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MAY 2022

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Ministry knew about feebates 'error risk'

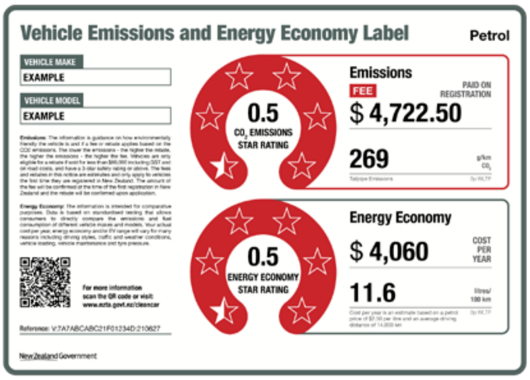
Industry experts highlighted problems with charges and rebates before launch of clean car discount

The automotive industry's fears are coming to fruition after warning the government before the launch of the clean car discount that an online ratings system was likely to produce inaccurate results.

On top of that advice, international experts advised the Ministry of Transport (MoT) of potential inaccuracies when converting carbon dioxide (CO_2) emissions between different testing protocols.

Car dealers, particularly those in the used-imports sector, have been grappling with anomalies with Rightcar's rebates and charges since the feebate scheme started on April 1.

Many issues come down to how CO_2 emissions are being calculated for the online database and then what penalties or incentives vehicles attract when first registered in New Zealand.



The MoT has opted to use WLTP-3, which is class three of the World Harmonised Light-Duty Vehicles Test Procedure, for its clean-vehicle ratings.

However, errors are thrown up when emissions levels are converted to this system from other testing protocols, such as the New European Driving Cycle (NEDC).

An investigation by Autofile reveals these are compounded when some imports go through two conversions to get to WLTP-3.

The outcome is some models on Rightcar are listed with lower rebates, which are displayed on the new vehicle emissions and energy economy labels, than they should.

Others are being pinged with fees that are too high.

There have even been cases of hybrids attracting charges when they are fee-neutral or are even eligible for rebates.

Problems with differences between testing protocols were raised by the Motor Trade Association (MTA), Imported Motor Vehicle Industry Association and Motor Industry Association in submissions lodged in 2021.

The MTA's submission even highlighted a report by the International Council for Clean Transportation (ICCT).

Called "Methods for converting type-approval fuel economy and CO_2 emissions values of light vehicles – an analysis for New Zealand", it was completed for the MoT in November last year while the consultation period was ongoing.

[continued on page 4]

GUEST EDITORIAL

Global shift in how consumers think

Higher costs seen across supply chain

FRANK WILLETT
CEO, Autohub

There's a question many people are asking and that's, "where are things heading".

I've been working in the used-imported vehicle industry since 1994 and have been involved in most sectors of the supply chain. Never before have I seen such major changes to our industry – and they are rolling out.

Since the global invasion by Covid-19, our entire way of life has been altered. Not just by sickness and death, but all the flow-on effects. These include labour shortages, supply-chain collapses, production hold-ups, increasing costs and so on.

We're seeing a worldwide shift in consumer thinking from "how cheap can I get this" to "who's got this, I need it now and I will pay what's required". This global "adjustment" of attitude is happening because of our planet's economy is changing.

So, to our little patch and importing used vehicles, predominantly from Japan. Over the past two years, we've seen cost increases at every point in the supply chain and, with more to come, many importers are becoming circumspect about their businesses and futures.

It's true the days of "grinding" your suppliers for more discounts are all but at an end. Many service providers are now running a magnifying glass over their operations, customer bases and business practices to determine their way forward in this new world.

More and more are asking questions, such as "why are we doing all this work for no margin", "can we do it smarter and more cost efficiently" and "what kind of customer do we want to have and keep".

While all parts of the used-import supply chain are focusing inwardly on its needs and trying to forward plan, there's a rapidly growing elephant in the room.

It's something that may have the ability to determine in one fowl swoop whether our industry has a future or not, and that's the shipping lines.

We have recently seen one pure car-carrier operator announce the cessation of transporting used electric vehicles (EVs).

This appears to be a precautionary move due to the recent fire that broke out in a vessel's hold before it sank. It was heading to the US from Germany with new cars on-board. There have been reports overseas that lithium-ion batteries in some EVs may have fuelled the blaze, although the cause has yet be confirmed.

Now we have another two shipping lines setting similar policies on non-New Zealand routes with more possibly to follow.

The apparent logic for choosing used EVs as opposed to new ones is they are more likely to have sustained damage during their use and, therefore, the risk of battery and associated component failure resulting in fire is higher than with new electric cars.

Of further major concern is the potential to consider used hybrids also as unacceptable because most have lithium-ion batteries. I'm sure we will be watching what develops in the shipping industry.

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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)

[continued from page 1]

In addition, the ICCT stated in a white paper published in September 2014 that conversions between testing regimes have margins of error.

"What we believe has been happening in some cases is that European specifications are being converted to Japanese standards, and then the Japanese standard is converted to New Zealand values," says Greig Epps, the MTA's advocacy and strategy manager.

"The margin of error in both calculations is leading to mistakes compounding. I do not believe errors noted by the ICCT in its report, which the MoT should have available, have been fixed."

That report was covered in the MTA's submission in a section titled "suitability of ICCT conversion factors". It explains almost all vehicles to be imported into New Zealand over the next few years have fuel-consumption ratings based on different methods.

The MoT has opted for WLTP-3 as the common approach to convert ratings for the feebate scheme and clean car standard. The latter is slated to launch on January 1, 2023.

"The conversion formula can produce significant errors – up to 13gCO_2/km in one case of the NEDC to WLTP-3" – Greig Epps

"Unfortunately, the ICCT report clearly suggests calculating the conversion factor between significantly different regimes is poor science and produces differing standard-error predictions across all test methods, with the exception of WLTP-4 to WLTP-3," Epps points out.

"In other words, the conversion formula can produce significant errors – up to 13gCO_2/km in one case of the NEDC to WLTP-3.

