www.autofile.co.nz

APRIL 2022

autofile

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

Fixing car loan woes remains months away

Lenders fume at minister's handling of changes to legislation as industry grapples with credit crunch

Finance providers and car dealers will have to wait until at least June for the government to tackle the "unintended consequences" caused by its amendments to legislation.

Measures unveiled by David Clark, the Minister of Commerce and Consumer Affairs, last month and any further changes identified by the Council of Financial Regulators (CFR) will be rolled out at the same time.

The CFR's review into the Credit Contracts and Consumer Finance Act (CCCFA), which is due to be published this month, will focus on regulations that enforce the legislation and the responsible lending code.

It means lenders and their agents, such as car dealers, will have to continue navigating the credit crunch created by the new laws for the next few months.

Clark concedes in cabinet papers dated March 11, which have been accessed by Autofile, that the

Issues with finance laws are unlikely to be fixed before June

initial findings of his investigation suggest some of the changes that came into effect on December 1 "appear to be contributing to a drop in lending".

He says impacts have been felt in home lending "and more significantly other personal lending", such as car loans and credit cards.

"While some impacts appear to be consistent with outcomes sought by affordability and sustainability changes, there appear to be unintended consequences," adds the minister.

"There are continued concerns the new prescriptive assessments apply to all lending types and consumers, with limited discretion and narrow exceptions."

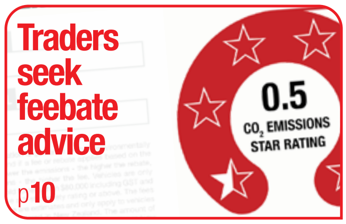
Clark believes his so-called "immediate changes" will make practical updates to the responsible lending rules and tackle some problems with the CCCFA.

These include removing regular "savings" and "investments" as examples of outgoings lenders must inquire into when assessing borrowers' likely expenses.

The government will also clarify that when consumers provide detailed breakdowns of future living expenses, there's no need to also inquire into current living expenses from recent bank transactions if they are benchmarked against "robust statistical data".

The Financial Services Federation (FSF) represents non-banking lenders, many of which operate in

[continued on page 4]



LOAD IT »
SHIP IT »
TRACK IT »
CLEAR IT »
DELIVER IT !

VEHICLE SHIPPING

We are specialists in transporting and exporting all types of Vehicles, Commercial trucks, vehicles of Special Interest and other RORO Heavy Cargo & Machinery.

GENERAL FREIGHT

We have developed a worldwide network of Agents who understand the commitment required to service our demanding market.

VEHICLE TRACKING

Finding out where your vehicle is at any one time of the process, gives you the ability to manage the collection and processing of documents and payment on time.

SHIPPING SCHEDULE

TRS and shipping services from Japan to New Zealand.

SmartTrade more rewarding all round

JACANNA

www.jacanna.co.nz
info@jacanna.co.nz
Tel: +64 9 825 0888

Terms and conditions apply.

GUEST EDITORIAL

Reacting to impacts caused by pandemic

Amid a decrease in vehicle use over the past two years, car insurance is one business the coronavirus pandemic has had a greater impact on compared to others.

PHIL HIBBERT
Chief executive
Protecta Insurance

There is the dichotomy of renewable policies, in some cases, increasing in premium due to the higher value of vehicles caused by the supply and demand of cars.

Particularly, in Protecta's case, classic vehicles and specialised risks in motorbikes create interesting conversations with customers on the value of their treasured items.

New Zealand had to get through the long duration of lockdown through the latter part of last year and we've seen the arrival of the omicron variant, so car usage has still been subdued.

I expect this to be the case as we evolve from omicron over the coming six months and organisations transition from staff working from home to varied versions of this. My view is people and communities will strive to interact again, similar to pre-Covid conditions.

From an insurance incidence viewpoint, accident and crash rates are down, but further supply constraints are being experienced so the cycle time for repairs has increased.

The average incident repair cycle for motor-vehicle insurance from first notification of loss to repair is typically 21 days. At the moment, that's pushing out to at least 35 days although the duration also depends on the type of incident.

The biggest challenge we'll see moving forward is trying to understand where the baseline underwriting performance is.

With current low incidence, loss ratios are trending fairly well compared to pre-coronavirus, but there's still a strong position of holding premiums where they are. More inflationary pressure is anticipated and, due to increased cycle time, there will be more pressure on parts and supply in terms of costs.

Ancillary industries, such as logistics, supply, truck drivers and delivery of parts, will continue to be impacted as New Zealand tackles omicron.

But hopefully, in parallel with our country's cautious approach to border restrictions, we'll see an improved position for the market in the second half of 2022.

Moving forward, the resumption of business confidence disrupted by Covid-19 is a cause for excitement.

Some challenges presented by the pandemic have been good, in a way. For example, there is now a need to push the digital environment for business expectations and delivery, as well as consumer expectations and outcomes.

There was a lot of talk and buzz about digitalisation across financial services pre-Covid. I believe the pandemic has really shaped our thoughts better and we should all be looking forward to a normalised, stable environment to determine where the next real priorities are.

When it comes to recruitment, migrant talent is needed to fill specialist roles including those in insurance technology. We need Asia-Pacific borders to reopen as they have trans-Tasman.

autofile

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

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

DESIGNER
Adrian Payne
arpayne@gmail.com

EDITOR
Darren Risby
ris@autofile.co.nz

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

Matthew Lowe
matthew@autofile.co.nz

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

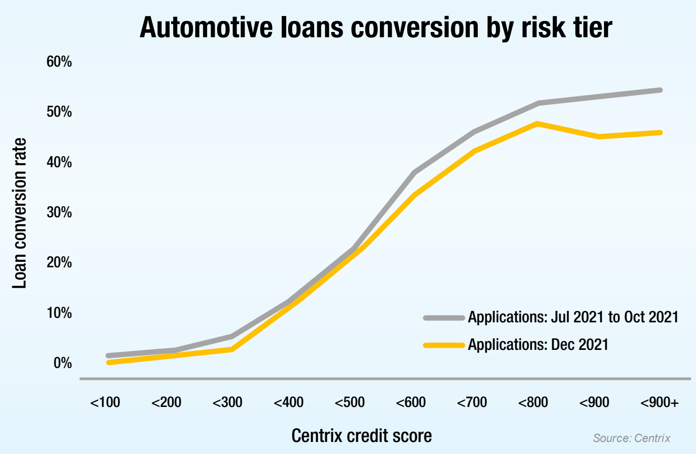
Autofile magazine is also available online as a readable file or downloadable as a PDF. Subscriptions are available at Autofile Online – www.autofile.co.nz. Back copies are also available on the website.

Copyright: Published monthly by 4Media Ltd

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

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

[continued from page 1]



This graph shows how the proportion of loans approved to applicants with high credit ratings fell when the amended CCCFA came in

the car industry, and welcomes any improvements to the CCCFA but it has dubbed Clark's cabinet papers as "literally as clear as mud".

Lyn McMorran, the FSF's executive director, says: "It would seem the idea is to implement changes the minister proposed on March 11 by early June. Simultaneously, the CFR investigation will continue until its report in April and there could be further regulatory changes arising out of that.

"It's ironic Clark has released these proposals calling them 'immediate' when, in fact, the absolute earliest they can be implemented is early June – and possibly beyond that if they have to go through full-blown policy changes and resultant consultation.

"He also says his changes have been made on a 'no regrets' basis. By my translation that means 'no admission that we got it wrong in the first place' basis.

"It all seems like a quick fix is the preferred option to try to dial back what's gone wrong, but that may not be the best option to make it right. It's something the FSF will have to consider."

Other changes to the CCCFA that Clark has tabled include:

- Defining that when lenders choose to estimate future expenses from bank records, they can get information about how their current expenses are likely to change when loans are taken out.
- Clarifying the requirement to obtain information in "sufficient detail" only relates to that provided by borrowers directly – for example, ensuring expense categories on application forms are sufficiently detailed, rather than relating to bank transactions.
- Providing extra guidance on when lenders need to allow for a "reasonable surplus" and setting surplus requirements.
- Furnishing alternative guidance and examples of when it's "obvious" a loan is affordable, such that a full income and expense assessment isn't required.

Draft regulations on Clark's changes will soon be released for public consultation. However, these are only initial recommendations because the CFR's investigation is ongoing.

Any extra recommendations from the CFR review, which is being overseen by the Ministry of Business, Innovation and Employment (MBIE), will be implemented "in parallel" with Clark's suggestions.

Legislation requires changes to the responsible lending code to be publicly consulted on. Once finalised, new regulations would come in at least 28 days later.

The FSF notes the CFR review will contain comprehensive recommendations relating to what's wrong and what needs to be done to fix the legislation, including issues not already addressed by the minister's "proposed tweaks".

McMorran told Autofile this includes looking more closely at consumers facing barriers to refinancing or consolidating loans from another provider, prospective borrowers being diverted to lenders with less-demanding processes and higher interest rates, and vulnerable people being pushed onto non-compliant or black-market lenders.

IDENTIFYING PROBLEMS

Issues with the CCCFA have been identified, in part, from engagement with finance providers.

Clark recognises all lenders have implemented processes based on legal advice and due diligence on the amendment act, regulations, responsible lending code and Commerce Commission guidance.

This has required investing in technology, such as purchasing systems for analysing bank records, and substantial staff training. Implementation costs have been high.

"While lenders support the intent of affordability and suitability changes, many considered the changes were more extensive, onerous and invasive than warranted," says Clark.

"A key concern raised by lenders and some consumer groups relates to the same requirements applying to all lending types and consumers with limited discretion and narrow exceptions. This reflects difficulty in identifying situations when a full income and expenses assessment is unnecessary.

"Another key concern is the penalties regime, which some [lenders] claim is leading them to take a conservative approach to any uncertainty in the regime. These concerns require further consideration.

"While final advice from the CFR investigation is not due until April, I recommend initial proposals to address some specific issues."

These relate to estimating likely borrower expenses after credit is provided, exceptions to performing full assessments, and surpluses, adjustments and buffers used to address uncertainty about income and expenses.

Clark says he believes risks can be mitigated by describing the recommendations in his cabinet paper as "initial proposals" that align with the original intent of the CCCFA.

"Making some no-regrets changes now allows us to respond expeditiously to concerns raised that we are not unduly restricting access to credit for New Zealanders in the near term," he adds.

"Other options to address specific issues are being considered as part of the remainder of the investigation. I intend to undertake targeted and public consultation on these initial proposals to ensure they work in practice and do not result in any unintended consequences."

The ongoing investigation will include an international comparison because, as it stands, New Zealand's consumer credit regime is generally "more prescriptive" compared to Australia and the UK.

"During consultation, many lenders and industry representatives expressed favourable views towards the Australian regime. The Australian government is deregulating certain kinds of financial products. Officials will engage with their Australian counterparts to understand what can be learned from their recent experiences."

Although Clark says the proposals in his cabinet paper create no extra financial implications for the crown, his proposals may result in reducing compliance costs.

RESEARCH INTO ISSUES

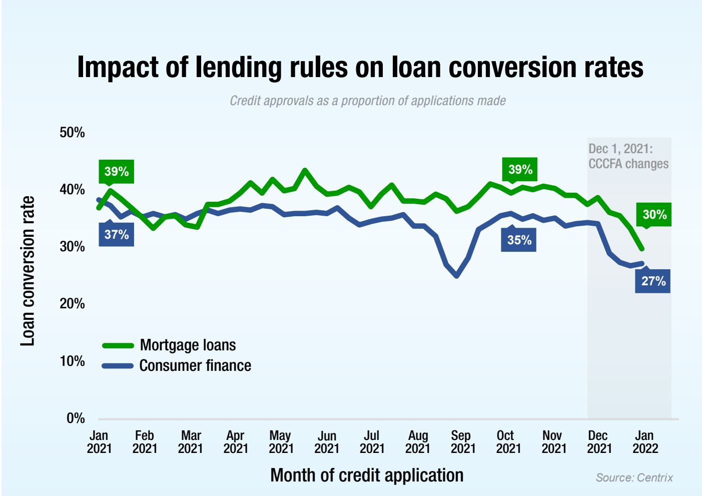
Official statistics and credit-reporting data indicates there has been a decline in all types of lending since December 1, says Clark.

Reserve Bank lending data shows a drop in new mortgages from $9.1 billion in November to $7.9b in December. Its "steady state" forecast range for December, accounting for an expected seasonal fall and market trends, was $8.3-$8.6b.

Clark suggests "the outcome was lower than expected", and adds, "it should be noted $7.9b was still higher than lending in December 2017, 2018, and 2019".

Data from credit-reporting agency Centrix presents similar trends. It shows a drop across all lending types, particularly on credit cards but also in car and other personal loans.

The minister notes: "Consumer credit markets, particularly the home-loan market, are affected by a range of factors, such as house



Changes to the LVR started on November 1 and to the CCCFA on December 1. The proportion of applications resulting in new mortgages dropped by nine per cent between October and December. Consumer loan conversions – credit cards, and automotive and personal loans – fell from 35-27 per cent over the same period

prices, seasonality, LVR [loan-to-value ratio] limits and the OCR.

"Recent developments impacting some of these are likely to have exerted additional downward pressure on lending. From information available, it is not possible to separate out impacts of the CCCFA changes from other factors."

Increased loan declines due to would-be borrowers failing new requirements have been reported. These are attributable to:

- A jump in estimated borrower expenses due to more in-depth inquiries, especially into discretionary expenses, and more conservative approaches to estimation.
- A rise in surplus income requirements applied by lenders.
- Removing internal processes allowing lender discretion to approve finance when likely expenses exceed likely income.

"Non-bank lenders, which cover approximately 44 per cent of personal-loan lending, attribute the decline in car loans and other smaller personal loans to the CCCFA changes," says Clark.

"All lenders my officials have spoken to have strengthened their affordability assessment processes. Some areas where substantial lending declines have been observed, such as motor-vehicle lending, have been identified in the past as areas that have generated particular consumer harm."

That said, Clark highlights some "potential unintended consequences" from the CCCFA changes. Access to all consumer credit has been impacted in a "less-targeted way and to a greater extent than intended" by the affordability and suitability changes, loan-processing times and associated compliance costs having jumped, and borrowers facing unduly intrusive lines of inquiry.

There's also "anecdotal evidence of concerns that need to be investigated", such as people being diverted from lenders with "more onerous processes interpretations" of the CCCFA to those with "less-demanding processes and higher interest rates and fees". Lenders have indicated this is sometimes driven by intermediaries, such as brokers and motor-vehicle traders.

Consumers are also facing barriers in refinancing or consolidating loans from another provider. In addition, more vulnerable people who are declined lending by bank and non-bank lenders may be pushed to non-compliant or black-market lending – exactly the sort of thing the amendments to the law were supposed to tackle.

THE ROAD AHEAD

The FSF is expecting to see draft regulations and a draft responsible lending code early this month, followed by two weeks for industry to respond before they go to cabinet.

"We are still unclear what the actual proposed changes will be and will mean for lenders," warns McMorran. "The key is what will be in the details."

While removing savings and investments when loan applicants' future expenses are assessed "will be a good thing", the FSF is not holding out much hope when

[continued on page 6]

[continued from page 5]

it comes to any future focus on people's expenditure.

"There will probably still be intrusive questions, which will come across as lenders not trusting borrowers," says McMorran.

"When you say 'immediate' changes to someone, this certainly doesn't mean in three months' time. However, the government must follow a consultation process and do things legally, so it's not just a matter of doing things quickly."

As for the bigger picture, McMorran notes OCR changes "don't necessarily affect FSF members because their lending isn't funded by retail depositors", while the reintroduction of LVR ratios makes no difference when it comes to buying cars.

"The declines in access to lending in the motor-vehicle space and with credit cards have nothing to do with any external pressures. They have got everything to do with the CCCFA."

By the time June comes around, it will have been six months since the amended legislation came in.

McMorran says: "We are concerned at how the Commerce Commission will look at lending by then – through the changes that came in on December 1 or those coming in during June? It would be appalling if a lender was hung out to dry in the meantime for a legal breach. That would be unacceptable.

"We have been trying to get figures together to quantify the effects of the CCCFA changes. Loan-approval rates are still declining a lot. Then there's the issue of where people can go for finance if they are declined because that need doesn't go away.

"In the main, the FSF has had plenty of opportunities to be consulted on and to have its say. But so far that has been a wasted effort because we know we weren't being listened to."

CAR INDUSTRY REACTS

The Motor Industry Association (MIA) has welcomed the decision to make changes to the CCCFA. David Crawford, chief executive, has praised the government for taking action over the "unintended consequences" caused by amendments to the law, which were brought in on December 1.

He says measures unveiled by Clark on March 11 will alleviate some constraints on consumers. "With some 40 to 45 per cent of new vehicles being private sales, the changes will make getting loans and selling cars easier.

"Anecdotally, the MIA has heard of quite a few finance deals falling over or being turned down. The changes announced will go some way to addressing problems.

"Some people criticised the government for getting this wrong in the first place, but we should compliment it for realising that. It has moved to address unintended consequences, although we would prefer it didn't get these things wrong in the first place."

Crawford notes one of the main issues created by December's amendments has been the legal obligation on providers to look at applicants' expenditure patterns to see if they can afford loans. "However, we got to the silly situation where people could afford the loan but couldn't actually get the finance."

The Motor Trade Association has voiced concern dealers will potentially end up "running at reduced capacity" for some time because of how long it will take to change the CCCFA.

Tony Everett, sector manager – dealers, says the industry faces operating under the current laws for about half year before Clark's proposals or any other alterations come into effect.

"That's not great for either side in this period of significant market turbulence," he told Autofile. "But hopefully the minister's changes will address the problems and not just serve to tinker around the edges, pending yet another review."

Everett notes it's disappointing the government went ahead with the CCCFA amendments late last year despite being warned by industry they would prove problematic.

"Within a week people were squawking. If it was so obvious to industry, why didn't the officials see it? Normally you'd expect months to go by for unintended consequences to be exposed but, in this case, problems were evident immediately."

Everett adds New Zealand even had the opportunity to learn from Australia where officials tried to adjust its finance laws along similar lines a few years ago.

Regulations there were changed to steer banks away from using benchmarks to assess the ability to repay in favour of examining income and expenses. These measures were rolled back after a federal judge cast doubt on how the system was being run.

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association, is also disappointed dealers and finance companies must continue operating under "unwieldy" laws before substantive changes are made.

"The government has had to backtrack and better that than not. But people wanting to borrow money will still be prevented from doing so for coming months by these onerous rules.

