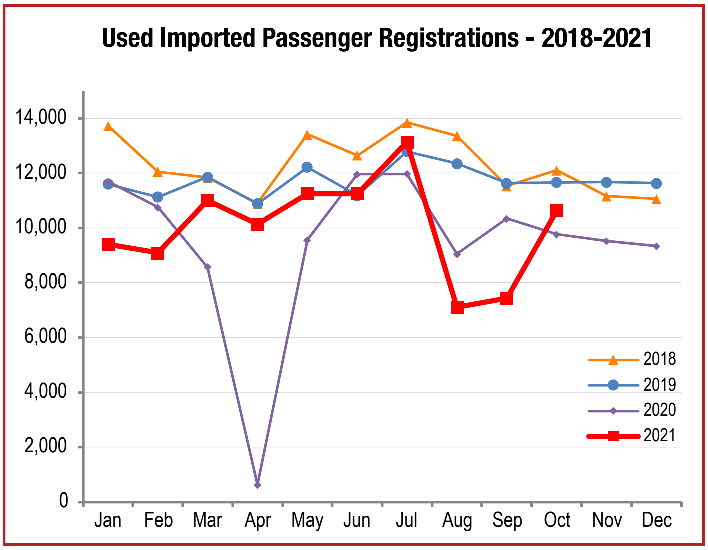
"Many people will know about the constraints in the new-car market. Ninety per cent of our cars are sourced locally. This is important around reliance on supply and helpful in a lockdown situation."

Increase in trade

There were 10,642 used-imported cars registered last month. That was up by nine per cent from 9,763 when compared to October 2020.
Toyota's Aqua was the best-selling model on 777 units. Mazda's Axela was second on 461 with the Toyota Prius third with 382. Nissan's X-Trail was fourth with 377 and the Volkswagen Golf fifth on 302. The top-selling marque was Toyota with 2,949 units. Second spot was claimed by Nissan on 1,438.

The group estimates its car-retail division lost $1 million a week during the latest national Covid-19 lockdown, but this has been partly offset by annuity revenue streams in finance and insurance while another "bounce back" is expected as restrictions ease back further.

The business' current financial year has started well with it on-track to deliver a 15 per cent increase in net profit compared to 2020/21.



Shareholders at Turners' annual meeting in September were told that the plan was to revisit guidance in November.

They also heard how the industry continues to consolidate with the number of registered dealers – down by about 10 per cent so far this year from 2019, while import numbers are also down over the same period.

Hunter says: "It's still too early to have a firm view of how this halt followed by acceleration will affect our business. However, we are more confident than we were during the first lockdown on how this will play out."

Meanwhile, Gareth Karrasch, owner of 317 in Takanini, has sold a few vehicles to essential businesses and was permitted to deliver a refrigerated truck to Masterton in mid-September.

"It was interesting driving south of Auckland," he told Autofile. "Once we got to Matamata, everyone was out and about, the town looked busy and that was the same in the smaller towns.

"Generally, going into October, it does get quite busy and I would say business will quickly pick up. If you can get stock, then you will be able to sell it.

"People were looking at vehicles during lockdown so dealers will get busier. We've been through all this a number of times, so we know what to expect afterwards.

"Everyone will just get on with life like we did last year. If your business survived last time, it will be easier this time."

Deliveries back up to speed

A shipping and logistics company says delivery times for used vehicles getting to New Zealand from Japan has improved during the recent Covid-19 lockdowns, returning to a "next available vessel" basis.

Moana Blue notes the decline in used-car sales during the latest round of shutdowns aimed at limiting the spread of the virus allowed it to clear the backlog of vehicles awaiting shipment.

Matt Battle, general manager, says while sailings from Japan and roll-on, roll-off services haven't been as badly affected as other parts of the shipping industry, it is a welcome return to business as usual.

"Used-car volumes have been building in Japan throughout 2021 due to varying reasons," he told Autofile.

"These include schedule disruptions due to Covid-19, the change in MPI [Ministry for Primary Industries] verifications, yard restrictions, occasional space restrictions on vessels and the general increase in demand for ro-ros as container pricing rocketed.

"With the reduction in demand due to New Zealand's lockdown and significantly reducing coronavirus case numbers in Japan, alongside some internal efficiency improvements, we believe we have fixed capacity issues for now and future demand requirements."

Battle adds the main benefit of next-vessel sailing is minimising the time between purchasing cars at auction and them being available for sale here, which has a positive impact on cashflow and planning.

At the same time, challenges remain. "Currently, the shortage of semi-conductors is having an impact on new-vehicle production, which is reducing demand for space on vessels," he says.

"However, the downside of this is that with fewer new vehicles being registered in Japan, the competition for used vehicles is pushing prices up."

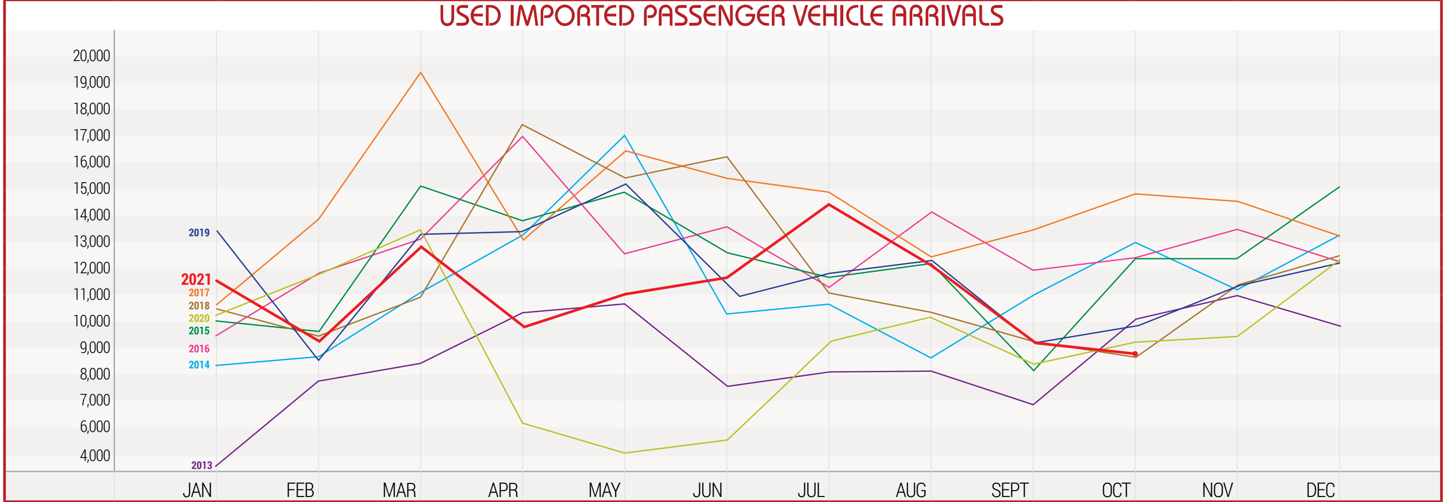
USED IMPORTS RISE

There were 8,823 used passenger vehicles imported into New Zealand during October.