"Because the discount and standard are based on converted WLTP-3 values, there may be significant errors in most derived CO_2 ratings on Rightcar.

"This poses problems as rebates and penalties are based on those ratings. Because of these inaccuracies and financial impacts, it's possible the entire clean-vehicle scheme could be subject to challenge."

The NEDC was used in Europe before WLTP-3 was adopted there in September 2019. The latter handicaps lightweight small vehicles and advantages heavier larger models – the opposite of what an emissions standard should do.

The EU recognised this and improved outcomes for smaller vehicles via a super-credits scheme in order to advantage such models.

"Oddly, New Zealand has elected to not apply a similar strategy," says Epps. "If we are following the approach overseas, why aren't we learning from their mistakes and solutions."

Specific points the MTA raised in November 2021 include:

- The weight formula is unbalanced. Some lighter vehicles with lower CO_2 ratings get penalties that don't align with larger ones putting out more emissions.
- The system for MC-class vehicles compared to counterpart commercials is also imbalanced, penalising those in MC. Having MC in the "type A" passenger group raises average tare weight, so lighter models get more downward adjustment on their targets.
- In the middle of weight and CO_2 ranges, the clean car discount's rebates contradict the standard's penalties for some passenger models and vice-versa.

This means that come January 1, consumers will be offered rebates on some models via the feebate scheme, but importers will face fees to bring them in under the standard.

MINISTRY 'KNEW RISK'

The MTA commissioned a report by a vehicle-compliance expert for its ▶

CO_2 methods

Carbon-dioxide emissions of new vehicles destined for Australia are currently declared using the NEDC.

The authorities there have given no indication when WLTP-3 will be mandated, while new cars from China may be measured using different methods.

Most new models arriving in New Zealand will likely need to have their fuel-consumption measurements converted, says the MTA.

It contests the ICCT's explanation, which states about 98 per cent of new vehicles arriving in the Kiwi market come with NEDC data.

It's suggested Japanese cars made for Australia will be tested using WLTP-3 and European cars using WLTP-4, which will then be converted to NEDC. The ICCT states this has an error prediction.

Cars subsequently delivered to New Zealand then undergo a further reconversion back to WLTP-3, so more major error predictions.

Realistically, only JDM vehicles registered new in Japan since September 2018 have been tested to be directly correct for the MoT's framework, says the MTA.

It adds our government needs to ensure what's being enforced is correct and justifiable, and there should be a system to physically test vehicles if disputes are raised over the validity of conversions.

On top of that, converting emissions data should be temporary and mandated manufacturers' information needs to be the regulatory option as soon as possible – even as early as 2025.

submission on the Land Transport (Clean Vehicles) Amendment Bill on the suitability of using CO2 conversion factors.

All light vehicles registered in EU countries, as well as Switzerland, Norway, Iceland and Turkey, have had to comply with WLTP standards from September 2019. In the US, standards are set by the National Highway Traffic Safety Administration.

As for the MoT mandating CO2 values using WLTP-3, the MTA's report highlights that of the major target countries for supply to New Zealand, Japan has only mandated it for new Japanese domestic market (JDM) cars registered since 2018.

General information indicates Japan will use the WLTP to determine all emissions if testing is completed in Japanese laboratories due to the cost of running parallel tests for similar models, and then use ICCT conversion factors to give required results for markets vehicles are delivered to.

However, there are significant risk of errors when converting to WLTP-3 – except from WLTP-4 – because of variable factors, such as vehicle specification, drive cycles and test fuels.

Epps explains: "From the ICCT report, when converting NEDC to WLTP-3, the 'standard error' is around 13gCO2/km. Some 68 per cent of conversions will sit in this standard range. They could be plus or minus 13g of CO2.

"However, 27 per cent will have estimation errors of no more than two times the standard error, so one-quarter of vehicles converted from NEDC to WLTP-3 could be up to 26gCO2/km out of whack.

"Five per cent will come in at more than two times. Even if it's a fraction of imports – say five per cent of 200,000 imports, then it could be five per cent of 10,000 cars that have significant errors. That's 500 cars facing financially important errors.

"The government knew the error potential and risk. It was advised to set up mechanisms to handle disputes. But it has been racing since April 1 to address anomalies that have shown up."

Test-cycle conversion parameters to WLTP-3

ORIGINAL CYCLE	STANDARD ERROR OF PREDICTION
Fuel type – petrol	
WLTP-4	6.35gC02/km
NEDC	13.12gC02/km
JC08	10.08gC02/km
CAFE*	7.95gC02/km
10-15 mode**	12.52gC02/km
Fuel type – diesel	
WLTP-4	4.49gC02/km
NEDC	10.68gC02/km
JC08	11.20gC02/km
CAFE*	15.11gC02/km
10-15 mode**	13.91gC02/km

*Corporate average fuel-economy standard in the US. **The 10-15 mode cycle was previously used in Japan. From 2008-11, it was replaced by JC08. The ICCT states: "These conversions carry inherent uncertainty." About 68% of vehicles will have an estimation error of no more than the standard error in this table, 27% = no more than two times, 5% = larger than two times.

Source: ICCT analysis for NZ commissioned by the MoT, published November 11, 2021

Waka Kotahi was contacted by Autofile on February 23 on potential ratings issues with the feebate scheme. Its reply of April 8 states problems being experienced are "not unexpected".

"While the system is running well overall, Waka Kotahi is working with dealers and the MTA to resolve some bedding-in issues.

"We're aware of some instances where dealers may be entering incorrect and or incomplete data into the system, which could result in the wrong CO2 figure and the wrong rebate or fee being calculated, and other instances where source data may be incorrect.

"We are working to resolve issues as they are identified and apply fixes where required." Autofile has contacted the MoT in respect of emissions-conversion issues raised by the industry and the ICCT's reports.

How car dealers are coping with the changes – page 6

‘Slap in face’ for industry

Dealers are being left confused and frustrated by incorrect fees and rebates generated by Rightcar’s website for the clean car discount scheme.

The system for light vehicles was implemented last month, but traders are having to invest time and money checking the online database’s figures match their own expectations when cars are registered for the first time.