"People will continue to want to buy cars and will get angry and frustrated when they can't. However, with banks and lending institutions knowing changes are on the way, it may dilute the effects of what's in place."

Vinsen predicted in January the legislation would get reversed because of industry and consumer pushback. "I'm pleased the government has listened, at last. It's a pity they didn't properly read, understand and take cognisance of submissions made by lending institutions.

"Borrowers might stretch themselves a bit because they want a particular car or house, and a lender might take a punt because they know the consumer can cope even with inflation and rising interest rates.

"The government should mind its own business and let people make their own decisions. That's not to say genuinely vulnerable don't need some protections, but it doesn't have to be a one-size-fits-all for everything."

In the February issue of Autofile magazine, Crawford reported the MIA had heard of loan-approval rates dropping by between 50 and 90 per cent.

"Vehicle-purchasers are finding it more difficult to get a loan, especially with spending habits under extra scrutiny. Would-be buyers have been walking away because it's all too difficult."

Opposition on attack

The National Party has criticised the changes to the CCCFA with Andrew Bayly, spokesman for commerce and consumer affairs, claiming the government's approach has created too much red tape for borrowers and lenders.

Andrew Bayly

Bayly says the law's amendments were never meant to capture banks and credit unions, but the Minister of Commerce and Consumer Affairs chose to issue "highly prescriptive" regulations for all types of lenders.

David Clark

He describes this as a "crucial mistake" and adds David Clark's changes announced last month fail to recognise a "fundamental difference" between highly regulated finance providers and high-cost lenders servicing vulnerable clients.

Bayly says National has drafted a member's bill that would fix the problem by requiring the minister to issue regulations for different types of lenders, and adds Clark has put off making any changes until the outcome of a full review is known in April.

Marques adjust to 'new tax'

Deposits paid for the Ioniq 5 doubled in the space of one week last month, reports Hyundai NZ

Manufacturers and dealerships have been ploughing through a "massive amount of work" as they feel the pressure of adapting to challenges posed by the full clean car discount.

Also known as a feebate scheme, the government's system of penalties and credits based on carbon dioxide (CO2) emissions applies to light vehicles when first registered in New Zealand. It came into effect from April 1.

Ford NZ, which has been busy across its network preparing for the change, expects the scheme's true impact won't be known until at least the end of the year.

Simon Rutherford, managing director, explains: "We've been working with Ford globally to ensure we have the correct emissions data to begin with. On the other side, we've been working across our dealer network to ensure they are up to speed with the changes and can keep customers informed.

"We think the greatest challenge will be overall supply and installed capacity in the near future as many countries around the world pursue similar approaches and constraints on supply persist – meaning a small market like New Zealand is likely to face allocations below what is needed."

The clean car discount has been designed to encourage buyers to opt for zero and low-emissions vehicles, rather than high-emitters that face penalties of up to $5,175.

Rutherford told Autofile that Ford NZ has a strong order bank for current and upcoming models across the CO2 range, but demand exceeds supply on many products due to capacity and constraints.

"The clean car discounts and fees will impact on consumers' buying decisions, but they will weigh up the overall value based on their needs, desires and total cost of ownership.

"The next-gen Ranger, which we are introducing later this year, already has more than 3,000 pre-orders. That's without knowing the pricing yet, but also knowing fees will be in place."

Hyundai NZ says the build-up to the feebate scheme and recent spike in petrol prices led to sales of its electric Ioniq 5 doubling in the space of a week last month, while interest in electric vehicles (EVs) at dealerships and online has also increased.

Chris Blair, general manager, says visits to the company's website during mid-March to review electric models were up by 440.5 per cent compared to the same week in 2021. "Orders and inquiries for EVs are as strong as when the government announced its clean car rebate last year."

He notes the marque has a good supply of stock. However, if consumers want certain specifications not currently

What you need to know

The full clean car discount was rolled out on April 1. It aims to reduce CO2 emissions by making zero and low-emissions models more affordable.

It applies to new and used light vehicles when first registered here with rebates and fees based on a sliding scale.

Discounts only apply to models with sticker prices of less than $80,000, including GST and on-road costs, and with safety ratings of at least three stars on Rightcar's website.

A rebate up to $8,625 for new vehicles and $3,450 for used applies to those with emissions up to and including 146gCO2/km.

Those vehicles producing 147-191gCO2/km fall into zero band, so no rebate or charge. Models emitting 192gCO2/km or more face maximum penalties of $5,175 for new and $2,875 for used.

available here, deliveries have typically been taking between three and six months.

Mitsubishi Motors NZ says the feebate scheme has required updates to much of its promotional material. But the time to achieve this has been tight after legislation to enforce it was only passed in late-February, with final fee and rebate figures announced in mid-March.

"There's a massive amount of work involved in the roll-out," adds Reece Congdon, head of marketing and corporate affairs. "Unfortunately, much of the information and final details have been late in their announcement, so it has put a lot of pressure on our team and dealer teams.

"We're having to educate staff on the changes, as well as update all our collateral and advertising as we want it to be as transparent with customers as possible. There's been little guidance around this, so we may see a lot of variation in how brands talk to customers about this new tax."

While Mitsubishi anticipates a drop in demand for some vehicles this month, such as the Triton that has been achieving record sales ahead of the feebate's introduction, Congdon doesn't anticipate an overnight sea-change in Kiwis' vehicle needs and demands.

"Forward-ordering is incredibly strong on fee and discount-attracting vehicles. We have 1,500 plug-in hybrids [PHEVs] set for delivery in April alone.

"It's pretty obvious to see that EV and PHEV sales will continue to climb and, while no alternative exists, utes will still play a major part in the motoring landscape."

Toyota NZ also reports, "like every other original equipment manufacturer [OEM]", that

Mark Gilbert, Drive Electric chairman

forward orders are strong across its range, from low-emissions hybrids to light commercials.

Steve Prangnell, general manager of new vehicles, says the marque has also seen an underlying increase in demand for petrol hybrids over the past few years, which isn't directly related to the feebate scheme.

"We were already moving down the path of electrifying our range. However, availability of electrified product to meet all our customers' needs is still a way off, so if the clean car discount is going to influence decisions now it will be likely they are tossing up between a vehicle that qualifies for a rebate versus a similar one that doesn't."

Prangnell adds Toyota NZ has made changes across its business to ensure transparency for consumers of the process and implications of feebates. As a result, he expects "business as usual" at its stores this month.

"We are updating our website to show either the rebate or fee. If there is any confusion for customers with Waka Kotahi's website, our Toyota and Lexus stores or websites will be the best point of contact if they want to find out what vehicles incur fees and what vehicles qualify for rebates."

FIGHT FOR STOCK

Drive Electric says the clean car discount has helped make the New Zealand market more attractive to OEMs and the challenge now is to secure sufficient supply of low-emissions vehicles to meet consumer demand.

Mark Gilbert, chairman, told Autofile members of the organisation are keen to get more EVs from manufacturers,

[continued on page 10]

Traders seek feebate advice

The second of two deadlines is fast-approaching for car dealers to display vehicle emissions and energy economy labels to ensure compliance with the clean car discount.

From April 1, when the feebate scheme kicked in, fresh stock coming onto yards and being advertised online needed to have the labels, which have replaced those for fuel economy.

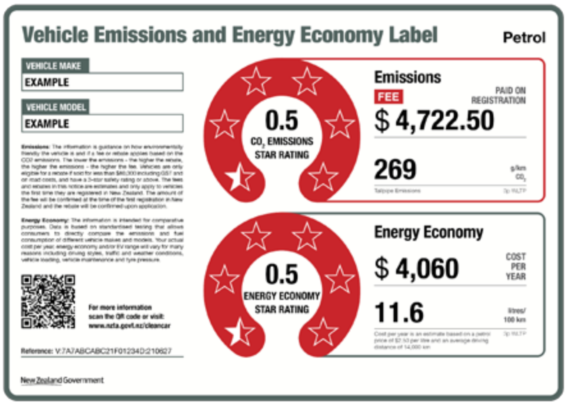
And from April 15 traders must have all existing stock carried over from March and before that compliant with the new labelling requirements laid down by the Energy Efficiency and Conservation Authority (EECA).

Malcolm Yorston, technical manager of the Imported Motor Vehicle Industry Association (VIA), says the labels now have a different format, which includes clean-vehicle information.

In addition, EECA has updated the price of fuel per litre used as a basis for fuel economy calculations – with 91 octane going up from \$2 to \$2.50 per litre and diesel increasing from \$1.45 to \$1.75.

VIA has been assisting the trade in the run-up to the launch of the full clean car discount, also known as a feebate scheme, at the start of the month.

"A day doesn't go by when we're not answering questions from the trade," Yorston told Autofile. "There's still some confusion around the clean car discount and standard, and with them being two separate parts of legislation. A lot of people still think what's happening now is a one-off, but it isn't.



EECA's red vehicle emissions and energy economy label informs consumers the car attracts a fee

"We've been focusing on getting advice out to the industry so that everyone has a better understanding. We're trying to keep it simple and easy to understand to avoid an information overload."

One area VIA has been taking inquiries about is exemptions to the feebate scheme. The answer to that's a pretty straightforward "there are none" because Waka Kotahi has no legal mandate to do that and nor does the Minister of Transport.

This means vehicles that may have been held up in the compliance process because of Covid-19, those waiting for specialist certification or parts and stock still in transit from source markets come under the scheme's remit.

However, some cars fall in the "excluded category". These include special interest and motorsport vehicles as defined in part two of 2001's land-transport rule covering frontal impact.

Others are vehicles made 40 years or more before the date of entry certification, and those defined as low volume in part ▶

[continued from page 9]

but microchip shortages and supply-chain problems related to Covid-19 are causing stock delays.

"It appears demand for EVs is strong – registrations are up about 55 per cent on last year – and with the recent spike in the price of fuels, consumers are metaphorically fighting over remaining stock on yards, both new and used," he says.

"The uplift in inquiries is huge. But what remains to be seen is how quickly OEMs or used-car dealers can replace inventory they have been trying to build up ahead of the discount's formal introduction."

Gilbert says it's hard to know what stock will be coming through because a number of new models have been announced by marques, so it will come down to whether distributing companies can secure more of those vehicles.

"I know they are doing their best to do so because, with the uptick in demand and signals coming from the government, we are an attractive market.

"For OEMs that can channel more stock to their New Zealand agents or distributors, those vehicles aren't going to be in their warehouses for very long because we're starved of good-priced vehicles. The government has done a hell of a lot on the policy side with more to come. It's now up to the industry to meet demand."

Gilbert says if businesses are unable to secure new or used EVs out of Japan or other jurisdictions, then Drive Electric welcomes traditional hybrids, which are viable alternatives for those who can't afford new battery EVs.

"Hybrids are a step in the right direction, not the best step. But we're in a transition phase and have got until 2050 to get the fleet entirely to zero emissions.

"That said, I would expect that sometime in the 2030s hybrids will also be phased out. Realistically, that will be driven by OEMs as so many are committing to being 100 per cent electric between 2030 and 2040."

two of 2022's land-transport rule on standards compliance and certified in accordance with the low-volume vehicle code.

"I've had a conversation with a dealer bringing in some muscle cars from the US," smiles Yorston. "He was delighted to find out they were excluded from the feebate scheme because they were made in the 1960s and '70s – that's to say, earlier than 1982."

Some traders have been querying if fees or rebates now apply to re-registered fleet vehicles in New Zealand. However, this is not the case under the Land Transport (Clean Vehicle Discount Scheme Charges) Regulations.

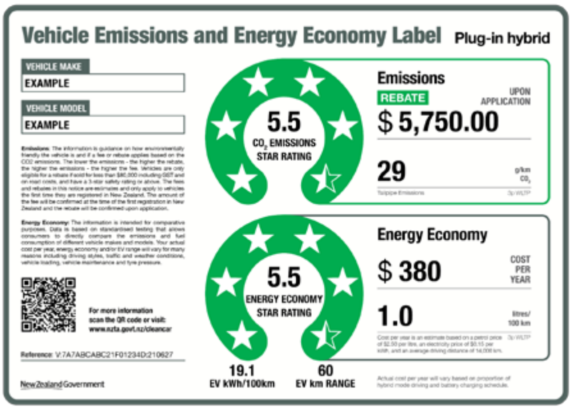
Regulation 7(1) states, "the person who registers, for the first time, any new or used eligible light vehicle with CO2 emissions of 192 grams or more per kilometre", so this excludes cars already on the motor-vehicle register.

As for pre-registrations to avoid charges on high-emitters from April 1, many dealers who have contacted VIA have gone through this process. There have been concerns there might not have been enough plates in some areas, although Waka Kotahi confirmed this wouldn't happen.

As for which models now attract rebates or charges, or are fee-neutral, VIA has been encouraging dealers to direct consumers to the Rightcar website for such information.

"There have been some issues with Rightcar," says Yorston. "On the dealer tool, a certain Toyota Aqua was coming up with a $2,875 fee, but then it was attracting a $1,400 rebate on the public tool. When problems like this happen, we get in contact with the NZTA's implementation team to sort them out."

As for the impact the clean car discount will have on the market, "importers have to look for vehicles appropriate to the New Zealand market – that's what they have always done and they are pretty flexible when it comes to this sort of thing".



The green EECA label is for models that attract rebates

Yorston believes some models will start attracting premium prices at auctions in Japan, which is what happened when the government's rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) started last July.

"However, it will be interesting to see if prices of models that will attract charges under the full feebate scheme will drop in a similar way. If that does happen, will prices drop enough – for example, by $2,875 for used cars attracting the highest charges so importers can get them to market for the same price as before. We just don't know."

Looking to the future, VIA is encouraging dealers to swot up with specialist training as the number of electric and hybrid vehicles being imported increases.

It recommends courses run by MITO, such as its EV safety micro-credential and level-five New Zealand certificate in EV automotive engineering.

"Investing in this training will help keep your business up with the latest technologies as well as keeping you, your staff and customers safer when working in or demonstrating these vehicles," advises Yorston.

Agency unveils funding model

Waka Kotahi has started consultation on its proposed overhaul of regulatory fees and charges to plug a $100 million shortfall in funds.

The news was announced on March 14 at an industry forum, which was attended by Autofile and by about 80 representatives from the transport industry.

Kane Patena, director of land transport, told the online meeting it's the first time since 2008 that charges for the agency's services, such as warrants of fitness (WOFs), certificates of fitness (COFs), entry certification, and vehicle and driver licensing have been reviewed.

"The review was prompted by the release of two independent reports in 2019, which found gaps and weaknesses in our regulatory system contributed to the 2018 death of a passenger travelling in a vehicle that had just received a WOF," he explains. "It identified most fees and charges do not reflect the cost to regulate or provide regulatory services. It also confirmed our current funding situation is unsustainable.

"This is the first comprehensive review of fees and charges Waka Kotahi has done since before the agency was established in 2008. We have not raised most of our fees since – not even adjusting them for inflation, or for changes in regulation or legislation."

> "This is the first comprehensive review of fees and charges since before the agency was established"
> – Kane Patena

The transport agency's 18-month review has been based by applying "cost-recovery principles" to see where the impost for supporting regulatory activities should fall. Its report provides "transparency" about regulatory fees, charges and services.

The income from services is one of three key sources of revenue for Waka Kotahi, with other monies coming from the National Land Transport Fund and direct crown funding.

The eight-week consultation period, which closes on May 13, will shape the agency's recommendations with final decisions to be made by cabinet ministers.

Under the new model, regulatory functions will be "appropriately funded and New Zealanders will meet the cost of regulation fairly with the right people paying for the right things" because "we need $100m more each year than we get right now from fees, charges and government funding". In addition, "some of these proposed changes impact industry, in particular".

Consultation papers add costs have been unfairly placed on driver-licence holders and vehicle owners with 97 per cent of revenue collected coming from fees.

"This means some people and companies have been paying more than they should for services, some have been paying less and some haven't been paying at all," says the agency.

"Waka Kotahi doesn't currently have a way to recover costs for more than one-third of our regulatory products – vehicle-identification number approvals, vehicle chassis ratings [new, used and light], and additional transport-service licence labels to name a few – even though it costs us money to provide them."

Detailed information about the proposals can be found in the consultation document online at www.nzta.govt.nz/funding-and-fees, along with fact sheets on all of the proposals and their impacts on businesses and households.

Meanwhile, the Minister of Transport has announced road-user charges (RUC) will be cut by 36 per cent across all rates for three months from late April in response to the "global energy crisis".

Michael Wood has unveiled the measures designed to support New Zealanders in the wake of soaring fuel prices following Russia's invasion of Ukraine.

The government has already cut fuel excise duty by 25c until mid-June to provide some relief from rising pump prices, while funding to implement half-price public transport fares will be available from April 1 to June 30.

"The complexity of RUC means a few more weeks are required to put the reduced rates in place," says Wood.

"The road-transport industry plays a vital role in the supply of goods across the country.

"It was important to back the industry through these challenging times."

"The Russian invasion will continue to impact global energy markets and supply chains. We will be monitoring the situation over the coming months and working with partners to ensure we have the overall package right."

Electric cars still being shipped

Toyofuji Shipping NZ and Armacup Maritime Services have confirmed they will carry on transporting battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) to New Zealand.

The two companies have stated their positions to Autofile as being "business as usual" when it comes to shipping used EVs from Japan.

This follows Mitsui OSK Lines (MOL) suspending shipments of used BEVs.

Hans Corporaal, Armacup's chief operating officer, says the shipping line continues to transport used EVs into this country from Japan.

"Our policy is to not accept accident-damaged EVs," he adds. "But we will be keeping a close eye on developments relating to used EVs.

"We may need to adjust our policy in the future as and when more information becomes available. Our priority will always remain a safe environment for our crews, vessels and cargo interests."

Cars dockside in Japan

Blain Paterson, general manager of Toyofuji, says: "There has been no talk at Toyofuji of not loading used BEVs and we haven't looked at this in the past. As far as we are concerned, it is business as usual."

MOL's Felicity Ace sank, along with its cargo of about 4,000 vehicles, on March 1 in the Atlantic around 220 nautical miles south of the Azores after a fire took hold of it on February 16.

The vessel was en-route to the US east-coast port of Davisville from Emden, Germany, with new Volkswagen Group vehicles aboard. The cargo included Audis, Bentleys, Lamborghinis, Porsches and some VW ID.4 electric SUVs.

The blaze quickly spread through the cargo decks. The 22-strong crew was forced to abandon ship because of the flames' ferocity, but all were rescued safely.

A salvage team reached the stricken ship on February 25 and completed an initial survey on-board. It was then towed by salvage craft, accompanied by tugs, to a safe zone.

