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Dealers under scrutiny over car finance deals

Industry confident it's offering suitable credit-related products to consumers as policymakers mull review

Traders, lenders and insurance companies are waiting to see if there will be any further tweaks to legislation around motor-vehicle finance and related add-on products following a review by the Commerce Commission.

The regulator has scrutinised the sector and published its findings last month ahead of December 1's changes to the Credit Contracts and Consumer Finance Act (CCCFA).

It has investigated add-on products sold alongside cars bought on finance that have their price added to lending taken out to buy the vehicle.

The Financial Services Federation (FSF) met with the commission to discuss the findings on November 23.

Lyn McMorran, the FSF's executive director, says the regulator's main concerns are around the suitability of products sold, that car dealers are completing assessments of customers' financial situations as required by law, and ensuring lenders and insurers provide sufficient training to traders to do those assessments.

The Commerce Commission says there is the potential for poor consumer outcomes in the way add-ons are sold

She is confident most dealers and lenders are doing the right thing, with matters raised having been resolved as businesses prepared for the new legislation.

"The commission is yet to discuss its findings with policymakers at MBIE [the Ministry of Business, Innovation and Employment], and whether the report requires any tweaks to legislation or further outcomes from it, or if it's satisfied the changes that came through at the start of December are enough to ensure suitability is properly assessed," McMorran told Autofile.

"We expressed our view that we wouldn't support any move to a delayed sales model and there are better ways of ensuring a product is suitable.

"People want to get onto a dealer's lot, get the finance

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GUEST EDITORIAL

Green energy best way to cut pollution

David Crawford calls on government to start listening when it comes to fleet's emissions

DAVID CRAWFORD
Chief executive, MIA

The end of 2021 is nigh and what a year it has been.

I've found myself asking the question where is this country heading politically as it seems we have seen the return of the nanny state.

The government has chosen to centralise health care, vocational training and significantly reduce the number of entities involved in fresh and waste-water management.

Judging by how poorly it's listening, the government thinks it knows best too. It consulted with each of the above sectors before deciding on a course of action. It then ignored the majority of feedback, preferring instead to sing from a political hymn sheet of centralisation, control and power.

When it can't remotely justify central control, it instead blames and regulates.

The MIA has taken an advocacy role over the past couple of years for our government to invest in green energy, such as second-generation drop-in biofuels, e-fuel and hydrogen.

It is our best chance of reducing emissions for vehicles already in the fleet, but it seems the government would rather regulate and blame as opposed to invest and assist. It rolled out the clean car standard touting the targets as aspirational and timely. They are neither. The targets are impossible within the timeframe and hugely punitive.

We would be surprised, but delighted, if the government breaks its habit so far of not listening to submitters' concerns. We will know soon enough.

For a government whose response to the Covid-19 pandemic during 2020 was very good, its performance this year has grown more and more puzzling.

It was hard and fast into lockdowns and slow and soft on vaccines. I recently sat in on a Business NZ webinar listening to the Minister for Covid-19 Response, Chris Hipkins, who admitted they weren't expecting to be where we are now on the vaccine roll-out until about March 2022. This government thought we could sit in isolation for all of 2021, which is just madness.

Now it is catch-up. Fortunately, most New Zealanders seem keen on getting vaccinated, except for the minority. However, it seems the government has now handed power to the minority holding the rest of us, who've done the right thing, to ransom. We will not open up until every district health board hits 90 per cent double vaccination rates.

Even if we do all reach the 90 per cent target, the traffic-light system is confusing as are rules around the risk-assessment system employers are required to follow to determine which positions in their businesses must be vaccinated.

On the unvaccinated, I'm inclined to be less charitable. Being vaccinated offers a level of protection from the unvaccinated so the vaccinated should not fear them.

For the unvaccinated, let them suffer the consequences of their own decisions while the rest of us enjoy freedom. Let us out – now.

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and drive away. If you call them sometime later, the consumer isn't interested and has gone.

"There has been no suggestion that's likely to happen here and we don't think the report showed sufficient seriousness to suggest that's a way to go. But they have done it in other jurisdictions, such as Australia and the UK.

"Credit-related insurances are an important part of responsible lending. It's about consumers being able to protect assets they've acquired and protecting themselves if their situations change."

As part of the study, the Commerce Commission spoke with 15 lenders offering vehicle finance – 14 of which were FSF members, five insurers and 62 consumers who had bought products falling within the definition of credit-related insurance or a repayment waiver for CCCFA purposes.

It identified the potential for non-compliance and poor consumer outcomes in the way add-ons are sold – and questioned relationships between lenders, dealers and insurers.

The feedback the regulator received suggested some industry participants might be falling short of legal obligations to assist customers reach informed decisions. Some consumers reported they didn't understand the add-on they had bought or were unaware they had such a policy at all.

McMorran says issues raised in the review relate to products sold more than a year ago and they have now largely been addressed.

"Overall, they [the commission] were reasonably satisfied that the way products are being sold is responsible and appreciate a lot has changed since they finished the review.

"Everyone has been working towards December's CCCFA changes around the suitability of products.

"If the commission came back and did the research now, it would probably find less to worry about because people have been stepping up to make sure they're selling products that are fit for purpose and suitable for the consumer.

"Our members have also been doing a lot of work training dealers and networks about how to ensure products are being appropriately sold."

McMorran adds the key issue for traders is they follow processes put in place by lenders and insurance providers.

"In the worst-case scenario, if car dealers weren't following processes, then they won't be able to access products and would lose that income stream so it's in their interests to follow them."

She notes the regulator's inquiries focused on larger companies. If it believed there were issues with systemic mis-selling, it was unlikely to uncover that in the providers it went to.

"If the commission ever wants to do more research and thought that harm was being caused to people, it needs to look not at the big end of town but at some smaller dealerships, finance companies and those providing their own add-on products.

"These are people who are not necessarily wanting to be non-compliant, but who are outside of the FSF's membership and simply may not be aware of their obligations."

One reason the commission undertook its review of the sale of motor-vehicle financing and add-ons is because it "regularly receives complaints about the industry".

It adds that assessing lender and dealer compliance with the CCCFA and Fair Trading Act (FTA) ▶

Number crunching

Based on Commerce Commission data from 15 lenders for the year ending March 31, 2020, 85 per cent of vehicles financed were used cars. From its investigation, the regulator ascertained:

$17,598 was the average used-car price

10 years was its average age

4 years was average loan length

$38,744 was the average new-car price

Policies and pay-outs

The 15 finance providers in the Commerce Commission's review entered into consumer loans worth an average of $2.7 billion per year over the study's three years.

Five of the 15 offered repayment waivers. Four of these sold an average of 39,448 waivers annually with retail premiums averaging about $35 million per year.

An average of 1,400 claims were approved annually resulting in waived payments valued at around $4m per annum.

The five insurance providers surveyed collectively sold an average of 153,918 add-ons annually, resulting in wholesale premiums averaging about $82m per year.

This equated to retail premiums averaging an estimated $148m per year, while an average of 34,778 claims were approved paying out $43m per annum.

when providing consumer loans and extras can be complex.

"Industry participants have reported difficulty in understanding whether certain legal obligations sit with the lender or dealer when add-ons are sold," the report says.

As a result, the regulator sought to better understand the roles and responsibilities of lenders, dealers and insurers, and identify practices or behaviours with potential to harm consumers or break the law.

Sixty-two consumers who had bought or made a claim on an add-on policy between August 1 and October 31, 2020, were interviewed. There was also consultation with car dealers, financial mentors, industry bodies, agencies and regulators.

Besides painting a picture of potential challenges facing the industry, the findings will be used to inform the focus of future guidance and enforcement work.

The study focused on four products commonly sold by dealers with cars bought on finance – mechanical breakdown insurance (MBI), guaranteed asset protection (GAP), credit contract indemnity or payment protection insurance (PPI), and repayment waivers.

"The dominant sales model relies on intermediaries with add-ons typically sold at point of sale by dealers who have the ability to earn commission on those sales alongside the ability to earn commission and fees for arranging finance," the commission notes.

"While lenders assess the affordability of finance and add-ons, they typically rely on dealers to assess the suitability of the add-on and assist the consumer to reach an informed decision.

"The ability for dealers to earn commission may mean they prioritise selling add-ons over adequately assessing suitability or assisting consumers to make informed decisions. Further, the selection of lender could be influenced by the level of fees and or commission earned for referring a finance application."

The Commerce Commission urges lenders to be vigilant to "ensure dealers perform delegated duties appropriately to enable lenders to comply".

Lenders must meet CCCFA requirements, but it's often dealers acting as agents that tend to be the only party dealing directly with consumers during the process.

Arranging finance in New Zealand is in stark contrast to the UK and Australia where interest commission is banned because of "poor consumer outcomes".

Companies in this country need to understand their obligations as responsible lenders and provide clear instructions to dealers about how to carry out tasks, such as suitability assessments.

"Some lenders we spoke with did not appear to recognise that, in the event of compliance tasks being delegated to an agent, responsible lending obligations remain with the lender," the review says.

Statements from consumers suggested some in the sector might be falling short of what's required under the CCCFA in the case of lenders and the FTA when it comes to dealers.

Some buyers only realised they had purchased an add-on when signing up, while others had policies unsuitable for their circumstances because they didn't meet the claim criteria.

Fourteen added they had understood from dealers that they needed to buy an add-on for their loans to be approved. The commission says most lenders it spoke with advised they wouldn't require this. Two that did said it would only apply in limited circumstances, such as when the consumer is a higher risk to the lender.

"Dealers must ensure they do not breach the FTA when selling add-ons, for example, by making false or misleading representations," the commission says. "We intend to take an educative approach and remind dealers of their obligations in relation to any representations made."

The regulator will now provide information to lenders and dealers about complying with law, and will engage with finance companies involved in the review about the CCCFA's amendments.

NEW REGULATIONS

A number of areas that came under scrutiny in the report are covered by updates to the CCCFA that came in on December 1.

The legislation prescribes the types of inquiries that need to be made by lenders, or their agents, to meet the statutory obligations to ensure the suitability of add-ons.

In addition to asking about the consumer's requirements and objectives, they have to ask:

- Whether their customers have existing cover, or if there are existing rights under the Consumer Guarantees Act that may protect them against risks cover is being sought for.
- If their employment status, residency or age may make them ineligible to claim any benefits available under the add-on.
- What benefits and cover they require.

Lenders must maintain records showing how they assessed the suitability of the add-on for each consumer and retain those records for seven years.

Dealer activity

Traders sold the following proportions of finance and insurance products in the three years ending March 31, 2020, according to the Commerce Commission:

94% of MBI policies

77% of GAP policies

42% of PPI policies

38% of repayment waivers

Targets 'steepest in the world'

Emissions targets for the clean cars programme need to be "corrected" to avoid the new-vehicle industry facing "crippling penalties".

That's the warning made by the Motor Industry Association (MIA) to the select committee considering submissions on the Land Transport (Clean Vehicles) Amendment Bill.

The MIA describes the government's proposed levels of reduction of carbon dioxide (CO_2) emissions per vehicle entering the fleet – by 60 per cent by 2027 compared to 2020's average – as "the steepest of any jurisdiction in the world".

Instead, it is calling for the powers-that-be to aim for the European Union's current 2030 emissions targets for new vehicles by 2032, and for New Zealand to follow future EU targets two years after they have been adopted in Europe.

The MIA says under the government's proposed CO_2 pathway, the average cost increase per unit in 2027 required to offset penalties – that's to say, the difference between what the industry can achieve and what the bill demands – is an average of $3,100 per passenger vehicle and $4,000 for each light commercial.

"The cost of pursuing targets for the clean car standard ahead of what we can achieve is a cost that consumers will pay," says chief executive David Crawford.

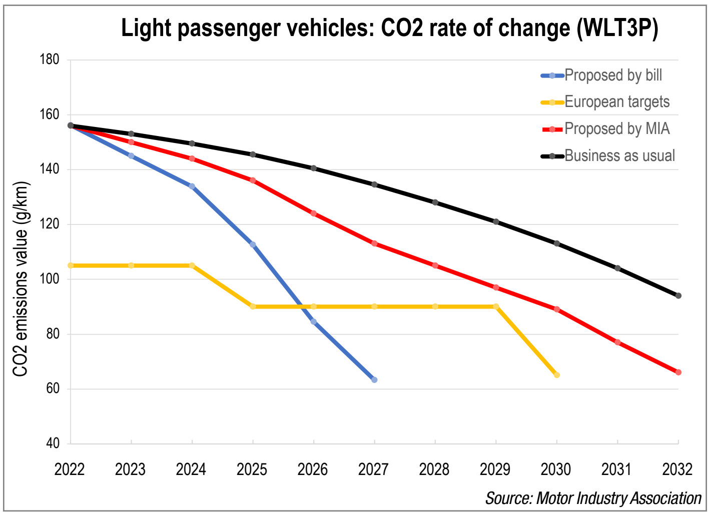
"Combined with fees under the clean car discount, this equates to a 15 per cent price impost. The penalties under the bill are on average about three to four times higher than the current net-margin per vehicle sold.

"There is a trade-off between penalties and the aggressiveness of CO_2 reduction targets. Even targets recommended by the MIA will end up imposing penalties on most distributors.

"We aren't requesting we don't face penalties, but we are asking their level to be reasonable. Nor is our response premised on 'we don't want to try to achieve the targets' because we do. However, we don't want to go bankrupt in the process.

"Acknowledging we are starting from behind the rest of the OECD, the rate at which we catch up is important. Too fast and costs become significant. Neither is it possible to get ahead of major markets, such as Europe, Japan and the US, without forcing exorbitant costs onto the sector and consumers."

When it comes to proposed targets, the MIA has consulted with manufacturers supplying new models to New Zealand on best possible rates of adoption for low-emissions technologies.



Other factors include the impact of Covid-19 on global shipping and freight logistics, which are unlikely to return to normal until 2023, and the continued global shortage of microchips especially as low-emissions vehicles (LEVs) require more of those than equivalent models with internal combustion engines (ICEs).

On top of this, worldwide demand for fuel-efficient vehicles is far exceeding supply and Australia is a "handbrake" on Kiwi aspirations for LEVs because that market isn't moving at the same pace as this country.

"Breaking links to Australian specifications and emissions isn't impossible, but will take years not months," explains Crawford. "Most of the change will occur at facelift or model-change time.

"For that reason, the MIA has proposed a slower rate of change but that rate does eventually catch the EU target, which is the most ambitious in the world, by 2032 despite starting well-behind.

"Once Australia moves to Euro 6(d) emissions testing in the second half of this decade, the handbrake effect will be reduced."

As for claims in the lead-up to the bill's introduction that less fuel-efficient models are supplied to New Zealand compared to elsewhere, the MIA describes this as a "myth".

For most distributors, manufacturing for the 2022 model year started in mid-2021, so they are nearly six months away from model-year 2023 production to be sold here in 2024, while planning and prototyping has already happened for 2025 models.

"Contrary to an incorrect belief by officials and some MPs, New Zealand is not a dumping ground for new vehicles," Crawford says. "This might be the case for used imports, but not new. Our distributors analyse the market to see what types of vehicles are preferred by target consumer groups."

The MIA's submission on the clean cars bill is founded on certain principles. The first is policies that influence consumer demand are preferred. Unless well-designed, it says those aimed at controlling supply are generally not favoured because they impose artificial controls that distort the market.

It opposes the fuel-economy standard as drafted but would support its introduction if "designed correctly".

A major issue for the MIA in addition to the severity of targets includes MC vehicles – four-by-four off-roaders – being in Type A and not Type B.

The association believes the legislation should require a target review in 2024, again in 2028 and then every five years because "industry requires certainty around when targets will be reviewed".

"Just regulating vehicles by restriction of supply through the standard may lead to consumers keeping older technology vehicles longer," adds Crawford.

"New vehicles are generally better than similar five-year-old cars emissions-wise, so any vehicle updating is still of benefit as it also releases later-model used vehicles into the market to replace even older vehicles. This would be further helped by scrappage schemes or even some registration penalties for older high-emitters."

DELAY CALLED FOR

The Motor Trade Association (MTA) says the clean car standard's launch date should be postponed.

It is urging the government to focus on influencing demand through the clean car discount and to delay the standard until at least 2024 because of the lack of future supply of suitable models for the fleet.

"It seems future growth in BEV [battery electric vehicle] volumes will have to rely on the new-car sector," says Greig Epps, advocacy and strategy manager. "But a rapid and substantial increase is unlikely through to about 2025/26.

"The government should reallocate resources to addressing the existing fleet through emissions testing and scrappage, and boosting incentives under the discount.

"If the MTA's predictions are valid, funds collected under the

[continued on page 8]

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discount and standard through fees or penalties on higher-emissions vehicles over the next few years will likely be unspent until BEV access improves. By that stage, it's possible the price differential with ICEs will have reduced markedly."

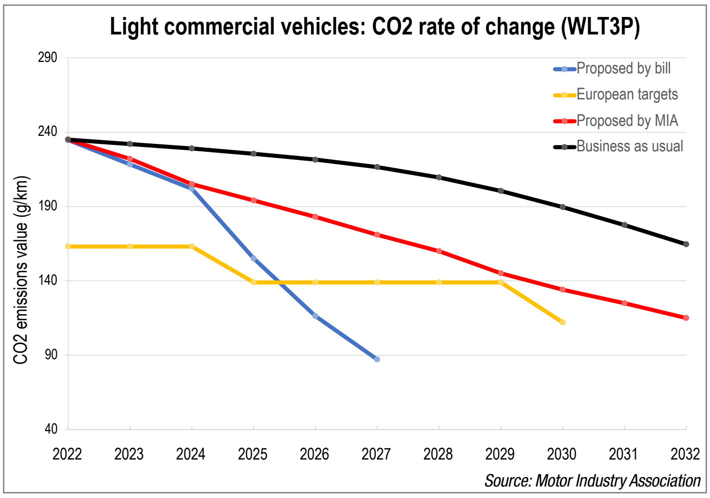
In its submission, the MTA calls for the standard's proposed formula to be revised to remove conflicts with the discount and CO2 targets to be deferred until at least 2025/26.

It states New Zealand will need to import more than 54,000 EVs in 2025 to meet current fleet average targets, so the select committee should ask the Ministry of Transport (MoT) to explain how it thinks this level of supply will be met.

"Aotearoa holds a unique space in the market," says Epps. "In 2020, around 250,000 vehicles were purchased, essentially split 50-50 new and used. Very few, if any, other markets have such a high proportion of used imports. This makes it difficult to design policies that can be implemented fairly across both segments."