If the numbers don’t match, which often leads to higher penalties than anticipated, dealers have to challenge the data with the possibility of forking out hundreds of dollars to get it corrected.

The time taken to update emissions figures on Rightcar, which is administered by Waka Kotahi NZ Transport Agency, is also delaying sales because the numbers cannot be changed post-registration.

There are fears the problems may lead to some smaller used-car traders quitting the industry, while larger businesses have been throwing extra resources at addressing the challenges created by inaccuracies.

More than 100 mistakes were identified in the week following the clean car discount scheme’s launch on April 1.

The transport agency says they are “bedding-in issues” and it’s working with industry to resolve errors as they are identified.

Marc Campbell, director of Hamilton-based Milan Inspire Cars, describes the scheme’s roll-out as the “worst slap in the face” of changes he has experienced in the industry over the past 20 years.

He has had to delay selling two imported European models from Japan – a BMW and Mercedes-Benz – while he sources statements of compliance from Germany to provide more accurate carbon dioxide (CO_2) emissions ratings than those on Rightcar.

“It was a shock to see one of the cars default to the maximum fee of $2,875 to register it because the online dealer resource section had no emissions data for it,” Campbell told Autofile.

“I’m now having to spend another $600 or so on getting statements of compliance to ensure the correct data and appropriate fees.

“The system is incredibly flawed. It’s the importer’s responsibility to get the correct data to the NZTA – not the other way around.

“While it allows the agency to update its system so cars can be registered with the right fee or rebate, it will have got that information at my expense.

“What concerns me is there’s probably been a number of people and everyday Kiwis who have just paid the fees.”

Campbell says Rightcar’s search function has come up with various anomalies. One VIN search he tried produced a result of “27 random cars from a Nissan Caravan to a Mercedes-Benz”.

“I will lose money on both of those imported cars. I’m now turned off from importing cars because of the stress of having to pay more money for each one you bring in.

“Dealers like me are going to say it’s all too hard because we’ll struggle to make money. It won’t be viable having to challenge the Rightcar figures every time and it could take years to have the database completely accurate.”

Campbell predicts the feebate scheme will have a negative impact on consumers with car prices increasing in the medium to long term, “hurting middle and low-income New Zealanders”.

CHECKING ESSENTIAL

Rod Hicks, who owns Wanaka Auto Sales, has also run into early difficulties. He sold a 2020 Toyota C-HR hybrid, which he expected would attract a rebate of about $1,400 for the buyer. But Rightcar stated there would be a $1,897.50 penalty.

He raised the matter with Waka Kotahi on April 1 and says it took nearly two weeks before the problem was fixed on the website.

“It didn’t inconvenience my buyer too much because the car was being sent to Auckland,” explains Hicks. “However, if you were selling something in a major centre and the person wants to drive away with the vehicle that day, you risk having an unhappy customer.

“I’ve since had more cars popping up with the wrong figures. You input a 40kW Nissan Leaf that has zero emissions and the calculator comes up with five different types of vehicles that could have a rebate or fee.

“Dealers have woken up to the fact that we now have to check every car against the Rightcar website and if there’s a problem, we need to get onto it.

“It appears there are underlying issues with the Rightcar database that Waka Kotahi is fixing as it goes along.”

Hicks suggests the agency should have a response time of 24 hours for any queries about potentially inaccurate data, “rather than holding dealers at arm’s length for days on end”.

[continued on page 8]

WRONG DATA

2020 TOYOTA C-HR HYBRID

Initial Rightcar figures:
230gCO_2/km, $1,897.50 fee

Importer’s figures:
98-102gCO_2/km, $1,346.69-$1429.17 rebate

Updated Rightcar figures:
90gCO_2/km, $1,594.14 rebate

[continued from page 6]

"I've adopted a process for when I get a deregistered car with an export certificate. I keep those certificates until the car has been complied and ratings in the government's system are about what I think they should be.

"I will be checking the emissions ratings all the time now. It means a bit more extra work each month and I imagine for a big dealership, which is dealing with ships arriving with hundreds of vehicles at one time, it's effectively creating a new job to check them against the discount."

'INACCURATE' RATINGS

The Enterprise Motor Group is one of many operators that pre-registered stock before March 31 that would have attracted charges from April 1, so it encountered few issues when the feebate scheme started.

But that's no longer the case. "We're now seeing a number of cars coming through for which the data on Rightcar is inaccurate," says Chris Stephenson, chief executive.

"There have been some we've gone to check rebates for only to be floored by a charge of $2,700 at registration. There have been some Toyota hybrids this has happened with.

"We then try to find a car that does work in the system or touch base with VIA to get some action on the matter.

"That's important because once a vehicle has been registered and a fee paid on it, going back to the NZTA about recovering the money isn't going to happen."

He adds there have been examples of Toyota Aquas coming up with bills for $2,500 when there should be no charge, or other models with $1,000 fees when they should only be $600.

"We are concerned there will be no confidence in any of the information. We are triple-checking, but fear rebates could be missed out on."

Stephenson has been in contact with other dealers, who report Waka Kotahi has been "swamped" with queries about the CO2 emissions ratings on Rightcar.

"The industry grapevine has got going on this. Many traders aren't even contacting the NZTA because phones aren't being answered or they're put on hold.

"It would be easy to bash the agency about the problems, but it has had little time and resources to deal with all of this.

"We've attended workshops with agency officials. They have been trying their hardest and shouldn't be the whipping boys. It all comes down to the people making the rules and then not dealing with the consequences."

The Enterprise Group, which has branches in Gisborne, Hamilton, and New Lynn and Manukau in Auckland, has invested in training staff and educating customers about the rebates and charges.

Being a bigger company, Stephenson recognises it has more resources at its disposal than independent dealers.

"You just have to look at the quantity of the data and all the different codes. There are hundreds of Aqua variants out there that come in used from Japan.

"When it comes to new cars, you might be dealing with six models and a total of three variants – and they come in with much better data from the manufacturer.