But at 9am local time on March 1, the Felicity Ace was reported to have sunk having listed to starboard. The depth of the ocean at that point is about 3,000 metres.

Overseas reports have estimated the total cost of the incident could approach the equivalent of NZ$720 million and that lithium-ion batteries in vehicles on-board may have fuelled the blaze.

MOL has yet to confirm the cause of the fire. The company says an oil slick when the vessel sank drifted as it dissipated. "In accordance with expert organisations' opinions, it's unlikely a large-scale oil spill will occur."

Industry movers

CHRIS LAMERS starts as MTF Finance's new chief executive officer in May.

He is currently deputy group CEO and chief officer of customer growth at Humm Group, a finance company operating in this country, Australia, the UK and Canada.

Lamers, pictured, was previously chief officer of brand, innovation and marketing at Sovereign, New Zealand's largest life insurer. Before that, he was at Loyalty NZ in a range of roles leading marketing and customer engagement before becoming interim chief executive.

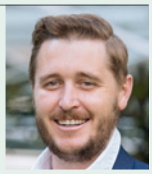
Earlier in his career, Lamers led Positively Wellington Tourism and Tourism NZ marketing.

Mark Darrow, chairman of the board, says: "Chris has the leadership, skills and experience across a wide breadth of financial services that will benefit MTF Finance as we further grow the business."

MIKE WETHERELL is the BMW Group's new regional chief executive officer of financial services for its Asia-Pacific operations.

He is now responsible for the division in New Zealand, Australia, India, Japan, Malaysia, South Korea and Thailand, and strategic partnerships in Indonesia, Singapore and Vietnam. Wetherell takes on the role having previously been president and CEO of BMW Japan Finance.

He started off with BMW Financial Services UK in 1997. In 2006, he became sales and marketing director of BMW Financial Services South Africa, and then director of BMW Automotive Finance China in 2010. After three years, was appointed managing director of BMW Credit Malaysia.



MARTIN MILES, who has more than 18 years' experience in the electricity sector, has been appointed as chief operating officer of ChargeNet.

He has spent the past seven years in the UK establishing electric vehicle (EV) charging networks for two leading providers – Osprey Charging Network and Pod Point.

Miles will help guide ChargeNet through the rapid expansion of its hyper-rapid network. This includes site development, engineering and construction.

NIKESH GOHIL has been appointed as Mini's head of marketing for New Zealand and Australia.

Gohil, who joined Mini Australia and New Zealand in 2016, was most recently marketing manager for brand and partnership. He also previously worked as customer experience manager for BMW and Mini after-sales.

In his new position, he will lead the development and implementation of Mini marketing strategies across Australasia.

He succeeds Alex McLean, who became general manager of BMW Australia marketing earlier this year.

HEATH BARCLAY is the new managing director of Bridgestone Australia and New Zealand.

He was promoted into the top role from being sales director at Bridgestone Australia having previously held positions on both sides of the Tasman.

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

Dealer group delays bid for public listing

Armstrong's has parked up plans to list on the New Zealand and Australian stock exchanges.

Troy Kennedy, chief executive officer, cites macro-economic conditions, market turbulence and geopolitical events as factors behind the group's decision.

Troy Kennedy

"This is a pragmatic decision to see us come to market under more stable investment conditions. It was important we get this right for investors and the business. We're prepared to be patient and continue executing our growth agenda.

"While we have hit pause for now, we've significant strategic initiatives to progress this year. We believe the market will further consolidate in coming years and Armstrong's intends to play a lead role."

The company expects to record $549.8 million revenue in the 2022 financial year and $627.4m in the following 12 months, with earnings of $37.5m and $45.6m.

It has plans to progress "organic growth" tied to building and diversifying its brand portfolio, coupled with real-estate development.

Those include taking over a two-hectare site in Mount Wellington, Auckland, and transforming it into a new dealership for Auckland City Toyota. Previously occupied by Fleet Partners, it will increase the franchise's capacity more than five-fold and allow it to accommodate about 500 cars.

"Toyota is a key brand for us in Auckland with dealerships in Grey Lynn, Greenlane and a new super-site in Mount Wellington from early next year," says Kennedy. "This move allows us to have significantly more sales and service capacity in a key location."

The press stops

More than 40 years of motoring history have ended with the March 2022 issue of Auto Trader being its final print edition.

The magazine was launched in July 1981 as a weekly classified magazine for dealers and private sellers before becoming monthly in recent years.

Auto Trader will now solely be digital and the aim is to build its presence in the online car market.

Richie East, director, says the magazine was seen as the "Kiwi car bible" for many of its four decades, but the decision to "stop the press" has been made with costs soaring by more than 100 per cent since July last year.

"It's a difficult decision because it has been around for 40 years. It's well-loved by many and a collector's item for some people."

The final edition of Auto Trader

Auto Trader was founded by Ed Lamont, an ex-car dealer, in 1981 from a domestic garage in east Auckland.

It was taken over by ACP Media in 1993 and evolved into a glossy full-colour magazine. A website to complement it was launched in 2005.

Auto Trader changed hands again in 2012 when it was purchased by Bauer Media. It returned to Kiwi ownership seven years later when bought by East and Ross Logue's Auto Trader Media Group.

Association's chief set to retire

David Crawford is stepping down as chief executive of the Motor Industry Association (MIA) next year.

He has given 12 months' notice, as required in his contract, of his intention to retire on March 31, 2023. There is also provision for a three-month handover to his replacement after that.

Crawford, who has been working in the transport sector since 1996, was appointed by the MIA in September 2012 before starting in February of the following year, so he has completed nine years and is now into his 10th.

"I've really enjoyed my time working for the MIA and in the industry," he told Autofile. "The job involves everything from high-level strategic planning and thinking right down to the equivalent of doing the dirty dishes in the kitchen sink.

"It means having a wide range of expertise and knowledge, and it's a good environment to work in. In every industry, it's the people who make it.

"I work alongside a great bunch of people and the teamwork is first class. There are differences in views and distributors are fierce competitors, but they always rise to the occasion around the table to reach a view that's best for the whole sector."

The past decade has seen plenty of challenges faced by the car industry and, perhaps, none more so than now.

Crawford singles out the clean car discount as being "one of the best" but, on the flipside, the clean car standard falls into the opposite end of the spectrum as "a clear winner for being the worst".

"The clean car policies have been our sector's most troublesome policy development when it needn't have been," he says.

"There has been poor advice from officials who didn't understand the linkages between exhaust-emissions standards and fuel-consumption protocols,

David Crawford when he started with the MIA in 2012

nor that vehicles made for the Australian market are New Zealand's biggest source of new vehicles.

"One of the biggest frustrations has been officials and the minister looking at vehicles in other markets, and then assuming we can get them here. It has been a constant headache.

"Our sector wants to embrace change, especially decarbonisation, yet we have constantly been at war with officials and the government. For example, CO2 targets for the clean car standard are ridiculous."

> **"I work alongside a great bunch of people and the teamwork is first class"**

Indeed, the biggest challenge for the MIA has been and remains explaining to officials how its sector works.

"There are pockets of good understanding, then there are pockets of abysmal knowledge. Some issues seem to us to be easy to solve, so it's a mystery why officials and ministers often seem to want to take more convoluted routes."

A major disappointment has been a product stewardship scheme for tyres. When Crawford joined the MIA, it was almost ready to be rolled out, "but 10 years later and progress seems to have stalled again".

As for major achievements, the recall campaign for faulty Takata airbags and working with Kris Faafoi, who was Minister of Commerce and Consumer Affairs between 2017 and 2020, is up there "because it was a logistical challenge and at a scale we had never seen before".

Looking back to 2012-13, Crawford recalls the transition from Perry Kerr as going smoothly and the best handover he has experienced in his career.

Kerr retired in June 2013 after 26 years in the sector – 16 as CEO of the MIA, which he helped to set up.

"Members were willing to take the time to explain their issues and I found myself working in a healthy environment with strong teamwork.

"I came into the job knowing most of the distributors and a reasonable amount on the policy issues before the MIA at the time.

"What I didn't know about was the 40 per cent of the job behind the scenes – on data collation and dissemination on other services we provide to members – that remains out of the public's eye. It took me some time to come to grips with the myriad of services the association provides."

As for the future of the new-vehicle industry, Crawford says the pace of change, different technologies and aligning the sector with a wider range of markets than primarily vehicles made for the Australasian market will be among the biggest challenges. "New Zealand is too small to be a market on its own and decarbonisation will require a truly international effort."

It's a bit early for him to say what retirement, because that's a least a year away, will bring, but the keen motorcyclist quips, "we have a caravan and it needs more use than it's currently getting".

Extensive career

David Crawford was acting director of minerals with NZ Petroleum and Minerals at the Ministry of Business, Innovation and Employment before joining the MIA a decade ago.

He also sat on the Motorcycle Safety Advisory Council and, until May 2012, served on the AA's district council for Wellington.

His previous roles included being general manager for policy and regulatory with Land Information NZ from 2009-11, and land-transport environment and safety with the Ministry of Transport from 2005-09.

Crawford was executive director of the Petroleum Exploration and Production Association of NZ for three years, and was with Maritime NZ for nine years.

He owns DCAC Ltd, a consultancy that specialises in managing work programmes and major projects. It also provides temporary senior executive support, and public policy and regulatory advice.

Extra way to zap stink bugs

An extra option for treating imported vehicles to thwart brown marmorated stink bugs (BMSBs) has been given the green light by the government as it strives to keep the pests out of the country.

The Ministry for Primary Industries (MPI) has approved the use of ethyl formate (EF) to fumigate risk cargo, which includes vehicles, following trials and a period of public consultation.

It adds to the three other options available to treat commodities potentially infested with BMSBs, which are heat, and fumigation with methyl bromide (MB) or sulfuryl fluoride (SF).

The MPI notes EF is an alternative to MB and was already available to treat sea containers for spiders and as an export treatment, and an operational trial to evaluate the feasibility of EF fumigation for containers imported into New Zealand was conducted before it sought feedback on introducing the method.

The trial involved six 20-foot containers loaded with used equipment or a vehicle being tested after two initial doses of EF, 15g and 20g/m3, for four hours.

Paul Hallett, Biosecurity NZ's environmental health manager, says approval of the extra treatment adds to the ways in which vehicles coming into the country can be treated.

"The new treatment will be able to be carried out by any approved organisation," he explains. "Used vehicle imports from Japan currently undergo heat treatment prior to shipment during the BMSB season and current offshore vehicle treatment requirements will still stand.

A quarantine officer working at Ports of Auckland

"EF treatment will not be an obligation. But the difference is importers will have another treatment option for ants, spiders and brown marmorated stink bugs. Any organisation that can prove it has the equipment and expertise to apply EF will be accepted as a provider."

Biosecurity NZ anticipates treatment with EF will be easier and safer than MB fumigation. In addition, it does not deplete ozone from the environment. As such, it is subject to less stringent requirements from the Environmental Protection Authority.

The proposal to add the use of EF to the approved list of treatments went out for public consultation late last year. The MPI made no changes to the treatment schedule but has incorporated some suggestions included in submissions.

One is that the ministry will conduct post-treatment auditing in New Zealand for a period to collect information on efficacy and will update the BMSB Council.

The MPI will also review the results of the fumigation conducted in this country before making this option available to offshore treatment providers and will undertake further consultation before EF is used on other commodities.

Using EF has now been added to the MPI's updated document on standard treatment requirement – approved biosecurity treatments, which came into effect on February 22.

The document notes that fumigation of vehicles using EF takes four hours to deal with stink bugs and ants, whereas heat treatment for vehicles of all sizes only lasts 30 minutes.

The type of commodity to be treated with the EF/CO2 mix under the changes is restricted to machinery, parts, vehicles and equipment, and excludes edible commodities. All vehicles must be fumigated with the doors, bonnet and boot open.

Last year's consultation material details how BMSBs are mostly detected in containers with vehicles, machinery, equipment, and parts from risk countries where they are native or have been introduced.

"The recommended [EF] treatment schedule against BMSB will also be efficacious on ants and is expected to be effective against other species of stink bugs," it adds.

"EF is generally less hazardous than MB, being only classified as an eye irritant. However, it is more flammable than MB. All ignition sources must be removed from the fumigation chamber and mitigation measures put in place for health and safety purposes."

The consultation document explains EF was already registered as a fumigant in New Zealand and Australia for grains, dried fruit, nuts, flowers, fruit and vegetables but is under consideration in Europe and the US. As a result, it can be utilised as a treatment for immediate use in New Zealand but not yet as a pre-shipment treatment.

The report adds enabling EF treatment in this country is likely to assist its overseas registration to replace gases with harmful environmental effects such as MB and SF.

Need to tackle supply issues

The supply chain for electric vehicles (EVs) proved to be robust in 2021 with higher-than-anticipated consumer demand met globally.

However, for their current growth trajectory to continue, battery and vehicle production capacity needs to expand at a rapid rate, according to the International Energy Agency (IEA).

The warning comes as short-term demand and longer-term ambition has skyrocketed over the past two years, and supply chains have "struggled to keep pace".

For example, the world faces potential shortages of lithium and cobalt as early as 2025 unless sufficient investments are made to boost production.

Further growth of the EV market requires not only an expansion of the extraction of key minerals, but also of its entire value chain. The IEA adds this spans battery metal processing and refining, cathode, anode and separator manufacturing, cell production, and battery and car assembly.

Unless each of these industries expand rapidly, bottlenecks could hamper the transition to full electric mobility, so policy action must adapt and provide the market with clear long-term signals to facilitate investments in supply-side expansion.

Examples of this starting to happen include an infrastructure bill in the US to stimulate investments in battery raw materials, while European Union projects place emphasis on finished batteries.

EVs have become the road-transport technology of choice for many governments and the car industry, says the IEA.

The US government in November announced an ambitious 50 per cent electrification target for new cars by 2030, supported by installing 500,000 charging points to boost consumer confidence, while the EU proposes to reduce the carbon dioxide (CO2) emissions standard for new cars to zero by 2035.

Several marques have announced electrification targets. Volkswagen says half of its sales will be electric by 2030 and Ford is aiming for 40-50 per cent. Another milestone in 2021 was Toyota unveiling new investment aimed at achieving electric-car sales of 3.5 million across the world in 2030.

"As manufacturers sharpen electrification strategies to compete for market share rather than considering EVs mostly as policy-compliance vehicles, we will see more resources devoted to advertising, increasingly aggressive pricing and the development of ever-more attractive models," states the IEA's report.

While there were positive takeaways last year, prices for bulk material prices jumped across the automotive industry.

Steel rose by as much as 100 per cent, aluminium by some 70 per cent and copper more than 33 per cent. These all affected conventional and electric cars.

For EVs, extra challenges were posed by increased prices for materials needed to manufacture batteries – the price of lithium carbonate increased by a staggering 150 per cent year on year, graphite by 15 per cent and nickel by 25 per cent to list a few.

For now, and perhaps surprisingly, volume-weighted average battery prices have not increased since 2020. Three factors explain this apparent vagary, says the IEA.

Firstly, battery prices are on a long-term decline trajectory and continued technological progress helps to offset higher raw-material costs. Then there's the time lag between material price spikes and battery price increase as costs take time to work their way through the value chain. Thirdly, the use of lithium ferrophosphate chemistries in batteries has increased, which reduces the impact of some price rises.

That said, if battery metal prices continue to increase, then prices for EVs' power units will be affected, warns the IEA.

Many car makers are facing microchip shortages and that's problematic when it comes to EVs because they require around twice as many chips as equivalent conventional vehicles, mostly because of their extra power electronics components.

As for demand, in 2019 some 2.2 million EVs – the totals the IEA uses include plug-in hybrids and battery EVs, passenger vehicles and light commercials – were registered, which represented 2.5 per cent of global sales.

The following year, the overall market contracted. But EV sales bucked the trend by rising to three million for 4.1 per cent of total sales.

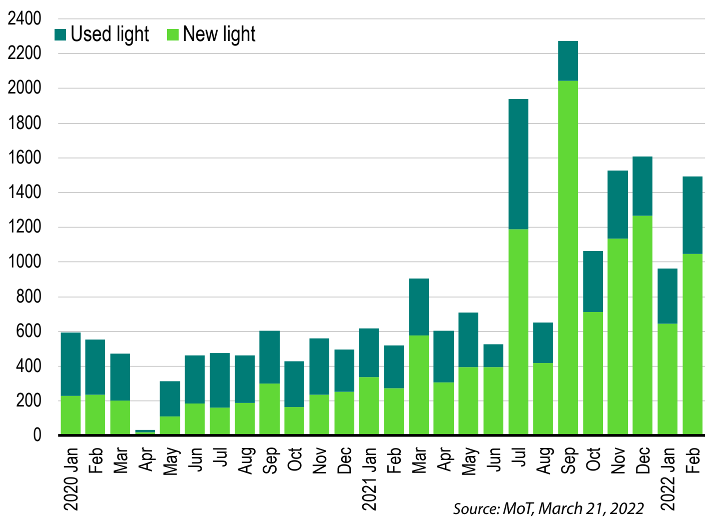
In 2021, registrations of EVs more than doubled to 6.6m – close to nine per cent of the worldwide market and more than tripling their share of the market from two years previous. More importantly, all the net growth in global car sales in 2021 came from EVs, according to the IEA.

Total EVs by region

Northland	1,169
Auckland	16,367
Waikato	2,452
Bay of Plenty	1,528
Gisborne	110
Hawkes Bay	736
Taranaki	539
Manawatu/Whanganui	1,200
Wellington	5,979
Nelson/Marlborough	1,300
Canterbury	5,733
West Coast	56
Otago	2,169
Southland	247

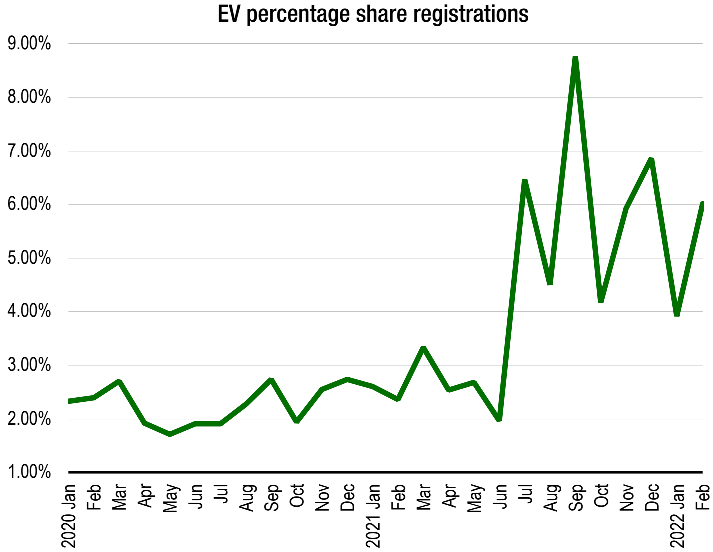
Source: MoT, March 21, 2022

Monthly light EV registrations - new and used import



Source: MoT, March 21, 2022

EV percentage share registrations



Policy pings all for 'bad imports'

It was exciting to see recent discussion about carbon dividends. The Act Party has announced it is now in its platform and the Greens responded that it has always been part of theirs.