That brought the year-to-date aggregate to 110,127, which is up by 26.6 per cent compared to 86,972 by this time last year.

October's total included 8,471 cars coming in from Japan, which claimed a market share of 96.01 per cent. Next up was Australia with 172 units and 1.95 per cent of the monthly total.

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	OCT '21	OCT SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	285	307	268	271	294	196	172	1.9%	**2,640**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	120	147	157	93	84	98	54	0.6%	**1,120**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,243	10,314	11,116	13,161	11,551	8,621	8,471	96.0%	**104,250**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	85	126	83	142	61	0.7%	**1,208**	1,846	1.7%	1,678	1.2%
USA	30	33	24	97	78	60	53	60	87	35	0.4%	**557**	480	0.4%	664	0.5%
Other countries	30	36	25	40	29	63	24	29	46	30	0.3%	**352**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,922**	**11,016**	**11,749**	**13,728**	**12,101**	**9,190**	**8,823**	**100.0%**	**110,127**	**108,663**	**100.0%**	**141,218**	**100.0%**

Profits to rise despite lockdown

Geneva Finance Group is anticipating its pre-tax profit for the past half-year will increase by 16.4 per cent when compared to the same period of 2020.

It follows the company assessing the impact on operations because of the Covid-19 lockdown, a period preceded by almost four months without alert-level interruptions.

Geneva, which describes the impact to date as "minimal", reported a pre-tax profit of $3.3m for the prior year's six months and expects this to increase to $3.8m for its latest half-year reporting period.

"The impact on the full-year results is unknown, and remains dependent on the term and frequency of further lockdowns," says David O'Connell, managing director. "The company will provide updates once more information is available."

As for the 2020/21 financial year, group pre-tax profit was by up $2.7m or by 65 per cent, with after-tax profit climbing by 67 per cent to $6.2m – up by $2.5m. The group's earnings per share increased to 8.48 cents, or by 67 per cent.

Quest's premium sales over that period jumped by 53 per cent to $21.5m, while Geneva Finance's lending volumes rose by 21 per cent to $60m.

Since the company's annual results were published, the finance division's asset quality remains strong and has been streamlining its processes for new regulations coming into force next month.

As for Quest, it has experienced continued growth in new premiums from all channels. It has also started to move onto dedicated insurance-purposed software with the business having outgrown its legacy systems.

"It was a successful year despite Covid-19 interruptions," says O'Connell. "Despite the impact of recent lockdowns, the company is in a position to weather these challenges. It remains committed to maintaining profit growth and a strong balance sheet.

"Receivables ledgers are well-provisioned and the board is looking forward to taking advantage of opportunities the coming market will offer."

SALES TAKE HIT

Dealers sold 15,123 second-hand cars to the public last month. That was down by 21.1 per cent compared to 19,172 units in the same month of last year.

There were 12,626 trade-ins – a drop of 8.9 per cent compared to 13,857 in October 2020.

SECONDHAND CAR SALES - October 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	OCT'21	OCT'20	+/- %	MARKET SHARE	OCT'21	OCT'20	+/- %	OCT'21	OCT'20	+/- %
Whangarei	429	619	-30.7	2.84	1,618	2,078	-22.1	170	204	-16.7
Auckland	4,671	6,424	-27.3	30.89	12,260	14,389	-14.8	4,807	5,590	-14.0
Hamilton	1,032	1,722	-40.1	6.82	3,088	4,116	-25.0	773	1,222	-36.7
Thames	212	245	-13.5	1.40	606	571	6.1	172	99	73.7
Tauranga	786	983	-20.0	5.20	2,086	2,507	-16.8	548	657	-16.6
Rotorua	327	327	0.0	2.16	925	817	13.2	132	85	55.3
Gisborne	166	167	-0.6	1.10	388	425	-8.7	45	47	-4.3
Napier	657	625	5.1	4.34	1,396	1,473	-5.2	447	418	6.9
New Plymouth	343	459	-25.3	2.27	945	1,063	-11.1	206	220	-6.4
Wanganui	209	201	4.0	1.38	626	458	36.7	171	111	54.1
Palmerston North	708	885	-20.0	4.68	1,744	1,914	-8.9	903	673	34.2
Masterton	219	203	7.9	1.45	497	524	-5.2	79	153	-48.4
Wellington	1,592	1,672	-4.8	10.53	3,174	3,303	-3.9	1,119	1,145	-2.3
Nelson	305	351	-13.1	2.02	1,040	1,085	-4.1	174	151	15.2
Blenheim	155	149	4.0	1.02	417	373	11.8	109	92	18.5
Greymouth	53	104	-49.0	0.35	138	179	-22.9	29	51	-43.1
Westport	8	30	-73.3	0.05	37	77	-51.9	5	1	0.0
Christchurch	1,945	2,418	-19.6	12.86	4,890	5,101	-4.1	1,945	2,079	-6.4
Timaru	187	295	-36.6	1.24	518	657	-21.2	81	111	-27.0
Oamaru	38	58	-34.5	0.25	120	180	-33.3	11	13	-15.4
Dunedin	693	839	-17.4	4.58	1,861	1,883	-1.2	461	518	-11.0
Invercargill	388	396	-2.0	2.57	1,084	1,020	6.3	239	217	10.1
NZ Total	**15,123**	**19,172**	**-21.1**	**100.00**	**39,458**	**44,193**	**-10.7**	**12,626**	**13,857**	**-8.9**