"Some 50 per cent of all car dealers out there must be pulling out their hair because they are small businesses without the resources we have."

As for consumers, there appears to be two distinctive groups. First up, there are those going onto yards knowing all about the clean car discount and making purchasing decisions based on that.

However, when it comes to many potential buyers walking onto yards, "we need to explain

WRONG DATA

2013 MERCEDES-BENZ E 350i

Rightcar figures:
No data, $2,875 fee

Importer's figures:
159gCO2/km, cost neutral

Challenging figures

Waka Kotahi has a procedure for challenging emissions figures on Rightcar, but warns CO2 ratings cannot be changed post-registration.

It says data that dealers believe is more accurate will be considered against certain criteria. Such figures need to be verifiable and higher in the preferred data source order than the agency's own information.

The hierarchy of preferred data source is:

1: Statement of compliance.
2: Type approval, registration documents, de-registration documents.
3: A record made publicly available by a national government of the relevant jurisdiction.
4: Vehicle manufacturer data provided on its website.

Email alternative emissions data or queries to cleancars@nzta.govt.nz.

that vehicles registered before April don't have this new tax on them. Then there are unregistered cars that will, so a whole lot of consumer education has been going on."

That's even the case with the new vehicle emissions and energy economy labels, which have replaced fuel-economy labels.

Stephenson says: "We're trying to coach customers through all of this during a time when people are nervous about buying because of the economic environment. Some buyers become stand-offish when we explain what all the pricing is about.

"To some degree, we've been the collector of fees and educator of the public, which is fine, but it would have been nice to have had more support from the authorities on this."

SUGGESTIONS 'IGNORED'

The roll-out of the clean car discount has had limited impact on Turners Cars because it only imports about 10 per cent of its stock. That said, staff have been kept busy by the scheme and problems with Rightcar.

Greg Hedgepeth, chief executive officer, adds the company didn't have many pre-registrations ahead of its launch after it stopped buying fee-incurring vehicles at the end of 2021. This was done so it could assess market adjustments

"The timing [of the scheme] wasn't ideal as some key information wasn't available until very close to the April 1 deadline, meaning our IT development team had to work fast to get everything ready in time," he told Autofile.

"Fortunately, we got everything live just in time. There were problems at first with using Rightcar. But we've got to a point where our IT team is now confident with the data we are displaying on affected vehicles.

"We're definitely seeing more interest in low-emissions vehicles,

WRONG DATA

2011 BMW 528i

Rightcar figures:
248gCO_2/km, $2,673.75 fee

Importer's figures:
182gCO_2/km, cost neutral

but this could also be largely due to rapidly increasing fuel prices. We've seen this pattern in the past."

Hedgepeth notes the government could have conducted better and earlier consultation with industry over the feebate scheme's introduction. "There were suggestions provided that were ignored, then some surprise decisions made very late in the piece."

Besides trouble with the Rightcar website, a company that supplies compliance certificates for vehicles imported into New Zealand has also flagged up issues with Fuelsaver data when it comes to the clean car discount.

Joe Barnett, of SOC NZ Ltd, says CO_2 emissions recorded by the government for many European vehicles appear "higher than expected".

His company has teamed up with Munich-based TUV SUD and Waka Kotahi to investigate this because it affects the feebate scheme and clean car standard, which starts on January 1, 2023.

Barnett notes: "It appears that due to the method used in Japan to identify emissions of European-homologated vehicles, the CO_2 values may be exaggerated."

He points out this may add to the costs of registration for the clean car discount and, "as a double whammy", also to compliance costs when the standard is launched.

Lending law changes under fire

An industry group has slammed proposed changes to the Credit Contracts and Consumer Finance Act (CCCFA) as "disappointing".

They have been put out for consultation just months after the legislation was controversially amended.

The Financial Services Federation (FSF) has long been critical of updates to the law, which came into effect from December last year, warning they would result in access to credit being restricted to all prospective borrowers.

Its predictions quickly came true and, after loan approvals tumbled, the government announced plans in March to make a number of fresh changes to the CCCFA.

However, Lyn McMorran, the FSF's executive director, is unimpressed by the measures that cabinet has agreed to and raises her concerns in a submission to the Ministry of Business, Innovation and Employment.

Public feedback was sought last month on an exposure draft for updating the Credit Contracts and Consumer Finance Regulations 2004 and responsible lending code.

"The proposed changes to the regulations are merely 'tweaks' as opposed to addressing the elephant in the room, which is that they were wrong from the outset," says McMorran.

> **"Regulation requiring a review less than two months into it coming into force is clearly poor regulation"**
> – Lyn McMorran

"The proposed change to regulation 4AK goes no way towards addressing the overly prescriptive nature of these requirements or issues the FSF raised during the investigation into the effects of the CCCFA changes, so it's very disappointing."

Cabinet has suggested amending regulation 4AK by inserting a phrase to clarify that when borrowers provide a detailed breakdown of future living expenses there's no need to inquire into current living expenses from recent bank transactions.

However, McMorran says the move only slightly changes the way in which the regulation is worded and essentially makes no material change to its requirements.

She also notes the FSF warned of the potential impact of December's amendments in every submission made during the process of developing the rules and guidance for the responsible lending code.

"Having applied pressure and cost on lenders to be compliant by December 1 with a regime, which they didn't believe was necessary, it is a bitter pill to have to swallow to have deficiencies in the regime become so glaringly obvious so early in the piece.

"Regulation requiring a review less than two months into it coming into force is clearly poor regulation."

Fleet safety warning

New Zealand has one of the oldest fleets among countries in the Organisation for Economic Co-operation and Development (OECD), but the amended CCCFA risks pushing its age out even further.

The warning has been made by the Financial Services Federation (FSF), many of whose members are involved in issuing loans for new and used vehicles.

In an open letter to David Clark, the Minister of Commerce and Consumer Affairs, the federation emphasises that Ministry of Transport data shows the fleet has an average age of 14.4 years.

"This makes New Zealand's fleet among the most unsafe and most fuel-emitting in the world," says Lyn McMorran, executive director of the FSF.