The MTA notes targets in the bill are unachievable because global supply of zero-emissions vehicles (ZEVs) is expected to remain scarce at least until 2025.

"In 2025, we estimate we will need to bring in around 54,000 EVs to meet fleet emissions targets," says Epps. "In 2021, we are on-track to get about 10,000. That means the market needs to achieve a five-fold increase in EV supply in the next four years.



"Historically, the supply of BEVs to New Zealand has primarily been via the used-import sector. Their sales in Japan are minimal with typical volumes of around 20,000 or so units in an annual market of close to four million. The opportunity to significantly increase used volumes doesn't exist. In the past, New Zealand has taken around half of all used BEVs from Japan."

The MTA adds more realistic CO2 targets – such as staggered periodic reduction, not annual drops – should be introduced.

"To achieve the targets if current numbers followed trends, the number of EVs required is fantasy. This needs to be acknowledged."

And work on introducing Euro 5 and Euro 6 standards should be allowed to run its course. This should complement incentives in the clean car discount because this will change purchasing decisions and supply choices.

"The legislation also proposes to create credits to be traded. However, trading seems to only be possible within an importer category. A category-two importer [pay as you go] cannot trade credits with a category-one importer [fleet]. It is not clear if an importer can be both [categories]."

In addition, the bill contains a provision enabling the Minister of Transport to require a minimum percentage of ZEVs be imported, but the MTA's assessment of volumes needed to meet the target for 2027 – that's to say, about 48.9 per cent of imports – would effectively create a minimum proportion of such models.

"If the industry fails to meet this level of EVs, penalties will apply," says Epps. "The minimum proportion requirement is not needed to further penalise importers. No matter what number is set, it will not create vehicles if they are not available for import."

FLEET MANAGEMENT

The Imported Motor Vehicle Industry Association (VIA) says it will work closely with the government to "build mitigations and safeguards" into the clean cars programme.

In its submission on the bill, VIA reinforces its commitment to support the clean car discount and standard because it wants to be part of the solution in reducing greenhouse gases (GHGs) from transport. However, it has "several concerns" about the initiatives and proposed speed of their implementation.

VIA warns prices will increase significantly and older, more polluting cars will remain in the fleet longer if the proposals are pushed through in their current form.

As a result, it has listed 13 recommendations, the main one being to extend the government's package to include a clean car fleet-management scheme.

David Vinsen, chief executive, notes such a scheme "will provide a set of tools that empowers the government" to provide credits for removing GHG-emitting vehicles from the fleet.

This "will increase the uptake of more efficient vehicles as they will be provided under the influence of the clean cars programme, and provide value in removing older vehicles that can be used to mitigate the upfront costs of ZEVs".

VIA suggests dismantlers be allowed to join the clean car standard register and receive fleet-management scheme credits after permanently decommissioning vehicles. The size of credits would be based on the vehicle's emissions with ZEVs receiving no credits.

Dismantlers could then trade those credits as importers will trade credits under the clean car standard with each other. This would allow importers to use them in the same way as those earned under the standard to offset penalties.

VIA also recommends consumers be able to see the "trade in" value of their vehicles under a fleet-management scheme on the Rightcar website and during the annual registration process.

It would complement the standard by encouraging road users to trade existing older, less safe and potentially higher-emitting vehicles for newer, safer and less-emitting models.

Legislation for a fleet-management scheme could include the ability for the government to buy credits. This would enable it to continue to support removing undesirable vehicles from the fleet when ICEs can no longer be imported.

It adds introducing the clean car laws will "negatively impact business as usual for our industry, but further inaction will only compound the costs and challenges of what is an inevitable change".

Vinsen says the biggest challenges in meeting the new regulations will be a lack of available ZEVs between 2027 and 2035, and tools for managing the existing fleet.

"While most manufacturers have committed to moving away from fossil fuels in the latter half of this decade, there is significant

demand for these vehicles.

"Supply paradigms will have inherent delays and challenges. New-car importers will be forced to compete for limited supply with jurisdictions with domestic manufacturing and or higher wages. Used-car importers will not be able to take advantage of the increased volumes of ZEVs until they enter the second-hand market in their source jurisdiction."

Vinsen adds the clean car policies "aggressively disincentivise" the importation of GHG-emitting models and, by 2030, VIA expects conventional hybrids will fail to meet the regulations.

Other recommendations outlined by VIA in its submission include assigning a value of $1 to "carbon units" when they are created under the clean car standard, which will see the importation of high-efficiency models rewarded with carbon credits to be traded or sold.

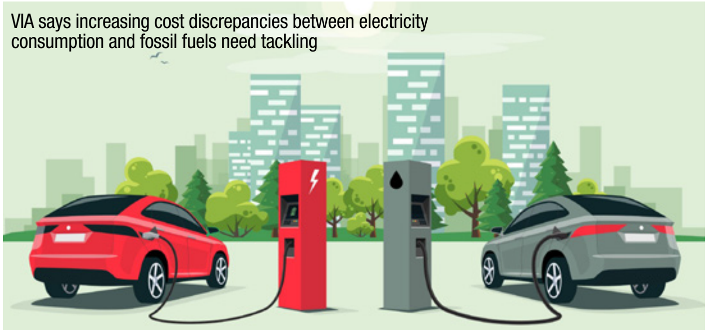
It also wants the government to re-examine the definition of "new" cars when determining eligibility for subsidies and penalties "based solely on vehicle characteristics, not importer characteristics".

Vinsen says members have imported ZEVs with less than 100km on their odometers that have been registered overseas as demonstrators or to meet a sales quota.

Under current clean car rules, these would be defined as "used" even though they are effectively "new", and therefore attract lower subsidies than a similar model presented by a "new car importer".

A select committee will report back to parliament on the Land Transport (Clean Vehicles) Amendment Bill in early February.

Cheap, green electricity needed


VIA says increasing cost discrepancies between electricity consumption and fossil fuels need tackling

The emissions trading scheme (ETS) needs to be overhauled with a universal carbon tax considered as a way to positively impact climate change.

The idea is one of the recommendations the Imported Motor Vehicle Industry Association (VIA) has made in its submission on the government's discussion document for the emissions reduction plan (ERP), which is due to be published in May 2020.

The association contends the "artificially low" price of carbon is out of touch with its impact and the current ETS is a poor solution for cutting pollution. It adds this is especially the case when New Zealand's biggest emitters are given more free allocation than they use, which is likely to allow them to trade or sell it on for profit.

Kit Wilkerson, VIA's senior policy analyst, says: "The inability to hold major corporations to account can be addressed by removing the issue with a universal carbon tax on goods.

"A strategy should begin with phasing out single-use products and or an end-of-life processing levy applied at the start of a product's life.

"As end-of-life processing is improved, the levy can decrease. This will drive up the investment in research and development [R&D] of products that are cheaper to process at their end-of-life."

VIA has recommended for the clean cars programme to include scrappage to help improve the light fleet's profile. Its proposed scheme is designed to promote the early development of business models to create a circular economy.

It also calls for the same strategy be applied to other industries. The government could, for example, provide support R&D into low-emissions fuels and partner with academic institutes to explore opportunities for a publicly owned entity to generate green hydrogen.

"Abundant, cheap, green electricity is the most important thing that can be provided to motivate the electrification of every industry," says Wilkerson. "The only apparent difference between a carbon tax and the ERP is the latter allows the government to pick winners and losers."

As for promoting electrification in the car industry, an important issue to tackle is increasing cost discrepancies between electricity consumption and fossil-fuel use. An "obvious" way to achieve this could be a tax on fossil fuels to gradually create an increasing floor on fuel prices.

"There is a solution that would be less regressive if not progressive," contends Wilkerson. "The government should plan to increase electricity generation significantly beyond current demand.

"Plentiful electricity would drive down prices, rewarding those who transition away from fossil fuels, encouraging further electrification across all industries and making electricity generally cheaper for the average New Zealander."

What VIA proposes would substantially help those on lower incomes, particularly when it comes to paying power bills as well as getting them into e-mobility options and other e-technologies.

"Many people who drive internal combustion engine [ICE] vehicles assume since fuel prices have remained constant over time that this trend will continue.

"Price increases for fossil fuels should be planned and well-telegraphed so people know such fuels could be more expensive in five or so years."

VIA stresses it is "dubious" there will be a sufficient supply of right-hand-drive (RHD) electric vehicles (EVs) for New Zealand before the early 2030s for them to make up a significant proportion of total imports.

Wilkerson opines: "We must figure out how to convince manufacturers to funnel 1.3 million EVs – 30 per cent of the fleet – away from the other RHD markets they have been promised for, namely UK, Japan and Australia. We have 12 years to accomplish this.

"We also need to figure out how to 'steal' 200,000-plus EVs a year from those same jurisdictions in less than eight years. The jurisdictions we are discussing 'robbing' have domestic manufacturing, higher incomes and more international influence.

"VIA will welcome further discussion with government on how much the New Zealand public is prepared to spend to reroute those EVs.

"All of this is assuming the existing shortage of computer chips, cobalt, magnesium and other resources is resolved in time for OEMs to start manufacturing EVs in any volume at all.

"Until zero-emissions vehicles can be sourced in sufficient quantity, hybrids and other ultra-low emissions vehicles will serve as a transitional step."

Visit www.autofile.co.nz for more on VIA's submission.

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Action to drive down emissions

Tougher emissions targets for imported cars, zero-emissions models to make up 30 per cent of the light fleet by 2035 and a scrappage scheme.

A national electric vehicle (EV) infrastructure plan and cutting pollution from fuel by 15 per cent by 2035 by embracing biofuels, electrification and hydrogen.

These are some of the headline proposals in the government's discussion document on its emissions reduction plan (ERP). Its aims include a 41 per cent reduction in transport pollution by 2035 from 2019's levels.

Other measures being touted for the ERP include a carbon dioxide (CO2) limit for fossil-fuelled vehicles crossing the border, which would be more stringent than the clean car standard and discount. Then there's getting people out of their cars to slash kilometres travelled by 20 per cent by 2035.

Proposed emissions budget targets – Mt CO2e

BUDGET PERIOD	2022-25	2026-30	2031-35
All gases, net (AR5)	292	307	242
Annual average	73	61.4	48.4

Mt CO2e = megatonnes (million tonnes) of carbon-dioxide equivalent.
Final decisions will be published in the emissions reduction plan in May 2022. Budgets are based on GWP100 (global warming potential over 100 years) metric values from the Intergovernmental Panel on Climate Change's fifth assessment report (AR5). *Source: Ministry for the Environment*

The timelines are covered in three greenhouse gas (GHG) emissions budgets. The first is for 2022-25 with the other two following in five-year increments. Transport isn't the only sector targeted – others are energy and industry, agriculture, waste and forestry.

FOCUS ON THE FLEET

New Zealand's second-largest source of GHG emissions is transport, which accounts for about 20 per cent of gross domestic emissions and 43 per cent of total domestic CO2 emissions.

The government says the road to a zero-carbon transport system by 2050 includes cutting those emissions by 13 per cent by 2030 and 41 per cent by 2035 when compared to 2019, which is equivalent to 6.7 megatonnes (Mt) from two years ago.

Broadly speaking, the Climate Change Commission says Kiwis' reliance on cars needs to be reduced. Then there's supporting people to walk, cycle and use public transport in addition to adopting low-emissions vehicles (LEVs) and fuel, and decarbonising heavy transport and freight.

When it comes to the car industry, the carrot of "economic incentives" is being dangled, such as fees and rebates to encourage the uptake of cleaner vehicles.

The government wants zero-emissions vehicles (ZEVs) to make up about one-third of the light fleet by 2035. To achieve this, between 2022 and 2025 consumers and importers will be "supported" to buy less-polluting models through the clean car discount and standard.

By working with industry, it wants to tackle LEV supply constraints, start a scrappage scheme to help those on low incomes get into cleaner models, introduce a sustainable biofuels mandate to cut pollution from existing vehicles, and is planning investment in large-scale EV charging.

During the second emissions budget period, from 2026-30, there will be continued support for ZEVs and measures brought in to avoid New Zealand becoming a dumping ground for high-emitters.

It is estimated the clean car discount, which is due to fully kick in on April 1, will result in a CO2 emissions reduction of 68,600 tonnes, while the standard will account for 74,700 tonnes.

The government will clean up its own fleet by reducing vehicle numbers and switching to EVs or hybrids unless prevented by operational requirements. The emissions savings for this are included in the clean cars package, while the extension to light EVs' exemption from road-user charges (RUC) will help cut out 25,300 tonnes.

Only zero-emissions public transport buses will be purchased by 2025 with the aim of decarbonising this fleet by 2035 saving 51,400 tonnes.

However, emissions savings for other proposals are unknown. These include the Low-Emissions Transport Fund, which supports the adoption of low-emissions technology, vehicles, innovation and infrastructure with co-funding.

The ZEVs mandate will be used if the clean car standard and discount fail to prompt sufficient supply of such vehicles. RUC exemptions will be extended to heavy EVs, rail will get more investment and $30 million to $45m will be allocated to identify opportunities for coastal shipping to lower its emissions.

There's also Annex VI of the International Convention for the Prevention of Pollution from Ships, known as Marpol. New Zealand is due to ratify this in 2022 and apply new measures to cut ships' emissions.

CAR INDUSTRY ON TRACK?

It has been predicted that measures for the automotive industry will meet the Climate Change Commission's first emissions budget for transport, which comes at an estimated reduction of 0.22Mt in CO2 emissions during 2022-25.

"This good start will also mean more New Zealanders have access to LEVs, which are cheaper to run, and improve air quality," states the discussion document.

However, "these policies alone are not sufficient to achieve budgets two and three", so the gap needs to be addressed with further action in the first budget period.

"Potential action" will be in addition to four main transport targets for 2035 – increasing ZEVs to 30 per cent of the light fleet, cutting pollution from transport fuel by 15 per cent, lowering freight emissions by one-quarter and reducing vehicle kilometres travelled (VKT) by the light fleet by 20 per cent.

"The amount of travel people do in fossil-fuelled vehicles is at the heart of the challenge," says the government. "We cannot rely on just decarbonising the fleet quickly. Offering better options and managing demand to reduce VKT by cars is vital.

"Most of this reduction must be in our largest cities where people are more likely to have other choices. In the first budget period, we will provide New Zealanders with better travel choices for Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown."

Other ideas include community-based solutions to make LEVs, including e-bikes, more accessible for those on low incomes.

With the upfront cost of LEVs being a significant barrier for many Kiwis, the government could support EV leasing, purchasing and sharing schemes.

END OF ICEs NIGH?

The government wants New Zealand to avoid becoming a "dumping ground" for high-emitters as more countries announce plans to stop the production and import of vehicles with internal combustion engines (ICEs).

"Permitting more ICEs to enter our fleet will result in a high-polluting fleet for longer, making it more challenging to achieve future emissions budgets," states the discussion document.

The Climate Change Commission has recommended banning such vehicles from entering, or being made or assembled, here as early as 2030.

If adopted, the government says it may be beneficial to consider a split approach to ensure stock availability. For example, from 2030 only plug-in hybrids (PHEVs) and conventional hybrids with emissions under a set threshold could be brought in, and from 2035 only light ZEVs.

Effectively managing the switch still needs fleshing out. For example, to ensure people can get what they need, "ICEs should only be phased out if ZEVs in the same class are available".

To complement the clean cars programme, a light maximum CO_2 limit is on the table. This would specify a grams per kilometre threshold for imports until made redundant by light ICEs no longer crossing the border.

While the clean car standard

[continued on page 14]

Greener fuel

A mandate to help overcome the cost and risk barriers facing sustainable biofuels will require suppliers to reduce emissions of the liquid transport fuels they supply by a set percentage each year.

While this will initially be through biofuels, "there is opportunity to expand the mandate to include other low-emissions fuels over time", and extra support will be considered to encourage domestic production of such fuels, says the government.

Proposed emissions reduction targets are 1.2, 2.3 and 3.5 per cent for 2023, 2024 and 2025 respectively. These initial percentages have been kept low to allow suppliers time to establish reliable supply sources.

Raising the targets over time would generate further emissions reductions from transport fuels, although this will require careful consideration of biofuels supply.

[continued from page 13]

reduces average emissions of vehicles imported, it doesn't prevent highly polluting models from entering the fleet. Instead, such vehicles will be offset by LEVs, the government says.

"The limitation of this approach is the highest-emitting vehicles tend to be driven more, which means they create more emissions. With some exceptions, they tend to be luxury vehicles rather than vehicles providing a productivity benefit over lower-emissions options, for example towing capability."

The commission has recommended exploring the bulk procurement of EVs with the supply of new and used low and zero-emissions cars "likely to remain tight in the 2020s".

"We are setting up a clean-vehicle sector leadership group to tackle this issue alongside industry – finding new ways to aggregate, co-ordinate and communicate demand to improve the availability and price of LEVs."

In addition, there are different types of LEVs that may be suitable for short-distance, low-speed use, but current regulations do not permit them to be used on our roads.

THE WAY FORWARD

When it comes to the automotive industry, there has been widespread support for a scrappage scheme. This has especially been the case with the Motor Trade Association, which has been lobbying about this for years.

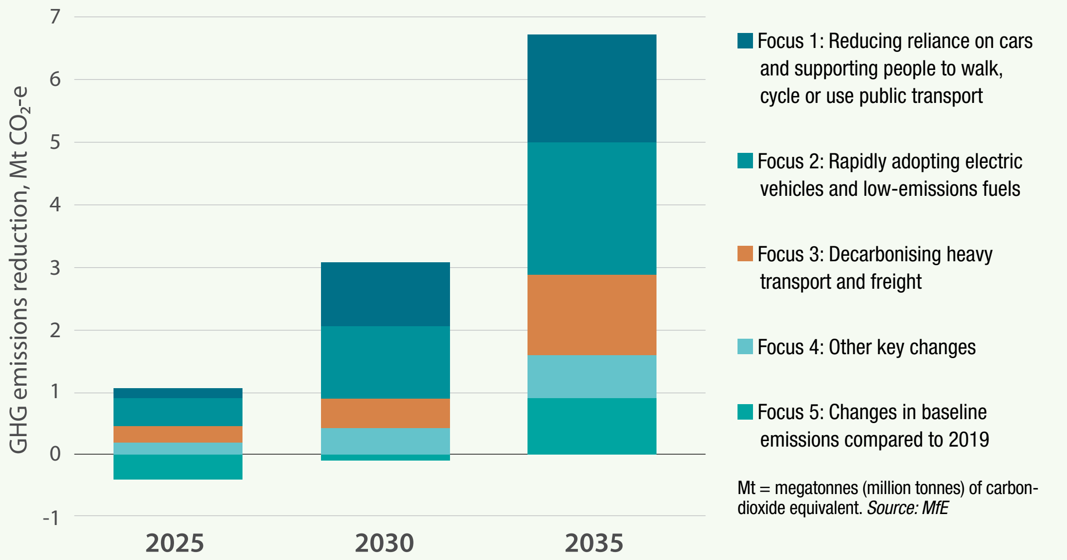
The Motor Industry Association, meanwhile, wants the government to do more to boost EV uptake and investigate ways to reduce emissions from ICEs, such as by investing in alternative fuels.