New Passenger Vehicle Sales by Make - October 2021

MAKE	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,344	1,117	109.8	25.3%	14,316	15.3%
Mitsubishi	978	629	55.5	10.6%	11,762	12.6%
Hyundai	645	553	16.6	7.0%	5,290	5.7%
Suzuki	580	639	-9.2	6.3%	6,778	7.3%
Nissan	493	400	23.3	5.3%	3,910	4.2%
Mazda	471	677	-30.4	5.1%	6,504	7.0%
Kia	442	1,276	-65.4	4.8%	8,742	9.4%
MG	399	204	95.6	4.3%	3,040	3.3%
Honda	347	285	21.8	3.7%	3,309	3.5%
Ford	323	420	-23.1	3.5%	2,960	3.2%
Volkswagen	261	302	-13.6	2.8%	3,864	4.1%
Subaru	239	153	56.2	2.6%	2,482	2.7%
Haval	202	71	184.5	2.2%	1,884	2.0%
Audi	158	160	-1.3	1.7%	1,532	1.6%
Skoda	144	105	37.1	1.6%	1,558	1.7%
Mercedes-Benz	132	206	-35.9	1.4%	1,973	2.1%
Peugeot	118	34	247.1	1.3%	1,143	1.2%
BMW	101	176	-42.6	1.1%	1,650	1.8%
Lexus	100	79	26.6	1.1%	845	0.9%
Tesla	97	19	410.5	1.0%	2,264	2.4%
Jeep	89	59	50.8	1.0%	1,146	1.2%
Land Rover	88	72	22.2	1.0%	1,144	1.2%
Volvo	88	17	417.6	1.0%	643	0.7%
SsangYong	72	88	-18.2	0.8%	790	0.8%
Mini	69	86	-19.8	0.7%	747	0.8%
Porsche	55	67	-17.9	0.6%	493	0.5%
LDV	36	13	176.9	0.4%	235	0.3%
Isuzu	28	28	0.0	0.3%	493	0.5%
Cupra	25	0	2,500.0	0.3%	122	0.1%
Renault	17	11	54.5	0.2%	229	0.2%
Seat	16	24	-33.3	0.2%	141	0.2%
Citroen	15	15	0.0	0.2%	251	0.3%
Jaguar	15	18	-16.7	0.2%	351	0.4%
Aston Martin	14	3	366.7	0.2%	60	0.1%
Fiat	14	6	133.3	0.2%	96	0.1%
Alfa Romeo	10	6	66.7	0.1%	110	0.1%
Can-Am	6	8	-25.0	0.1%	55	0.1%
Ferrari	5	0	500.0	0.1%	36	0.0%
Lotus	4	0	400.0	0.0%	4	0.0%
Mahindra	4	1	300.0	0.0%	101	0.1%
Maserati	3	2	50.0	0.0%	44	0.0%
Yamaha	3	8	-62.5	0.0%	44	0.0%
Bentley	2	2	0.0	0.0%	58	0.1%
Lamborghini	2	4	-50.0	0.0%	20	0.0%
Piaggio	2	0	200.0	0.0%	3	0.0%
Others	5	253	-98.0	0.1%	201	0.2%
Total	**9,261**	**8,296**	**11.6**	**100.0%**	**93,423**	**100.0%**

New Passenger Vehicle Sales by Model - October 2021

MAKE	MODEL	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	RAV4	868	291	198.3	9.4%	4,966	5.3%
Toyota	Corolla	744	315	136.2	8.0%	3,640	3.9%
Mitsubishi	Outlander	703	204	244.6	7.6%	4,985	5.3%
Nissan	X-Trail	349	133	162.4	3.8%	1,696	1.8%
MG	ZS	267	72	270.8	2.9%	1,813	1.9%
Hyundai	Kona	239	143	67.1	2.6%	1,842	2.0%
Mazda	CX-5	213	279	-23.7	2.3%	2,854	3.1%
Toyota	Camry	207	36	475.0	2.2%	582	0.6%
Ford	Everest	204	62	229.0	2.2%	912	1.0%
Toyota	Highlander	172	59	191.5	1.9%	1,156	1.2%
Suzuki	Swift	156	232	-32.8	1.7%	2,429	2.6%
Hyundai	Tucson	152	182	-16.5	1.6%	528	0.6%
Suzuki	Vitara	136	142	-4.2	1.5%	1,375	1.5%
Mitsubishi	Eclipse Cross	131	27	385.2	1.4%	1,681	1.8%
Suzuki	Jimny	127	137	-7.3	1.4%	1,093	1.2%
Kia	Seltos	123	471	-73.9	1.3%	1,746	1.9%
Honda	Jazz	120	28	328.6	1.3%	1,173	1.3%
Haval	Jolion	117	0	11,700.0	1.3%	766	0.8%
Subaru	Outback	113	66	71.2	1.2%	1,007	1.1%
Honda	HR-V	109	82	32.9	1.2%	917	1.0%
Nissan	Qashqai	108	192	-43.8	1.2%	1,842	2.0%
Hyundai	i30	100	21	376.2	1.1%	322	0.3%
Tesla	Model 3	97	15	546.7	1.0%	2,257	2.4%
Volkswagen	Tiguan	94	101	-6.9	1.0%	1,299	1.4%
Toyota	Yaris	93	146	-36.3	1.0%	980	1.0%
Kia	Niro	92	36	155.6	1.0%	575	0.6%
Honda	CR-V	90	125	-28.0	1.0%	896	1.0%
Subaru	XV	85	24	254.2	0.9%	732	0.8%
Haval	H6	81	25	224.0	0.9%	553	0.6%
MG	HS	80	60	33.3	0.9%	484	0.5%
Kia	Sportage	78	488	-84.0	0.8%	2,060	2.2%
Toyota	Yaris Cross	77	96	-19.8	0.8%	884	0.9%
Suzuki	Ignis	76	39	94.9	0.8%	581	0.6%
Mazda	CX-9	73	93	-21.5	0.8%	922	1.0%
Toyota	Fortuner	68	34	100.0	0.7%	397	0.4%
Mazda	CX-30	63	90	-30.0	0.7%	663	0.7%
Suzuki	Baleno	61	48	27.1	0.7%	905	1.0%
Ford	Mustang	61	10	510.0	0.7%	299	0.3%
Peugeot	3008	59	8	637.5	0.6%	513	0.5%
Skoda	Superb	57	14	307.1	0.6%	406	0.4%
Mitsubishi	ASX	54	292	-81.5	0.6%	4,170	4.5%
Mitsubishi	Pajero Sport	52	65	-20.0	0.6%	393	0.4%
MG	3	51	41	24.4	0.6%	437	0.5%
Toyota	C-HR	51	78	-34.6	0.6%	921	1.0%
Hyundai	Santa Fe	49	101	-51.5	0.5%	1,303	1.4%
Others		2,161	3,093	-30.1	23.3%	31,468	33.7%
Total		**9,261**	**8,296**	**11.6**	**100.0%**	**93,423**	**100.0%**

Clean cars consultation blow

The Ministry of Transport (MoT) is being urged to reconsider the government's decision to have no formal consultation on draft regulations for the feebate scheme.