"Most New Zealanders require a vehicle to transport themselves and their families to work, school, shops and medical appointments.

"Many rely on access to their car to be able to sustain their employment and income.

"The vast majority of consumers require credit to be able to purchase a vehicle. Restricting such access will result in substantial hardship for many families."

The FSF sent its open letter to Clark as part of its campaign calling for changes to the amended CCCFA, which came into force on December 1.

It believes reduced ability to get finance will mean people retain their current cars for longer or will be forced to purchase older ones with fewer safety features and lower fuel efficiency.

"This will only make New Zealand's situation worse with respect to the safety of vehicles on roads and the amount of carbon emissions for which they are responsible.

"It will make government objectives with respect to conversion of the fleet to electric impossible to achieve."

The FSF is yet to quantify the cost of adjusting to the new laws for its members, but McMorran says some companies have reported the process has set them back some $2 million.

She is also unhappy at how much of the commentary around the negative effects of the CCCFA has been on banks and consumers seeking home loans when it impacts all credit – including people buying cars – and every provider of consumer credit.

"The FSF doesn't believe sufficient consideration has been given to the needs of different segments of consumers either in developing the December 1 changes or in drafting the proposed changes."

McMorran adds new loans provided by the non-bank finance industry sector between December 2021 and February 2022 dropped by 21 per cent when compared to the same period a year earlier.

Applications received for personal loans slipped by 12 per cent over the same time frame. The proportion of requests approved fell from 58 per cent to 52 per cent.

An FSF study also shows the average time to decide on a loan increased by an average of 1.1 days to 5.9 days.

While those figures are damning, remarks made by members about the experience and reactions of customers and staff have been more telling, says McMorran.

"It is clear consumers didn't want these changes. They do not welcome the intrusive nature of questioning now required to determine affordability.

"There is a common theme – they feel that they're being treated as if they are untrustworthy or unable to manage their own financial commitments.

"The irony is that rather than protect vulnerable consumers as they were designed to do, the regulations have achieved quite the opposite by pushing customers who may not have been in vulnerable circumstances towards lenders who have no intention of complying with the law, and thereby putting them into vulnerable situations."

The FSF also disputes statements made by David Clark, Minister for Commerce and Consumer Affairs, that lenders have misinterpreted the latest laws by taking too prescriptive an approach to their implementation.

"The regulations are written in such a way they are not open to misinterpretation," explains McMorran. "And penalties are so severe as to be a significant disincentive to lenders for not following them to the letter."

The FSF has already urged Clark to repeal a number of affordability regulations in their entirety and for a return to the principles-based approach to lending that applied prior to December last year.

It adds a further comprehensive review of the CCCFA should be carried out once the current regime has been in force for 12 months.

Minister's action

David Clark, pictured, Minister for Commerce and Consumer Affairs, revealed changes to lending laws just months after updates to the CCCFA led to a drop in loan approvals.

Cabinet-agreed changes include:

- Removing savings and investments from "listed outgoings".
- Clarifying that when borrowers provide a breakdown of future living expenses, there's no need to enquire into current expenses from bank transactions.
- Providing alternative guidance for when it's "obvious" a loan is affordable.

Feedback on the plans was sought last month ahead of an investigation into the CCCFA amendments led by the Ministry of Business, Innovation and Employment and Council of Financial Regulators.

Creditors still need paying

Millions of dollars remain outstanding to unsecured creditors following the liquidation of Autoterminal NZ Ltd.

The decision to liquidate on September 11, 2021, by its shareholder came after a high-court judgement on July 6 in favour of IBC Japan for $38.648m.

Autoterminal was then bought by a wholly owned subsidiary of IBC called ATNZ 2000 Ltd in October after being put up for sale.

In their second report, published on April 8 for the six months to March 10, the joint liquidators – Tom Rodewald, Steven Khov and Kieran Jones – say they have received an unsecured claim of $2,903,045 from the liquidators of Nigel Thompson Motor Company (NTMC).

Autoterminal's liquidators have agreed to suspend considering the claim pending the outcome of NTMC action in regard to set-aside payments to the company, although funds equivalent to what NTMC would have received have been held pending the outcome.


The Autoterminal site in south Auckland

The liquidators have instructed legal counsel to engage with NTMC's liquidators to progress Autoterminal's defence in the case, which has a hearing date of September 26.

In addition, five trade creditors with claims totalling $74,000 fall outside the elected date. So far, they have received $10,170.

To date, the liquidators have received unsecured creditor claims of $39,003,416 with IBC's coming in at $38,728,96.

As part of the sale of Autoterminal to IBC's subsidiary ATNZ 2000 Ltd, IBC subordinated its unsecured claim for third-party trade creditors, who claimed before a certain date, to receive a full distribution towards their claims. Accordingly, $356,877 has been distributed towards those claims.

IBC has received a distribution towards its total claim by way of offset against its claim in Autoterminal's liquidation of $19,687,154 with further cash distributions of $2,129,100 being made.

Autoterminal's liquidators are engaging with a substantial debtor in Japan over repayment. This process is ongoing, but several payments have been received. They have also secured what's owed by another Japan-based debtor.

The liquidators secured all available Autoterminal records in New Zealand and engaged expert IT consultants to help in this.

It then became apparent most of its electronic data was managed by a service provider in the Philippines.

The liquidators have been engaging with the provider to secure data, including the company's domain name and inventory management system. To date, this process remains

Car yards targeted

Business owners have been reminded to be extra vigilant about suspect visitors after dealerships across Auckland were hit by criminals last month.

Two vehicles were stolen from one yard just a few days apart using different deception methods. And there were reports of at least eight other businesses falling victim to people posing as buyers for large dealerships.

Police arrested a 32-year-old on April 19 and charged him with seven counts of unlawfully converting a vehicle, three counts of obtains by deception and receiving stolen property. The cars involved were worth more than $150,000 in total.

However, any hopes that arrest may have ended the crimewave were dashed when a Grey Lynn dealership was targeted by another swindler on April 22.