When the clean car programme was introduced, VIA constructively opposed it. The policy was a mechanism borrowed from the EU to influence original equipment manufacturers (OEMs) to make more electric vehicles (EVs).

It was, we thought, ill-suited for New Zealand, a market with no domestic manufacturing with most cars bought competitively from other jurisdictions. To clarify the difference, OEMs supply vehicles for a set build price, but purchasing of used cars from overseas is competitive.

The carrot side of the clean car programme is essentially a series of subsidies and fees for those who can supply products at a set price, which is a good thing because all of it goes directly to profit.

For the used-imports industry, subsidies simply lead to increased competition and higher auction prices. We see no part of that subsidy, so there is very little carrot. The programme is designed to provide a minority of importers – by volume and number – with subsidies for "good imports" while punishing everyone for "bad imports".

We've since made the pragmatic decision to support the policy, but only because it's the only option the government will consider to try to decarbonise the fleet and decarbonisation's short-term costs will be less than the long-term costs of doing nothing.

We still object to many of the clean car programme's details. In fact, we think it's already contributing to inequity and reinforcing systemic anti-competitiveness in ways that will only increase over time, and poor design choices will decrease its efficacy in improving the fleet's safety and efficiency.

Our preferred solution for decarbonisation would be one that's supply-agnostic and shapes demand for vehicles being added to the fleet and those already in it. Our modelling predicts better results and fewer externalities by incentivising the public to buy less-emitting models coupled with incentives to remove high-emitters from our fleet.

The clean car discount will meet part of that requirement and our final supportive feedback on the policy strongly recommended it be improved by adding a complimentary scrappage scheme. This, however, was a suggestion made in resigned acceptance our advice would be ignored and the programme would barely be better than doing nothing at all.

A better solution, we have argued, is a carbon dividend. That's a carbon tax paired with an equal distribution of collected fees back to the public. It's an approach that has been endorsed by economists and environmentalists globally.

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

The carbon-tax portion targets emitters with surgical precision compared to the clean car programme, which charges buyers not on their emissions but on a hypothetical potential use in a way that ends up incentivising decreased efficiency.

A carbon dividend will help shape demand for vehicles that burn less fuel, those both new to the fleet and already in the fleet, especially if coupled with a gradually increasing floor on the price of carbon-emitting fuels published well in advance.

> **"A better solution, we have argued, is a carbon dividend"**

Carbon taxes are notoriously regressive, but that's where the dividend part comes in. Distributing money back equally makes the policy progressive. Since people with lower incomes tend to consume less, most folk will get more back than they spend. This could be viewed as rewarding those who have already made positive change or are at least contributing less to the problem.

We've had vigorous debates about the idea of a carbon dividend. The primary objection is always fear of wealth redistribution. Instead of looking at it as that, we realised it was really about the use of a limited shared resource – the atmosphere.

This change in perspective allowed us to switch from questioning the ethics of wealth redistribution to how much we thought it was fair to charge each other for using that resource. This was a much more practical perspective because the answer is simple and in-line with the reality of the situation – high enough to incentivise less consumption while low enough to maintain an affordable standard of living.

Since then, we have proposed this strategy be normalised for use whenever we want to manage a shared limited resource in an equitable way.

For instance, we should consider a congestion dividend and a broadband dividend on data use. An electricity dividend, for example, would be a nominal fee on power consumption that incentivises more efficient appliances. This is important right now to ensure our efforts to decarbonise is done in a way that promotes efficiency, not just electrification. It could also become a way to ensure the public benefits from increasing automation.

I encourage everyone to read more about the potential benefits of this approach to public policy. It isn't a silver bullet and it has its own complications we would need to work through. But, for me, I would just be happy to finally see a policy proposal that doesn't come with a disclaimer stating the government is aware it will make the poor poorer and the rich richer.

The month that was... April

April 27, 1998

Tariff announcement likely with budget

The government appeared set to abolish tariffs on vehicles as part of its May budget. The move would have effectively put an end to uncertainty in the industry that had led to plummeting sales.

It was also an obvious solution to the government's dilemma of when to end tariffs and it would follow an expected official announcement from Nissan on the closure plans for its factory, details of which were already widely known.

The decision to mothball Nissan's plant had become a public-relations nightmare in much the same way as similar news had been for Mitsubishi. The company was the subject of press speculation on the date of its closure despite no concrete details from it.

TVNZ eventually revealed Nissan would close in October or November after it circumvented the New Zealand office and confirmed the shutdown with its headquarters in Japan.

Nissan NZ's two most senior executives, including managing director Toyo Masuda, had been in Japan working on the close-down timetable and the company was due to make its official announcement that week.

April 18, 2008

Geneva strikes deal with biggest creditor

Geneva Finance had struck a deal with its largest creditor, the Bank of Scotland. The move gave the lender time to recapitalise the company using new cash from existing shareholders and by converting some of what it owed to retail investors into new shares.

It had announced a proposal to reconstruct its capital position by writing to all investors asking them to vote on the reconstruction proposal.

Under the terms of the reconstruction proposal, Geneva would list on the NZX Alternative Exchange with 15 per cent of debenture stockholders' and 55 per cent of subordinated noteholders' investments converted to equity. The remaining investments would be repaid in a scheduled plan.

All interest would continue to be paid monthly at an increased minimum rate of 11 per cent per annum for the debentures and 13 per cent per annum for subordinated notes.

In November 2007, Geneva secured a six-month freeze on repayments to its 3,000 investors who were owed more than $138 million.

At the time it was feared Bank of Scotland, which was owed $43m, would be able to demand full repayment as soon as the moratorium expired on April 30, 2008, effectively kneecapping the company and leaving little in the pot for retail debenture investors.

April 21, 2006

Illegal traders convicted

An illegal car dealer was fined $20,000 in a prosecution taken to court by the national enforcement unit (NEU) of the Ministry of Economic Development, with nine more cases before the courts.

The prosecution led to Complete Jag U R Service Ltd being fined $6,000 for advertising on Trade Me while unregistered and $6,000 for advertising on cjaguars.com. In addition, the sole director was fined $8,000 for aiding and abetting the company to carry on business while unregistered.

Since the introduction of the Motor Vehicle Sales Act 2003, the NEU had obtained five other convictions for illegal trading and two companies had been banned from trading as motor-vehicle traders.

The NEU had stepped up its visits to car fairs and yards with 114 conducted in 2005. This was followed by 28 in January and 44 in February 2006.

Illegal dealers identified in the course of these visits had since been, or were in the process of being, registered.

This indicated the NEU was taking an "educate rather than prosecute" approach at a time when industry organisations were pressing for much more pro-active enforcement.

April 17, 2009

Used-import sales rise

After a tumultuous 12 months of trading, a brightening market trend emerged with the release of registration numbers for used imports in March 2009.

While the figures were 40 per cent lower than the same month in 2008 and down year to date by 35 per cent, March's numbers were up by 11 per cent from February 2009. It was the second monthly increase since the previous year's repeated monthly declines.

"Seasonally, the figures were down – down because of their position in the recession recycle," said David Vinsen, chief executive of the Independent Motor Vehicle Dealers' Association. "However, anecdotally we're starting to see a bit of an uptick in the market."

AutoTerminal NZ's general manager, Darryl McGifford, said a number of factors were behind the increase. "March has five weeks and a lot of companies are approaching 'tax time.'"

He added: "I also think that more and more companies probably aren't looking at leasing a new company vehicle, but rather sourcing a used import instead, which in many cases is just as good as a newer vehicle and is a cheaper option."

When real enforcement is needed

There's a saying that "legislation on the run is legislation underdone". That sentiment certainly seems to hold true when referencing recent amendments to the Credit Contracts and Consumer Finance Act (CCCFA).

And as commented in another article in this issue of Autofile, "normally you would expect months to go by for unintended consequences to be exposed but in this case the problems were evident immediately".

The issues have largely been along the lines previously expressed by industry experts during last year's consultation process and since then too.

If it was so obvious to those in the finance and automotive sectors, which called it out, why did officials in the Beehive not see the problems coming that have eventuated?

You really do have to wonder how we got to this point. Is there that much disconnect between the government and industry? Or were representations made by industry during the formative stages of changing the CCCFA never given adequate credence?

It should be remembered the new rules were about trying to address inappropriate lending in poorer communities, so perhaps the "nasty old" industry was never going to be able to get an adequate level of consideration.

We've heard anecdotal comments from some car dealers where so called "good" applicants were declined loans through more respectable finance suppliers.

This was because of the strict application of the new responsible lending rules. Yet, in some cases, those same applicants have gone on to secure loans through lower tier and perhaps less-rigid suppliers.

If such stories are true, perhaps they only serve to confirm issues weren't really with the previous legislation, but rather the lack of real enforcement in problematic areas. I do know those sentiments were expressed by submitters during the earlier consultation stages on amendments to the CCCFA.

It will take a few more months for the proposed corrections put forward by David Clark, the Minister of Commerce and Consumer Affairs, to come into effect. This means we will have potentially been running in a period of restricted market lending for around seven months. That's not great for car dealers and their potential buyers in this period of significant market turbulence.

Irrespective, it may yet serve as an interesting case study on the need for proper review and consideration.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

I've often looked at how slow legislation development is in the US with proposals having to pass through Congress and then the Senate. It seems to take forever to get anything through the mill. In some circumstances, that approach may have some merit. Compare that to New Zealand where things can be pushed through at what some might describe as "indecent haste".

Will the problems surrounding the CCCFA be a one-off? Obviously, we hope so. That said, we will be watching with interest to see how the clean car programmes land.

In the formative stages, there was no shortage of resistance from the collective motor industry to the combined impacts of the clean car discount and standard – one scheme or the other, but not both please. Many of those sentiments still hold and it will be interesting to monitor collective impacts in the years ahead.

Despite criticisms posed in this commentary, credit must go to the folk at Waka Kotahi. They have been making real efforts to engage with the industry to develop processes and systems for the clean car programmes.

The related regulations were released at the beginning of March, which was only a few weeks before implementation of part two of the discount scheme from April 1. This left little time for the industry to digest the detail, let alone make any contribution – notwithstanding it was done and dusted anyway.

It's unfortunate the industry has been left to muddle its way through related application issues without any specific guidance from the government.

This specifically refers to treatment of rebates and fees in advertising, consumer information notices and sales contracts, let alone what happens with rejections under the Consumer Guarantees Act. It will take time to see how those matters pan out.

In the end, and despite all the wringing of hands and gnashing of teeth about clean cars, the substantial increase in fuel prices last month on the back of the war in Ukraine might singularly do more to promote change in our vehicle choice and usage patterns than anything else.

The only question is whether oil prices will settle back to what they were previously or whether a new price level has now been set. Irrespective, let's all hope the conflict itself is a very short-term event and settled soon.

Clocking up electric miles

Key specification details of the all-new, all-electric EV6 range with four variants have been released by Kia NZ.

The entry model is the EV6 Air with rear-wheel-drive (RWD) fitted out with a 58kWh battery.

Then there's the Air RWD Long Range, which can travel 528km on a single charge, while the Earth AWD and GT-Line AWD can cover around 506km between charging. These three variants boast 77.4kWh batteries.

The EV6 GT-Line AWD

A power memory and lumbar-support driver's seat is found in all models. Information is relayed to the driver via an integrated 12.3-inch cluster complemented by a 12.3-inch infotainment screen.

Front-seat occupants in higher specification models, from the Earth AWD up, have heated and powered "premium relaxation" seats and a heated steering wheel. They also have an augmented reality head-up display.

The range-topping GT-Line AWD boasts 20-inch alloys and ventilated front seats. Its other features include a 14-speaker Meridian premium audio system, and optional power sliding and tilting sunroof. Night-time driving is enhanced by including dual LED headlamps with adaptive driving beam.

Two further features available are remote smart-park assist and – optional, depending on the model – a "vehicle to load" and "vehicle to vehicle" plug, which make the EV6 a power source capable of supporting electrical appliances, such as power tools and camping equipment.

With a wheelbase longer than the large seven-seat Sorento SUV and similar to the Stinger, "unheralded" interior space is promised in the EV6 with legroom of 1,078mm at the front and 990mm at the rear.

The cargo space offers up to 490 litres with seats up or 1,300l with the 60-40 split rear seats down, which is about 20 per cent more compared with the Stinger and 5.1 per cent extra than in the QL Sportage.

The car's exterior has been elevated by including an LED lighting package – front headlights, daytime running lights and rear combination lamps. The look is completed by a black glossy beltline.

"This is arguably our most eagerly anticipated launch of all-time in New Zealand," says Todd McDonald, managing director of Kia NZ. "The EV6 delivers striking aesthetics, the latest EV technology and a locally tuned handling package. It offers fast-charging capability and the ability to drive a significant distance on a single charge."

The EV6 made its debut with Kia NZ's dealer partners at the end of last month, with the first models expected to arrive in showrooms "shortly after" that.

The EV6 has already made history by becoming the first model made by a South Korean manufacturer to be take out the top honour at the European Car of the Year awards. It saw off some fierce competition – its rivals included the Hyundai Ioniq 5, Ford Mustang Mach-E, Skoda Enyaq iV, Cupra Born, Renault Megane E-Tech and Peugeot 308.

The EV6 was initially listed for consideration for the top award alongside more than 60 models that launched during 2021. In November, the jury whittled this down to a seven-strong shortlist, six of which were EVs.

Kia Corporation, meanwhile, says the company will build 14 new BEVs, including two new pick-up models, by 2027. Starting next year, it plans to launch at least two fully electric models per annum.

It also wants to expand the application of its connected car feature and autonomous driving technologies to all models and become the world's number-one brand in the global purpose-built vehicle market by the end of the next decade.

Kia says its new flagship, the EV9, is set for launch in 2023. It will boast acceleration of 0-100kph in five seconds, a 540km range on a full charge and 100km of driving on a six-minute charge.

It will also feature over the air and feature-on-demand services so owners can selectively buy software functions, and will be the first Kia to be fitted its AutoMode autonomous driving technology.

Starting with 160,000 BEV sales during 2022, the company aims to sell 807,000 units in 2026 and 1.2 million in 2030. That represents a 36 per cent jump from its target for 2030 announced last year.

Lower emissions for diesel range

There is a waiting time of more than 12 months for Kiwis to get behind the wheel of the new LX 500d despite it only being launched here in March.

The two-variant range boasts a 3.3-litre twin-turbo V6 diesel engine, which replaces the V8 diesel or 5.7-litre petrol engine, and a 10-speed automatic transmission.

However, torque hasn't been sacrificed in the search for greater fuel efficiency and lower carbon dioxide (CO_2) emissions, says Andrew Davis, general manager of Lexus NZ.

"The engineers have achieved a lower weight, but have made the LX sturdy with a lower centre of gravity," he explains. "Our goal is to create a powerful and luxury SUV while continuing to improve the overall CO_2 emissions profile of the range.

"We would love to offer a hybrid or even fully electric LX, but aren't quite there yet. The key factor is the availability of reliable and durable off-roading technology. Many LX 500ds will be sold to customers around the world who may drive long distances to isolated locations that don't have access to charging stations.

The Limited variant of the LX 500d

"Globally, the LX is in high demand. It's no different in New Zealand. This unfortunately means customers can expect a wait time of more than 12 months for new orders, but it's worth it."

While the initial allocation for 2022 has been pre-sold, dealerships are taking orders for the LX 500d's first F Sport version and Limited variant for delivery next year.

The sticker prices for both are $175,900, plus on-road costs. The seven-seat Limited offers "ultimate luxury", while the five-seater F Sport has more emphasis on performance while maintaining a top-end cabin experience.

The 3.3-litre diesel engine generates maximum outputs of 227kW – up by 27kW – and 700Nm of torque for an increase of 50Nm compared to the outgoing V8.

Combined fuel consumption is better at 8.9l/100km and CO_2 emissions are lower at 235g/km on the NEDC cycle, which equates to WLTP figures of 268gm/km. Maximum braked towing capacity comes in at 3,500kg.

Many measures have been taken to save weight to improve responsiveness and fuel consumption. Aluminium has been adopted for the bonnet, roof and door panels, high-tensile strength steel features in the frame, seat construction is lighter and the suspension revised.

Options for families

It represents the first electrified offering from Volkswagen Commercial Vehicles NZ.

The Multivan plug-in hybrid (PHEV) also boasts the new T7 platform, which the company says, "has evolved from a long-standing heritage and pays homage to the DNA of its Kombi predecessor".

General manager Kevin Richards adds: "The iconic design has undergone evolutionary development that ushers in a new era for the brand and mobility.

"This iteration's high-tech features and flexibility give busy families, especially, solutions to rapidly changing transport needs."

With up to seven seats, the PHEV has a pure-electric range of up to 42km and has been designed for families and active people in mind with its seating and cargo space accommodating various mobility scenarios.

Pricing for the Family variant starts from $78,800, plus on-road costs. It will qualify for a rebate under the clean car discount scheme for a "price-point to spec that puts it head and shoulders above the competition".

More details and specifications will be announced in May when it lands here.

Big switch and upshift for Kiwi

Ben Hunt, former national champion and long-time Subaru driver, has confirmed that he will switch to a Skoda Fabia R5 rally car for this year.

The move also comes with an upshift – the Waiuku-based driver will be backed by Skoda NZ and the Giltrap Group to contest all six rounds of the local championship including Rally New Zealand, which is a round of the World Rally Championship (WRC).

Hunt has been on the country's rally scene since 2008 and was national champion in 2019.

Now that he and navigator Tony Rawstorn have secured official backing from Skoda, they will compete at a higher level than ever in a factory-specification Fabia prepared to international FIA R5 rules.

"I'm excited to announce our new partnership with Skoda NZ and the Giltrap Group," says Hunt.

The Fabia has been a feature of rallying in this country at a national level for several years, with drivers including Raana Horan and Job Quantock competing in the quick hatchbacks. Those vehicles have been private imports and haven't had full factory support.