David Crawford, chief executive of the Motor Industry Association (MIA), has released correspondence with officials around the proposal to bolster the number of lower-emissions vehicles in the fleet.

"They have decided to not consult on regulations for the clean car discount," he says. "They will on the rule and may – note they have not said will – on regulations for the clean car standard. This is disappointing to say the least."

The clean car discount was introduced in July and offers rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) when first registered by consumers. It is set to expand into a full feebate scheme from April with penalties and discounts based on vehicles' emissions.

The clean car standard is slated to be introduced later in 2022 and will require importers to lower the carbon-dioxide emissions of models imported or face fines.

Crawford emailed the MoT on October 12 and 14 seeking feedback on several issues. He received a reply from a ministry adviser on October 29.

In the reply, the official says: "Most substantive decisions on the content of the draft Land Transport (Clean Vehicle Discount Scheme) Charges Regulations have been made by cabinet."

The official adds the MoT will, therefore, not be consulting on draft regulations for the feebate scheme. "There may be targeted consultation with industry on the clean vehicle standard regulations later in 2022 as they are developed," while there will be "targeted consultation with industry on the fuel consumption and emissions data rule in November or December 2021".

Marque's one-two

There were 9,261 new cars registered during October compared to 8,296 in the same month of 2020 for an increase of 11.6 per cent.

The top two models were Toyotas – the RAV4 with 868 units and the Corolla on 744 for market shares of 9.4 and eight per cent respectively.

The Mitsubishi Outlander was next up with 703 sales, Nissan's X-Trail was fourth on 349 and the MG ZS rounded off the top five on 267.

Crawford says the answers the MIA have received from the MoT raise concerns, especially the lack of consultation over the feebate regulations.

"This is disappointing as it gives industry no chance to review the workability of the regulations," his response to the ministry of November 1 states.

"Operationalisation of the policy through regulations is the critical part of the policy. Not consulting on the draft regulations is unfair. While you might believe these will be drafted correctly, we do not agree. We ask you reconsider this."

In addition, the MIA has queried the classification for class MC vehicles, which are passenger off-roaders. The email from the MoT's adviser states these have always been in the Type A category, with a cabinet decision considering light commercial vehicles (LCVs) as utility-type vehicles in the NA, MD1, MD2 and MB classes.

"The definition of the MC vehicle class in the Land Transport Rule: Vehicle Standards Compliance is consistent with the definition of the Type A vehicle in the Clean Vehicles Amendment Bill, noting the MC vehicle class falls within the Type A category," says the MoT official.

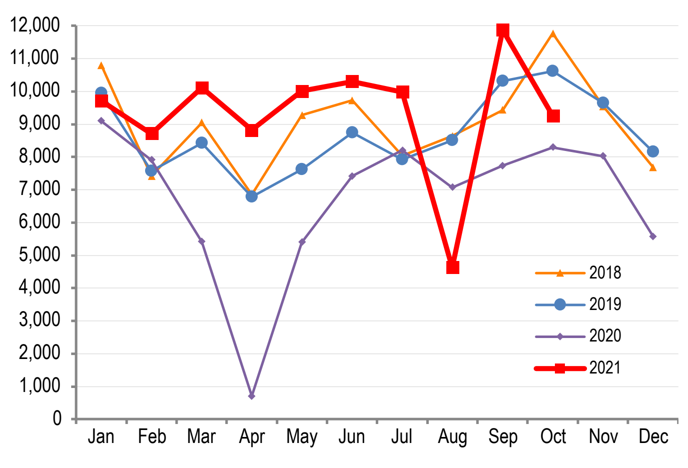
However, Crawford contends this "is simply not true". He points to an MoT document sent to the MIA in February 2021, which is also based on a cabinet decision that states MC vehicles are part of the LCV grouping.

"This [February] advice was expected as it was what the ministry reported during workshops previous minister, Julie Anne Genter, held with us," says Crawford.

"On the basis of this advice, members started to negotiate with head offices to see if they could begin to revise production for light passenger vehicles and LCVs in light of cabinet decisions. It came as some surprise when the bill was introduced to see this had changed. All their work was for nought."

The MoT official states the Clean Vehicles Amendment Bill is subject to consultation and encourages the MIA to raise any concerns in a submission "so officials can take your comments into consideration".

New Passenger Registrations - 2018-2021



SUPPLY DISRUPTION

Production issues are continuing to affect imports of new Toyota and Lexus models, with deliveries of Land Cruiser 300s to Kiwis being delayed until early next year because of a global shortage of parts.

The announcement came after Toyota Motor Corporation made fresh production adjustments because of ongoing Covid-19 disruptions and the shortfall in supplies of componentry parts, such as microchips.

With delta cases surging and extended lockdowns globally, a Toyota parts supplier in Malaysia had to close for a short period. The marque's luxury division has also had to readjust its production schedules with factories in south-east Asia shutting.

Andrew Davis, general manager of Lexus NZ, says this has resulted in decreased supply in the wake of production being hit, especially during September, leading to buyers here facing longer wait times.

"These are extraordinary circumstances. We would like to thank customers for their flexibility while we focus on minimising the disruption to our local supply chain."

LEAVING LOCKDOWN

Dealers in the Auckland region were looking forward to reopening their showrooms and yards to customers as Autofile went to press.

The government announced at the start of the month an easing of Covid-19 restrictions to enable retail businesses in the city to shift from alert-level three step one to step two of level three at 11.59pm on November 9, following a cabinet decision in principle. Parts of Waikato in lockdown moved to level three's step two at 11.59pm on November 2.