It had a 2014 Audi A6 taken on April 18 and four days later a man allegedly using a stolen driver's licence as proof of identity made off with a 2011 Volkswagen Golf R.

A director at the business says he was frustrated not so much about losing the car, but "the feeling of deception".

The incident came soon after staff at a Pearce Brothers dealership raised the alarm about someone, who appeared to be well-versed in industry terminology, reportedly approaching smaller operations and pretending to represent the company.

Inspector Sunny Patel, area commander for Waitemata West Police, says "If you haven't dealt with the person previously, then police advise you to contact the organisation directly to verify their identity. Insist on the individual providing identification, such as a valid driver's licence. If the person refuses, do not hand them keys to a vehicle."

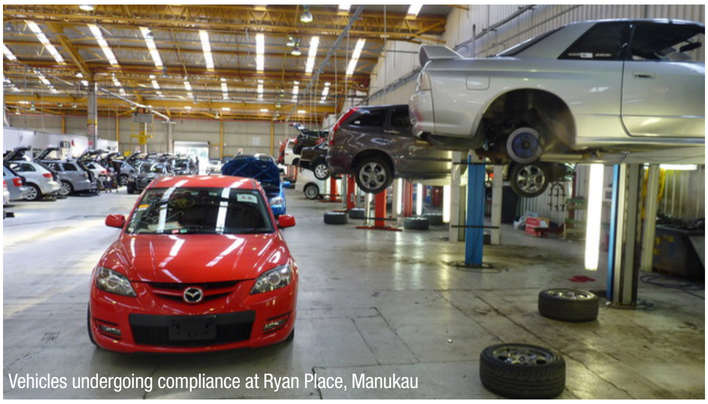
ongoing. Records recovered in this country are being analysed and reviewed. At this stage, further details cannot disclosed because doing so "may be prejudicial" to an investigation by the liquidators into Autoterminal's affairs.

When Autoterminal's liquidators were appointed, Covid-19 alert-level four lockdown was in place, which resulted in difficulty engaging with interested parties.

The company was deemed an essential business for taking delivery of imported vehicles, but not other activities.

While this sale process was undertaken, the liquidators continued to trade the business to preserve the value of assets and maintain the collection of debtor receipts from clients.

"Following engagement with the landlord for the trading premises, we understood the lease was not renewed and its final date was November 19, 2021," states the liquidators' report. "The lack of a secured premises diminished the prospect of maximising the value of the business."



Vehicles undergoing compliance at Ryan Place, Manukau

The liquidators terminated all existing staff contracts and re-employed key workers on temporary contracts to assist them.

During the sale process, the liquidators dealt with multiple parties and received several offers, which were assessed. Following engagement and due diligence, they sold the business as a going concern to IBC's subsidiary.

The deal included plant and equipment, intellectual property, and a "substantial debtor book for which the liquidators assisted the continued collection of debtor receipts and accounting back to the purchaser".

The liquidators continue to collect certain debtors excluded from the sale and realised a small number of vehicles not included in inventory stock subject to the deal.

While in control of the business, the liquidators facilitated collection of third-party vehicles on-site for compliance work and assets by secured creditors once their specific security interests had been validated.

They investigated the sale of 28-30 Ryan Place, Manukau, in November 2020. This was a material disposition by Autoterminal leading up to its liquidation. As part of the sale, it secured a lease of the property to continue trading.

The liquidators, after reviewing documents, were satisfied the sale "was conducted by reputable real-estate agents in a public forum where market value was achieved".

They add: "It is not practicable to estimate the date of completion of the liquidation or if there will be any distribution at this stage.

"However, if you are a creditor or shareholder and wish to assist by providing funding for recovery action or have additional information that would assist, please contact the liquidators as soon as possible."

Autoterminal started trading on April 5, 2000, as a vehicle importer, inspection and complier, and wholesaler of Japanese vehicles to New Zealand.

Industry movers

SIMON RUTHERFORD has taken over as president of the Motor Industry Association from Andy Sinclair.

Rutherford, pictured, has been managing director of Ford Motor Company of NZ since 2016. Sinclair, chief executive officer of Hyundai NZ, had completed three terms in the position.

Todd McDonald, of Kia NZ, has stepped down as vice-president. Neeraj Lala, of Toyota NZ, and Sam Waller, of Isuzu Utes NZ, have replaced Rutherford and McDonald as vice-presidents.


Charles Bolt

CHARLES BOLT has been appointed interim chairman of NZ Automotive Investments (NZAI), which owns 2 Cheap Cars, having previously been one of its two independent directors.

Bolt, general counsel for TIL Logistics, started his career in capital-markets regulation with the NZX.

He then worked for law firm Bell Gully before joining Fletcher Building where he was group general counsel and company secretary until 2019.


Tim Cook

TIM COOK, ex-chairman of Veritas Investments, now known as Good Spirits Hospitality, has joined NZAI as an independent director. He was a director and then chairman of Auckland City BMW, Mini and Rolls-Royce from 2008-15.

Cook holds many other directorships, and is chairman of Medsector Advisers, The Heart Group and MyWave.AI.

Bolt and Cook's appointments on April 22 follow chairman Karl Smith, and Michele Kernahan, independent director, resigning on April 8.

Smith joined the board in September 2020 ahead of NZAI's direct listing on the NZX, while Kernahan became a director on listing in February 2021.

He believes it's the right time to step down having guided the business to public ownership. Smith is also focusing on expanded roles as director of VetNZ and chairman at FortHill property.

Kernahan is said to be rationalising her governance commitments and started a new executive leadership role searly last month. She was also appointed an independent director at Balance Agri Nutrients in late 2021.


Louise Aitken

LOUISE AITKEN has joined Toyota NZ as partner of circular and climate innovation and sustainability.

Aitken's appointment is part of the marque accelerating its work in new technology, product stewardship and overall sustainability.

She was previously executive officer of the Akina Foundation for four years.


Andrew Davis

ANDREW DAVIS, general manager for marketing, Lexus and Toyota Gazoo Racing NZ, has added business planning and finance to his remit.