Hunt's previous car, a WRX, was provided by Subaru NZ. Over several seasons, it had been progressively upgraded and lightened using factory STI components and locally designed composites.

But by 2021, it was lagging behind locally built AP4+ cars. Subaru has confirmed there will be no further WRX versions of its vehicles as the company focuses on new drive technologies.

The Fabia R5 Evo rally car is already a WRC winner; inset, the inside of the works vehicle

Vehicles complying with R5 category rules compete on a par with the local AP4+ cars and Hunt highlights there is an added benefit. And that's, internationally, the major teams are all committed to developing R5s as "customer" rally cars, meaning the resources of official rally operations are directed into ongoing development.

Ben Hunt and Tony Rawstorn

The engine of the Fabia R5 is based on a 1.8-litre production unit that has been comprehensively redeveloped for motorsport.

De-stroked to 1.6-litre capacity, the turbo powerplant produces up to 214kW – or 290bhp in old money – with maximum torque of 425Nm.

Most of the components of the vehicle's all-wheel-drive transmission are common. The drivetrain features a five-speed gearbox with no centre differential and mechanical limited-slip differentials front and rear, which help to reduce running costs.

Hunt's Subaru from last year

Hunt says: "This is a big step up and forward for us, and I'm really grateful for the support of both Skoda and the Giltrap Group.

Rodney Gillard, general manager of Skoda NZ, says Hunt's track record made the decision easy.

"Ben and Tony won the 2015 Gold Star NZ Rally championship and were two-wheel-drive national champions in 2011 and 2012," adds Gillard. "This year, as a team they will take the Fabia R5 to the track to compete in six rounds of the New Zealand Rally Championship, including the 2022 WRC at the end of September or early October."

Hunt is excited by the new opportunity. "I can officially say we are the Skoda New Zealand Rally team. Over the past couple of months, it has become the best worst-kept secret in the New Zealand rallying and motorsport community."

International racers to return

Defending V8 Supercar champion Shane van Gisbergen has a battle on his hands in Australia after sharing the podium with Chaz Mostert at the opening round of this year's series

The Aussie V8s are back, the Rally of New Zealand can proceed and the Toyota Racing Series can once again welcome the world's best.

The government has announced it will open its borders to Australians from April, removing the need to self-isolate on arrival. It has also confirmed the progressive relaxation of restrictions on travel from other countries.

The eased border controls are being brought forward in time for the school holidays across the Tasman, Easter and a week prior to Anzac Day commemorations. The move is intended to boost the flagging economies of both New Zealand and Australia.

One of the key motorsport events to benefit is the local round of the V8 Supercar Championship, which is set down for Pukekohe Park, south of Auckland, from September 10-11. The series hasn't been to this country since 2019.

Previously, the government had said New Zealand's border controls would be lifted in July on the proviso that arrivals undertook a 10-day period of self-isolation.

That timing has now been brought forward and the isolation requirement has been abandoned. Travellers will have to return a negative pre-departure test, with two further rapid-antigen tests on the day of their arrival or on day one as well as on day five or six.

A statement issued by New Zealand's government attributed the change to a faster than expected progress to and through the peak of the omicron variant of coronavirus.

"Closing our border was one of the first actions we took to stop Covid-19 two years ago and it did the job we needed," it states. "Now that we are highly vaccinated and predicted to be off our omicron peak, it's now safe to open up.

"Reopening in time for the upcoming Australian school holidays will help spur our economic recovery in the short term and is good news for the winter ski season.

Kiwi rally fans can expect to see WRC stars such as Kalle Rovanperä pictured, in action on New Zealand roads in September

"Trans-Tasman travellers have historically made up 40 per cent of our international arrivals with around 1.5 million Australians visiting each year."

The country's strong health response, including the lowest death rate in the OECD over the past two years and its high rates of vaccination, have been persuasive factors for the government.

Australian Chaz Mostert and defending champion Shane van Gisbergen have set the early pace in the 2022 V8 Supercars series.

The easing of border restrictions also shores up the prospects of the Rally of NZ, which has been named part of the 2022 World Rally Championship (WRC).

The government has also brought forward its border opening to select visa-waiver countries. From May 1, arrivals from the UK, US, Japan, Germany, South Korea and Singapore will also be able to travel to New Zealand.

Many of the drivers coming to contest round 11 of the championship on roads around the Auckland region hail from those countries. Those from Scandinavian countries, including current WRC leader Kalle Rovanperä of Finland, are likely to see border controls lifted in the intervening months.

The Rally of NZ is set down for September 29 to October 2. The first entry came from Dunedin's Emma Gilmour. Fellow southern driver Hayden Paddon is down to compete in a Hyundai i30 N prepared to R5 regulations and Waiuku's Ben Hunt is switching from a long-time association with Subaru to run a Skoda Fabia, also prepared to R5 specifications.

Dealer's quick fix of faulty charging cable in new EV dashes buyer's bid to reject it

The case: The buyer wanted to reject her MG ZS because it had a faulty charging cable. The trader remedied the problem and supplied her with a loan car while repairs were carried out.

The decision: The tribunal agreed the vehicle failed to comply with the Consumer Guarantees Act (CGA). But it ruled the dealer remedied the fault within a reasonable time, so there was no basis for the buyer to reject the car and the application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Wellington.

Background

Alison Cole wanted to reject the 2021 MG ZS she bought from Cartown on September 10, 2021, for $50,685.

The battery electric vehicle (BEV) had a faulty DC charging cable, which meant it couldn't be topped up using a public fast-charger. The trader supplied the buyer with a loan vehicle and fixed the fault on October 1 under the MG manufacturer's warranty.

After the new cable was fitted, the car was capable of being recharged at DC fast-chargers as well as through AC trickle-charging via an ordinary power supply or domestic wall unit.

However, Cole wanted to reject the BEV. She argued the MG didn't comply with the CGA's guarantee of acceptable quality and the cable fault was of a substantial character.

The case

Glenn Theobald, Cartown's shareholder and sales manager, said the MG ZS' pre-delivery inspection revealed no faults with its charging cable.

Cole was dependent on using ChargeNet stations in Taranaki, New Plymouth, Hawera and Opunake to charge her car.

After purchase, she drove it to Hawera where she lived. By the time she reached the town, the BEV needed recharging. She stopped at the ChargeNet's 50kW DC fast-charger nearby, but error "code 53" appeared and it wouldn't charge.

The buyer phoned ChargeNet, which ran tests confirming a vehicle fault rather than an issue with its charger.

Cole then called Cartown's salesman, but he didn't answer because he had left his phone in his car that evening, so she arranged for the MG to be towed.

However, Cole had to walk home with her pet dog in the dark because the tow-truck operator was unable to have her in the cab due to Covid-19 safety restrictions.

The next day, Cartown suggested she get the vehicle checked by MG Taranaki. Fortunately, Cole was able to connect the MG to an AC charger and top up the battery so she could drive it there.

She was initially told the problem was caused by computer codes not being cleared from the vehicle's control unit before purchase.

However, the actual fault was in the cable between the charger and EV battery. That diagnosis was confirmed to Cole by ChargeNet in an email dated September 19 explaining "error 53" was an "isolation fault during charge cable check".

Another error code, this time 95 – "internal timeout within the charger" – appeared when she used ChargeNet's facility in Opunake.

Cole again returned the car to MG Taranaki, and Cartown supplied her with a loan car to use while it diagnosed and fixed the charging issue.

Technicians found the main internal DC charging cable from the front plug to the battery was faulty. It was replaced by MG Taranaki under the manufacturer's warranty on October 1.

The finding

The MG's internal DC charging cable was faulty and needed to be replaced. Therefore, Cole had established her car didn't comply with the guarantee of acceptable quality.

She also submitted the fault was of a substantial character and the vehicle not fit for purpose because the problem put her and those close to her at risk, and argued that at the heart of a BEV was the necessity to charge the car.

Cole said on a number of instances she was told the faults were fixed and the vehicle was fit for purpose, only to find that wasn't correct.

Non-compliance with the CGA's guarantee of substantial character occurs when goods would not have been acquired by a reasonable consumer fully acquainted with the nature and extent of the failure, or when goods significantly depart from the description they were supplied, or were supplied by reference to or an actual demonstration model.

Good also fail to comply if substantially unfit for what they are supplied, or are unfit for a particular purpose made known to or represented by the supplier to be their specified purpose.

Other reasons for failure are when goods cannot be remedied easily and within a reasonable time to make them fit for purpose or aren't of acceptable quality within section seven of the CGA because they are unsafe.

The tribunal didn't doubt that she was inconvenienced. However, it didn't consider she had established the problem was of a substantial character because Cartown had swiftly fixed the MG.

Nor did the tribunal accept the vehicle was unfit for the purpose for which it was supplied, namely to be charged and driven.

The evidence showed that when Cole was unable to charge the car using a fast-charger, she was still able to use a slow AC charger to recharge the battery overnight.

The primary remedy available to a consumer when a vehicle fails to comply with the guarantee of acceptable quality is to require the supplier to fix the failure within a reasonable time, which Cartown did in this case with the assistance of MG Taranaki. So, there was no basis for Cole to reject the car under section 18 of the CGA.

She asked the tribunal for an alternative remedy if her application to reject it wasn't upheld. She sought damages in the form of a refund of her on-road costs of $1,195, plus $12,000 to reflect the harm she suffered because of the vehicle's faults and Cartown's alleged negligence in preparing the MG, including for loss of income suffered while she prepared her tribunal application.

Claims involving defective vehicles are inherently stressful and time-consuming, but the tribunal wasn't satisfied this was an exceptional case justifying any award of damages, particularly considering how easily the car's fault was remedied by Cartown.

Order

The application was dismissed.

A 2021 electric MG ZS

Tribunal rules rear shock absorbers used with mobility vehicle's ramp irreparable

The case: The buyers rejected their 2008 Nissan Serena after its rear shock absorbers failed two months after purchase and after they were told that there were no parts for the minivan so it would be "essentially impossible" for repairs to be carried out. The trader disagreed, saying the buyer failed to give it sufficient opportunity to repair the vehicle.

The decision: The tribunal upheld the buyer's rejection of the minivan because the fault was of a substantial character.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Andrew and Lisa Wheeler purchased a 2008 Nissan Serena for $13,990 from Motive Trading Ltd on July 29, 2021. She had multiple sclerosis and had recently ordered a new wheelchair to assist her mobility. They bought the vehicle because it had a factory-fitted electric ramp.

About two months after purchase, the rear hydraulic shock absorbers, which lowered that end of the minivan to assist access via the ramp, failed. The couple were told the parts was "essentially impossible" to repair.

The Wheelers considered the fault to be a failure of substantial character for the purposes of the Consumer Guarantees Act (CGA). They wanted to reject the Nissan, obtain a refund of the purchase price and all costs they had incurred in respect to the vehicle.

Motive Trading claimed they weren't entitled to reject it because the faulty shock absorbers could be repaired, but the Wheelers hadn't given it an opportunity to assess and repair the Serena.

The case

Prior to purchase, the couple said they told the trader they wanted to use the Nissan as a mobility vehicle. The dealer sent them a video showing the operation of its electric ramp and told them the Serena was in excellent condition.

Mr Wheeler travelled from Blenheim to Auckland to collect it. On the drive back, the check-engine light came on and he said it was "rough to drive" all the way home.

The couple had the vehicle assessed by Automotive Solutions, which replaced an ignition coil costing $615. The trader paid for that repair. The Wheelers also replaced its 12-volt battery at a cost of $245.

On October 3, the rear hydraulic shock absorbers failed. Geoff Noad, of Automotive Solutions, collected the Nissan the next day. He told the hearing the vehicle had no effective rear suspension when he collected it and it was "riding on the bump stops". He found oil had leaked out of both rear shock absorbers due to wear and tear.

Noad was told by a local franchise there were no new replacement parts available in New Zealand or Japan, although Nissan Japan could do a "special run" to make them.

Nissan Japan wouldn't give a price or timeframe for the replacement parts, although Noad understood any repair would be delayed and they could cost $1,700 each.

He also contacted a second-hand parts supplier, who advised him no such shock absorbers for this vehicle were available in this country.

The Wheelers declined to return the Serena to the trader for an assessment and repairs due to the cost of transporting it from Blenheim to Auckland.

Automotive Solutions also refused the dealer's request for the cheaper solution of sending the shock absorbers to the trader for assessment and to be repaired.

Motive Trading told the hearing that a specialist supplier in Auckland had indicated the rear hydraulic shocks could be fixed, but the trader said it hadn't been given an opportunity to assess the faulty parts.

The finding

The Serena couldn't be driven soon after purchase because the rear hydraulic shocks failed and the electric ramp wouldn't work until they were repaired or replaced.

The tribunal accepted Motive Trading sold the vehicle thinking it was in an acceptable condition, but it was satisfied the Nissan wasn't of acceptable quality for the purposes of section six of the CGA.

It also ruled the faulty shock absorbers amounted to a failure of a substantial character because the electric ramp was essential to its purpose as a disability vehicle, so the Nissan was unusable until it was repaired.

Although Motive Trading considered the shock absorbers could be repaired, the tribunal disagreed. It said they were sealed units that would have needed to be cut open, internal components removed, the barrel inspected for excessive wear and, if the barrel was still serviceable, all the ram seals would need to be replaced and the shocks reassembled and resealed by welding cut areas closed. If the barrel was unserviceable, then there was a real possibility that the absorbers couldn't be economically repaired given their age.

Because the vehicle's defects were a failure of a substantial character, the Wheelers were entitled to reject the Serena without requiring the dealer to first remedy the fault.

The buyers were entitled to recover the purchase price of $13,990 and the reasonable cost of transporting the vehicle to Blenheim, but not the cost of replacing the battery.

The Wheelers had travelled about 500km during their two-month ownership of the Nissan, excluding the journey from Auckland to Blenheim.

Consequently, the tribunal was satisfied recoverable transportation costs of $500 reflected the length of their ownership and distance they had travelled in vehicle during that time.

For the purposes of section six of the CGA, goods are of acceptable quality if fit for all purposes for which they are commonly supplied, are acceptable in appearance and finish, free from minor defects, and safe and as durable as a reasonable consumer fully acquainted with their state and condition, including hidden defects, would regard as acceptable.

Factors about the goods need to be taken in account. These are their nature, price when relevant, any statements made about them on any packaging or label, the nature of the supplier and the context in which they are supplied, representations made about them by the supplier or manufacturer, and other relevant circumstances of their supply.

Orders

The rejection of the Serena was allowed. The trader was ordered to pay $14,490 to the buyers and to collect the vehicle from them at its own cost.

A 2008 Nissan Serena

Armacup (NZ)

LATEST SCHEDULE

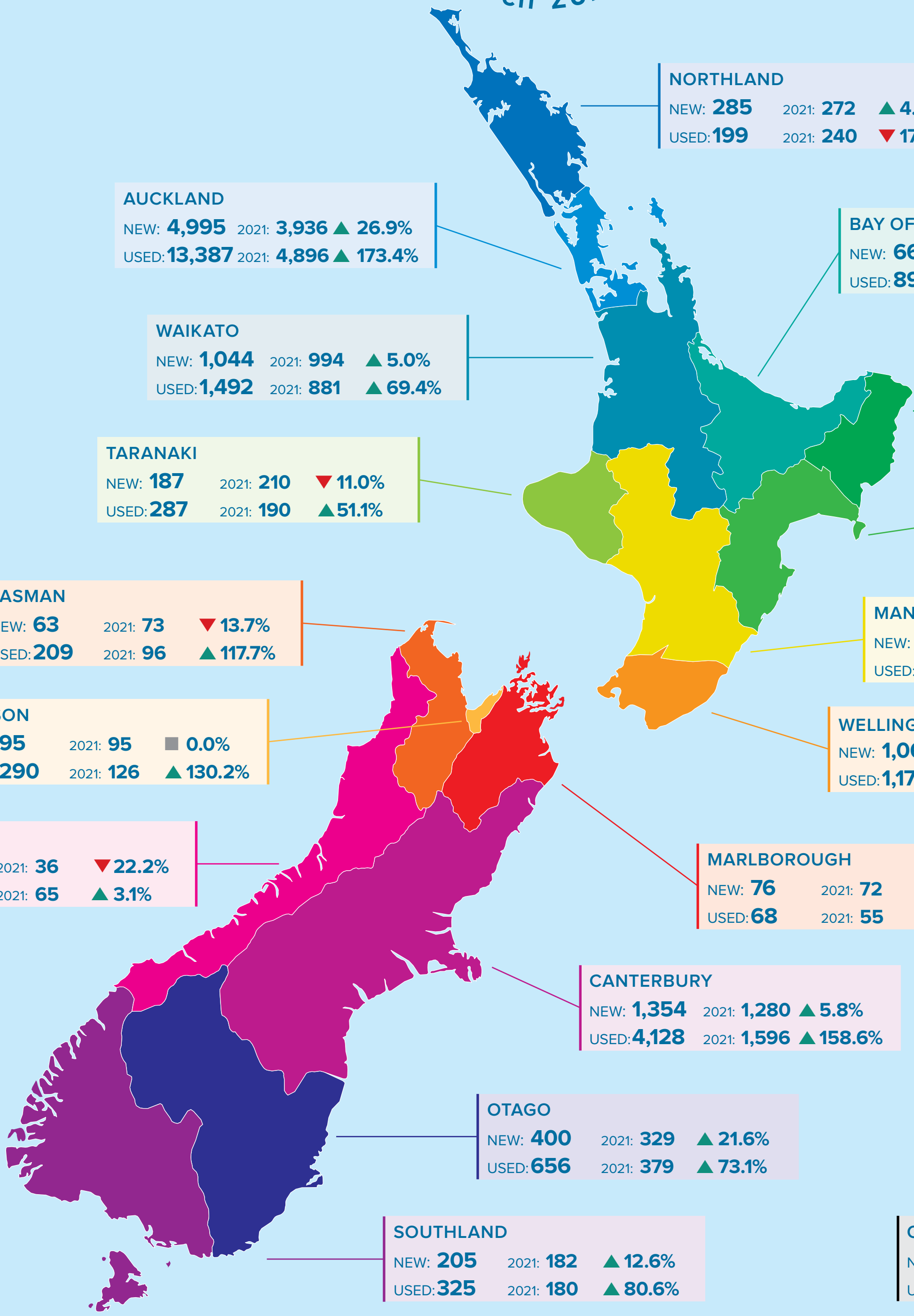
	Port Calls	Turandot v2206	Passama v2207	Paganella v2208	Turandot v2209
JAPAN	Moji	—	—	—	—
	Osaka	19 Mar	9 Apr	24 Apr	2 May
	Nagoya	20 Mar	10 Apr	—	3 May
	Yokohama	21 Mar	11 Apr	26 Apr	4 May
NEW ZEALAND	Auckland	4 Apr	26 Apr	10 May	19 May
	Lyttelton	8 Apr	7 May	14 May	21 May
	Wellington	9 Apr	9 May	23 May	23 May
	Nelson	12 Apr	10 May	24 May	24 May