The drop in restrictions has been welcomed by dealers and other automotive retailers, especially those in Auckland who have been under lockdown since mid-August when New Zealand's first case of the delta variant emerged.

Controversy over 'taxing' utes

The speed of required reductions in emissions is the single biggest issue of concern in the government's clean car policies.

That's the view of Graeme Gibbons, outgoing chief executive of the Colonial Motor Company.

He says a major factor is the ability of vehicle manufacturers to develop and then supply product to fit criteria with Europe – and, "in particular", having first option on most world supply.

The second issue is around affordability. "Currently, a BEV [battery electric vehicle] is close to double the price of an equivalent conventional product."

Gibbons' annual report to shareholders states the government introduced policies in June to reduce greenhouse gas emissions to 30 per cent below 2005 levels by 2030, with the clean car discount being among them.

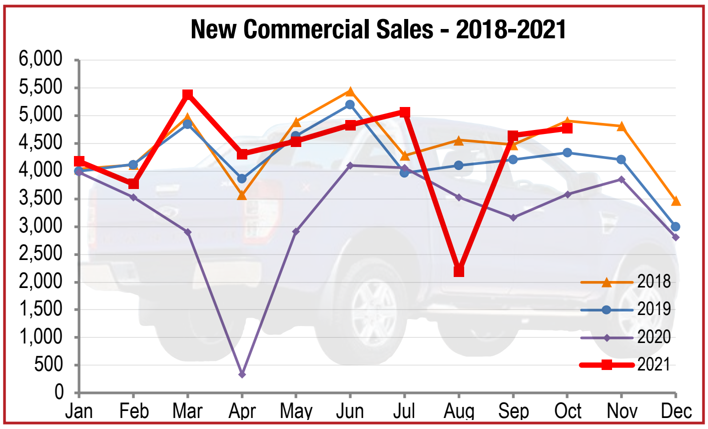
Also known as the feebate, it offers consumer rebates to support the shift from higher to lower-emissions light vehicles.

However, Gibbon points out the scheme fails to differentiate between types of vehicles in that light commercials are treated to the measure the same as cars and SUVs.

The scheme kicked off on July 1 with interim rebates for BEVs and plug-in hybrids (PHEVs). It will extend to all light vehicles from April 1 when fees will be applied to models emitting 192 grams per kilometre of carbon dioxide (CO2) and over, he explains.

"There has been considerable controversy on the feebate scheme taxing light commercials when there is almost no alternative product available that wouldn't attract the fee – certainly not utes.

"The rush to get into line to buy a ute started immediately after the announcement – there are no BEV,



New Commercial Sales by Make - October 2021

MAKE	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	1,791	868	106.3	37.5%	11,313	25.9%
Toyota	812	953	-14.8	17.0%	9,346	21.4%
Nissan	387	212	82.5	8.1%	2,776	6.4%
Isuzu	266	180	47.8	5.6%	2,853	6.5%
LDV	254	118	115.3	5.3%	2,116	4.8%
Great Wall	141	21	571.4	3.0%	1,251	2.9%
Mazda	141	118	19.5	3.0%	1,799	4.1%
Mitsubishi	133	355	-62.5	2.8%	4,393	10.1%
Volkswagen	128	87	47.1	2.7%	1,004	2.3%
Fiat	105	97	8.2	2.2%	649	1.5%
Hino	92	58	58.6	1.9%	639	1.5%
Fuso	76	50	52.0	1.6%	735	1.7%
Mercedes-Benz	69	87	-20.7	1.4%	550	1.3%
Hyundai	41	54	-24.1	0.9%	1,133	2.6%
Scania	41	26	57.7	0.9%	377	0.9%
RAM	36	35	2.9	0.8%	272	0.6%
Iveco	28	31	-9.7	0.6%	305	0.7%
Chevrolet	26	1	2,500.0	0.5%	186	0.4%
Foton	26	7	271.4	0.5%	124	0.3%
SsangYong	24	55	-56.4	0.5%	394	0.9%
Others	158	167	-5.4	3.3%	1,482	3.4%
Total	**4,775**	**3,580**	**33.4**	**100.0%**	**43,697**	**100.0%**

New Commercial Sales by Model - October 2021

MAKE	MODEL	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	1,627	686	137.2	34.1%	10,272	23.5%
Toyota	Hilux	593	731	-18.9	12.4%	7,132	16.3%
Nissan	Navara	387	212	82.5	8.1%	2,776	6.4%
Isuzu	D-Max	177	97	82.5	3.7%	2,084	4.8%
Toyota	Hiace	171	195	-12.3	3.6%	1,754	4.0%
Ford	Transit	162	182	-11.0	3.4%	1,036	2.4%
Mazda	BT-50	141	118	19.5	3.0%	1,799	4.1%
Great Wall	GWM Cannon	140	0	14,000.0	2.9%	1,079	2.5%
Fiat	Ducato	104	97	7.2	2.2%	648	1.5%
LDV	G10	91	44	106.8	1.9%	648	1.5%
Mitsubishi	Triton	75	282	-73.4	1.6%	3,889	8.9%
Volkswagen	Amarok	60	31	93.5	1.3%	439	1.0%
Mitsubishi	Express	58	72	-19.4	1.2%	500	1.1%
LDV	Deliver 9	56	0	5,600.0	1.2%	363	0.8%
Mercedes-Benz	Sprinter	55	42	31.0	1.2%	436	1.0%
LDV	T60	53	31	71.0	1.1%	686	1.6%
Toyota	Land Cruiser	48	27	77.8	1.0%	460	1.1%
LDV	V80	47	43	9.3	1.0%	363	0.8%
Isuzu	N Series	44	38	15.8	0.9%	392	0.9%
Hino	300	42	20	110.0	0.9%	264	0.6%
Others		644	632	1.9	13.5%	6,677	15.3%
Total		**4,775**	**3,580**	**33.4**	**100.0%**	**43,697**	**100.0%**

PHEV or hybrid utes yet available."

The clean car standard, meanwhile, will target light-vehicle importers' fleet of sales and will apply penalties if their average CO2 emissions from 2023 exceeds set targets.

Gibbons says: "This policy aims to reduce average CO2 emissions of vehicles entering the fleet from a reported 171gCO2/km in 2020 [passenger/SUV 161g, light 220g] to 105g/km by 2025 [passenger/SUV 102g, light 132g].