As part of the business planning division, he is leading a newly formed strategic future-focused planning area. This includes a special-tactics team working on leading-edge technology development.

Toyota NZ's innovations team is looking at a range of new technologies and how they can be adapted for this country.

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

Finance decisions 'expected in June'

The government says changes to the Credit Contracts and Consumer Finance Act (CCCFA) are due to be finalised next month.

It follows David Clark, the Minister of Commerce and Consumer Affairs, having been provided with a final report and advice from officials on the initial implementation of legislative revisions at the end of April.

This follows an analysis by the Ministry of Business, Innovation and Employment (MBIE) in consultation with the Council of Financial Regulators.

"The objective of the investigation was to identify any impacts of the CCCFA changes that came into force on December 1, 2021, considering the scale and nature of impacts to assess what – if any – further actions are needed," says a spokesman for MBIE.

"Decisions on next steps are expected to be made this quarter. This report is also expected to be published this quarter, subject to cabinet approval.

"At the same time, initial changes to the CCCFA's regulations and responsible lending code announced in March are progressing. These address concerns that the interpretation and implementation of the regulations has sometimes been more onerous and restrictive than the original policy intent."

MBIE has engaged with stakeholders and released an exposure draft of these changes for consultation, which closed last month. Officials are analysing feedback with changes to the CCCFA expected to be finalised in June.

Hydrogen vehicle pilot

A car-sharing scheme with fuel-cell electric vehicles (FCEVs) is being touted as New Zealand's first commercial application of such technology.

Toyota NZ has teamed up with eight companies for the Hydrogen Project, which was launched on May 1.

Air NZ, Beca, Saatchi & Saatchi, Spark, TVNZ, The Warehouse, Westpac and Z Energy are the marque's partners in Auckland with a fleet of Mirai FCEVs at the centre of the scheme.

"This trial showcases the ability for large companies to share their fleets, which in the future could lead to larger reduction in carbon emissions when you are talking about sharing, say 100 cars," says Neeraj Lala, chief executive of Toyota NZ.

"Car-sharing with hydrogen cars isn't common anywhere in the world. We're all keen to see how this will work in practice and how to further utilise this technology."

Lala says as hydrogen infrastructure is still in its infancy in New Zealand, the trial has been established as a catalyst for a "burgeoning" hydrogen export market.

"There is pressure to reduce emissions. Change is coming rapidly. We need to accelerate the introduction of new technology and innovations to support a low-carbon future.

"Hydrogen fuel-cell technology is another step to a zero-emissions transport eco-system. The commercial application of this technology is vast and we have the means to explore new technologies."

Hydrogen can store more energy in less weight, making Toyota's fuel-cell system suitable for vehicles with heavy payloads and long ranges.

Fast refuelling also benefits commercial fleets and other vehicles in near-continuous use, such as straddle carriers, forklifts and taxis, as well as with car-sharing schemes. Visit www.autofile.co.nz for the full story.

‘Lack of trust’ in clean-car data

VIA is still seeing issues around data and, more specifically, with the government’s ability – or inability, as the case may be – to identify vehicles correctly.

The association continues to offer its assistance to Waka Kotahi as it works to improve the system for the clean car discount scheme.

That said, we’re also spending a lot of time working with VIA’s members to help identify problems related to their vehicles and provide better data when relevant.

The association has access to a database of vehicles that have been available in Japan. This includes efficiency values, which can be converted into carbon dioxide (CO_2) emissions values.

In fact, I’m confident in saying that VIA, out of anyone in New Zealand, has the most complete and most correct database of this type.

Unfortunately, the transport agency doesn’t currently consider VIA to be a reliable source of data, and it seems to be under the impression only importers licensed by original equipment manufacturers (OEMs) and government departments are trustworthy.

The questionable logic of this conclusion aside, Waka Kotahi having access to VIA’s data would solve a lot of its problems.

Using export certificates, we can definitely identify light vehicles because our database has information on more than 65,000 models and variants that have been available in Japan.

We could provide a technological solution that would accurately identify vehicles and pass the relevant data back to Waka Kotahi.

We could even limit the data we return to emissions values from trusted sources, such as the Ministry of Land, Infrastructure, Transport and Tourism in Japan.

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

It’s frustrating because I feel like we have a solution right here. It comes from the industry, so it would be the used-imports sector making a claim about a car being imported.

This is what the new-vehicle sector does and it’s what Waka Kotahi has stated is the case. And that’s responsibility for providing the data rests with the importer.

> **“Our database has information on more than 65,000 models and variants”**

It makes me wonder what our government would do if there was no local OEM or OEM-licensed importers. There could be entire industries with goods only supplied by parallel importers. Would the government honestly decide not to trust the importer?

Illogical lack of trust aside, my biggest concern is the inevitability of false negatives.

Because of the way it’s set up, many people will not realise emissions values for their cars are wrong until trying to register them for the first time. That’s when they will know they have the wrong penalty because Waka Kotahi has either no data, wrong data or, more likely, has misidentified the vehicle as a different model.

VIA has seen hybrids showing up as petrol models or given maximum penalties under the feebate scheme because the government didn’t even know hybrid variants existed.

My concern is for dealers who realise that the data is wrong while they have customers sitting in front of them. The trader knows it’s wrong, but the consumer doesn’t and is willing to pay up.

The only route to fix the problem is a week-long process that involves sending an email with evidence – if you have access to a trusted source – to the transport agency in the hope it will fix the data.

If a dealer tells buyers they can’t sell cars today but come back in seven days’ time, people will invariably go to a trader down the road instead.

Many people I have spoken to seem taken aback by the low number of “issues” Waka Kotahi reports it has had.

What’s important to remember is that the way the rule is written, the agency is authorised to use the best data it has at the time. In the case of a lack of data, it is correct for the system to default to the highest penalty.

This means there’s no requirement for government data to be accurate. Since its data is the “source of truth”, it is – by definition – true unless proven not to be.

This explains why its low issue numbers seem so different from experiences reported by dealers. On the ground, we assume everything that’s inaccurate should be considered an issue, but that isn’t the case at all.