Phone **0800 ARMACUP (0800 276 2287)**
email **enquiries@armacup.co.nz**
www.armacup.com

Shipping to cure kids

Total new cars	
11,204	
2021: 10,093	▲ 11.0%

Total imported used cars	
24,346	
2021: 11,001	▲ 121.3%



			2021	
NORTHLAND	NEW:	285	272	▲ 4.8%
	USED:	199	240	▼ 17.1%
AUCKLAND	NEW:	4,995	3,936	▲ 26.9%
	USED:	13,387	4,896	▲ 173.4%
WAIKATO	NEW:	1,044	994	▲ 5.0%
	USED:	1,492	881	▲ 69.4%
BAY OF PLENTY	NEW:	660	637	▲ 3.6%
	USED:	895	613	▲ 46.0%
GISBORNE	NEW:	44	50	▼ 12.0%
	USED:	129	83	▲ 55.4%
TARANAKI	NEW:	187	210	▼ 11.0%
	USED:	287	190	▲ 51.1%
HAWKE'S BAY	NEW:	324	323	▲ 0.3%
	USED:	328	296	▲ 10.8%
MANAWATU-WHANGANUI	NEW:	362	419	▼ 13.6%
	USED:	669	417	▲ 60.4%
WELLINGTON	NEW:	1,061	1,158	▼ 8.4%
	USED:	1,175	837	▲ 40.4%
TASMAN	NEW:	63	73	▼ 13.7%
	USED:	209	96	▲ 117.7%
NELSON	NEW:	95	95	■ 0.0%
	USED:	290	126	▲ 130.2%
MARLBOROUGH	NEW:	76	72	▲ 5.6%
	USED:	68	55	▲ 23.6%
WEST COAST	NEW:	28	36	▼ 22.2%
	USED:	67	65	▲ 3.1%
CANTERBURY	NEW:	1,354	1,280	▲ 5.8%
	USED:	4,128	1,596	▲ 158.6%
OTAGO	NEW:	400	329	▲ 21.6%
	USED:	656	379	▲ 73.1%
SOUTHLAND	NEW:	205	182	▲ 12.6%
	USED:	325	180	▲ 80.6%
OTHERS (Chatham Islands, overseas, unknown)	NEW:	21	27	▼ 22.2%
	USED:	42	51	▼ 17.6%

Imported Passenger Vehicle Sales by Make - March 2022

MAKE	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	5,287	3,167	66.9	21.7%	11,172	24.7%
Nissan	3,805	1,542	146.8	15.6%	6,784	15.0%
Subaru	2,628	806	226.1	10.8%	4,454	9.9%
Mazda	2,501	1,468	70.4	10.3%	5,165	11.4%
Honda	1,747	932	87.4	7.2%	3,311	7.3%
BMW	1,707	513	232.7	7.0%	2,816	6.2%
Mitsubishi	1,343	461	191.3	5.5%	2,173	4.8%
Audi	1,042	316	229.7	4.3%	1,698	3.8%
Volkswagen	834	560	48.9	3.4%	1,722	3.8%
Mercedes-Benz	775	188	312.2	3.2%	1,301	2.9%
Lexus	691	213	224.4	2.8%	1,231	2.7%
Volvo	304	80	280.0	1.2%	442	1.0%
Suzuki	300	295	1.7	1.2%	692	1.5%
Land Rover	169	42	302.4	0.7%	266	0.6%
Jaguar	166	39	325.6	0.7%	241	0.5%
Ford	164	63	160.3	0.7%	294	0.7%
Chrysler	159	16	893.8	0.7%	214	0.5%
Jeep	121	27	348.1	0.5%	169	0.4%
Porsche	99	28	253.6	0.4%	150	0.3%
Mini	64	27	137.0	0.3%	116	0.3%
Dodge	60	21	185.7	0.2%	103	0.2%
Chevrolet	57	42	35.7	0.2%	120	0.3%
Holden	47	21	123.8	0.2%	86	0.2%
Citroen	31	8	287.5	0.1%	44	0.1%
Peugeot	29	16	81.3	0.1%	45	0.1%
Hyundai	27	31	-12.9	0.1%	54	0.1%
Cadillac	25	2	1,150.0	0.1%	32	0.1%
Renault	23	5	360.0	0.1%	31	0.1%
Kia	19	14	35.7	0.1%	31	0.1%
Bentley	11	3	266.7	0.0%	20	0.0%
Alfa Romeo	10	5	100.0	0.0%	17	0.0%
Smart	9	0	900.0	0.0%	11	0.0%
Chrysler Jeep	8	4	100.0	0.0%	9	0.0%
Isuzu	7	2	250.0	0.0%	11	0.0%
Tesla	6	1	500.0	0.0%	18	0.0%
Others	77	40	92.5	0.3%	139	0.3%
Total	**24,352**	**10,998**	**121.4**	**100.0%**	**45,182**	**100.0%**

Imported Passenger Vehicle Sales by Model - March 2022

MAKE	MODEL	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Subaru	Legacy	1,059	247	328.7	4.3%	1,584	3.5%
Nissan	X-Trail	896	374	139.6	3.7%	1,544	3.4%
Mitsubishi	Outlander	860	300	186.7	3.5%	1,388	3.1%
Toyota	Aqua	738	787	-6.2	3.0%	2,488	5.5%
Mazda	Atenza	652	163	300.0	2.7%	1,033	2.3%
Mazda	Axela	602	512	17.6	2.5%	1,449	3.2%
Toyota	Mark X	582	178	227.0	2.4%	862	1.9%
Toyota	Vanguard	576	222	159.5	2.4%	926	2.0%
Nissan	Leaf	544	248	119.4	2.2%	1,068	2.4%
Nissan	Skyline	505	128	294.5	2.1%	755	1.7%
Volkswagen	Golf	476	353	34.8	2.0%	1,037	2.3%
Honda	Odyssey	460	123	274.0	1.9%	738	1.6%
Subaru	Impreza	438	236	85.6	1.8%	913	2.0%
Toyota	Blade	420	115	265.2	1.7%	614	1.4%
Honda	CR-V	400	134	198.5	1.6%	627	1.4%
Nissan	Fuga	365	102	257.8	1.5%	518	1.1%
Subaru	Forester	364	126	188.9	1.5%	616	1.4%
Toyota	Prius	311	490	-36.5	1.3%	1,069	2.4%
Subaru	Exiga	296	64	362.5	1.2%	481	1.1%
Honda	Fit	295	386	-23.6	1.2%	817	1.8%
Mazda	CX-5	278	195	42.6	1.1%	768	1.7%
Nissan	Murano	276	51	441.2	1.1%	387	0.9%
BMW	320i	275	110	150.0	1.1%	453	1.0%
Audi	A4	269	79	240.5	1.1%	402	0.9%
Ford	Crown	259	65	298.5	1.1%	434	1.0%
Toyota	Land Cruiser	257	58	343.1	1.1%	377	0.8%
Toyota	Vellfire	247	57	333.3	1.0%	445	1.0%
Lexus	IS 250	246	57	331.6	1.0%	402	0.9%
Mazda	Biante	236	65	263.1	1.0%	396	0.9%
Mazda	Premacy	231	111	108.1	0.9%	465	1.0%
Subaru	Outback	215	56	283.9	0.9%	331	0.7%
Mitsubishi	Delica	213	56	280.4	0.9%	297	0.7%
Suzuki	Swift	198	239	-17.2	0.8%	466	1.0%
Nissan	Serena	189	111	70.3	0.8%	413	0.9%
BMW	X1	176	31	467.7	0.7%	255	0.6%
Others		9,942	4,369	127.6	40.8%	18,364	40.6%
Total		**24,346**	**10,998**	**121.4**	**100.0%**	**45,182**	**100.0%**

Clean cars 'taxation' warning

A dealer in Auckland warns the government's feebate scheme, which started this month, will simply end up being a "revenue gathering" exercise.

"A fair and reasonable person would say the clean car discount has value if for every car that's penalised, we can then bring in an equal vehicle from Japan that will get a rebate," says Tim Marshall.

"However, that isn't the case. I do the buying and there's no way we have equal opportunity to purchase cars subject to rebates in the sort of numbers the government wants because prices in Japan are too high, so this scheme will end up being a form of taxation.

"The market was and is changing. That change was encouraged by the increase of charging stations for electric vehicles [EVs] across the country.

"The change has been happening, led by reason and order. But the government is now trying to snow plough through the move to EVs. This is what happens when bureaucrats get involved in issues they have no knowledge of and only give five minutes' thought."

Marshall, director of Vision Auto Sales based in Penrose, says a lot of people simply cannot afford to buy new EVs. When it comes to low-income earners who need cars to get to work or to use as work vehicles, many will delay upgrading because they cannot afford low-emissions models.

"We need vehicles to get around because there aren't a lot of alternatives," he told Autofile. "Cars are very important in New Zealand and Japanese imports have given us access to reasonably priced vehicles.

"I don't feel as happy with my purchasing as I did prior to this change. It's a hard time to buy cars. With interest rates going up the market is nervous and not as strong as it has been.

"As far as supply goes in Japan, it's a very difficult time because of delays in the production of new cars, so you would think that logic would come into play and the government would defer these changes for at least 12 months. We all want cars with lower emissions, but it has to be a reasoned, logical thought-through change.

Marshall adds December's amendments to the Credit Contracts and Consumer Finance Act have impacted on his business. The strict criteria for assessing loan affordability often leads to "negative sentiment" from customers because "they're getting asked banal and often rude questions that almost challenge their integrity as to whether they can buy something or adjust their discretionary spending".

He says: "The finance law changes have been poorly thought-out and lenders are running scared – they don't want to be the first person to pay the $200,000 fine.

"It's like cracking a nut with a sledgehammer. There's always the odd person doing ridiculous percentage lending to desperate people and that needed to be addressed, but the government came up with this blanket approach.

"During the last lockdown, the industry stalled and it's trying to regain its confidence again. Then these two changes came along."

SLUMP IN SPENDING

Stats NZ reports consumer spending on motor vehicles tumbled by $9 million between January and February with the use of credit and debit cards slumping in all retail industries.

Seasonally adjusted such spending in the automotive sector went from $210m in January to $201m in February for a decline of 4.3 per cent.

Despite this slide in activity, the dollar and percentage figures for vehicles was the lowest fall among industries reported on.

While February's spending figures for vehicles were down from the previous month, they represented a gain of $7m, or 3.6 per cent, from the $194m splashed out on cars in the same period a year ago.

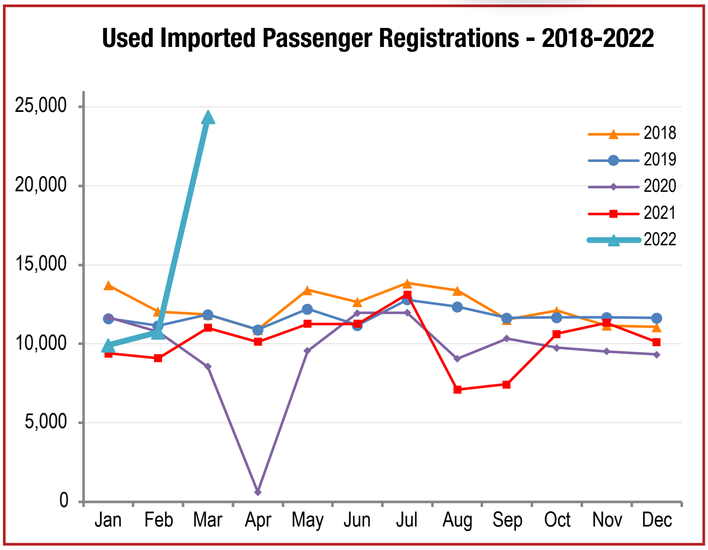
The fuel sector was hit with a $35m slump in February with the $550m spent during the month being a decrease of 5.9 per cent from January's $585m.

Ricky Ho, business performance manager at Stats NZ, says seasonally adjusted total credit and debit card spending in February fell by $640m, or 7.6 per cent, when compared with January.

Surge to beat charges

There were 24,346 used-imported cars registered in March ahead of the feebate scheme being launched. This was an increase of 121.4 per cent when compared to 10,998 during the same month of 2021.

The models' table was topped by the Subaru Legacy with 1,059 units – a 328.7 per cent increase from 247 units in March 2021. Many such models now attract fees under the clean car discount.



Changes to fuel-consumption data

An automated process has replaced the manual entry of fuel-consumption statements into the motor-vehicle register (MVR).

Instead of printing statements, re-entering the data into the MVR and signing statements for records, all that's needed is to print or publish it and go into the register to check the information matches entry and export documentation.

"It means you no longer need to keep a printed copy of the fuel-consumption statement," says Malcolm Yorston, technical manager at the Imported Motor Vehicle Industry Association (VIA).

Waka Kotahi has also updated the fuel-consumption statement to match the MVR's screens.

"You will need to have a statement in the new format, which you can reprint or publish in Fuel Saver to complete entry certifications."

The transport agency has collected fuel-consumption information for light vehicles entering the fleet since 2005.

This includes new vehicles manufactured after January 2005 and imported after February 2005, as well as used vehicles from Japan made after January 2000 and imported after February 2005.

From February 1, 2009, requirements for this information for used imports were extended to vehicles from all countries.

Importers need to provide fuel-consumption information to the entry certifier when first registering a light vehicle for use in New Zealand. Visit importer.fuelsaver.govt.nz to find out more about the changes.

Meanwhile, VIA has urged dealers to consider fitting immobilisers to Toyota Aquas because of an increasing trend for them to be stolen and used in burglaries on commercial premises.

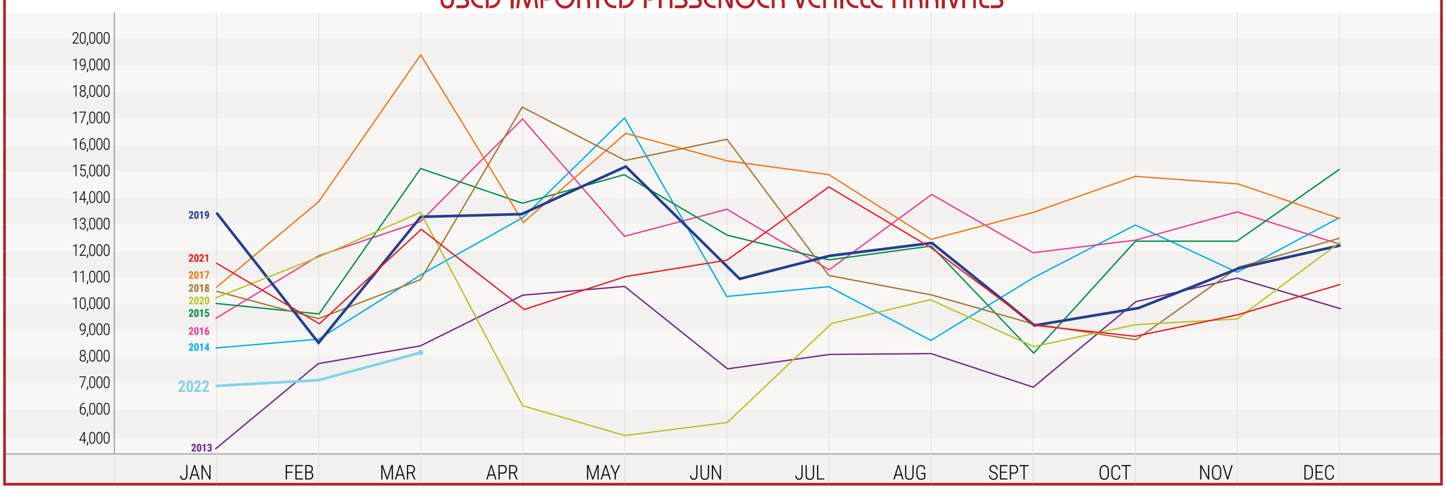
Yorston says: "We recommend you consider fitting immobilisers to Aquas you have in-stock or selling an immobiliser as an extra at time of sale."

Police say the Aqua and other used imports are targeted by offenders because they often do not have factory-fitted immobilisers.

KIWI ARRIVALS

There were 8,259 used cars imported last month. Of those, 7,837 came in from Japan and 232 from Australia. Next up were the US with 77, the UK on 60 and Singapore with 33.

The year-to-date total now stands at 22,375.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2022					2021						2020	
	JAN '22	FEB '22	MAR '22	MAR SHARE %	2022 TOTAL	Q1	Q2	Q3	Q4	2021 TOTAL	MRKT SHARE	2020 TOTAL	MRKT SHARE
Australia	273	240	232	2.8%	**745**	847	860	747	618	3,072	2.4%	4,185	3.9%
Great Britain	62	44	60	0.7%	**166**	367	424	271	197	1,259	1.0%	690	0.6%
Japan	6,493	6,753	7,837	94.9%	**21,083**	31,773	30,673	33,160	27,902	123,508	94.8%	100,994	92.9%
Singapore	46	69	33	0.4%	**148**	433	363	351	231	1,378	1.1%	1,846	1.7%
USA	50	20	77	0.9%	**147**	87	235	190	185	697	0.5%	480	0.4%
Other countries	32	33	20	0.2%	**85**	91	132	96	84	403	0.3%	468	0.4%
Total	**6,956**	**7,159**	**8,259**	**100.0%**	**22,375**	**33,598**	**32,687**	**34,815**	**29,217**	**130,317**	**100.0%**	**108,663**	**100.0%**

Business' profits set to fall

The company that owns 2 Cheap Cars is anticipating underlying net profit after tax (NPAT) for the year ending March 31 will be in the range of $2.3-$2.7 million – down on the prior comparative period of $3.8m.

NZ Automotive Investments (NZAI) has advised the NZX of lower-than-expected revenue because of lower car, finance and insurance (F&I) sales in December and early January.

Actual NPAT, which includes a one-off gain from rearranging of leases of $900,000, was expected to be between $3.2m and $3.6m with no further impact from the pandemic. The company reports it is in a solid financial position with cash balances of $5.8m and net debt of $5.4m, as of January 26.