"This is a 39 per cent reduction and exceeds the rate of reductions for all other world markets, and the clean car standard will apply a target reducing the limit and increasing the scale of penalty each year.

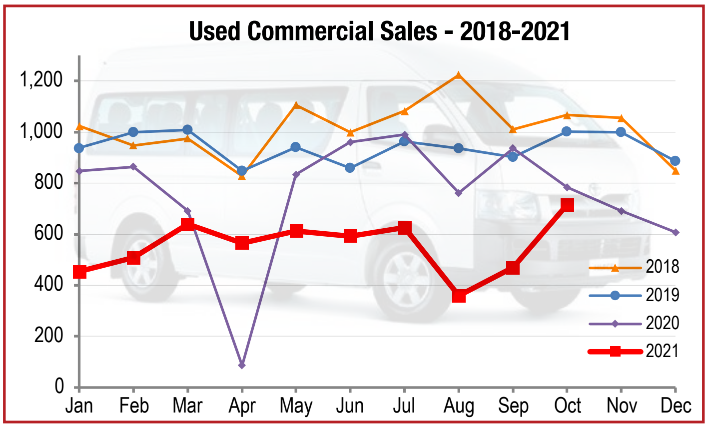
"For a relative measure, a new Ranger with a two-litre bi-turbo and 10-speed gearbox is rated at around 205gCO2/km for two-wheel drive and 225-243gCO2/km in 4WD – significantly lower than the current 3.2 version – under the more exacting World Harmonised Light-duty Vehicles Test Procedure."

Looking ahead, Gibbons believes the only way to stay in the game will be for manufacturers to build – and New Zealand distributors and franchisors to import – high credit-earning vehicles, that's to say BEVs and PHEVs, to balance their fleet-sales average emissions to be within the standard.

Gibbon says brands' EV product strategies and potential introduction timing for this country's small right-hand-drive market are closely held.

Mazda recently launched its MX-30, a full EV. Ford has brought to market the Escape PHEV and Transit Custom PHEV, also a plug-in but with a range extender. A full-size Transit Cargo EV is due in 2022.

"Every manufacturer we represent is investing heavily in developing EV-type products to have a place going forward."



HUGE RANGER SALES

There were 4,775 new commercials sold during October, which was up by 33.4 per cent from 3,580 in the same month of last year.

The top three models were Ford's Ranger, Toyota's Hilux and Nissan's Navara with 1,627, 593 and 387 registrations respectively.

As for used-imported commercials, there were 715 sold for the first time in October, which was down from 784 units and by 8.8 per cent.

Used Commercial Sales by Make - October 2021

MAKE	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	271	345	-21.4	37.9%	2,181	39.3%
Nissan	133	150	-11.3	18.6%	946	17.0%
Hino	72	45	60.0	10.1%	434	7.8%
Isuzu	69	57	21.1	9.7%	470	8.5%
Mitsubishi	40	27	48.1	5.6%	302	5.4%
Ford	26	38	-31.6	3.6%	265	4.8%
Holden	15	15	0.0	2.1%	136	2.4%
Suzuki	13	5	160.0	1.8%	57	1.0%
Mazda	12	31	-61.3	1.7%	134	2.4%
Daihatsu	8	5	60.0	1.1%	65	1.2%
Chevrolet	7	10	-30.0	1.0%	96	1.7%
Volkswagen	6	7	-14.3	0.8%	63	1.1%
Dodge	5	2	150.0	0.7%	36	0.6%
Mercedes-Benz	5	6	-16.7	0.7%	38	0.7%
Fuso	4	1	300.0	0.6%	19	0.3%
GMC	4	2	100.0	0.6%	19	0.3%
LDV	4	3	33.3	0.6%	11	0.2%
Volvo	4	2	100.0	0.6%	24	0.4%
DAF	3	3	0.0	0.4%	17	0.3%
Kenworth	3	1	200.0	0.4%	19	0.3%
Others	11	29	-62.1	1.5%	221	4.0%
Total	**715**	**784**	**-8.8**	**100.0%**	**5,553**	**100.0%**

Used Commercial Sales by Model - October 2021

MAKE	MODEL	OCT'21	OCT'20	+/- %	OCT'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	186	258	-27.9	26.0%	1,481	26.7%
Nissan	NV350	75	45	66.7	10.5%	443	8.0%
Hino	Dutro	51	36	41.7	7.1%	301	5.4%
Isuzu	Elf	39	38	2.6	5.5%	294	5.3%
Toyota	Dyna	34	34	0.0	4.8%	307	5.5%
Fuso	Canter	25	22	13.6	3.5%	195	3.5%
Toyota	Toyoace	25	19	31.6	3.5%	182	3.3%
Nissan	Caravan	23	28	-17.9	3.2%	179	3.2%
Isuzu	Forward	20	12	66.7	2.8%	107	1.9%
Hino	Ranger	18	8	125.0	2.5%	100	1.8%
Nissan	Atlas	15	16	-6.3	2.1%	127	2.3%
Chevrolet	Colorado	11	8	37.5	1.5%	86	1.5%
Toyota	Regius	11	23	-52.2	1.5%	76	1.4%
Suzuki	Carry	10	5	100.0	1.4%	54	1.0%
Ford	Ranger	9	20	-55.0	1.3%	119	2.1%
Daihatsu	Hijet	8	5	60.0	1.1%	65	1.2%
Toyota	Hilux	8	4	100.0	1.1%	71	1.3%
Mazda	Titan	6	5	20.0	0.8%	54	1.0%
Ford	F100	5	4	25.0	0.7%	19	0.3%
Nissan	Navara	5	11	-54.5	0.7%	43	0.8%
Others		131	183	-28.4	18.3%	1,250	22.5%
Total		**715**	**784**	**-8.8**	**100.0%**	**5,553**	**100.0%**

Magnesium shortage hits industry

An insufficient global supply of magnesium is set to compound the semi-conductor crisis and other supply-chain issues when it comes to car manufacturing.

Some marques are warning their stockpiles of the element, which is used in aluminium alloys for making the body, bonnets and doors of vehicles, may become exhausted this month.

The downstream effect means consumers in New Zealand are set for even longer waiting times for some new models to arrive here.

China has a near monopoly on the supply of magnesium, but its government is trying to reduce domestic power consumption amid rising energy prices and this has drastically curtailed magnesium output since September 20.