And the Imported Motor Vehicle Industry Association says the emissions trading scheme will be as big, and may have a bigger effect, on cutting pollution than what's outlined in the discussion paper.

The government intends to publish the first emissions reduction plan setting out policies and strategies for meeting emissions budgets by May 31.

It says this timeframe will allow it to align the final plan with Budget 2022, so organisations and communities will have more clarity on how the plan's delivery will be backed by government investment.

Potential emission cuts on government focus areas vs 2019



Approved for compliance

A company has been approved by Waka Kotahi to complete entry certification on used-imported light vehicles.

Nelson-based i4 checkpoint Ltd was given the green light from the transport agency on November 30 and aims to get its operations under way this month.

Brodie Wilson, director, says: "This has been a project we've been working on for many months now."

With outcomes Waka Kotahi and the company are looking to achieve, "we expected a thorough and robust process for the benefit of all parties and the end user".

Wilson says the industry is continually evolving, and "we are looking forward to bringing some innovation to it and challenge how the norm has been achieved".

Used light entry certification adds to services that are being provided by parent company i4, which has been around since 2008 and has been focused on biosecurity inspections and related consultancy services offshore and in this country.

"When the highly invasive brown marmorated stink bugs made their way to New Zealand via vehicles in early 2018, operations at i4 biosecurity expanded rapidly," Wilson told Autofile.

"It seems a natural progression to add this extra capability to i4's suite of services, especially given the company's existing expertise in inspections, compliance, risk management and associated regulatory demands."

i4 checkpoint Ltd is aiming to have a flagship vehicle inspection and compliance site in Nelson with others to follow next year.

Wilson says: "Our aim is to be truly nationwide. We are kicking off with our flagship site and we're already looking at other possibilities around the country."

Industry movers

BOB BONIFACE has been elected as president of the Motor Trade Association (MTA) to replace Dave Harris, who has retired.

Boniface, who owns two paint and panel workshops in Auckland, has had an extensive career as a consultant in corporate leadership and business management.

He says climate change, Covid-19 and technology have reset current market dynamics.

"Dealerships are facing a major shake-up with the clean car requirements likely to force a market reset as brands try to provide a rapidly growing number of low or zero-emissions cars," adds Boniface, pictured.

"The fuel industry will probably be the slowest to evolve, as well as the shift from diesel and petrol to electric and alternate fuels, because it will take a long time to scrap older cars out of the fleet."

Janet Lane

JANET LANE steps down as chief executive of MITO at the end of the month after more than 22 years in the job.

She is leaving as the standards-setting body for the automotive, transport, logistics and extractives sectors transitions to Te Pukenga Work Based Learning Ltd from the start of 2022.

Lane was made a member of the New Zealand Order of Merit for services to tertiary education in the 2021 new year honours list.

Andrew Clearwater, board chairman, says: "An ever-present advocate of our vision of enriching lives and inspiring futures, Janet's legacy at MITO is outstanding."

Verna Niao

Verna Niao, group manager of workforce development, has been appointed to the new role of director to lead the organisation from January.

Lane says: "Having worked with Verna over a number of years, I will be leaving with the assurance that our learners, employers and industry partners will continue to enjoy high levels of service, responsiveness and innovation."

STEPHEN HEWETT has stepped down as president of Intelligent Transport Systems NZ after serving on its board for nine years.

As business director of transport advisory at Beca with a focus on technology, Hewett, pictured, was president for the past two years. His specific international responsibilities included being New Zealand's representative on ITS Asia-Pacific's board and the ITS World Congress.

CRAIG GRIB has been appointed to the newly created position of New Zealand broker manager (automotive and consumer) providing Avanti's and Branded Financial Services' broker network with a central contact point across personal loan and motor-vehicle finance channels.

He has spent seven years working mainly in marketing roles across dealer networks in automotive, caravans, motorhomes, farming and trucks.

Before starting his current role, Grib was a regional manager for Avanti Finance where he dealt with the automotive sector.

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

Digital solutions to due-diligence laws

With changes to the Credit Contracts and Consumer Finance Act (CCCFA) effective from December 1, finance companies have spent the past few months working on new systems and processes to ensure they will remain compliant.

Under the act, changes include lenders holding responsibility for ensuring full due diligence when assessing loan applications, including disclosure and product suitability assessment for the sale of add-on insurance products.

No longer can lenders accept the word of customers (albeit signed for) regarding their financial position or understanding of add-ons sold to them. All due diligence must now be evidenced and consideration applied to individual circumstances and possible vulnerabilities.

For the sale of our insurance policies, Protecta has chosen to apply our own verification process – a Customer Disclosure Notice. This digital document is generated in the Protecta Portal prior to a policy being confirmed.

Shannon Beech, general manager of intermediated and agent business, Protecta Insurance

Utilising digital-signing capabilities through Secured Signing, customers will now be asked to verify they have been provided with full disclosure on insurance products they are looking to purchase.

Having key points noted on the disclosure notice also serves as a reminder, or prompt, for them to follow up with their selling agent if they require any additional explanation before taking out a policy.

While this adds an extra step to our policy generation process, agents can be assured it is super quick and easy to transact. It also offers extra protection to selling agents, lenders and Protecta where we've traditionally relied on memory as to the specific details of product disclosure during the sales process.

We've all experienced interactions that take place months, if not years, after a sale when a customer believes they were "never told" details of a policy or "didn't know they had it". The Customer Disclosure Notice can serve as a reminder to all parties involved that the selling process was robust at inception.

Protecta has also incorporated the automated issuing of all policy documentation directly to customers by email on confirmation of sales in the portal. Selling agents don't even need to click a button but can be assured their customers receive all relevant policy material straight to their inbox.

Changes to the CCCFA have seen a lot of extra work being undertaken by those in finance and insurance. However, this doesn't have to mean lengthier processes or extra work on a transactional basis.

Protecta hopes our new changes will be seen as smart and efficient in terms of offering support to financiers and agents with upholding compliance obligations, and ensuring customers feel confident in the buyer decision process.

Supply issues 'constrain' market

The supply of vehicles to New Zealand continues to be a major issue in the ongoing wake of Covid-19.

Jim Gibbons, Colonial Motor Company's outgoing chairman, says problems initially hinged on assembly-line output being cut back during the first waves of the virus.

To start with, this might have been seen as a good thing when stacked up against concerns of large volumes arriving and having to be funded.

However, he adds that "quickly supply became a constraint" with microchip shortages before "the whole inter-connected international supply network unwound".

Gibbons says there is now no end in sight for the new-vehicle market. "What was considered normal has changed. Everyone has the same problem and consumers are now prepared to wait.

"The used-car market is also experiencing shortages. After an initial burst, there are now few ex-rentals available and less trade-ins.

"Now sales and profitability in any given month are not a reflection of activity. Instead, it's a measure of that month's shipping arrivals. It's uneven between products, different brands, different months.

"As time goes by, some production does arrive. In simplified terms, this month's arrivals get delayed but the supply from some months back finally arrives."

Gibbons notes the medium-term impact is problematic to quantify.

"Does consumer confidence hold up, does supply keep coming? The impact of lockdowns in 2020 was severe. Second time around in 2021, while still difficult, it was far more nuanced. Lockdowns and lumpy supply have had a major impact, especially when looking at short timeframes, but demand has remained strong."

All that said, the 12 months ending June 30, 2021, added up to an "exceptional" financial year for Colonial. Trading profit after tax came in at $27.9m – up by 61 per cent on the previous year.

"However, there was a component of luck involved," Gibbons told shareholders at Colonial's annual meeting on November 5. "Our financial year happened to start after the 2020 level-four lockdown had ended and before the 2021 lockdown started.

"A record year was never predictable, but month by month it added up and got better in the second half. The initial expectation in July 2020 was we were experiencing a short-term bounce. Instead, good export prices and economic stimulation created a frothy market."

Looking ahead, Gibbons says month-by-month swings are considerable. Underlying demand for vehicles, especially commercials, is strong. Forward orders of heavy trucks are robust, reflecting confidence in the economy.

The company expects to see a strong run in the short to medium term with an extra push coming from consumers' desire to buy ahead of the full feebate scheme on April 1, 2022.

Jim Gibbons retired as Colonial's chairman at last month's annual meeting. He started with the company in 1974, which "spans some good times and some very tough periods". He has been a director for 29 years and chairman for the past 11 – a period of almost continuous growth in trading profit. "I have benefited from the accumulated efforts of a lot of good people and fortuitous timing," he says

As for the government's clean cars programme, Gibbons says: "We can only sell what's available. There are a range of technologies that have better emissions outputs, but headlines revolve around fully electric vehicles [BEVs]."

When it comes to the clean car discount and standard, it's a bigger subject than simply substituting petrol vehicles with BEVs.

"New Zealand has a large fleet of private vehicles with one of the highest densities of cars per thousand people in the world. The average age is over 14 years and it's getting older as we keep old cars going rather than scrapping them.

"EVs do some things better than conventional vehicles, but it's not a seamless swap. They are ideal as a second vehicle for a person living in their suburban home with good off-street parking where daily distances aren't large and recharging while parked is available. It's different in rural New Zealand.

"Future products must have lower emissions. BEVs do not fit every requirement. What is better, staying with old high-emission vehicles because full battery EVs don't do what is required or bringing in better – but not perfect – products? It will take time for social changes to work through."

Gibbon describes the clean car discount as having a simple framework that will encourage consumers to buy lower emitters. However, he believes the standard is fundamentally flawed.

"Given our distance from point of manufacture, the large number of second-hand imports and complexity of product development timetables, it's incredulous to expect importers to be able to balance their sales over 12 months to meet pre-determined and rapidly falling averages.

"The result will be arbitrary and unpredictable price movements, resulting in confusion and resentment."

BUCKLING DOWN

Geneva Finance has reported a pre-tax profit of $4 million for the six months to September 30 – up by 22 per cent on the same period 12 months ago.

Profit after tax of $3m level was level with 2020 as that year's result didn't incur a tax charge due to available tax losses.

"I'm impressed by how the team has adapted and focused on making the best of the difficult circumstances that the company has faced through these unprecedented times," says David O'Connell, managing director.

"Across the lending, insurance and collections teams, and support functions of IT and finance, each member has buckled down and given their best to ensure we come out in the best shape possible."

The board has approved an interim dividend of 1.25 cents per share, unchanged from last year, with the payment date brought forward to November 30.

O'Connell says the impact of the half-year figures on the full-year result is expected to be positive, although it is "dependent on the term and frequency of any further Covid restrictions".

CONDITIONS UNCERTAIN

Turners Automotive Group has notched up strong growth over the past half-year despite lockdown disruptions.

Geographic and earnings diversification has underpinned a 24 per cent increase in net profit before tax (NPBT) of $23.2m in the previous corresponding period.

Grant Baker, chairman, says the company continues to deliver "strong and sustainable improvements" and "it is interesting to see investors sitting up and taking notice of businesses in the used-car market".

He adds: "Obviously, market conditions remain somewhat uncertain. But as restrictions continue to ease, we expect to perform better."

Revenue in automotive grew by 20 per cent to $115.1m. This reflected a lift in market share and margins during the first quarter of 2021/22, while segment profit climbed by 32 per cent to $10.2m.

Investment in extra training, and support resource in finance and insurance, has delivered a significant improvement in finance conversion rates, which improved to 36 per cent in the first half of this year compared to 29 per cent in the same period of 2020/21.

The finance division's revenue for the half-year was $25.2m, up by nine per cent. NPBT was $9.9m for an increase of 30 per cent with the benefits of "continued improvement in loan-book quality" being realised.

Lending was impacted in August and September – $21m per month compared to an average of $27m per month for April through July.

Hardship applications increased during the recent lockdowns, but peaked at levels of less than one-third of those approved during the 2020 lockdowns.

Consumer and commercial arrears sit at 2.7 and 1.2 per cent compared to six and 3.9 per cent during 2020/21's first half.

Gains in market share drove strong insurance sales in the first quarter, but these were impacted during the second quarter's Covid-19 shutdown meaning revenue decreased by two per cent to $20.8m.

"Obviously, market conditions remain somewhat uncertain. But as restrictions continue to ease, we expect to perform better" – Grant Baker

However, NPBT jumped by 28 per cent to $5.8m on higher margins, reducing overheads and less claims as vehicle movements fell in lockdown.

"We have continued to make good progress with distribution agreements, and have added MTF as another system-integrated partner for reselling Autosure products," says the company. "Further opportunities are being worked on."

As for credit management, revenue dropped by 19 per cent to $5.7m. Segment profit dropped by 31 per cent to $2.1m.

Earnings per share for the 2022 half-year were 19.6 cents, up 25 per cent on the previous year. The board declared a first-quarter dividend of five cents in October and the same for quarter two.

Making choices for greater good

Businesses cannot solve global warming, even with the best of intentions. The fundamental reason for this is because governments try to pass the buck to the private sector even though the structure of the economy, capitalism and competition mitigates against companies being able to act for the common good.

Take our government's discussion document on its emission reduction plan (ERP), for example. It introduces a smorgasbord of disjointed ideas, each with some capacity to cut pollution. The "plan", then, is the sum of savings.

Beyond dubious greenhouse gas (GHG) accounting and issues with overlapped savings potential from different policies, the plan is unambitious, misleading and unfair. Regressive options should be discarded as lazy policymaking if the government knows they are inequitable, but is hoping to find magical solutions.

I do, however, want to focus on one particular issue – the plan to abdicate the rest of the government's responsibility to businesses. Our politicians know the problem is hard and state the ERP "will not, by itself, meet the full extent of any given emissions budget". They ask for "proposals and commitments" from the private sector, and what sacrifices companies can make.

Most business owners, directors and shareholders acting lawfully do care about the environment and want to make choices based on the "greater good". No one wants global warming.

The problem arises in the basic assumption that companies can make decisions that might reduce profits. Be assured that if reducing GHGs is likely to increase profits, the government would jump to make it happen.

KIT WILKERSON
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There are dynamics that explain why businesses cannot act for the sake of the greater good alone. Take fiduciary duty. Our economy is a system built on chains of transactions with people managing and spending others' cash. There are limitations in place governing responsible use of that money.

Everyone in this chain has a duty to create economic value. When that and social value overlap, great. But when they don't, it is legally required that economic value trumps even if it results in pollution, exploited workers or more GHGs. Put simply, what companies want to do is irrelevant because there are already things they must do.

For example, shareholder primacy is deeply entrenched into our economic model. The primary focus of a business making money has many advantages. An obvious one is people are more likely to invest in a company prioritising their needs. Also, it's much easier to identify a successful business versus one that has chosen to prioritise, say, GHG reductions, social causes or staff welfare.

Most modern economies have had the idea of shareholder primacy cemented into their systems through legal precedents that provide shareholders with significant power. This sometimes includes the ability to sue when companies act against maximising profits.

There have been attempts to rebel against this principle, such as introducing alternative classes of shares and holdings. However, these haven't gained serious traction or acceptance, especially in New Zealand.

Competition, usually seen as a good thing, is also a hurdle to companies making decisions based on the greater good. Profits pay bills, good doesn't. Those voluntarily becoming less competitive will fall. Competition is so important that we even have government agencies set up to prevent companies from behaving otherwise.

A brief story from the automotive industry illustrates how competition can conflict with businesses voluntarily doing the "right thing".

A few years ago, when the stink-bug issue became a major focus, border-inspection companies had to develop and implement heat-treatment systems to meet new biosecurity requirements during the high-risk season.

As an industry, we asked the government to mandate year-round heat treatment. This change would have allowed us to keep people employed and spread the cost of setting up systems over 12 months, and – most importantly – would have strengthened our borders.

Our fear was that an abnormally warm winter could lead to problems earlier than the recognised pest season. We had no interest in being the route for stink bugs getting into New Zealand and decimating our agriculture industry.

The government said it could only make "evidence based" decisions, so it wouldn't create this mandate. It recognised the benefits, however, and invited us to do it voluntarily.

Herein lies the problem. No single company would voluntarily do it because it would have made them less competitive and the industry couldn't decide to do it together because it would have been viewed as anti-competitive behaviour.

As a result, New Zealand is left without an added layer of protection, against the greater good, even though we would prefer it to be in place.

Our economic system isn't designed for businesses to focus on anything but profits.

That said, there are real opportunities for change if the government regulates the economy. If GHG emissions are undesirable, they must be made unprofitable. If they are unprofitable, investments will end. Only the government has the power to make necessary changes.

This philosophical argument about "who should be responsible and who should go first" doesn't only apply to our industry in New Zealand. It's a microcosm of issues faced globally by all countries, societies and companies. Under rules in place today, companies cannot solve global warming.

Dealers’ resilience wins praise

The former president of the Motor Trade Association (MTA) admits it’s beyond him how some business owners have survived the challenges thrown at them.

Dave Harris stepped down last month following 12 years on the MTA’s board, including the past six as president, and says after dealing with “earthquakes, financial hiccups and Covid-19” that the industry has more issues ahead of it.

For example, clean car policies to boost the number of zero and low-emissions vehicles on our roads may prove difficult to achieve within suggested timeframes.

“It’s a tough time in the business and all sectors have had challenges to find their way through,” he told Autofile.

“Dealers have issues with stock and the changing types of cars coming in. Some initiatives the government is introducing, I believe, will age the fleet rather than modernise it because they will add value to the second-hand vehicles we currently have.

Dave Harris

“Change was on its way but trying to accelerate it over and above what’s coming down the global supply pipeline is pretty bold. It will be interesting to see what happens.”

Harris notes another difficulty for the industry is finding employees with the problem heightened by our border closing because of the pandemic.

Past such issues used to mostly be around qualified workers, but he says some companies are now “struggling to employ any staff”.

“Despite obstacles, it’s been refreshing over the past 12 years to see how the businesses of our 3,800 members have been strong and growing. They have faced adversity on a number of occasions.