"The ongoing Covid-19 presence and changes in consumer behaviour have continued to impact sales, in particular in the Auckland region," says David Page, chief executive officer.

"Although November's results were in-line with expectations, management is not seeing the expected bounce-back in sales previously experienced following the first lockdown.

"In addition, the company's decision to gear its fleet up on the strength of the government's proposed clean car rebate implementation from January 1, 2022, coupled with the government's deferral of that date to April 1, has negatively impacted the business."

Page adds recent changes to lending standards in the Credit Contracts and Consumer Finance Act have impacted on finance and insurance sales "due to time delays and consumers taking time to adjust to the new requirements".

NZAI is also continuing to experience increased costs for certain vehicles in Japan and increased freight costs.

"Management has adapted to the challenges presented and has taken key actions to address issues outlined," says Page. "These include adjusting buying parameters, reviewing vehicle pricing, amending the stock mix on dealerships, and refining the F&I processes."

TRADE TUMBLES

There were 16,126 second-hand cars sold to the public by dealers in March. That was down from 18,282 units, or by 11.8 per cent, in the same month of last year.

As for trade-ins, they totalled 13,226 for a decrease of 14.8 per cent from 15,521.

SECONDHAND CAR SALES - March 2022

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	MAR '22	MAR '21	+/- %	MARKET SHARE	MAR '22	MAR '21	+/- %	MAR '22	MAR '21	+/- %
Northland	615	655	-6.1	3.81	2,047	2,099	-2.5	229	266	-13.9
Auckland	5,368	5,680	-5.5	33.29	12,695	13,687	-7.2	5,590	6,050	-7.6
Waikato	1,634	1,839	-11.1	10.13	4,015	4,604	-12.8	1,193	1,475	-19.1
Bay of Plenty	1,107	1,331	-16.8	6.86	2,760	3,318	-16.8	606	781	-22.4
Gisborne	136	162	-16.0	0.84	325	420	-22.6	41	56	-26.8
Hawke's Bay	626	769	-18.6	3.88	1,329	1,753	-24.2	431	541	-20.3
Taranaki	376	451	-16.6	2.33	1,045	1,190	-12.2	191	260	-26.5
Manawatu-Whanganui	897	1,025	-12.5	5.56	2,075	2,419	-14.2	719	916	-21.5
Wellington	1,492	1,923	-22.4	9.25	3,292	3,955	-16.8	1,135	1,294	-12.3
Tasman	139	143	-2.8	0.86	473	571	-17.2	28	23	21.7
Nelson	135	196	-31.1	0.84	443	574	-22.8	164	170	-3.5
Marlborough	118	184	-35.9	0.73	368	438	-16.0	87	146	-40.4
West Coast	132	118	11.9	0.82	324	353	-8.2	48	56	-14.3
Canterbury	2,208	2,463	-10.4	13.69	5,232	6,002	-12.8	2,058	2,380	-13.5
Otago	714	839	-14.9	4.43	1,792	2,205	-18.7	508	563	-9.8
Southland	365	425	-14.1	2.26	975	1,103	-11.6	198	286	-30.8
Other	64	79	-19.0	0.40	175	173	1.2	0	258	-100.0
NZ Total	**16,126**	**18,282**	**-11.8**	**100.00**	**39,365**	**44,864**	**-12.3**	**13,226**	**15,521**	**-14.8**

New Passenger Vehicle Sales by Make - March 2022

MAKE	MAR'22	MAR'21	+/- %	MAR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	1,237	1,017	21.6	11.0%	3,953	14.2%
Tesla	949	270	251.5	8.5%	1,301	4.7%
Toyota	862	1,105	-22.0	7.7%	2,244	8.1%
Hyundai	848	463	83.2	7.6%	2,158	7.8%
Mazda	795	785	1.3	7.1%	1,733	6.2%
Kia	689	1,047	-34.2	6.1%	2,519	9.1%
MG	573	325	76.3	5.1%	1,489	5.4%
Suzuki	401	713	-43.8	3.6%	1,586	5.7%
Haval	390	107	264.5	3.5%	921	3.3%
Honda	372	459	-19.0	3.3%	1,206	4.3%
Land Rover	356	134	165.7	3.2%	465	1.7%
Mercedes-Benz	354	201	76.1	3.2%	739	2.7%
Nissan	337	469	-28.1	3.0%	796	2.9%
Ford	312	440	-29.1	2.8%	813	2.9%
Volkswagen	256	539	-52.5	2.3%	675	2.4%
Peugeot	250	142	76.1	2.2%	359	1.3%
BMW	225	163	38.0	2.0%	511	1.8%
Audi	221	161	37.3	2.0%	455	1.6%
Subaru	185	461	-59.9	1.7%	689	2.5%
SsangYong	184	100	84.0	1.6%	333	1.2%
Jeep	174	212	-17.9	1.6%	274	1.0%
Skoda	152	165	-7.9	1.4%	387	1.4%
Isuzu	131	28	367.9	1.2%	178	0.6%
Volvo	128	70	82.9	1.1%	280	1.0%
Jaguar	116	35	231.4	1.0%	169	0.6%
Lexus	109	90	21.1	1.0%	339	1.2%
Polestar	105	0	10,500.0	0.9%	156	0.6%
Renault	88	19	363.2	0.8%	120	0.4%
LDV	79	33	139.4	0.7%	133	0.5%
Citroen	60	25	140.0	0.5%	79	0.3%
Mahindra	59	10	490.0	0.5%	71	0.3%
Mini	42	83	-49.4	0.4%	175	0.6%
Cupra	40	3	1,233.3	0.4%	90	0.3%
Porsche	20	48	-58.3	0.2%	171	0.6%
Can-Am	16	7	128.6	0.1%	28	0.1%
Aston Martin	15	4	275.0	0.1%	24	0.1%
Fiat	14	15	-6.7	0.1%	33	0.1%
Maserati	13	7	85.7	0.1%	30	0.1%
Alfa Romeo	9	15	-40.0	0.1%	27	0.1%
Bentley	7	6	16.7	0.1%	15	0.1%
Yamaha	6	8	-25.0	0.1%	16	0.1%
Lamborghini	5	2	150.0	0.0%	11	0.0%
Lotus	4	0	400.0	0.0%	6	0.0%
McLaren	4	3	33.3	0.0%	7	0.0%
Chevrolet	3	2	50.0	0.0%	11	0.0%
Others	9	103	-91.3	0.1%	31	0.1%
Total	**11,204**	**10,094**	**11.0**	**100.0%**	**27,806**	**100.0%**

New Passenger Vehicle Sales by Model - March 2022

MAKE	MODEL	MAR'22	MAR'21	+/- %	MAR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Tesla	Model 3	949	269	252.8	8.5%	1,301	4.7%
Mitsubishi	Outlander	625	467	33.8	5.6%	2,354	8.5%
Toyota	RAV4	496	326	52.1	4.4%	858	3.1%
Mazda	CX-5	378	338	11.8	3.4%	673	2.4%
MG	ZS	359	172	108.7	3.2%	917	3.3%
Haval	Jolion	301	0	30,100.0	2.7%	544	2.0%
Hyundai	Tucson	285	38	650.0	2.5%	471	1.7%
Mitsubishi	Eclipse Cross	266	149	78.5	2.4%	654	2.4%
Mitsubishi	Pajero Sport	263	63	317.5	2.3%	388	1.4%
Hyundai	Kona	262	141	85.8	2.3%	819	2.9%
Suzuki	Swift	232	287	-19.2	2.1%	775	2.8%
Nissan	X-Trail	231	246	-6.1	2.1%	560	2.0%
Kia	Stonic	206	267	-22.8	1.8%	608	2.2%
Kia	Sportage	191	343	-44.3	1.7%	616	2.2%
Honda	CR-V	176	196	-10.2	1.6%	404	1.5%
Ford	Everest	165	41	302.4	1.5%	411	1.5%
Honda	Jazz	136	29	369.0	1.2%	559	2.0%
Land Rover	Range Rover Sport	136	42	223.8	1.2%	181	0.7%
Isuzu	MU-X	131	28	367.9	1.2%	178	0.6%
Hyundai	Santa Fe	129	164	-21.3	1.2%	364	1.3%
MG	HS	126	46	173.9	1.1%	295	1.1%
Polestar	Polestar 2	105	0	10,500.0	0.9%	156	0.6%
Volkswagen	Tiguan	104	208	-50.0	0.9%	167	0.6%
Mazda	CX-9	98	115	-14.8	0.9%	156	0.6%
Jeep	Grand Cherokee	97	57	70.2	0.9%	167	0.6%
Peugeot	208	92	0	9,200.0	0.8%	116	0.4%
Haval	H6	89	9	888.9	0.8%	377	1.4%
Mazda	CX-30	88	68	29.4	0.8%	204	0.7%
MG	3	88	47	87.2	0.8%	276	1.0%
Jaguar	F-Pace	87	21	314.3	0.8%	96	0.3%
Mercedes-Benz	GLE	84	25	236.0	0.7%	193	0.7%
Kia	Niro	83	33	151.5	0.7%	254	0.9%
SsangYong	G4 Rexton	83	14	492.9	0.7%	136	0.5%
Suzuki	Jimny	82	101	-18.8	0.7%	346	1.2%
LDV	D90	78	24	225.0	0.7%	131	0.5%
Mitsubishi	ASX	78	296	-73.6	0.7%	485	1.7%
Peugeot	2008	76	27	181.5	0.7%	118	0.4%
Mazda	Mazda3	73	68	7.4	0.7%	176	0.6%
Toyota	Fortuner	73	14	421.4	0.7%	162	0.6%
Land Rover	Defender	72	36	100.0	0.6%	109	0.4%
Volvo	XC40	69	30	130.0	0.6%	135	0.5%
Ford	Escape	68	181	-62.4	0.6%	183	0.7%
Toyota	Land Cruiser Prado	67	45	48.9	0.6%	110	0.4%
Kia	Seltos	64	125	-48.8	0.6%	437	1.6%
Land Rover	Range Rover Evoque	64	12	433.3	0.6%	64	0.2%
Others		3,199	4,886	-34.5	28.6%	9,122	32.8%
Total		**11,204**	**10,094**	**11.0**	**100.0%**	**27,806**	**100.0%**

German marque launches in NZ

Electric vehicles (EVs) are among Opel's line-up for this country with details about its dealer network to be unveiled this month.

Pricing information will follow in May, although the marque says all its products – petrol vehicles, plug-in hybrids and battery EVs – will attract rebates under the new clean car discount scheme. The first are likely to land here early in the second half of 2022.

"The brand has committed to New Zealand and to delivering a premium electrified product at a mainstream price," says Tom Ruddenklau, general manager of Opel NZ.

"It's a highly regarded German marque with a history stretching back more than 100 years. It has identified New Zealand as a market with outstanding opportunity thanks, in considerable part, to bold initiatives undertaken with the clean car policy."

The Kiwi range will initially consist of three models. They are the Corsa, a small hatchback, and two SUVs – the Mokka and Grandland. The medium-size Astra hatch is due to arrive in January 2023.

They will be imported by Automotive Distributors NZ (ADNZ), which was formed five years ago and is part of Armstrong's Motor Group.

Billy Haynes, head of Asean markets for Stellantis Automotive, Opel's parent company, says: "Of the multiple individual markets I have responsibility for, the ADNZ team constantly impress us with their professionalism and ambition."

Ruddenklau, who previously headed up Volkswagen and Hyundai here, adds: "Opel is here to present a real and viable alternative to Kiwis who desire an electrified future. It's an exciting time to bring a brand to market at such a significant moment in our clean car journey. We can't wait to introduce the line-up, instil confidence in our product and bring more options to motorists."

Opels were previously sold in New Zealand from 1989-94 via Holden franchises. The marque also supplied some cars for the lion-and-stone brand before 2020, including the ZB Commodore.

VENTURING SOUTH

The Ebbett Group is set to open a dealership in central Nelson in mid-2022 for the company's first foray into the South Island.

The site on the corner of Rutherford Street and Nile Street will cater for Skoda, GWM and Haval. It will also feature a used vehicle and service operation.

Ben van den Engel, group managing director, says the company is looking forward to growing its network beyond its 18 North Island dealerships.

"We've been looking for the right opportunity in that part of the country for a while," he adds. "We are excited to have found a site and brand we feel can be extremely successful there."

FULLY IMMERSIVE

The Giltrap Group has opened an interactive showroom in Westfield Newmarket, Auckland.

While automotive-themed stores and pop-up sites are now commonplace, The Car Store combines technology and creativity to develop a space that can be transformed to display different marques.

Two eight-metre-wide screens dominate the area and are likened to "living wallpaper". Visitors can also configure their models in-store by using tablets and a huge touchscreen, with virtual vehicles then displayed life-sized on digital walls.

There's also an opportunity for potential buyers to take a test drive from the mall with demonstrators parked directly below.

FUEL-USE WARNING

The Motor Industry Association is urging drivers to avoid using lower-grade petrol in a bid to save money. Its advice comes on the back of recent fuel-price hikes, which may continue for some time yet.

It says owners of cars requiring a higher grade of fuel risk doing long-term damage to engines if they use a lower grade than recommended.

"Owners of cars that require higher octane petrol may be tempted to use 91 octane to save a few bucks, but it's a false economy," says Mark Stockdale, principal technical adviser. "If you use a lower grade than required, you risk damaging the engine, which will cost far more than any saving in fuel.

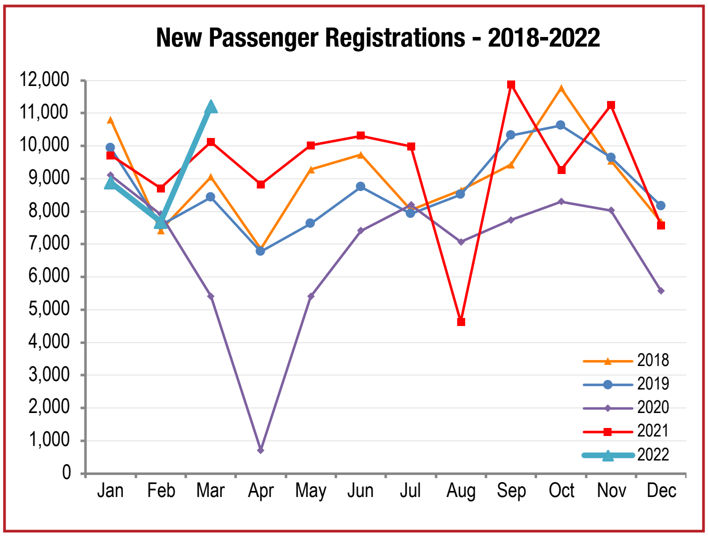
"The recommended octane rating is provided in the owner's handbook, but if owners aren't sure they could check with the dealer."

Increases in fuel prices internationally is one of the fallouts from Russia's invasion of Ukraine. The war is likely to further exacerbate the shortage of semi-conductors and other car parts, there have been major impacts on the global supply chain, and numerous companies – such as Mercedes-Benz, Toyota, Volkswagen, Renault, Hyundai and Stellantis – halted production in Russia last month.

Tesla tops table

There were 11,204 new passenger vehicles sold in March, which was up by 11 per cent from 10,094 in the same month of last year.

The top-selling model was the Tesla's Model 3 with 949 units for an 8.5 per cent share of the market. Mitsubishi's Outlander was second with 625 and Toyota's RAV4 third on 496. The Mazda CX-5 with 378 sales and MG ZS on 359 made up the top five. Mitsubishi was last month's leading marque with 1,237 units.



Trade in utes helps set record

A massive year-on-year jump in new-vehicle registrations for March has resulted from market changes ahead of the full clean car discount being launched this month, reports the Motor Industry Association (MIA).

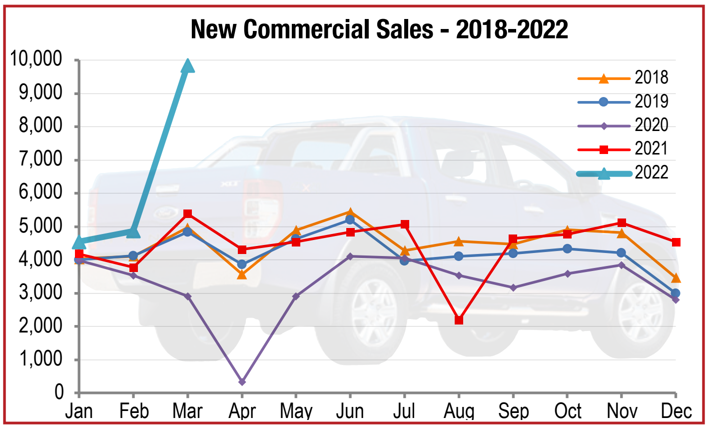
Chief executive David Crawford says the combined total of 21,046, based on Waka Kotahi statistics, beats the previously monthly record of 16,607 in October 2018.

Registrations of new commercials rocketed by 82.9 per cent year on year from 5,380 to 9,842, while new cars climbed by 11 per cent to 11,204 from 10,094.

He says it's "no surprise" so many utes were registered in March because they were cheaper up to and including March 31 than from April 1 because of the feebate scheme.

"I don't think we will see a lot of light commercials registered in April and it will take a little time for the market to settle down. It demonstrates the impact government intervention can have.

"We expect the rest of the year to be unsettled because of these policies, especially combined with shipping and production delays."



Sales of fully electric cars have remained strong because nothing has changed between March 31 and April 1 because the same discounts on them apply, Crawford told Autofile.

However, he notes plug-in hybrids have shifted from attracting a fixed discount rate to now receiving variable rebates based on their carbon-dioxide emissions.