The automotive industry fears the magnesium shortage may stall its recovery from the impacts of the Covid-19 pandemic.

David Crawford, chief executive of the Motor Industry Association, says that with smelters in China cutting their output, "it's only a matter of time before that lack of production catches the rest of the world out".

He adds: "It's a pretty important part of the manufacturing process. This magnesium shortage is adding insult to injury because worldwide production of cars is already suffering with the microchip shortage."

Crawford notes the car industry is "under duress", and the logistics of moving vehicles around the world is "nothing like pre-Covid levels".

New Zealand already has quite long wait times for some popular models. Although sales numbers are strong, waitlists are among the longest he has ever known them to be.

Europe's motor manufacturing powerhouses, Germany and the Czech Republic, fear magnesium supplies may run out by the end of November.

The issue was raised at a European Union summit when the Czech Prime Minister, Andrej Babis, told delegates the industry is facing "disaster".

A group of European associations representing car makers, metals, packaging and other sectors issued a joint statement on October 22 warning of the "catastrophic impact" of the magnesium production cuts in China.

They say that has already resulted in an "international supply crisis of unprecedented magnitude".

Stock levels rise

Imports of new cars in October came in at 12,581. This was 39.8 per cent more than 8,988 in the same month of 2020, and 41.2 per cent higher than September's total of 8,912 units.

Registrations of new passenger vehicles totalled 9,261 last month. Sales were up by 11.6 per cent from 8,296 in October last year despite Covid-19 restrictions being in place for Auckland, parts of the Waikato and Northland.

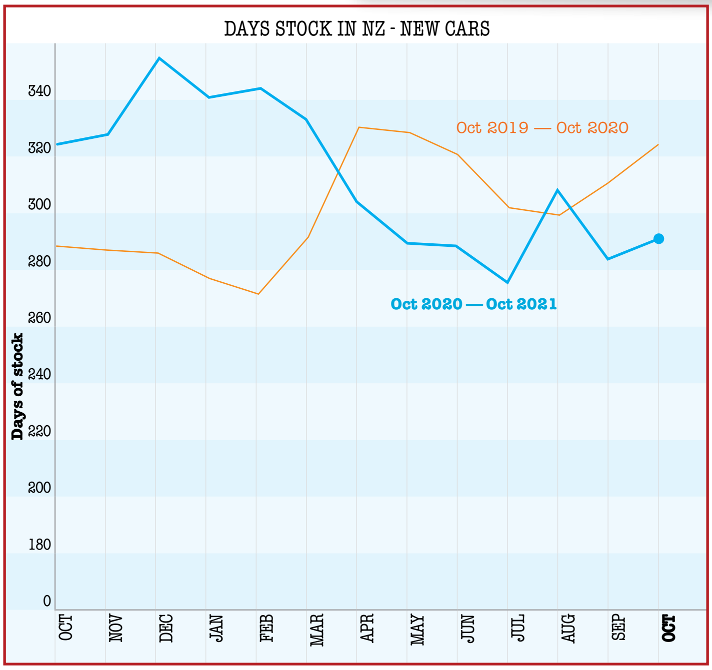
However, last month's sales represented a decrease of 22 per cent from 11,875 units in September.

The numbers have resulted in the stock of new cars still to be registered increasing by 3,320 to 85,694. Daily sales, as averaged over the previous 12 months, stand at 293 units per day for the highest average sales figure since April 2019.

October's results mean stock at-hand has increased to 293 days, or 9.6 months, if sales continue at the current rate.

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
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	9,264	9,984	-720	78,981	286	276
Aug '21	10,983	4,627	6,356	85,337	279	306
Sep '21	8,912	11,875	-2,963	82,374	291	283
Oct '21	**12,581**	**9,261**	**3,320**	**85,694**	**293**	**292**
Year to date	**100,300**	**93,423**	**6,877**			
Change on last month	**41.2%**	**-22.0%**		**4.0%**		
Change on Oct 2020	**39.8%** MORE IMPORTED	**11.6%** MORE SOLD		**13.5%** MORE STOCK		



Difficult trading anticipated

NZ Automotive Investments (NZAI) has warned its half-year profits will drop because of Auckland's Covid-19 lockdown.

The company, which owns 2 Cheap Cars, has reported to the NZX that it was expecting underlying net profit after tax for the six months to September 30 to be between $1.4 million and $1.6m – down from $1.87m in the prior comparative period.

With Auckland being at alert level four from August 18 to September 22, its business was affected by a reduction in car sales, vehicle processing and associated revenue reductions.

David Page, chief executive officer, says the company remains in compliance with all bank covenants and, as of September 14, was in a solid financial position with cash balances of $5.4m and net debt of $3.7m.

Dealerships outside of alert level-four areas were able to trade with 2 Cheap Cars branches in level-three areas doing business online and via click and collect capability, while operating closer to a full extent is possible at level two.

"Once Auckland moves down alert levels, management expects the business to bounce back in the second half of the financial year as it did last year after the April-May lockdowns," says Page.

"Based on last year's performance at level two, vehicle sales at affected dealerships are expected to resume back close to full levels."

From alert level three, the Auckland vehicle-processing hub was able to resume getting cars ready for supply to dealerships.

"As announced at the annual shareholders' meeting [on August 25], prior to lockdown the business was performing well-ahead of the same Covid-19 affected period last year."

The company had already announced it had secured a lease of new premises in Onehunga for its vehicle-processing hub, with the move away from the current site in Mount Wellington expected to be completed by February 2022.

Page adds: "Among other things, it is expected the new premises will improve efficiencies and provide expanded capacity to process cars ready for sale.

"As a consequence of the move and rearrangement of its leases, NZAI is expected to benefit from a one-off, non-recurring gain of approximately $0.8m before tax in the second half of the current financial year.

Boost in sales

There were 8,823 used cars imported in October, which was down by four per cent on 9,064 during the same month of 2020.