“It’s beyond me how they survive sometimes. We haven’t had that many fail during Covid. That’s a reflection on the strength of the members and how the MTA supports them.”

Harris has enjoyed his time at the association during which the board has tried to change the organisation’s culture and how it supports members.

“The relationship now is that members are able to understand and accept what we’re doing even if they don’t necessarily agree with the direction taken.”

Other highlights from his tenure include the diversification of the MTA’s investments, which include holding a 40 per cent share of VTNZ after selling the remainder to German automotive giant Dekra SE, and purchasing Auxo Software, the parent company of the SAM, Orion, Autoline and other automotive software systems.

Harris, who runs three service stations and a repair workshop in the Waikato, has been replaced as president by Bob Boniface with them having served on the board together for a number of years.

“The MTA has enough depth to lead us through the next 10 years,” says Harris. “We have strengthened member and financial equity, so when there’s a crisis it will have the support and money to invest into whatever action is needed. It’s in a good place.”

The month that was... December

December 13, 1999

Industry faces triple whammy

The automotive sector was likely to face action on three sides from the new Labour-led government.

It was feared replacing the Motor Vehicle Dealers' Act (MVDA) might be in jeopardy, biosecurity issues favoured by the pivotal Greens might impact on used imports and issues important to the industry risked being submerged by social priorities.

Steve Downes, executive director of the Motor Vehicle Dealers' Institute (MVDI), feared the review of legislation could become bogged down when the select committee reported back in June 2000.

He said if the MVDA couldn't be changed, it had to be urgently amended so traders could do business where and how they liked because "no other type of business is restricted in this way".

Downes also believed the government would want to see some form of fidelity fund retained in changes to the act.

"The number of claims in proportion to cars sold by dealers is miniscule," he said. "But the new government, like the Consumer Institute, will favour some form of fund for customer protection."

December 15, 2006

Transport focus in energy strategy

The government had, that week, announced changes to the transport system as part of the draft National Energy Strategy to 2050 – a broad plan to manage climate change.

The proposals outlined a policy also covering economic development, climate change, resource management, research and development.

"The government's key focus is on reducing greenhouse gas emissions by using alternative renewable fuels, significantly increasing vehicle efficiency and using more efficient modes of transport," the report stated.

"The introduction of biofuels will increase the diversity of transport fuels. In the medium term, electric vehicles will also help reduce emissions while making New Zealand more resilient to international oil-price uncertainty and risks of supply disruptions."

Under the plan, the government was also considering pinging motorists based on distances travelled. Owners of private cars would be charged using a "further you drive, the more you pay" concept.

According to the strategy, the move was in response to emerging fuel technologies, increasing fuel economy and alternative fuels.

Minister of Energy, David Parker, said the proposals were long term and not something that would be implemented in the near future.

December 3, 2004

Board appointment questioned

A big step in restructuring by the government had been made with the third reading of the Transport Management Amendment Act being completed.

That gave the go-ahead for the Land Transport Safety Authority (LTSA) to merge with Transfund NZ to become Land Transport New Zealand.

However, clouding the result were concerns about the appointment of Bryan Jackson, chairman of Vehicle Testing NZ (VTNZ) to the board of Land Transport NZ.

Ken Worsley, the new chairman of Vehicle Inspection NZ (VINZ), suggested this set a questionable example, particularly when a decision that would be crucial to VINZ, VTNZ and other transport service delivery agents (TSDAs) – the AA and On Road – was about to be made.

"The LTSA was always extremely tough on conflicts of interest, but it's now not following its own rules," claimed Worsley. "We don't think Bryan should be put into that position at the very time when contracts are being negotiated with the TSDAs."

George Fairbairn, the AA's director of public affairs, said: "The issue is that the government, in making this appointment, would have been fully aware.

"However, New Zealand is such a small country that there's always going to be the potential for conflicts of interest."

December 7, 2007

Emissions rule updated

The car industry was divided about the newly implemented vehicle exhaust-emissions rule with associations taking different approaches in the week after the decision.

The Independent Motor Vehicle Dealers' Association had made a formal complaint to the regulations review committee.

Chief executive David Vinsen said: "The rule isn't going to achieve its goal, proved by not only our research but also by that commissioned by the Ministry of Transport, which formulated the rule.

"Our complaint contains a number of legal issues we believe need to be addressed. We are not yet sure of the timing or likely outcome of this review, but this will be the opportunity to have the emissions rule properly scrutinised."

He added it was unlikely for the complaint to be heard before 2008. "We are working hard to ensure the rule is implemented easily and its transitional provisions don't disadvantage anyone in the trade."

Will anything change with submissions?

Submissions have been made on the Land Transport (Clean Vehicles) Amendment Bill.

This is the legislation that will set in-place phase two of the clean vehicle discount – rebates on hybrids and fees on higher carbon dioxide (CO_2) emitters – and the clean vehicle standard.

As expected, all industry associations have made submissions and a review of their content indicates considerable thought went into all of them.

In what might be an unusual outcome, many new-vehicle distributors and other interested parties have also put pen to paper by sending in individual submissions.

Perhaps that may serve as a signal of how seriously these matters are being taken by our industry at large and, at the time of writing, the resultant select committee hearings were taking place.

At the risk of oversimplifying the issues, it seems that most submissions claim the proposed rate of change – the reduction in CO_2 target levels – is way too aggressive and will likely be unachievable.

The overall position from industry is in the absence of any ground-breaking technological breakthroughs that help solve the limited supply of zero and very low-emissions vehicles, we won't be able to meet the respective targets over the next few years.

This will mean higher-emissions models with internal combustion engines (ICEs) will continue to be imported and sold, albeit with significant financial penalties.

Without the ability to accrue sufficient "credits" via low-carbon emitters, importers will have no option but to pass on the net penalties. In other words, all ICE vehicles will progressively become more expensive and it will be up to respective importers on how they "distribute" these extra costs.

There will likely be some perverse outcomes. Small ICE vehicles, which are at the lower end of the CO_2 spectrum, might become sacrificial lambs given they are also the least-profitable models and least able to carry major price rises. For example, a $5,000 price jump on a $25,000 car is much more significant than a $5,000 increase on one costing $50,000.

The only positive, if there is even one, is that price differences between electric vehicles (EVs) and ICEs will continue to reduce, both naturally and artificially. But opportunity will turn on supply and there lies the problem if industry views hold true.

What about the other impacts of the two schemes?

TONY EVERETT
Sector manager – dealers, Motor Trade Association

It's now five months since the start of rebates on EVs and plug-in hybrids through the clean vehicle discount and we still don't have clear guidance from government on how dealers should handle rejection claims under consumer law.

The situation will become more frequent and involved after April 1, 2022, when hybrids attract rebates and higher CO_2-emitting ICE vehicles attract fees.

Applying the clean vehicle standard from January 1, 2023, will bring added complexity. In the new-car space, distributors will manage related administration tasks involved in tracking import credits and fees.

Conversely, in the used market, individual dealers importing vehicles will have to manage their own affairs when it comes to keeping tabs on credits and fees.

Once related regulations are defined, it will become clearer about what processes those dealers will need to set up to monitor their activities. If the trader is a higher-volume operator, this might require extra administration staff. Regardless, tracking will be a new burden and cost on the business.

Putting it bluntly, much of the plan is driven by ideology. Therefore, irrespective of earnest and well-considered pleas from knowledgeable industry practitioners, I will be surprised to see any major changes to the bill.

Outside of industry concerns, there will also likely be a social cost once both clean car schemes are fully in place. It is inevitable prices of ICE vehicles will increase, which will contribute to inflation – a theme we haven't had to consider for quite some time.

New finance laws came into effect at the start of this month, which will particularly impact buyers who can't prove an adequate weekly surplus and those with poor credit profiles. If they land like similar legislation did in Australia a few years ago, it will be harder for those people to upgrade their vehicles.

In addition, the imposition of fees when first registering higher-carbon models as prescribed under the clean vehicle discount will impose further challenges from a financing perspective from April, notwithstanding what's to come under the standard.

If private motoring is no longer an option for some or many people, alternative transport options being contemplated under the emissions reduction plan, such as better and more comprehensive public transport, are unlikely to be in place for many years.

Robotaxi set to hail in future

In 1987, Robocop was the face of future law enforcement. In 2023, Robotaxi is slated to pick up its first passengers.

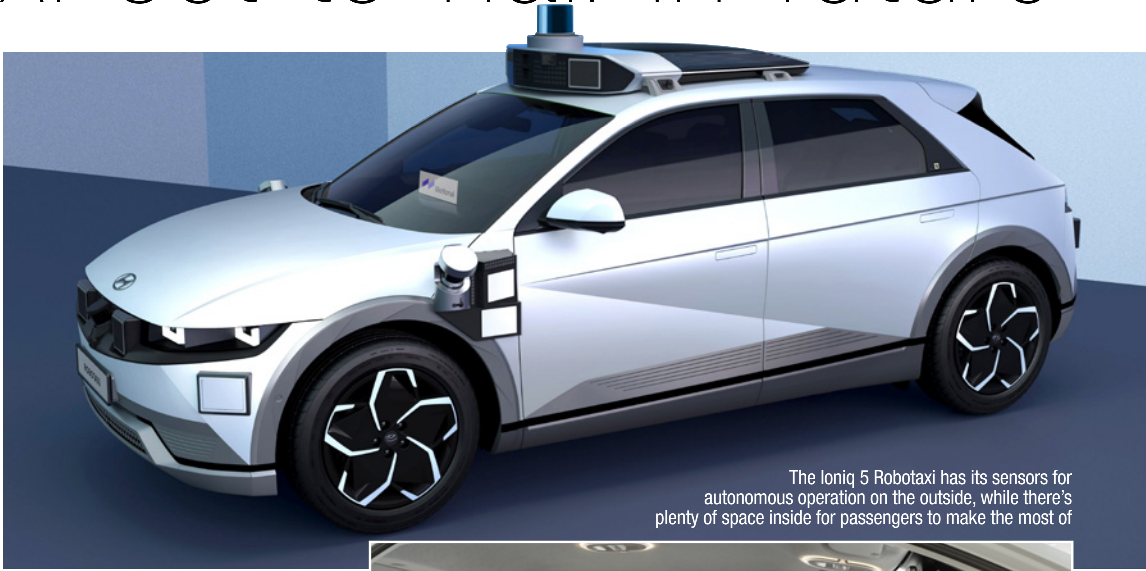
Let's just hope the hero from Paul Verhoeven's film doesn't have to utter the classic line "you are illegally parked on private property" if he were to come across a passenger service vehicle in the wrong place.

For anyone out there who needs some programming about what's going on, Hyundai has teamed up with Motional, a US company that develops autonomous vehicles (AVs), to launch a driverless car with zero tailpipe emissions.

Based on the Ioniq 5, it's classed as a level-four AV – it can safely operate without a human – and the aim is for it to start transporting the public sometime in 2023.

The service will be in partnership with Lyft, the San Francisco-based company that develops, markets and operates a mobile app to offer vehicles for hire, motorised scooters, a bicycle-sharing system and food delivery in 644 cities in the US.

The Ioniq 5 Robotaxi boasts more than 30 sensors – a combination of cameras, radars, and lidar – that provide 360-degree perception, high-resolution images and ultra-long-range detection of objects for safe autonomous operation in diverse environments.



The Ioniq 5 Robotaxi has its sensors for autonomous operation on the outside, while there's plenty of space inside for passengers to make the most of

This sensor suite is prominently displayed across its exterior, easily distinguishing it from vehicles operated by humans.

Its driverless technology includes advanced machine-learning systems trained on decades of real-world data, which enables it to safely navigate challenging and complex driving situations.

Based on Hyundai's pure electric global modular platform (E-GMP), it provides occupants with a spacious place to work or socialise when on the road.

The interior also features rider-focused interfaces to allow passengers to intuitively interact with the car during en-route, such as directing it to make extra stops.

Functions, such as the navigation, steering and braking, are redundant with Motional also able to provide remote vehicle assistance to its taxis should they encounter an unusual scenario, such as road construction or flooding. In such an event, a remote operator can instantly connect to the car and direct it to a new path.

By utilising Hyundai's E-GMP for ultra-fast charging and long-range driving, the Robotaxi has been built to enable the maximum utilisation of Motional's fleet.

It also comes with the South Korean marque's advanced safety and reliability, and is globally scalable thus positioning it for cost-effective commercialisation.

Motional is hoping the passenger experience will set a new standard for ride-hailing. "This Robotaxi represents our vision of a driverless future becoming a reality," says president Karl Iagnemma.

Through its partnership with Hyundai and Aptiv, which is a global technology company based in Dublin that develops safer, greener and connected solutions, "we have unparalleled automotive and software expertise across our development process", he adds.

"This collaboration enables us to manufacture a taxi that's highly safe and reliable, and is cost-optimised for global production. We're focused on mass commercialisation. The Ioniq 5 Robotaxi is built for that purpose."

Woongjun Jang, head of Hyundai's autonomous driving centre, says: "We have evolved the Ioniq into a platform for fully autonomous vehicles.

"For the Robotaxi, we've applied various redundancy systems in addition to essential technologies to ensure the safety and convenience of its passengers."

Motional has already moved hundreds of thousands of consumers through its self-driving service on the Lyft network in Las Vegas, which is dubbed as the world's most-established public robotaxi fleet.

The Ioniq 5 Robotaxis will be deployed in multiple US markets, marking a turning point for driverless technology and laying the foundation for making them a worldwide reality.

Extra space and fresh looks

Kia's flagship SUV, the 2022 Sportage, has been available for test drives at dealerships since November ahead of its January launch with a special introductory offer.

As the marque's number-one selling vehicle globally, the new model is set to emulate a similar sales trajectory here, says Todd McDonald, managing director of Kia NZ.

"We have high expectations for the all-new Sportage. And as a limited-time offer, we are making the all-new LX two-litre and two-wheel-drive petrol variant available from only $34,990. This represents exceptional value."

The fifth-generation Sportage will be available on these shores in four different trim levels with a variety of engine and powertrain combinations, and in a mix of two-wheel and all-wheel-drive (AWD).

It's significantly bigger than the model it is superseding at 4,660mm long and 1,865mm wide. These exterior proportions are comparable to a 2009-14 seven-seat XM Sorento.

The elongated wheelbase of 2,755mm and 1,660mm more height delivers spatial improvements, including enhanced leg and headroom for second-row passengers and extra luggage capacity.

All Sportages in the portfolio draw on an all-new design language called "opposites united".

The front end showcases Kia's tiger-nose grille and futuristic, boomerang-shaped LED daytime running lights, which create solid boundary lines for the LED MFR-type headlights. At the rear, the swooping fastback design flows into the razor rear lamps.

At the centre of the all-new cabin sits a sculpted integrated curved display with a slim touchscreen pad and detailed air vents.

A comprehensive suite of passive and active features come as standard, such as Kia's advanced driver-assistance system (ADAS) technology that helps the SUV avoid potential hazards while protecting occupants and other road users.

The ADAS package includes forward collision-avoidance assist and the new blind-spot collision-avoidance assist system. The latter provides a warning and, if the risk of an accident increases, it actively controls the vehicle to help avoid a crash.

A "desirable level" of specification has also been afforded to all models. With the LX, for example, highlights include 17-inch alloys, rear-view monitor with dynamic guidelines, smart cruise control with stop and go, front-parking sensors, and heated and folding side mirrors.

The introductory offer for the Sportage LX two-litre petrol 2WD ends on December 31.

Wheely good time

Morgan Motor Company is working on an all-new model to replace its outgoing 3 Wheeler.

An early glimpse of it shows a heavily disguised and unnamed engineering prototype undergoing durability testing.

The use of an internal combustion engine has been confirmed. It will be a naturally aspirated inline three-cylinder Ford, which continues the company's long-standing use of the blue oval's powerplants.

Orders for the previous 3 Wheeler, which was released in 2011, closed at the start of 2021 with production taking place this year.

This has included the final 33 P101s with some cosmetic enhancements to celebrate the end of its run.

Morgan's three-wheelers date back to the company's launch in 1909 when founder HFS Morgan made one to transport him around England's Malvern Hills.

It proved popular and spawned many variants over the following decades. In fact, it wasn't until nearly 30 years into the marque's history that it would start producing four-wheeled vehicles.

"The upcoming model is an all-new, ground-up design," says Steve Morris, company chairman. "Our engineers and designers have considered everything learnt from the decade of building and selling the previous model."

Morgan's all-new three-wheeler being tested

Pathway to IndyCar lights up

In a case of "like father, like son", Hunter McElrea has been confirmed for a drive in the Indy Lights series, which is just one step from the main championship.

Hunter is the son of Ashburton-born Andy McElrea – 1991 Formula Ford and 1996 TraNZam champion.

Like his father, Hunter has a Formula Ford title to his name – the 2018 championship in Australia.

Hunter McElrea was third quickest in the Indy Lights test session at Indianapolis Motor Speedway

McElrea Jr will drive for Andretti Autosport in the 2022 Indy Lights series, which is the key feeder for racers hoping to secure a main championship drive.

A series single-seater category was originally set up about 35 years ago and has since been a feeder for IndyCar.

Many Kiwis have contested Indy Lights in the past, notably Paul Radisich, Scott Dixon, Matt Halliday, Jonny Reid and Wade Cunningham.

This year, Billy Frazer and Kaleb Ngatoa have joined the US F2000 National Championship and Indy Pro 2000 series.

Wade Cunningham, who took out nine race wins and 30 poles between 2005 and 2010, was the most successful Kiwi driver and was overall champion in 2005.

The Indy Lights series has been promoted by Anderson Promotions since 2014, which also manages the Road To Indy programme.

A similar series named Indy Lights filled the developmental role for the Championship Auto Racing Teams (CART) series, and ran from 1986-93 as the American Racing Series and Dayton Indy Lights from 1991 for 10 years.

The current IndyCar-sanctioned series was founded in 2002 as the Infiniti Pro Series with the moniker Indy Lights returning in 2008 when CART and IndyCar unified.

The Indy Lights champion is awarded a scholarship of US$1 million, or about NZ$1.43m, towards the IndyCar Series and is guaranteed three races, including the Indianapolis 500.

The chassis manufacturer for the cars is Dallara IL-15. The two-litre Mazda-AER P63 DOHC inline-four engine is mated with a six-speed sequential semi-automatic. It has a power output of 336kW and 37kW push-to-pass.

They weigh in at 635kg, are 4,877mm long and 1,930mm wide. The fuel used is VP Racing's 101 RON unleaded and is delivered by direct injection.