Crawford adds registrations of traditional petrol hybrids may have dropped back last month because low-emissions vehicles now attract a rebate at the time of first registration in New Zealand under the full clean car discount scheme. ▶

New Commercial Sales by Make - March 2022

MAKE	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	2,329	725	221.2	23.7%	4,349	22.6%
Ford	2,051	927	121.3	20.8%	4,166	21.6%
Toyota	1,905	1,245	53.0	19.4%	3,649	18.9%
Isuzu	812	408	99.0	8.3%	1,339	7.0%
LDV	744	245	203.7	7.6%	1,220	6.3%
Nissan	281	372	-24.5	2.9%	963	5.0%
Great Wall	243	147	65.3	2.5%	417	2.2%
Mazda	230	245	-6.1	2.3%	430	2.2%
Hyundai	167	237	-29.5	1.7%	270	1.4%
Volkswagen	141	136	3.7	1.4%	297	1.5%
Mercedes-Benz	117	69	69.6	1.2%	247	1.3%
Fuso	102	82	24.4	1.0%	271	1.4%
Hino	83	73	13.7	0.8%	229	1.2%
Ram	81	22	268.2	0.8%	146	0.8%
Jeep	74	0	7,400.0	0.8%	86	0.4%
SsangYong	64	57	12.3	0.7%	163	0.8%
Mahindra	56	5	1,020.0	0.6%	78	0.4%
Fiat	52	91	-42.9	0.5%	186	1.0%
Renault	50	27	85.2	0.5%	74	0.4%
Scania	42	33	27.3	0.4%	89	0.5%
Others	218	234	-6.8	2.2%	591	3.1%
Total	**9,842**	**5,380**	**82.9**	**100.0%**	**19,260**	**100.0%**

New Commercial Sales by Model - March 2022

MAKE	MODEL	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	Triton	2,266	691	227.9	23.0%	4,239	22.0%
Ford	Ranger	1,934	830	133.0	19.7%	3,996	20.7%
Toyota	Hilux	1,580	1,019	55.1	16.1%	2,971	15.4%
Isuzu	D-Max	706	303	133.0	7.2%	1,115	5.8%
Nissan	Navara	280	372	-24.7	2.8%	962	5.0%
Toyota	Hiace	270	159	69.8	2.7%	584	3.0%
LDV	Deliver 9	258	36	616.7	2.6%	338	1.8%
Great Wall	GWM Cannon	243	109	122.9	2.5%	417	2.2%
Mazda	BT-50	230	245	-6.1	2.3%	430	2.2%
LDV	T60	201	96	109.4	2.0%	343	1.8%
Hyundai	Staria Load	157	0	15,700.0	1.6%	249	1.3%
LDV	G10	130	80	62.5	1.3%	287	1.5%
Ford	Transit	115	97	18.6	1.2%	168	0.9%
LDV	V80	113	29	289.7	1.1%	184	1.0%
Mercedes-Benz	Sprinter	105	53	98.1	1.1%	211	1.1%
Ram	1500	75	22	240.9	0.8%	133	0.7%
Jeep	Gladiator	74	0	7,400.0	0.8%	86	0.4%
SsangYong	Rhino	64	57	12.3	0.7%	163	0.8%
Mitsubishi	Express	63	33	90.9	0.6%	109	0.6%
Volkswagen	Amarok	58	49	18.4	0.6%	74	0.4%
Others		920	1,100	-16.4	9.3%	2,201	11.4%
Total		**9,842**	**5,380**	**82.9**	**100.0%**	**19,260**	**100.0%**

"What is surprising is that a lot of vehicles have come in, gone through entry compliance and were registered last month. That said, the overall outcome was what the MIA predicted."

Mitsubishi was a major winner last month with what it describes as "record-breaking retail sales" of 3,566 with the Triton coming in with 2,266 units.

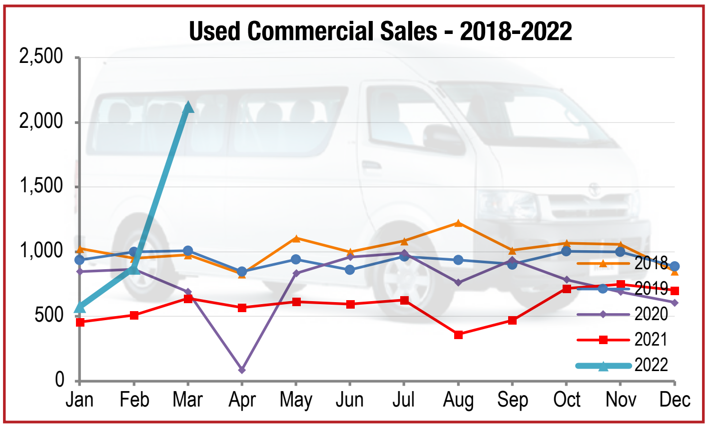
For the financial year, the marque's total registrations of 23,666 vehicles nearly doubled its "previous modern-day high" of 12,954 in 2019 – a jump of 82.9 per cent. As for last month, its overall total represents a year-on-year increase from March 2021 of 1,737 units.

"These results demonstrate not so much a continuation of the momentum we've been building over recent years – this is a burst of sales activity to cross the end of the financial year's finishing line," says Reece Congdon, head of marketing and corporate affairs.

"We made a bold move to secure 5,000 Tritons for New Zealand. Ute drivers responded emphatically ahead of the introduction of the clean car standard in April.

"These results prove that not only are we not content to rest on our laurels, we're working harder than ever to keep improving."

Congdon adds Mitsubishi's marketing campaign launch for the next-generation Outlander PHEV has seen hundreds of orders, test drives and deposits taken over a two-week period.



BEATING FEEBATES

There were 9,842 new commercials registered last month, which was up by 82.9 per cent when compared to 5,380 in March 2021.

Mitsubishi's Triton was the top model with 2,266 units. It was followed by the Ford Ranger on 1,934 and Toyota's Hilux with 1,580.

As for used-imported commercials, there were 2,123 registered in March compared to 641 in the same month last year for a rise of 231.2 per cent.

Toyota's Hiace climbed by 318.8 per cent from 165 to 691 and Nissan's NV350 from 29 to 487.

These large registration increases are in-line with market demand for new utes and anticipated dealer pre-registrations ahead of April 1 when feebate charges for higher-emitting models came in.

Used Commercial Sales by Make - March 2022

MAKE	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	855	261	227.6	40.3%	1,398	39.0%
Nissan	737	88	737.5	34.7%	1,119	31.2%
Hino	80	60	33.3	3.8%	206	5.8%
Ford	74	31	138.7	3.5%	121	3.4%
Holden	62	12	416.7	2.9%	91	2.5%
Isuzu	61	56	8.9	2.9%	171	4.8%
Mitsubishi	57	35	62.9	2.7%	122	3.4%
Mazda	43	8	437.5	2.0%	64	1.8%
Chevrolet	21	11	90.9	1.0%	29	0.8%
Suzuki	21	6	250.0	1.0%	35	1.0%
Daihatsu	19	10	90.0	0.9%	41	1.1%
Volkswagen	14	8	75.0	0.7%	22	0.6%
Dodge	12	0	1,200.0	0.6%	18	0.5%
GMC	11	1	1,000.0	0.5%	16	0.4%
Subaru	7	1	600.0	0.3%	9	0.3%
Fiat	5	12	-58.3	0.2%	10	0.3%
Volvo	5	1	400.0	0.2%	10	0.3%
Hyundai	4	2	100.0	0.2%	7	0.2%
Kenworth	4	3	33.3	0.2%	15	0.4%
Mercedes-Benz	4	6	-33.3	0.2%	9	0.3%
Others	27	29	-6.9	1.3%	69	1.9%
Total	**2,123**	**641**	**231.2**	**100.0%**	**3,582**	**100.0%**

Used Commercial Sales by Model - March 2022

MAKE	MODEL	MAR '22	MAR '21	+/- %	MAR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hiace	691	165	318.8	32.5%	1,093	30.5%
Nissan	NV350	487	29	1,579.3	22.9%	753	21.0%
Nissan	Caravan	126	20	530.0	5.9%	195	5.4%
Hino	Dutro	60	47	27.7	2.8%	144	4.0%
Ford	Ranger	45	11	309.1	2.1%	70	2.0%
Toyota	Dyna	45	42	7.1	2.1%	106	3.0%
Chevrolet	Colorado	42	8	425.0	2.0%	58	1.6%
Nissan	NV200	42	6	600.0	2.0%	48	1.3%
Toyota	Regius	41	3	1,266.7	1.9%	63	1.8%
Isuzu	Elf	36	35	2.9	1.7%	115	3.2%
Nissan	Atlas	31	16	93.8	1.5%	52	1.5%
Toyota	Hilux	28	13	115.4	1.3%	42	1.2%
Fuso	Canter	24	16	50.0	1.1%	63	1.8%
Toyota	Toyoace	21	27	-22.2	1.0%	53	1.5%
Nissan	Navara	20	6	233.3	0.9%	23	0.6%
Daihatsu	Hijet	19	10	90.0	0.9%	40	1.1%
Suzuki	Carry	19	6	216.7	0.9%	32	0.9%
Hino	Ranger	18	10	80.0	0.8%	51	1.4%
Mazda	Bongo	17	1	1,600.0	0.8%	21	0.6%
Mazda	BT-50	17	3	466.7	0.8%	28	0.8%
Others		294	167	76.0	13.8%	532	14.9%
Total		**2,123**	**641**	**231.2**	**100.0%**	**3,582**	**100.0%**

'Lucky never ran out of stock'

A dealer in Timaru says the government delaying the full roll-out of the clean car discount until the start of this month has boosted sales of larger vehicles across New Zealand's light fleet.

Bob Driver, who owns Bob Driver SsangYong LDV in Timaru, says the feebate scheme, which he describes as "the new tax on utes", being postponed from its original launch at the start of this year has been a "driving force for sales".

"I would hate to be selling cars," he told Autofile. "Commercials are about 90 per cent of the market for me now. We might sell one car a month, but people are standing in a queue for utes."

That said, he adds: "You can only spend so much of your wages every year on vehicles, so it's difficult to know where the money is going to come from for more sales this year."

As for 2021, Driver had a very good year. Indeed, it was one "you would dream of having".

"We were very lucky that we never ran out of stock and that's been the big thing. The longest our customers have had to wait for a new vehicle is about 30 days."

He notes that when it comes to other dealerships, customers have had to wait much longer. "Other franchises can say that they have sold a lot of stock, but they haven't delivered the vehicles so they haven't really sold them."

Meanwhile, MG Motor has unveiled a drive-away initiative, which means what's advertised is the final price because there are no add-ons or on-roads to pay.

"We want to challenge the notion that a second-hand vehicle is the only option for buyers looking for an affordable car," says Peter Ciao, chief executive officer of MG Motor Australia and New Zealand.

The policy shift complements its new seven-year warranty, roadside assistance and warrant of fitness package on all new models bought at its 14 dealerships.

"Drive-away pricing adds a new level of transparency and makes the buying process straightforward," adds Ciao. "A similar programme has helped build a loyal customer base in Australia. We have high hopes this will attract more Kiwis to the brand."

As for the seven-year warranty package, he adds: "This provides enhanced surety for all new MG buyers and is transferable from one owner to the next."

Jump in trade

Imports of new cars in March came in at 10,522. This was 5.1 per cent less than in the same month of 2021, but 17.9 per cent more than February's 8,923 units.

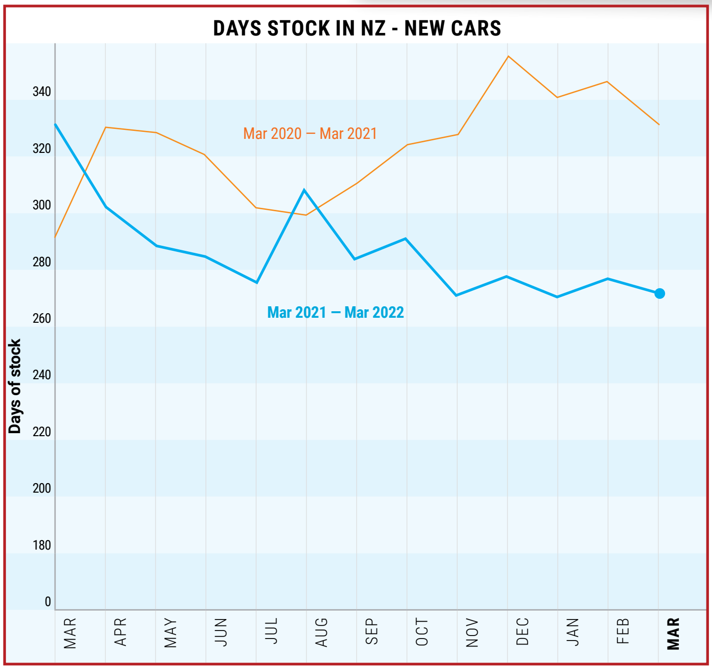
Registrations of new passenger vehicles totalled 11,204 last month, which was up by 11 per cent from March 2021's figures for an increase of 45.9 per cent from 7,680 units in February.

The numbers have resulted in the stock of new cars still to be registered dropping by 682 to 82,960. Daily registrations, as averaged over the previous 12 months, stand at 305 units per day – up from 238 a year earlier.

March's results mean stock at-hand has decreased to 272 days, or 8.9 months, if sales continue at the current rate. In the same month of 2021, the figures were 333 days, or 10.9 months, respectively.

Dealer stock of new cars in New Zealand

	Car sales: Imported	Car sales: Registered	Variance	Stock	Daily sales - 12-month average	Days stock at hand
Mar '21	11,091	10,093	998	79,140	238	333
Apr '21	8,032	8,815	-783	78,357	260	301
May '21	9,988	9,984	4	78,361	273	287
Jun '21	11,871	10,276	1,595	79,956	281	285
Jul '21	9,264	9,954	-690	79,266	285	278
Aug '21	10,921	4,609	6,312	85,578	279	307
Sep '21	8,725	11,853	-3,128	82,450	290	284
Oct '21	12,086	9,248	2,838	85,288	293	291
Nov '21	8,119	11,227	-3,108	82,180	301	273
Dec '21	10,322	7,559	2,763	84,943	307	277
Jan '22	6,400	8,944	-2,544	82,399	305	270
Feb '22	8,923	7,680	1,243	83,642	302	277
Mar '22	**10,522**	**11,204**	**-682**	**82,960**	**305**	**272**
Year to date	**25,845**	**27,828**	**(1,983)**			
Change on last month	**17.9%**	**45.9%**		**-0.8%**		
Change on Mar 2021	**-5.1%** LESS IMPORTED	**11.0%** MORE SOLD		**4.8%** MORE STOCK		



Scam targets dealers' cars

An industry organisation has issued a warning over security policies following attempts by criminals to take stock parked at other business premises.

Dealers have been warned about scammers singling out cars parked at service providers, such as inspection companies.

The Imported Motor Vehicle Industry Association put out an alert to members to highlight the problem recently brought to its attention.

"Scammers have been operating in west Auckland's suburbs where they have been targeting cars displaying trade plates parked at business premises," says Malcolm Yorston, technical manager.

"They see the dealer's name on the trade-plate holder and go onto the premises purporting to be from the dealership and say they have been sent around to pick up the car, as well as describing the vehicle parked outside."

He adds some businesses have been suspicious because staff haven't recognised the person involved. "They have rung dealers to confirm if they should release the vehicle and, subsequent to the call, have refused to let it go."

Traders are being advised to ensure their service suppliers – such as warrant of fitness providers, tyre-fitters, groomers and so on – only release vehicles to authorised staff and to ring if someone is trying to obtain car keys.

Yorston says: "The scammers are reported to be well-dressed, clean and tidy. We recommend members review their vehicle-security policies and talk to all their service providers to ensure their cars are secure at all times."

END OF THE ROAD

Russell White, owner-operator of Cars On Yarrow in Invercargill, is bowing out of the industry after almost five decades.

His business, which specialises in European imports, has been on the site for more than 21 years.

"I have had 47 years in business and the opportunity came to sell to GWD [Motor Group]. They're also taking all the staff. Some have been here 21 years, so that was important."

White's career started in 1977 when he opened Inner City Motors in Invercargill with Mel McKenna. He later became sole operator when the latter opened his own business, Mel McKenna Motors.

He started importing cars from Europe in the late 1980s as the government deregulated the import industry.

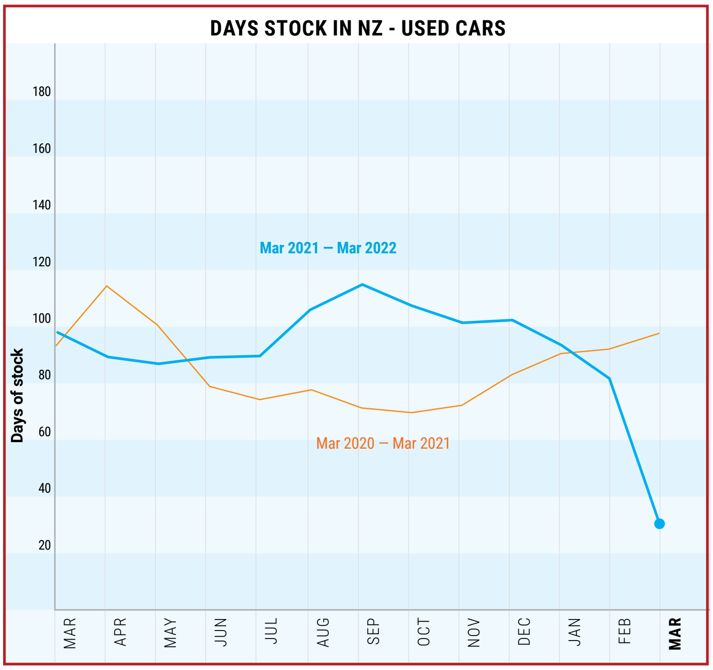
Registrations soar

There were 8,259 used cars imported in March for a decrease of 35.3 per cent from 12,768 units in the same month of 2021.

However, the monthly figure was an increase of 15.4 per cent from 7,159 vehicles in February.

A total of 24,346 units were registered during March. This was up 121.3 per cent from 11,001 units during the same month of 2021 and 126.8 per cent more than February's 10,734 as dealers pre-registered light vehicles to avoid penalties under the new feebate scheme.

With 16,087 fewer used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, to 11,526 units. This was 61.7 per cent, or 18,562 units, below the total at the end of March 2021.



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
Mar '21	12,768	11,001	1,767	30,088	306	98
Apr '21	9922	10128	-206	29882	332	90
May '21	11,016	11,250	-234	29,648	336	88
Jun '21	11,749	11,252	497	30,145	334	90
Jul '21	13,728	13,121	607	30,752	338	91
Aug '21	11,932	7,096	4,836	35,588	332	107
Sep '21	9,155	7,430	1,725	37,313	324	115
Oct '21	8,680	10,631	-1,951	35,362	327	108
Nov '21	9,650	11,330	-1,680	33,682	332	102
Dec '21	10,766	10,109	657	34,339	334	103
Jan '22	6,956	10,107	-3,151	31,188	336	93
Feb '22	7,159	10,734	-3,575	27,613	340	81
Mar '22	**8,259**	**24,346**	**-16,087**	**11,526**	**377**	**31**
Year to date	**22,374**	**45,187**	**(22,813)**			
Change on last month	**15.4%**	**126.8%**		**-58.3%**		
Change on Mar 2021	**-35.3%** LESS IMPORTED	**121.3%** MORE SOLD		**-61.7%** LESS STOCK		