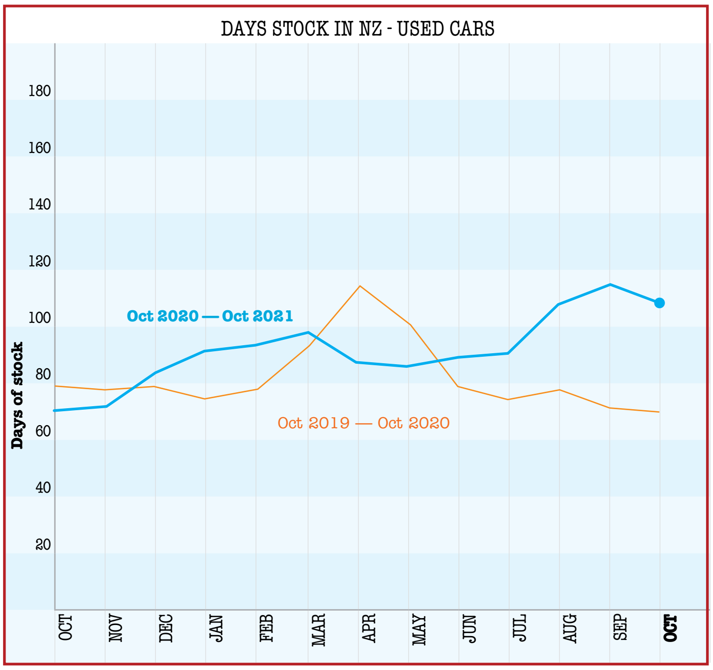
Last month's total was also down by 2.7 per cent when compared to September this year when 9,190 units crossed the border.

A total of 10,642 units were sold during October, compared to 9,763 in the same period in 2020. The latest tally was 43 per cent higher than the 7,444 units sold in September.

With 1,819 fewer used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 35,470 units. This was 54.3 per cent, or 12,485 cars, more than at the end of October 2020.

With current average daily sales increasing to 327, there are 108 days' stock remaining.

July remains the biggest month of the year so far for imports and sales with 13,728 and 13,132 respectively.



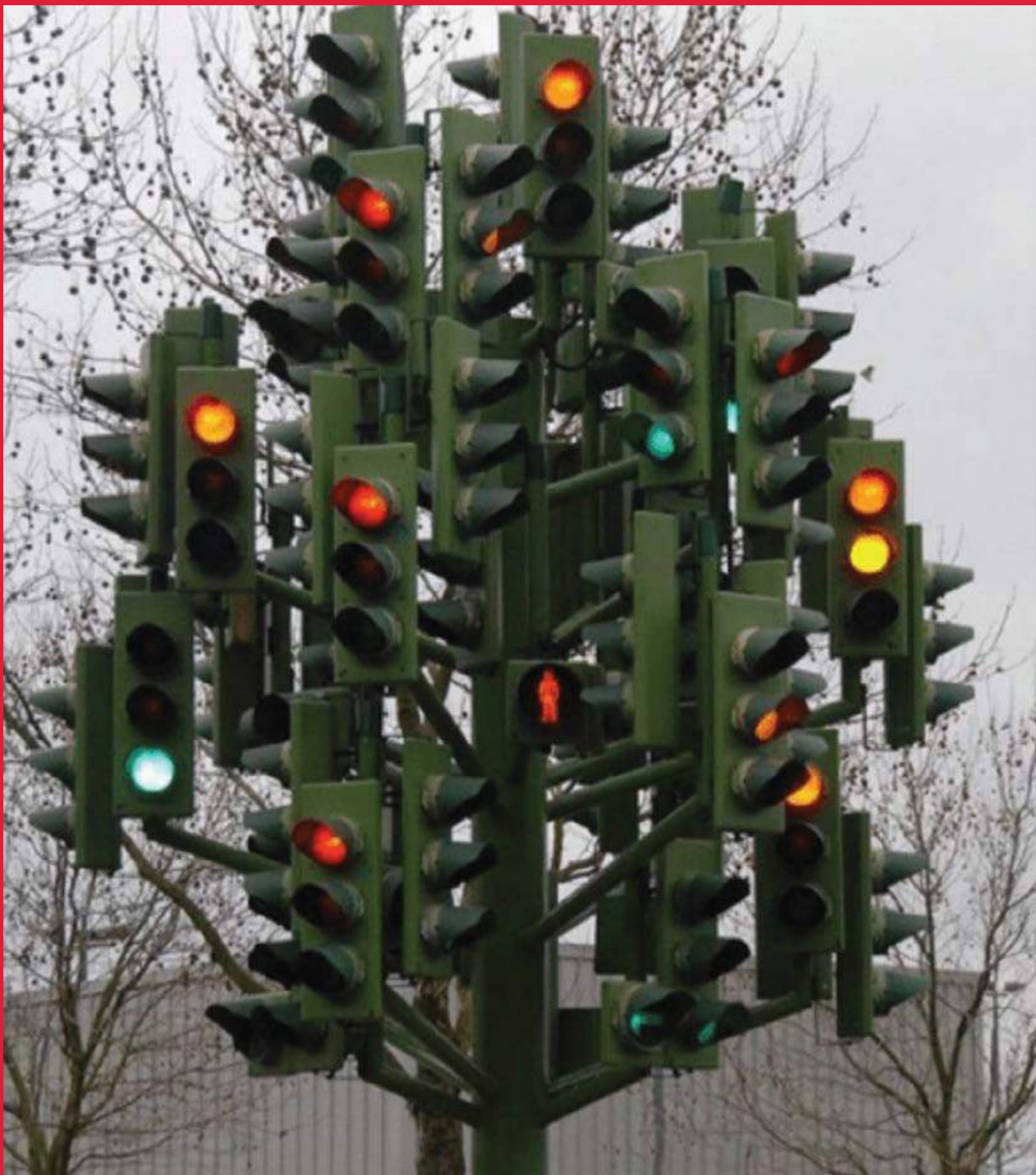
Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Oct '20	9,064	9,763	-699	22,985	322	71
Nov '20	9553	9523	30	23015	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	13,728	13,132	596	30,545	338	90
Aug '21	12,101	7,103	4,998	35,543	332	107
Sep '21	9,190	7,444	1,746	37,289	325	115
Oct '21	**8,823**	**10,642**	**-1,819**	**35,470**	**327**	**108**
Year to date	**110,127**	**100,476**	**9,651**			
Change on last month	**-4.0%**	**43.0%**		**-4.9%**		
Change on Oct 2020	**-2.66%** LESS IMPORTED	**9.0%** MORE SOLD		**54.3%** MORE STOCK		

CONFUSED?

WONDERING WHAT WILL HAPPEN NEXT?

WONDERING HOW YOUR BUSINESS WILL COPE?



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