Racing bites the dust

Speedway New Zealand has cancelled 49 events scheduled for this summer.

Citing uncertainty over the country's Covid-19 status and with Auckland's borders unlikely to open before December 15, the sport faced the prospect of a summer without racing at five key tracks.

The organisation has postponed all of its championships by 12 months after consulting its member clubs.

Racing would have been problematic at Huntly International Speedway and McDonald's Kihikihi Speedway in the Waikato, along with Prestige Pools Waikaraka Park, Rosebank and Lucas Oil Western Springs speedways in New Zealand's biggest city.

The rest of the country's tracks have opened the season in various forms with growing uncertainty and varying coronavirus rules in place after postponements and a late start to the season.

The North and South Island titles, grand prix events and national championships are significant meetings for clubs and help keep them financially viable.

Border travel restrictions, ferry bookings and accommodation availability are among aspects that are likely to cause further issues for the sport.

Going into the 2022/23 season, it is expected the government will create "a clear path and operational guidelines" for managing large events under its protection framework for coronavirus, also known as the traffic-lights system.

Speedway NZ will continue working with Motorsport NZ, Motorcycling NZ, Kartsport NZ and NZ Drag Racing on a pathway for motorsport with the support of Sport NZ and NZ Events Association.

The board says: "Our core focus will be on managing the transition and seeking important answers to questions to ensure stakeholders are operating to the fullest extent."

Gearing up for global extremes

Sitting in wintery Scotland waiting for the next MIQ lottery, Emma Gilmour is celebrating her latest challenge – a full Extreme E season with McLaren Racing, which is making its debut as a team in the series.

The announcement marks some "firsts". The Dunedin Suzuki dealer is the first female driver to be signed by McLaren and the first Kiwi to get a full season in Extreme E, the off-road series created by Formula E head Alejandro Agag.

"Right now, it's like being called up to play for the All Blacks, but you're going to be the first woman doing it," Gilmour told Autofile.

The Extreme E series runs on courses in far-flung locations with each one highlighting local green issues. The track design aims to be challenging, but to avoid undue impact on the environment.

All teams field two-strong line-ups with both female and male drivers. Gilmour's McLaren Racing team-mate will be Tanner Foust, the American professional race, rally and X Games driver as well as occasional host of Top Gear.

Back home, Gilmour is best known for her exploits in rallying, finishing runner-up in the New Zealand Rally Championship three years in a row from 2010-12, and she is the only woman to have ever won a round in the series. She has also competed in rallycross at the X Games.

A reserve driver for Extreme E's Veloce Racing last season, Gilmour is "hugely" proud to represent such an iconic Kiwi motorsport brand in global motorsport.

The announcement establishes a circular linkage between McLaren Racing, founded by Bruce McLaren to support his Formula One and Can-Am car construction business, and this country's most successful female driver.

Emma Gilmour in action for Veloce Racing in Extreme E last season. Inset, sporting McLaren Racing colours

She says: "McLaren is the pinnacle of New Zealand motorsport achievement, so it's an enormous honour to be able to be part of their story. I feel so humbled."

McLaren is the latest team to join the series for Extreme E's second season in 2022, raising awareness of the impact of climate change, participating in its robust legacy programmes and leaving a lasting footprint by challenging its fans around the world to take climate action.

F1 champions Lewis Hamilton and Jenson Button run teams, with Button both team owner and driver, as does Nico Rosberg and multiple World Rally Championship winners Carlos Sainz and Sebastien Loeb. Dakar Rally participants among the field include Stéphane Sarrazin.

The team entry announcement and Gilmour's drive were made at the UN Climate Change Conference – COP26 – in Glasgow.

Chief executive Zak Brown says McLaren Racing is proud to announce Gilmour as its first-ever female driver.

"Emma completes our exciting and competitive line-up alongside Tanner Foust for our first season of Extreme E," he adds. "She's a rally and race winner, and has proven herself this year in Extreme E alongside a vast background in competitive off-roading in multiple series across the globe. It's fitting that our first female driver originates from New Zealand where our founder Bruce McLaren was born."

TECH BEHIND SERIES

Motorsport has long been a focal point for automotive innovation, and Extreme E takes some of the world's most famous teams representing the latest clean technology to race in remote and stunning locations.

The championship cars are single-make fully electric race SUVs. The Odyssey 21's electric motors drive all four wheels and, with 400kW output, can propel the 1,780kg and 2.3-metre-wide vehicle from 0-100kph in 4.5 seconds.

Each has a common package of standardised parts manufactured by Spark Racing Technology with the battery made by Williams Advanced Engineering.

It boasts a niobium-reinforced and steel-alloy tubular frame with full integral crash structures and roll cage.

The heart of the car – and the series – is the specially developed battery pack. Like Formula E, which features Kiwis Mitch Evans and Nick Cassidy, its mission is in part a way to accelerate development of new, more powerful packs for roadgoing electric vehicles.

Designed to withstand the extreme temperatures, conditions and terrains, the batteries produce a maximum power output of 470kW. All teams have been provided with identical 54kWh packs to be used in the first two seasons of Extreme E.

In 2021, teams had the choice of using Extreme E's bodywork or working with an automotive partner – as Chip Ganassi has done with the GMC Hummer EV – to install a bespoke solution on the common chassis.

Taxi driver given compensation for lost income due to delay in delivery of car

The case: The buyer rejected his car due to a six-week delivery delay. He wanted its purchase price returned and $8,750 in compensation for lost income. The trader had provided the customer with a courtesy vehicle and claimed he had turned down a previous offer for a full refund.

The decision: The application to reject under the Consumer Guarantees Act (CGA) was upheld. The dealer was ordered to refund the sticker price of $12,300 plus $3,000 for lost earnings.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Shantha Ekanayake bought a 2014 Toyota Prius for $12,300 from P&C Trading Ltd on April 8, 2021.

Ekanayake wanted to drive the car for Discount Taxis. When P&C Trading had not delivered the vehicle by May 19, he rejected it although the dealer didn't accept that.

The buyer then applied to the tribunal seeking a full refund and $8,750 in compensation for loss of income from the taxi business.

P&C Trading said the delay was caused by the Prius needing repairs as part of the post-import compliance process and had offered Ekanayake a refund at that time.

It added Ekanayake shouldn't be entitled to compensation because it had provided him with a courtesy car to use as an Uber vehicle while waiting for his Prius to be delivered.

The case

Ekanayake's previous taxi had broken down, so he bought the Prius as a replacement. It had been recently imported and needed compliance, which was expected to take two days.

Unfortunately, the testing took six weeks due to repairs to structural corrosion and delays caused by the heavy workload of inspectors.

Ekanayake had initially agreed to allow the trader more time to complete compliance.

But he advised the trader by text on May 18 that if the Prius wasn't delivered to him by 5pm the next day, he would reject the car and seek a refund of the purchase price and $8,750 in lost income.

As that deadline wasn't met by the trader, Ekanayake filed his claim with the tribunal. The car was finally ready on May 20.

The finding

The tribunal was satisfied the six-week delivery delay was unreasonable and in breach of section 5a of the CGA.

It considered that a reasonable consumer, purchasing a vehicle from a registered motor-vehicle trader, would have expected it to be delivered much sooner.

The delay was also found to be a failure of a substantial character. This was because a reasonable person wouldn't have purchased the car if, after being told it would be delivered within two days, had known that it would actually take six weeks.

Therefore, Ekanayake was entitled to reject the Prius and obtain a refund.

The buyer also sought $8,750, which was his estimate of the loss he had suffered as a result of being unable to use the car as a contractor for Discount Taxis.

Under section 18 of the CGA, Ekanayake was able to recover any loss resulting from the failure to deliver the vehicle within a reasonable time if that loss was reasonably foreseeable as liable to result from that failure.

Ekanayake said he had suffered loss because he was unable to work as a taxi driver.

However, his evidence didn't enable the tribunal to form a precise account of how much.

Instead, in an email dated July 5, Discount Taxis advised Ekanayake had been an owner-operator contractor for 13 years and his weekly income was about $1,200 to $1,300 less expenses.

Ekanayake's oral evidence, bank statements and the email from Discount Taxis satisfied the tribunal he would have earned about $1,000 per week after expenses driving a taxi for that company.

P&C Trading submitted Ekanayake hadn't suffered a loss of income because it provided a courtesy vehicle he could have used as an Uber driver and he drove 4,000km in that car.

However, the dealer didn't provide evidence that he had used the car as an Uber vehicle.

The loss Ekanayake sought to recover would have only been foreseeable if P&C Trading knew he intended to use the Prius as a taxi.

P&C Trading denied it knew the vehicle was being purchased for such a use. However, Ekanayake claimed he told the dealer's director, Prasad Vutkuri, he was buying the car to use as a contractor with Discount Taxis and that Vutkuri told him he also used to drive for that company.

Vutkuri denied ever having this conversation, but the adjudicator preferred Ekanayake's evidence, so the trader should have known its failure to deliver the vehicle as promised would cause loss to Ekanayake.

In determining the amount Ekanayake could recover, the tribunal also considered his own actions.

To mitigate loss of earnings, Ekanayake should have rejected the Prius sooner than he did. He could have rented a vehicle to use in his taxi business, used the courtesy car as an Uber driver or accepted the trader's offer to refund the purchase price on April 22.

The tribunal found Ekanayake's failure to take these steps contributed to his loss of income. Accordingly, it ruled he was only entitled to recover $3,000, which was the equivalent of three weeks' lost earnings.

Orders

The buyer's application to reject the car was upheld and the trader had to refund the Prius' $12,300 sticker price. It also had to pay the purchaser $3,000 for three weeks' lost income.

Buyer loses right reject to ute with three years post-purchase ruled to be too long

The case: Three years after purchase, a consumer wanted to reject a 2018 Isuzu D-Max for various reasons. These included a problem with a window and an undiagnosed fault that caused the vehicle to go into limp mode. The trader said the buyer wasn't entitled to reject it but added it would fix the faults.

The decision: The tribunal ruled the ute wasn't of acceptable quality, but said too much time had passed post-supply to uphold its rejection under consumer legislation.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Duran Callaghan purchased a new Isuzu D-Max for $57,467 from Auckland Vehicles Ltd in January 2018. He transferred its ownership to Problast and Coatings Ltd seven months later.

Three years after that, Problast rejected the ute. It claimed it had recurring defects that affected the driver's window, caused the vehicle to enter limp mode, and activated the traction control and engine-warning lights. It claimed the dealer had failed to fix the faults.

Auckland Vehicles stated Problast wasn't entitled to reject the D-Max, but it was prepared to remedy the problems.

The case

The tribunal had to establish if Problast could bring a claim against the trader under the Consumer Guarantees Act (CGA).

The company could only to do this if it was a consumer as defined in section two of the act – a consumer being a party who "acquires from a supplier goods or services of a kind ordinarily acquired for personal, domestic or household use or consumption".

This meant Problast could only bring this claim if it had bought the vehicle from Auckland Vehicles.

The vehicle offer and sale agreement of January 30, 2018, stated the purchaser was Duran Callaghan, Problast's sole director.

He bought the ute to use in the business, but purchased it under his own name to ensure the CGA applied. Callaghan added he told Auckland Vehicles it was being purchased for his business.

Callaghan provided evidence that he transferred ownership to the company in August 2018 after receiving advice from his accountant. That information showed Problast was the owner throughout the vehicle's use and had made its loan payments.

The tribunal was satisfied Callaghan was acting as an agent for Problast when he purchased the Isuzu. Problast, therefore, was a consumer for the purposes of the CGA and could take a claim against Auckland Vehicles.

The tribunal then considered if the ute had failed the legislation's guarantee of acceptable quality.

Problast wanted to reject it because of ongoing defects that affected the operation of the driver's window, and an undiagnosed fault that caused warning lights to illuminate and the vehicle to enter limp mode.

Callaghan liked to drive with the driver's window slightly open to allow air to flow through the vehicle. However, it would sometimes automatically go up before returning to a half-closed position.

He first noticed this fault around March 2018. Since then, he had returned the Isuzu to Auckland Vehicles on numerous occasions for repairs. It had replaced the door visors, a weatherstrip, and a window switch and motor, but the problem remained.

At the same time, the vehicle developed an intermittent fault that caused the traction control and engine-warning lights to illuminate, and the ute would go into "extreme limp mode".

The undisputed evidence showed Auckland Vehicles had also tried to remedy this issue by replacing the transponder, immobiliser control module and engine-control unit.

However, the fault remained an ongoing issue so Problast had the vehicle assessed by Green Bay Auto Services in June 2021.

It confirmed the traction control and engine-warning lights came on, and fault codes relating to the fuel-pressure regulator's control circuit and immobiliser control module were present.

The same codes were found in November 2018 by Auckland Vehicles when it attempted to diagnose what was wrong.

The trader didn't dispute the existence of the ute's faults and asked for another opportunity to fix them.

The finding

The D-Max's ongoing problems were detected less than three months after purchase. This meant it wasn't of acceptable quality because it wasn't free of minor defects or as durable as a reasonable consumer would consider acceptable for a vehicle of its price, age and mileage.

Problast wanted to reject the ute because Auckland Vehicles had failed to rectify the electrical faults.

The adjudicator said Problast might have been entitled to reject the vehicle if it had exercised that right with reasonable haste once it had become aware of the defects. Problast was aware of the issues by April 2018, but it didn't reject the D-Max until March 1, 2021, when Callaghan emailed Auckland Vehicles asking for a refund or replacement. By that time, the ute had travelled about 30,000km.

The tribunal acknowledged that much of the delay was due to Problast giving Auckland Vehicles opportunities to fix the problems.

Under section 18 of the CGA, Problast was entitled to have the faults that breached the guarantee of acceptable quality repaired within a reasonable time.

Auckland Vehicles offered to provide a courtesy car while the ute was being remedied and to extend the manufacturer's warranty.

The tribunal noted it had no power to order the dealer to do that under the CGA, but the offer seemed sensible given the inconvenience suffered by Problast from the problems.

Orders

The application to reject the ute was dismissed, but the trader had to fix its faults.

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- Delivery nationwide

LATEST SCHEDULE

	Port Calls	Passama v2122	Don Juan v2123	Turandot v2124	Passama v2201	Don Juan v2202
JAPAN	Moji	—	—	15 Dec	—	15 Jan
	Osaka	17 Nov	1 Dec	16 Dec	2 Jan	16 Jan
	Nagoya	18 Nov	2 Dec	17 Dec	3 Jan	17 Jan
	Yokohama	19 Nov	3 Dec	18 Dec	4 Jan	18 Jan
	Hitachinaka	—	—	—	—	—
NEW ZEALAND	Auckland	2 Dec	17 Dec	1 Jan	19 Jan	1 Feb
	Lyttelton	9 Dec	21 Dec	5 Jan	31 Jan	5 Feb
	Wellington	6 Dec	20 Dec	7 Jan	1 Feb	7 Feb
	Nelson	21 Dec	18 Dec	18 Jan	TBC	TBC

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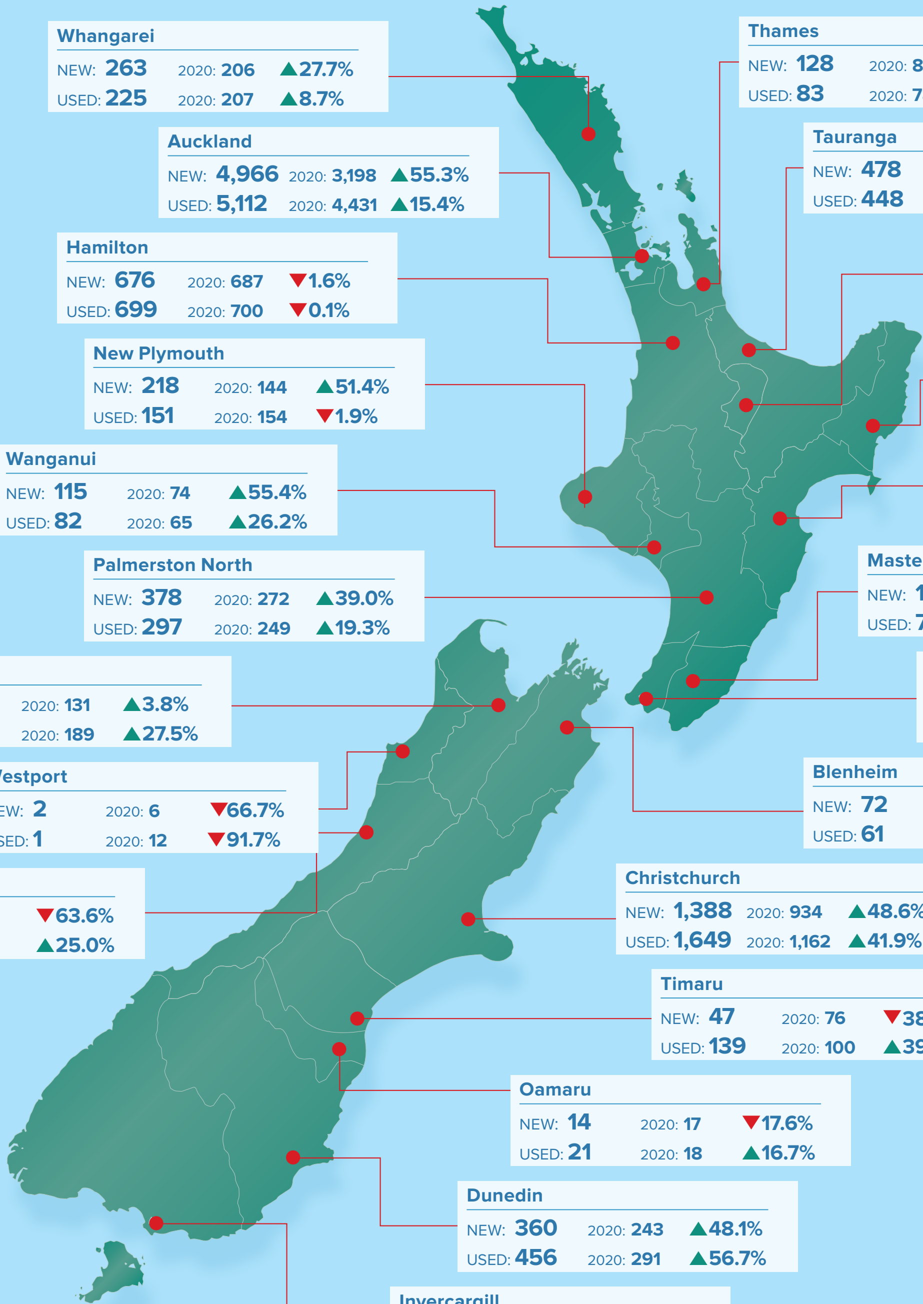
Around the Country – November 2021

Total new cars	
11,242	
2020: 8,029	▲ 40.0%

Total imported used cars	
11,339	
2020: 9,523	▲ 19.1%



			2020	
Whangarei	NEW:	263	206	▲27.7%
	USED:	225	207	▲8.7%
Thames	NEW:	128	81	▲58.0%
	USED:	83	78	▲6.4%
Auckland	NEW:	4,966	3,198	▲55.3%
	USED:	5,112	4,431	▲15.4%
Tauranga	NEW:	478	420	▲13.8%
	USED:	448	458	▼2.2%
Hamilton	NEW:	676	687	▼1.6%
	USED:	699	700	▼0.1%
Rotorua	NEW:	178	109	▲63.3%
	USED:	147	110	▲33.6%
New Plymouth	NEW:	218	144	▲51.4%
	USED:	151	154	▼1.9%
Gisborne	NEW:	51	66	▼22.7%
	USED:	103	42	▲145.2%
Wanganui	NEW:	115	74	▲55.4%
	USED:	82	65	▲26.2%
Napier	NEW:	320	230	▲39.1%
	USED:	226	285	▼20.7%
Palmerston North	NEW:	378	272	▲39.0%
	USED:	297	249	▲19.3%
Masterton	NEW:	116	86	▲34.9%
	USED:	77	77	■0.0%
Nelson	NEW:	136	131	▲3.8%
	USED:	241	189	▲27.5%
Wellington	NEW:	1,151	871	▲32.1%
	USED:	864	695	▲24.3%
Westport	NEW:	2	6	▼66.7%
	USED:	1	12	▼91.7%
Blenheim	NEW:	72	45	▲60.0%
	USED:	61	36	▲69.4%
Greymouth	NEW:	8	22	▼63.6%
	USED:	35	28	▲25.0%
Christchurch	NEW:	1,388	934	▲48.6%
	USED:	1,649	1,162	▲41.9%
Timaru	NEW:	47	76	▼38.2%
	USED:	139	100	▲39.0%
Oamaru	NEW:	14	17	▼17.6%
	USED:	21	18	▲16.7%
Dunedin	NEW:	360	243	▲48.1%
	USED:	456	291	▲56.7%
Invercargill	NEW:	177	111	▲59.5%
	USED:	222	136	▲63.2%

Imported Passenger Vehicle Sales by Make - November 2021

MAKE	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	3,146	2,662	18.2	27.7%	31,371	28.1%
Nissan	1,558	1,441	8.1	13.7%	15,195	13.6%
Mazda	1,467	1,369	7.2	12.9%	15,327	13.7%
Subaru	913	718	27.2	8.1%	8,681	7.8%
Honda	854	797	7.2	7.5%	9,247	8.3%
BMW	629	412	52.7	5.5%	5,833	5.2%
Volkswagen	555	374	48.4	4.9%	5,268	4.7%
Mitsubishi	552	457	20.8	4.9%	4,959	4.4%
Audi	395	210	88.1	3.5%	3,455	3.1%
Lexus	277	164	68.9	2.4%	2,293	2.1%
Mercedes-Benz	237	139	70.5	2.1%	2,117	1.9%
Suzuki	230	243	-5.3	2.0%	2,712	2.4%
Ford	64	84	-23.8	0.6%	646	0.6%
Volvo	61	64	-4.7	0.5%	719	0.6%
Land Rover	50	35	42.9	0.4%	558	0.5%
Jeep	42	41	2.4	0.4%	324	0.3%
Jaguar	37	33	12.1	0.3%	393	0.4%
Chevrolet	35	37	-5.4	0.3%	316	0.3%
Porsche	32	26	23.1	0.3%	294	0.3%
Mini	23	38	-39.5	0.2%	240	0.2%
Chrysler	20	16	25.0	0.2%	234	0.2%
Dodge	19	20	-5.0	0.2%	261	0.2%
Holden	17	29	-41.4	0.1%	203	0.2%
Hyundai	14	20	-30.0	0.1%	199	0.2%
Tesla	13	0	1,300.0	0.1%	48	0.0%
Peugeot	12	11	9.1	0.1%	124	0.1%
Renault	10	1	900.0	0.1%	55	0.0%
Citroen	8	6	33.3	0.1%	62	0.1%
Alfa Romeo	6	0	600.0	0.1%	36	0.0%
Bentley	6	5	20.0	0.1%	40	0.0%
Kia	6	9	-33.3	0.1%	102	0.1%
MG	5	2	150.0	0.0%	32	0.0%
Aston Martin	4	0	400.0	0.0%	18	0.0%
Cadillac	4	4	0.0	0.0%	39	0.0%
GMC	4	2	100.0	0.0%	11	0.0%
Others	34	54	-37.0	0.3%	417	0.4%
Total	**11,339**	**9,523**	**19.1**	**100.0%**	**111,829**	**100.0%**

Imported Passenger Vehicle Sales by Model - November 2021

MAKE	MODEL	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	937	563	66.4	8.3%	7,976	7.1%
Mazda	Axela	478	429	11.4	4.2%	5,209	4.7%
Toyota	Prius	405	409	-1.0	3.6%	4,337	3.9%
Nissan	X-Trail	402	260	54.6	3.5%	3,842	3.4%
Volkswagen	Golf	360	216	66.7	3.2%	3,269	2.9%
Mitsubishi	Outlander	330	288	14.6	2.9%	3,106	2.8%
Honda	Fit	308	313	-1.6	2.7%	3,535	3.2%
Mazda	CX-5	277	175	58.3	2.4%	2,599	2.3%
Subaru	Legacy	262	216	21.3	2.3%	2,454	2.2%
Subaru	Impreza	251	230	9.1	2.2%	2,570	2.3%
Nissan	Leaf	237	246	-3.7	2.1%	2,300	2.1%
Mazda	Demio	214	316	-32.3	1.9%	2,478	2.2%
Toyota	Vanguard	202	163	23.9	1.8%	2,302	2.1%
Mazda	Atenza	194	140	38.6	1.7%	1,924	1.7%
Toyota	Corolla	191	203	-5.9	1.7%	2,182	2.0%
Suzuki	Swift	165	201	-17.9	1.5%	2,110	1.9%
Honda	CR-V	157	108	45.4	1.4%	1,374	1.2%
Toyota	Mark X	151	155	-2.6	1.3%	1,834	1.6%
Toyota	Wish	143	170	-15.9	1.3%	1,742	1.6%
Nissan	Skyline	142	115	23.5	1.3%	1,302	1.2%
Subaru	Forester	138	109	26.6	1.2%	1,272	1.1%
Nissan	Note	134	121	10.7	1.2%	1,120	1.0%
BMW	320i	129	74	74.3	1.1%	1,128	1.0%
Nissan	Serena	128	93	37.6	1.1%	1,090	1.0%
Mazda	Premacy	104	122	-14.8	0.9%	1,199	1.1%
Toyota	Blade	103	145	-29.0	0.9%	1,264	1.1%
BMW	116i	100	67	49.3	0.9%	966	0.9%
Volkswagen	Polo	98	65	50.8	0.9%	925	0.8%
Honda	Odyssey	95	103	-7.8	0.8%	1,220	1.1%
Toyota	Vellfire	92	39	135.9	0.8%	670	0.6%
Audi	A4	87	61	42.6	0.8%	781	0.7%
Lexus	IS 250	82	40	105.0	0.7%	653	0.6%
Nissan	Fuga	81	60	35.0	0.7%	920	0.8%
Subaru	XV	77	39	97.4	0.7%	713	0.6%
Toyota	Sai	74	28	164.3	0.7%	677	0.6%
Others		4,011	3,441	16.6	35.4%	38,786	34.7%
Total		**11,339**	**9,523**	**19.1**	**100.0%**	**111,829**	**100.0%**

Warning issued over sale prices

Car dealers need to be aware of their Fair Trading Act (FTA) obligations when it comes to sales and special offers over the holiday period.

With promotions common at this time of year, the Commerce Commission is reminding all businesses to ensure discounts provide actual savings off usual prices. In addition, sticker prices shouldn't be increased beforehand to claim a bigger discount at sale time.

"A sale should provide a limited opportunity to buy at a genuinely reduced price and shouldn't continue for prolonged periods offering the same price," says Anna Rawlings, who chairs the commission.

Motor-vehicle traders are required to make accurate representations about the availability of their products and delivery timeframes, and need to be able to back these up.

If a dealership sells a car that it can no longer provide, it may need to provide a refund to the buyer within a reasonable time under the Consumer Guarantees Act.

FTA tips for traders include not using fine print to hide important information while price comparisons must involve "like for like" products or services.

Clearance sales can only be used for clearing goods and cars sold in this way should not then return to full price. "Special offer" or "special" is defined as meaning something unusual.

Pricing amounts to more than 15 per cent of FTA complaints the regulator receives each year.

REPORT OF LISTING

Trade Me's chief executive says "it's business as usual" despite reports from across the Tasman that the company may be the subject of a $3 billion float in New Zealand and Australia next year.

Apax Partners, a British private equity company, owns Trade Me Group after acquiring it in 2018 for $2.56b.

Apax is expected to soon call for requests for proposals from investment banks to work on a listing of the group, reports The Australian.

Each part of the business was run on a separate platform when it was bought by Apax and experts believe Trade Me needs to upgrade its technology, according to the newspaper.

Anders Skoe, Trade Me's chief executive officer, has played down the media reports.

"It is business as usual for us," he says. "There are no immediate plans for our owners to sell."

Trade Me was founded by entrepreneur Sam Morgan in 1999. He sold the business to Fairfax Media for $700 million in 2006. The latter then publicly listed Trade Me as a separate entity in 2011.

Boost for business

Used-imported cars registered in November totalled 11,339, which was up by 19.1 per cent from 9,523 compared to the same month of last year.

Toyota's Aqua was the best-selling model on 937 units. Mazda's Axela was second on 478 with the Toyota Prius third on 405. The Nissan X-Trail was fourth with 402 with Volkswagen's Golf fifth on 360.

The top-selling brand was Toyota with 3,146 units followed by Nissan on 1,558.

DEAL STRUCK

Turners is now handling the remarketing of all FleetPartners' ex-lease vehicles in New Zealand.

The move follows FleetPartners NZ deciding to close its end-of-lease retail and wholesale channels AutoSelect and E-Tender.

The two companies already enjoy a longstanding relationship, with Turners providing services for a small proportion of FleetPartners' vehicles.

Russell Webber, managing director of FleetPartners, says: "Outsourcing the sale of our end-of-lease vehicles allows us to focus on our core business of vehicle leasing to businesses.

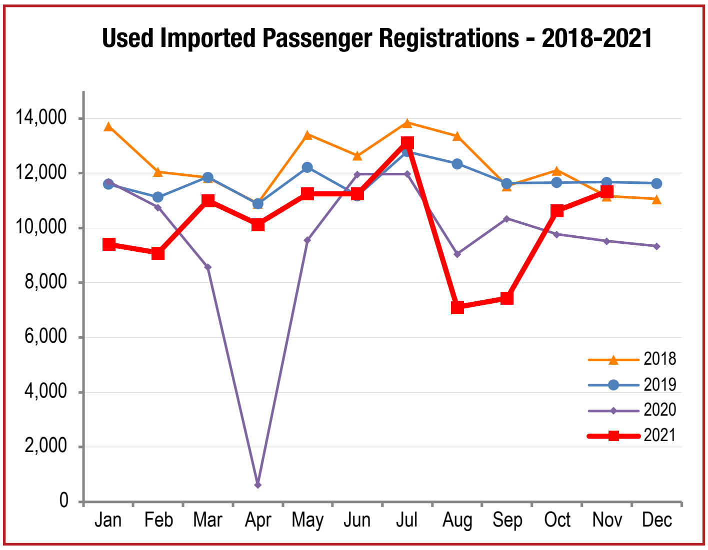
"As our customers are located all around the country, Turners is well-placed to remarket our ex-lease vehicles through its 30 branches. The public will gain more access to our premium and well-maintained vehicles coming off-lease."

Greg Hedgepeth, chief executive of Turners' automotive retail division, adds: "FleetPartners appointing us to handle its retail remarketing is a great recognition of the work and investment that has gone into our retail-optimisation strategy."

He says this is transforming Turners from the predominantly auction-based operation it was a decade ago "into what we are today – a multi-channel operation with a high-performing retail channel".

Hedgepeth adds: "We are confident that we offer the best solution for the remarketing of lease vehicles in New Zealand."

The deal means Turners has secured a large supply contract of about 3,500 additional units per annum.



Fuel-rating labels updated

The information on RightCar's fuel labels has shifted to using Worldwide Harmonised Light-Duty Test Procedure (WLTP) ratings.

The Imported Motor Vehicle Industry Association (VIA) reports December 1's change is due to the proposed clean car standard requiring consumption testing to the WLTP rather than other protocols.

"The older test ratings will be translated to WLTP," says Malcolm Yorston, technical manager. "As a result, you may see slight changes in fuel-consumption figures on the new labels."

All data on www.fuelsaver.govt.nz is now automatically updating to this for the vehicle fuel-economy label (VFEL) tool.

Yorston says this is also the case for Rightcar as well as users linked to fuelsaver.govt.nz, such as car-trading websites, dealer management systems and web service providers.

He adds: "Where fuel-economy information is available, the WLTP update applies to all qualifying existing and new and used vehicles entering the country.

"The existing VFEL remains unchanged. The WLTP version will, however, be identified wherever possible so traders and consumers will be able to distinguish between the NEDC [New European Driving Cycle] and WLTP labels at point of sale.

"The update to the VFEL does not in any way affect the new clean-vehicle label, which is scheduled to be introduced in April as part of the clean car discount programme. The clean-vehicle label will display WLTP data."

VIA recommends car dealers replace old VFELs with new versions and any such online information as soon as possible to avoid confusion for consumers.

"However, old labels can remain displayed until either the vehicle is sold or April 1, 2022, whichever occurs first," notes Yorston.

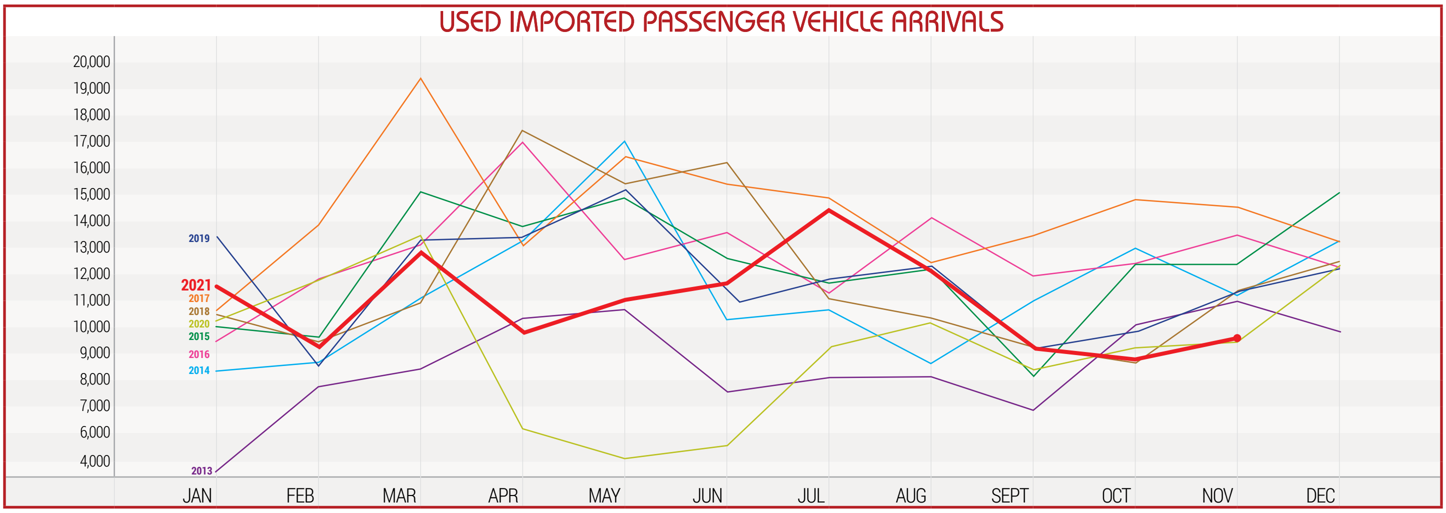
"There will be no change to compliance requirements as long as a valid NEDC or WLTP-based label and the required online information are displayed."

USED IMPORTS UP

There were 9,628 used passenger vehicles imported last month.

That brought the year-to-date total to 119,586 for a jump of 23.9 per cent compared to 96,525 by this time in 2020.

November's total included 9,176 used cars from Japan.



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	NOV '21	NOV SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	285	307	268	271	282	196	172	189	2.0%	**2,817**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	120	147	157	93	83	98	54	63	0.7%	**1,182**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,243	10,314	11,116	13,161	11,403	8,621	8,471	9,176	95.3%	**113,278**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	85	126	83	142	61	96	1.0%	**1,304**	1,846	1.7%	1,678	1.2%
USA	30	33	24	97	78	60	53	54	87	35	81	0.8%	**632**	480	0.4%	664	0.5%
Other countries	30	36	25	40	29	63	24	27	46	30	23	0.2%	**373**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,922**	**11,016**	**11,749**	**13,728**	**11,932**	**9,190**	**8,823**	**9,628**	**100.0%**	**119,586**	**108,663**	**100.0%**	**141,218**	**100.0%**

Record progress in membership

Kiwis are embracing choice when it comes to financial services, with almost half of personal consumer lending in the country being supplied by the non-banking sector.

The Financial Services Federation (FSF) says this comes after a significant year of expansion for the organisation.

It notched up a membership increase of 24 per cent in 12 months with member companies providing 4,114 jobs.

Its 81 members include the likes of Protecta Insurance, Provident, Branded Financial Services, Geneva Finance, Blackbird Finance, Turners Automotive Group, Community Financial Services and Toyota Financial Services.

Information from a member data-gathering exercise performed by KPMG shows 47 per cent of personal consumer loans, excluding mortgages, in this country are financed by the non-banking sector represented by the FSF's members.

"While the federation does not offer membership to all non-bank lenders, the growth in membership means we're likely looking at the most complete non-bank lending data available to date in New Zealand," says Lyn McMorran, executive director.

"It solidifies what we have already known for a long time – and that's the non-bank sector is seeing remarkable growth. It has established itself as a compelling alternative to traditional banks for consumer and business lending."

Responsible-lending insights were also revealed in the data, showing a 24 per cent decrease in arrears from 5.8 per cent in 2016 to 4.4 per cent in 2021.

"We were pleased to see an overall loan-approval rate of 55 per cent," adds McMorran. "This shows our members are demonstrating careful consideration to ensure loans are provided responsibly and on a 'quality over quantity' basis."

During the 2020/21 financial year, FSF members' total assets in consumer lending came in at $8.2 billion and they had 1.7 million clients. Assets for business lending totalled $7.2b with about 219,000 loans approved for companies.

TRADE IMPACTED

Dealers sold 16,231 second-hand cars to members of the public during November.

That represented a decline of 18.8 per cent compared to 19,982 units in the same month of 2020.

There were 13,444 trade-ins – down 587 units, or 4.2 per cent.

SECONDHAND CAR SALES - November 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	NOV'21	NOV'20	+/- %	MARKET SHARE	NOV'21	NOV'20	+/- %	NOV'21	NOV'20	+/- %
Whangarei	520	666	-21.9	3.20	1,872	2,097	-10.7	264	235	12.3
Auckland	5,351	6,543	-18.2	32.97	14,492	13,674	6.0	5,236	5,659	-7.5
Hamilton	1,242	1,686	-26.3	7.65	3,283	4,122	-20.4	941	1,255	-25.0
Thames	249	227	9.7	1.53	642	533	20.5	185	102	81.4
Tauranga	762	1,016	-25.0	4.69	2,135	2,497	-14.5	616	628	-1.9
Rotorua	324	295	9.8	2.00	946	889	6.4	150	87	72.4
Gisborne	156	148	5.4	0.96	388	389	-0.3	54	64	-15.6
Napier	659	809	-18.5	4.06	1,400	1,570	-10.8	457	451	1.3
New Plymouth	365	463	-21.2	2.25	947	1,056	-10.3	201	216	-6.9
Wanganui	225	189	19.0	1.39	601	496	21.2	118	120	-1.7
Palmerston North	699	893	-21.7	4.31	1,667	1,811	-8.0	822	645	27.4
Masterton	211	217	-2.8	1.30	427	479	-10.9	118	201	-41.3
Wellington	1,604	1,666	-3.7	9.88	3,325	3,280	1.4	1,132	1,023	10.7
Nelson	298	319	-6.6	1.84	1,049	1,023	2.5	197	180	9.4
Blenheim	163	161	1.2	1.00	388	380	2.1	99	98	1.0
Greymouth	79	86	-8.1	0.49	164	171	-4.1	30	42	-28.6
Westport	8	23	-65.2	0.05	42	76	-44.7	1	0	0.0
Christchurch	1,976	3,022	-34.6	12.17	5,027	5,030	-0.1	1,952	2,121	-8.0
Timaru	177	256	-30.9	1.09	503	701	-28.2	89	105	-15.2
Oamaru	44	73	-39.7	0.27	133	195	-31.8	6	11	-45.5
Dunedin	755	811	-6.9	4.65	2,004	1,966	1.9	506	490	3.3
Invercargill	364	413	-11.9	2.24	1,107	1,064	4.0	270	298	-9.4
NZ Total	**16,231**	**19,982**	**-18.8**	**100.00**	**42,542**	**43,499**	**-2.2**	**13,444**	**14,031**	**-4.2**

New Passenger Vehicle Sales by Make - November 2021

MAKE	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	2,129	1,452	46.6	18.9%	16,445	15.7%
Mitsubishi	1,939	927	109.2	17.2%	13,701	13.1%
Kia	1,146	735	55.9	10.2%	9,888	9.4%
Hyundai	877	554	58.3	7.8%	6,167	5.9%
Suzuki	620	592	4.7	5.5%	7,398	7.1%
Nissan	480	395	21.5	4.3%	4,390	4.2%
MG	465	252	84.5	4.1%	3,505	3.3%
Honda	425	123	245.5	3.8%	3,734	3.6%
Tesla	408	2	20,300.0	3.6%	2,672	2.6%
Ford	332	430	-22.8	3.0%	3,292	3.1%
Mazda	299	623	-52.0	2.7%	6,803	6.5%
Volkswagen	278	212	31.1	2.5%	4,142	4.0%
Haval	259	91	184.6	2.3%	2,143	2.0%
Subaru	206	255	-19.2	1.8%	2,688	2.6%
Skoda	167	79	111.4	1.5%	1,725	1.6%
Audi	156	163	-4.3	1.4%	1,688	1.6%
Mercedes-Benz	138	194	-28.9	1.2%	2,111	2.0%
Peugeot	132	37	256.8	1.2%	1,275	1.2%
BMW	106	130	-18.5	0.9%	1,756	1.7%
Jeep	104	70	48.6	0.9%	1,250	1.2%
Lexus	90	89	1.1	0.8%	935	0.9%
SsangYong	78	98	-20.4	0.7%	868	0.8%
Mini	54	71	-23.9	0.5%	801	0.8%
Volvo	53	31	71.0	0.5%	696	0.7%
Renault	45	14	221.4	0.4%	274	0.3%
LDV	32	17	88.2	0.3%	267	0.3%
Land Rover	27	87	-69.0	0.2%	1,171	1.1%
Isuzu	25	23	8.7	0.2%	518	0.5%
Seat	25	10	150.0	0.2%	166	0.2%
Cupra	23	0	2,300.0	0.2%	145	0.1%
Citroen	18	20	-10.0	0.2%	269	0.3%
Fiat	16	5	220.0	0.1%	112	0.1%
Mahindra	15	0	1,500.0	0.1%	116	0.1%
Aston Martin	13	5	160.0	0.1%	73	0.1%
Porsche	12	29	-58.6	0.1%	505	0.5%
Polestar	10	0	1,000.0	0.1%	12	0.0%
Alfa Romeo	9	6	50.0	0.1%	119	0.1%
Can-Am	9	7	28.6	0.1%	64	0.1%
Bentley	6	9	-33.3	0.1%	64	0.1%
Yamaha	5	1	400.0	0.0%	49	0.0%
Jaguar	4	27	-85.2	0.0%	355	0.3%
Holden	3	145	-97.9	0.0%	152	0.1%
Ferrari	2	3	-33.3	0.0%	38	0.0%
Lotus	1	0	100.0	0.0%	5	0.0%
Rewaco	1	0	100.0	0.0%	1	0.0%
Others	0	16	-100.0	0.0%	117	0.1%
Total	**11,242**	**8,029**	**40.0**	**100.0%**	**104,665**	**100.0%**

New Passenger Vehicle Sales by Model - November 2021

MAKE	MODEL	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Mitsubishi	Outlander	1,018	394	158.4	9.1%	6,003	5.7%
Toyota	Corolla	734	257	185.6	6.5%	4,374	4.2%
Toyota	RAV4	726	511	42.1	6.5%	5,692	5.4%
Mitsubishi	ASX	604	369	63.7	5.4%	4,774	4.6%
Tesla	Model 3	408	0	40,800.0	3.6%	2,665	2.5%
Kia	Seltos	363	180	101.7	3.2%	2,109	2.0%
Nissan	X-Trail	314	188	67.0	2.8%	2,010	1.9%
Kia	Stonic	304	84	261.9	2.7%	2,431	2.3%
Hyundai	Kona	295	144	104.9	2.6%	2,137	2.0%
MG	ZS	263	81	224.7	2.3%	2,076	2.0%
Suzuki	Swift	262	260	0.8	2.3%	2,691	2.6%
Mitsubishi	Eclipse Cross	241	57	322.8	2.1%	1,922	1.8%
Honda	Jazz	230	8	2,775.0	2.0%	1,403	1.3%
Hyundai	Santa Fe	229	164	39.6	2.0%	1,532	1.5%
Ford	Everest	184	107	72.0	1.6%	1,096	1.0%
Haval	Jolion	160	0	16,000.0	1.4%	926	0.9%
MG	HS	145	49	195.9	1.3%	629	0.6%
Toyota	Highlander	142	65	118.5	1.3%	1,298	1.2%
Kia	Sorento	124	49	153.1	1.1%	648	0.6%
Kia	Carnival	122	0	12,200.0	1.1%	410	0.4%
Nissan	Qashqai	116	157	-26.1	1.0%	1,958	1.9%
Toyota	C-HR	112	107	4.7	1.0%	1,033	1.0%
Subaru	Outback	111	51	117.6	1.0%	1,118	1.1%
Honda	CR-V	108	41	163.4	1.0%	1,004	1.0%
Toyota	Yaris Cross	108	166	-34.9	1.0%	992	0.9%
Toyota	Land Cruiser	106	18	488.9	0.9%	446	0.4%
Hyundai	Ioniq 5	100	0	10,000.0	0.9%	165	0.2%
Haval	H6	98	26	276.9	0.9%	651	0.6%
Suzuki	Vitara	90	116	-22.4	0.8%	1,465	1.4%
Toyota	Yaris	90	165	-45.5	0.8%	1,070	1.0%
Suzuki	Jimny	85	57	49.1	0.8%	1,178	1.1%
Hyundai	Tucson	80	139	-42.4	0.7%	608	0.6%
Suzuki	Baleno	76	56	35.7	0.7%	981	0.9%
Suzuki	Ignis	76	61	24.6	0.7%	657	0.6%
Volkswagen	Tiguan	76	49	55.1	0.7%	1,375	1.3%
Toyota	Camry	74	39	89.7	0.7%	656	0.6%
Mazda	CX-5	73	285	-74.4	0.6%	2,927	2.8%
Ford	Escape	67	169	-60.4	0.6%	719	0.7%
Honda	HR-V	62	46	34.8	0.6%	979	0.9%
Peugeot	2008	61	16	281.3	0.5%	399	0.4%
Hyundai	Ioniq	61	18	238.9	0.5%	531	0.5%
Subaru	XV	61	102	-40.2	0.5%	793	0.8%
Skoda	Superb	60	8	650.0	0.5%	466	0.4%
MG	3	57	42	35.7	0.5%	494	0.5%
Mazda	CX-30	57	56	1.8	0.5%	720	0.7%
Others		2,309	3,072	-24.8	20.5%	34,454	32.9%
Total		**11,242**	**8,029**	**40.0**	**100.0%**	**104,665**	**100.0%**

Group eyes up possible float

Armstrong's is considering listing on the New Zealand and Australian stock exchanges next year as part of a review of its capital structure.

The company, which has 15 dealerships in Auckland, Wellington, Christchurch and Dunedin and represents 16 brands, has been gauging investor appetite for the possible float.

Founded by Rick Armstrong in 1993, group revenue came in at $448 million during 2019 with that figure excepted to top $500m in the current financial year.

Its revenues are spread across sales of new and used vehicles, parts, servicing, finance and insurance, and distribution. It employs more than 500 staff and says it sold about 12,000 units in the past financial year.

A substantial real-estate portfolio is among associated interests, including several of the group's dealerships and possible future development sites for the company.

The potential float would involve Armstrong selling part of his stake so he retains 60 per cent as majority shareholder with some of the money raised in a share offer used to buy those properties.

"The business is at a scale with the right systems and leadership team in place to put our foot down on emerging opportunities as New Zealand's fleet starts to go through significant structural change in the race to put more reduced-emissions vehicles [REVs] on the road," says Troy Kennedy, chief executive officer.

"We are looking at organic-based growth tied to building up and further diversifying the brand's portfolio, coupled with growth via real-estate development plans across the Christchurch, Wellington and Auckland markets.

"Now is an opportune time to explore a dual listing to access external capital and accelerate growth ambitions for the next 30 years."

Armstrong's hopes to decide

The Elise Sport 240 Final Edition

on a final capital structure in 2022, with investment banks Jarden and UBS supporting the process.

The company adds last year's Covid-19 lockdown had a significant impact on its operations, but it has since seen a "resilient response" from customers, "who are increasingly comfortable to transact by phone and or online".

"As a result, the business is trading well within forecasted expectations. It continues to experience strong demand for REVs in response to the initial phase of the clean car discount."

PROJECTS DELAYED

The impact of Covid-19 and an oversubscribed building industry have been "playing havoc with the cost of construction" for the Colonial Motor Company.

That said Macaulay Ford & Mazda and Southern Lakes Mitsubishi & Nissan service centres in Wanaka have been completed, and Southern Autos' Botany facility for Suzuki and Isuzu has officially opened.

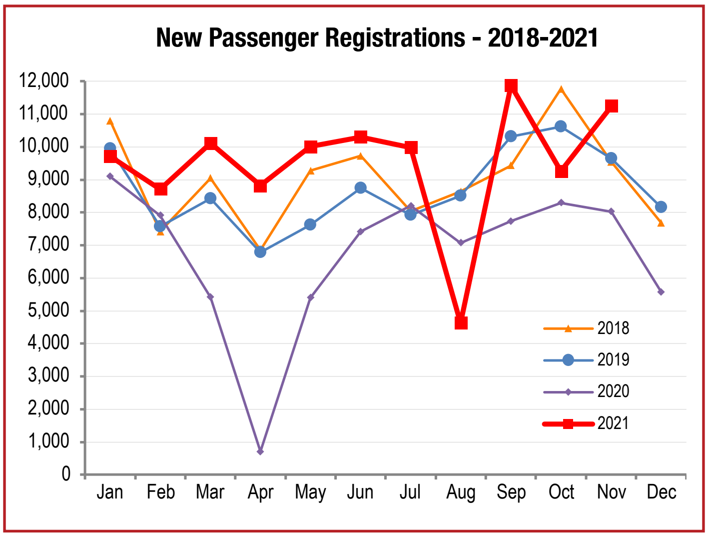
"Our two biggest projects remain as works in progress," says outgoing chairman Jim Gibbons. "Capital City Motors' hub in Lower Hutt is close to but not complete, although the Ford and Mazda showrooms and workshops are operational."

The fire-damaged workshop at MS Ford's leased facility in Nelson is also nearing completion.

"Timeframes for projects and the ability to commence new projects in the pipeline continue to lengthen."

Sales soar by 40%

There were 11,242 new passenger vehicles sold during November. Compared to 8,029 in the same month of last year, that was up by 40 per cent. The Mitsubishi Outlander topped the ladder with 1,018 sales for a market share of 9.1 per cent. It was followed by two Toyotas – the Corolla with 734 units and the RAV4 on 726. Mitsubishi's ASX was fourth on 604 and the Tesla Model 3 completed the top five on 408.



SPORTS CAR DEAL

Lotus Auckland, part of the Giltrap Group, is opening a showroom in Grey Lynn after being appointed as the British sports car marque's retailer for New Zealand.

The company will undertake all sales, servicing and parts supply for Lotus models.

Final Edition versions of the Elise and Exige are the first cars to go on sale here followed in 2022 by the Emira.

"We are thrilled to represent Lotus in New Zealand," says Michael Giltrap, joint managing director of Giltrap's. "It is a brand with strong motor racing and sports-car heritage that has an exciting future with high-performance pure EVs."

"Lotus is the pinnacle 'driver's car' – light, fast and exhilarating," adds Chris Parker, brand specialist at Lotus Auckland."

Geoff Dowding, executive director of sales and after-sales for Lotus Cars, describes New Zealand as a key market. "The Giltrap Group has a proud history in the automotive world and a passion for motorsport, making it the perfect partner for Lotus Cars."

END OF V8 ROAD

FCA Australia has confirmed the departure of the Chrysler brand from Australia, the sole remaining right-hand-drive market selling the marque's models.

The company, which is a subsidiary of Stellantis, says the global push towards electrification and SUVs has resulted in its product line-up being consolidated.

Chrysler Australia opened its assembly plant in Adelaide in 1964 with its HEMI engine, made exclusively for that market, becoming the most powerful six-cylinder produced domestically.

It was in October 2018 that Chrysler stated it remained committed to selling cars across the Tasman despite its decision to cease operating in New Zealand.

Demand continues to beat supply

Price isn't everything when it comes to Kiwis buying second-hand utilities with quality being at the forefront of many people's buying decisions.

"Everyone has been getting utes locally, either ex-lease or dealer trades, and there have been plenty of them around," says Gareth Karrasch, owner of 317 – The Commercial Specialists in Takanini, south Auckland.

"Trade Me has been full of Ford Rangers and Toyota Hiluxes, both private sales and dealers. Price isn't everything with people wanting quality vehicles that have been serviced. We get a lot of repeat business because buyers know what to expect from us."

While trade was quiet during lockdown in Auckland, Karrasch notes about half of his business is across the rest of the country.

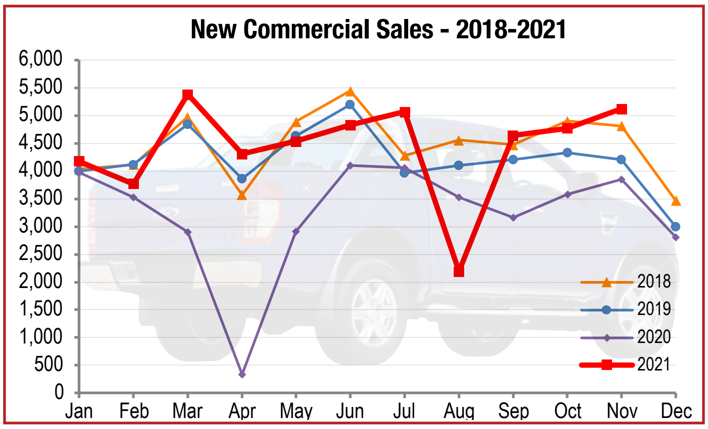
"It can be difficult dealing with private sellers on Trade Me and Facebook because they can make it hard to buy the vehicle. Often, they will still be using it and there can be money owing on it, which can create a grey area. Sometimes you wonder if they really want to sell.

"You need to have good contacts to source second-hand stock. We do import and you just have to pay the money for it, and I've also imported the occasional ute from Australia.

"My yard is about a 30 to 40-vehicle set-up. I've been able to keep a good level of stock. In fact, before lockdown I had four commercials come in from Japan and since lockdown I've also picked up more stock."

Karrasch occasionally imports late-model vans from Japan. "They are good-quality, but it gets expensive and we aren't making any more money than before the electronic stability rule change.

"Some people accept the ▶



New Commercial Sales by Make - November 2021

MAKE	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	1,616	1,093	47.8	31.5%	12,929	26.5%
Toyota	998	859	16.2	19.5%	10,344	21.2%
Nissan	416	267	55.8	8.1%	3,192	6.5%
Mitsubishi	375	337	11.3	7.3%	4,768	9.8%
Isuzu	318	260	22.3	6.2%	3,171	6.5%
LDV	252	114	121.1	4.9%	2,368	4.9%
Mazda	137	145	-5.5	2.7%	1,936	4.0%
Fiat	121	106	14.2	2.4%	770	1.6%
Great Wall	113	51	121.6	2.2%	1,364	2.8%
Fuso	106	60	76.7	2.1%	841	1.7%
Volkswagen	95	74	28.4	1.9%	1,099	2.3%
Hino	79	61	29.5	1.5%	718	1.5%
Mercedes-Benz	71	81	-12.3	1.4%	621	1.3%
Scania	47	18	161.1	0.9%	424	0.9%
SsangYong	47	54	-13.0	0.9%	441	0.9%
Hyundai	37	56	-33.9	0.7%	1,170	2.4%
Iveco	35	33	6.1	0.7%	340	0.7%
Kenworth	30	13	130.8	0.6%	222	0.5%
UD Trucks	29	13	123.1	0.6%	179	0.4%
Foton	27	12	125.0	0.5%	151	0.3%
Others	174	145	20.0	3.4%	1,772	3.6%
Total	**5,123**	**3,852**	**33.0**	**100.0%**	**48,820**	**100.0%**

New Commercial Sales by Model - November 2021

MAKE	MODEL	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	1,538	1,005	53.0	30.0%	11,810	24.2%
Toyota	Hilux	663	636	4.2	12.9%	7,795	16.0%
Nissan	Navara	416	267	55.8	8.1%	3,192	6.5%
Mitsubishi	Triton	320	300	6.7	6.2%	4,209	8.6%
Toyota	Hiace	305	197	54.8	6.0%	2,059	4.2%
Isuzu	D-Max	218	182	19.8	4.3%	2,302	4.7%
Mazda	BT-50	137	145	-5.5	2.7%	1,936	4.0%
Fiat	Ducato	121	106	14.2	2.4%	769	1.6%
Great Wall	GWM Cannon	113	17	564.7	2.2%	1,192	2.4%
LDV	G10	106	30	253.3	2.1%	754	1.5%
Ford	Transit	78	88	-11.4	1.5%	1,114	2.3%
Mitsubishi	Express	55	36	52.8	1.1%	555	1.1%
LDV	Deliver 9	54	9	500.0	1.1%	417	0.9%
Mercedes-Benz	Sprinter	53	62	-14.5	1.0%	489	1.0%
Isuzu	N Series	50	30	66.7	1.0%	442	0.9%
SsangYong	Rhino	47	54	-13.0	0.9%	441	0.9%
LDV	T60	47	46	2.2	0.9%	733	1.5%
Hino	500	39	30	30.0	0.8%	331	0.7%
Isuzu	F Series	39	36	8.3	0.8%	338	0.7%
LDV	V80	37	28	32.1	0.7%	400	0.8%
Others		687	548	25.4	13.4%	7,542	15.4%
Total		**5,123**	**3,852**	**33.0**	**100.0%**	**48,820**	**100.0%**

increased prices of these vans. In the past, you used to get a reasonable one for $20,000. Now a van with high kilometres is about $25,000 and then $30,000 upwards for one with reasonable mileage.

"However, it has become easier to sell these vans now because everyone is getting used to the hike in prices."

He notes some traders in Auckland selling a lot of the run-of-the-mill family vehicles might be down to the latest Covid-19 shutdown.

"There must be thousands of those cars waiting to be sold and that's hard work for those dealers. They will not have sold a lot of them to essential workers during lockdown, whereas there has still been demand for commercials."

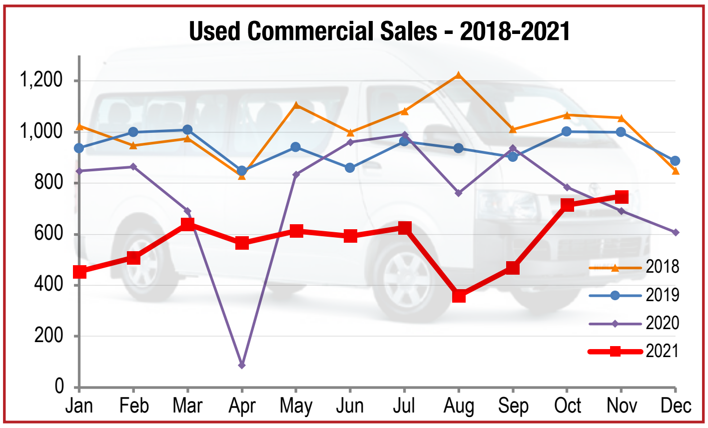
Meanwhile, Mercedes-Benz has extended the number of outlets in New Zealand selling its commercials.

Keith Andrews Trucks has been appointed as the authorised dealership for its light commercial vehicles and vans in Palmerston North. It is supporting sales, service and parts for the marque from its existing premises in the city.

In addition, the company is also providing parts and servicing for the German brand's light commercials from its Wellington sites in Seaview and Porirua, and has operations in Whangarei, south Auckland and Hamilton.

"Our proven track record in providing the highest level of customer service is demonstrated by numerous Mercedes-Benz Vans dealer of the year awards," says Aaron Smith, managing director of Keith Andrews. "That is the level we demand of ourselves."

CablePrice is now selling the marque's vans across its South Island network along with its current parts and service support. Dealer principal Tim Upston says the move "further strengthens" its commitment to Mercedes-Benz.



RANGER TOP MODEL

There were 5,123 new commercials sold last month, which was up by 33 per cent from 3,852 in the same month of last year.

The Ford Ranger topped the ladder with 1,538 sales. Its year-to-date total is now 11,810 – 4,015 ahead of Toyota's Hilux.

As for used-imported commercials, there were 748 sold in November. This was up from 691 units and by 8.2 per cent.

Used Commercial Sales by Make - November 2021

MAKE	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	268	275	-2.5	35.8%	2,449	38.9%
Nissan	147	134	9.7	19.7%	1,093	17.3%
Hino	77	33	133.3	10.3%	511	8.1%
Isuzu	69	43	60.5	9.2%	539	8.6%
Mitsubishi	42	27	55.6	5.6%	344	5.5%
Ford	37	30	23.3	4.9%	302	4.8%
Volkswagen	14	9	55.6	1.9%	77	1.2%
Holden	12	18	-33.3	1.6%	148	2.3%
Chevrolet	10	20	-50.0	1.3%	106	1.7%
Mazda	10	24	-58.3	1.3%	144	2.3%
UD Trucks	8	2	300.0	1.1%	35	0.6%
Daihatsu	6	5	20.0	0.8%	71	1.1%
DAF	5	6	-16.7	0.7%	22	0.3%
Mercedes-Benz	5	11	-54.5	0.7%	43	0.7%
Suzuki	5	8	-37.5	0.7%	62	1.0%
Fuso	4	0	400.0	0.5%	23	0.4%
GMC	4	2	100.0	0.5%	23	0.4%
Iveco	3	1	200.0	0.4%	14	0.2%
Mitsubishi Fuso	3	2	50.0	0.4%	17	0.3%
Renault	3	8	-62.5	0.4%	20	0.3%
Others	16	33	-51.5	2.1%	258	4.1%
Total	**748**	**691**	**8.2**	**100.0%**	**6,301**	**100.0%**

Used Commercial Sales by Model - November 2021

MAKE	MODEL	NOV'21	NOV'20	+/- %	NOV'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	191	202	-5.4	25.5%	1,672	26.5%
Nissan	NV350	84	47	78.7	11.2%	527	8.4%
Hino	Dutro	59	23	156.5	7.9%	360	5.7%
Isuzu	Elf	46	25	84.0	6.1%	340	5.4%
Toyota	Dyna	38	29	31.0	5.1%	345	5.5%
Nissan	Caravan	36	33	9.1	4.8%	215	3.4%
Fuso	Canter	25	21	19.0	3.3%	220	3.5%
Toyota	Toyoace	22	19	15.8	2.9%	204	3.2%
Isuzu	Forward	18	10	80.0	2.4%	125	2.0%
Hino	Ranger	17	6	183.3	2.3%	117	1.9%
Ford	Ranger	16	11	45.5	2.1%	135	2.1%
Nissan	Atlas	15	18	-16.7	2.0%	142	2.3%
Volkswagen	Amarok	12	6	100.0	1.6%	49	0.8%
Mitsubishi	Triton	11	4	175.0	1.5%	43	0.7%
Chevrolet	Colorado	8	10	-20.0	1.1%	94	1.5%
Ford	F-150	8	6	33.3	1.1%	53	0.8%
Nissan	Civilian	6	1	500.0	0.8%	35	0.6%
Daihatsu	Hijet	6	5	20.0	0.8%	71	1.1%
UD Trucks	Quon	6	2	200.0	0.8%	24	0.4%
Toyota	Regius	6	10	-40.0	0.8%	82	1.3%
Others		118	203	-41.9	15.8%	1,448	23.0%
Total		**748**	**691**	**8.2**	**100.0%**	**6,301**	**100.0%**

Opposition to pure-electric switch

The chairman of the Japan Automobile Manufacturers' Association (JAMA) is concerned about his government's push for carbon neutrality.

Akio Toyoda says going all-electric could cost the country about 5.5 million jobs and around eight million vehicles of lost output by 2030.

Toyoda, also chief executive of Toyota Motor Corporation, made his views known at a JAMA meeting attended by top executives from Honda, Yamaha and Isuzu.

The government aims to cut Japan's greenhouse gas emissions by 2030 and reach net-carbon neutrality by 2050 by going all-EV.

However, Toyoda believes the road map should account for the country's economic lifeblood stemming from making cars.

He says a sudden shift to EVs could undercut Japan's industrial base, so he wants a wider approach to carbon reduction instead.

"Some politicians are saying we need to turn all cars into EVs or that the manufacturing industry is outmoded," says Toyoda. "I don't think that's the case. To protect the jobs and lives of Japanese people, it's necessary to bring our future in-line with our efforts so far."

He notes Japanese marques produce about 10 million units a year at home with around half being exported.

Toyoda highlights forecasts projecting that by 2030 domestic plants will still be making eight million vehicles a year with internal combustion engines (ICEs), including petrol and plug-in hybrids.

Once those are banned, marques will take a big hit leaving companies with a tough decision – send production overseas or end it entirely.

"This means that production of more than eight million units would be lost and the industry could risk losing the majority of 5.5m jobs. If they say ICEs are the enemy, we wouldn't be able to produce almost any vehicles."

When it comes to solutions, Toyoda argues the path to carbon neutrality should be adapted to each jurisdiction's conditions.

He specifies there should be more freedom on which technologies are used as long as an overall reduction in carbon dioxide (CO_2) emissions is realised.

"In achieving carbon neutrality, the enemy is CO_2 not internal combustion. To reduce emissions, it is necessary to have sustainable initiatives in-line with different situations in countries and regions."

Daily sales hit high

Imports of new cars in November came in at 8,121. This was 8.5 per cent more than in the same month of 2020, but 35.5 per cent lower than October's total of 12,581.

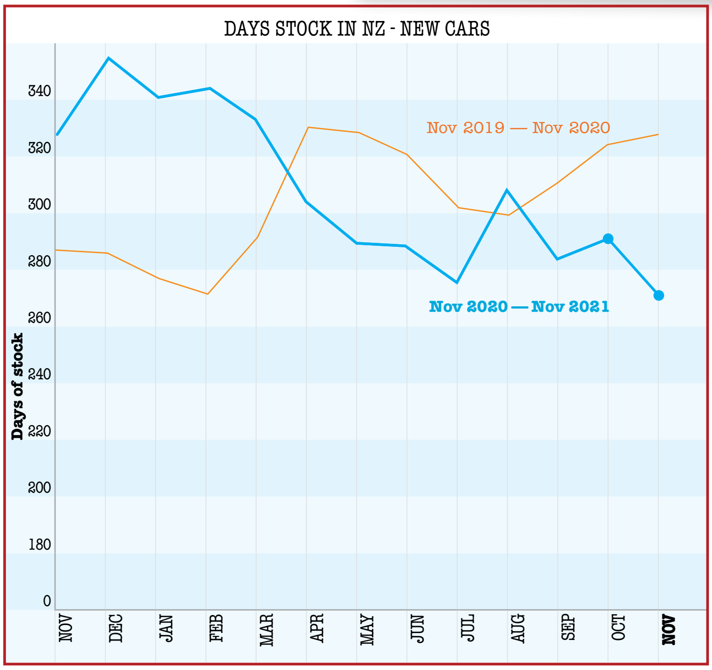
Registrations of new passenger vehicles totalled 11,242 last month, which was up by 40 per cent from 8,029 in November 2020 as the sector enjoyed record sales for the month. It also represented an increase of 21.4 per cent from 9,261 units in October.

The numbers have resulted in the stock of new cars still to be registered decreasing by 3,121 to 82,511. Daily sales, as averaged over the previous 12 months, stand at 302 units per day – their highest level in the past year.

November's results mean stock at-hand has dropped to 273 days, or nine months, if sales continue at the current rate. In the same month of 2020, the figures were 328 days or 10.8 months respectively.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	10,921	4,627	6,294	85,275	279	305
Sep '21	8,912	11,875	-2,963	82,312	291	283
Oct '21	12,581	9,261	3,320	85,632	293	292
Nov '21	**8,121**	**11,242**	**-3,121**	**82,511**	**302**	**273**
Year to date	**108,359**	**104,665**	**3,694**			
Change on last month	**-35.5%**	**21.4%**		**-3.6%**		
Change on Nov 2020	**8.5%** MORE IMPORTED	**40.0%** MORE SOLD		**10.1%** MORE STOCK		



Staff facing extra pressures

An industry expert advises traders to "roll with" any problems when it comes to how global supply chains have been disrupted, congestion at ports and backlogs in logistics.

Tony Everett, sector manager – dealers at the Motor Trade Association, describes the car industry as being at the end of a "long food chain".

He told Autofile: "There is nothing we can individually do to improve product delays and shortages. Everyone just has to focus on what they can do and roll with any difficulties that arise.

"We also need to be aware staff on the front line are facing extra pressures from customers. It requires constant guidance and reminders to maintain composure in the face of what might be unreasonable expectations from some consumers."

Everett adds it can be very easy to get drawn into responses or behaviours that might later be regrettable. "As with any situation, it is best to provide clear, simple information to keep customers across supply-chain issues."

As for what's happening across the industry, Craig Gilbert notes the used sector has always experienced highs and lows.

"One minute you're going along fine and then the government introduces a new rule, such as for electronic stability control," says the owner of Craig Gilbert Motors in Timaru. "We all complain but that sort of thing will keep happening.

"I am currently getting pushback on used vehicles that have done 50,000 to 60,000km and are only $7,000 to $10,000 less than the price of a new model.

"Some people are saying they may as well buy a new car, and that makes sense especially if you have a business and can claim GST and depreciation."

Todd Hunter, chief executive officer of Turners Automotive Group, expects the supply of new vehicles to New Zealand to be affected by the microchip shortage for at least another couple of years, which in turn means used vehicles will be more difficult to buy in Japan.

"We are much less exposed to this shortage than most of our competitors with less than 10 per cent of our vehicles coming from overseas," he adds.

"This overall reduction in supply has led to used-car prices increasing over the past 12 months, probably somewhere in the 10-15 per cent range. The price rises are more pronounced with specific makes and models, such as utes." ⊕

Stock holding up

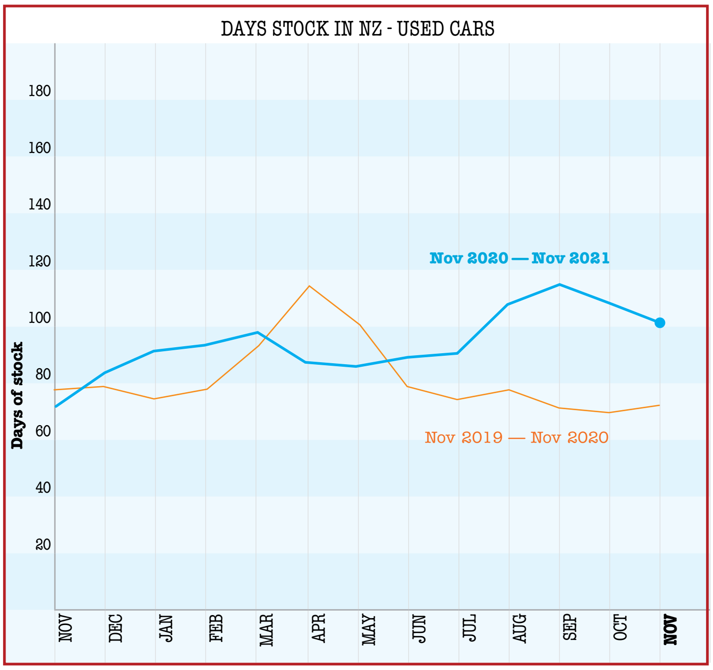
There were 9,628 used cars imported in November for an increase of 75 units, or by 0.79 per cent, on the same month of 2020.

Last month's figure was also up 9.1 per cent on the 8,823 units imported in October this year.

A total of 11,339 units were registered in November, which compared to 9,523 in the same month a year ago, as sales picked up after Covid-19 restrictions eased in Auckland and Waikato. The latest tally was 6.5 per cent higher than the 10,642 units sold in October.

With 1,711 fewer used cars imported than registered last month, it brought stock sitting on dealers' yards or in compliance shops to 33,590 units. This was 45.9 per cent, or 10,575 cars, more than at the end of November 2020.

Current average daily sales have increased to 332, meaning there are 101 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Nov '20	9,553	9,523	30	23,015	316	73
Dec '20	12138	9334	2804	25819	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	11,932	7,103	4,829	35,374	332	106
Sep '21	9,190	7,444	1,746	37,120	325	114
Oct '21	8,823	10,642	-1,819	35,301	327	108
Nov '21	**9,628**	**11,339**	**-1,711**	**33,590**	**332**	**101**
Year to date	**119,586**	**111,815**	**7,771**			
Change on last month	**9.1%**	**6.5%**		**-4.8%**		
Change on Nov 2020	**0.79%**	**19.1%**		**45.9%**		
	MORE IMPORTED	MORE SOLD		MORE STOCK		

Santa's in for some fun!

Merry Christmas
from all of the team
at Autohub!

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