VIA is disappointed the system looks like this and will continue to work with Waka Kotahi to improve it as it allows us.

I do think, however, that the government needs to make it possible for the industry to be the expert for its own imports, especially when we have gone out of our way to argue and – as much as possible – prove our data and processes can be trusted.

I think this is a case that’s well-beyond the scope of the clean car programme.

As for the future, I expect these data issues to increase in the near term as stock pre-registered by importers before April 1 dwindles, then decrease over time as importers and dealers give up trying to be accurate and simply start trying to sell whatever the government’s data says.

This will likely remain the case until January 1, 2023, when the clean car standard comes into effect and dealers find the accuracy of data starts to hit their bottom lines more as opposed to their customers.

The month that was... May

May 11, 1998

Japan Plan jeopardised by odo report

It would be at least another week before there was any word from the Motor Vehicle Dealers' Institute (MVDI) on the future of what was dubbed the Japan Plan.

The findings of a government working party had cast doubt over the feasibility of putting proposals into action. They would see the odometers of all cars imported by licensed dealers verified before leaving Japan.

Steve Downes, the MVDI's executive director, said there were two scenarios. One was for it to be set up as an industry standard and the other was for it to be dropped completely.

Setting up the plan as an industry standard would give licensed dealers a marketing advantage in that every vehicle they brought in would have its odo checked before it left Japan.

However, Downes added under the changes proposed in the government's report, correct odometers might not be legally required, in which case there would be no point at all in implementing the plan.

The Imported Motor Vehicle Dealers' Association said it was a pragmatic response to what had proved to be a very difficult issue.

May 6, 2005

Clayton wins exemption

An unconditional exemption from the 2001 frontal-impact rule had been granted for a 1999 Ferrari 360 Moderna imported in 2004.

However, Land Transport NZ (LTNZ) had refused to clear the vehicle, with the government agency choosing to wait until it had fully reviewed a judge's decision.

Kiwi Auto Exports, owned by prominent industry figure Jerry Clayton, took LTNZ to court in February 2005 after being denied an exemption from the frontal-impact rule.

Judge Anne Kiernan ruled that week that the Ferrari did comply with the rule, and the purpose of the legislation – to promote safe road-user behaviour and vehicle safety – had been satisfied.

However, Steve Ward, speaking for Clayton, said LTNZ had not removed the flag from the vehicle and it couldn't be registered.

"The judge has told LTNZ it has lost and the car meets standards, but it's looking at whether to have a crack at the judge's decision."

LTNZ spokesman Michael Cummins confirmed the decision was being reviewed.

May 19, 2006

Another finance company crisis

Seemingly successful Canterbury company Provincial Finance had withdrawn its prospectus and was no longer taking new business until it had sorted out its problems.

Chief executive David Lyall said Provincial had been forced to suspend dealing in its fixed-interest debentures.

The company wouldn't write further loans in its substantial Auckland used-car business, CarSave, withdrawing from that market segment indefinitely.

A statement on Provincial Finance's website read: "As the company is currently updating its prospectus and investment statement, we are not taking funds for investment at present."

There had been speculation about the health of Provincial Finance since its role in appointing a receiver to now-defunct Drive Time Cars in September 2005.

That scrutiny intensified after the collapse, earlier that month, of another vehicle finance lender, National Finance 2000. It went under when trustees called in receivers.

Like Provincial, it had close ties and common shareholders with an affiliated major used-car operation.

May 16, 2008

Singapore's vehicle market

A representative from a Singaporean freight-forwarding company said the market for vehicles exported to New Zealand was on the decline, but many industry players disagreed by saying the market was resilient.

James Boyce, of Autolink Vehicle Forwarding, said that a change of Singaporean tax rates and an exponentially increasing local second-hand market had resulted in a reduced availability of cars prepared for export, along with a reluctance from Kiwi dealers to buy stock from that country.

"When Singaporeans want to purchase a new car, they generally trade their car into a dealer, which will then use a second-hand broker to find a buyer for it – be that a wdealer or exporting company," said Boyce. "These days, due to a tax system implemented by the Singaporean government in 2004, more vehicles are entering the second-hand market meaning fewer vehicles are available for export to countries such as New Zealand."

The government in Singapore regulated the number of vehicles allowed in the national fleet at any one time.

"There is an additional registration fee, which works out at 110 per cent of the vehicle's value," added Boyce.

Something awry with consultation

From the get-go on April 1, reports "from the field" have highlighted the discovery of unexpected outcomes in the used-imports space when it comes to the full clean car discount scheme.

Some plug-in hybrids have been hit with fees – not rebates as most would expect – while maximum charges have been levied on some small models.

While scrutinising the new Rightcar system, dealers' senses have alerted them to what seem to be illogical outcomes. Questions have since started to emerge.

Many results didn't pass the test for reasonable and were promptly sent back to Waka Kotahi for checking.

How can this happen so early into the launch of a programme? Were the figures not properly tested? Perhaps they weren't with the scheme being rushed through much too quickly.

There seems to be a pattern emerging with the implementation of government-driven changes that don't land the way intended.

We just need to recall amendments to the Credit Contracts and Consumer Finance Act (CCCFA), which only kicked off on December 1.

Within a week, reports were coming back they weren't working as intended. Buyers with solid credit profiles and repeat-lending histories had to supply much more invasive financial records.

And, despite all that, applications were turned down. Lending on everything – from mortgages on real estate, to loans on cars and appliances – were suddenly much more difficult and often inaccessible.

Initial reaction from the government was that lenders were going overboard in their interpretations of the new legislation.

Now, five months later, there has been acceptance by David Clark, the Minister for Commerce and Consumer Affairs, that real problems do exist and moves are thankfully being made to wind back some of the obligations.

We hope to see the revised lending requirements put into effect sometime in June. That must be a record reactionary time on behalf of the government and industry looks forward to the changes.

In the meantime, six months' worth of business activity will have been significantly impacted while the rectification process plays out.

In last month's column, I posed the question whether issues with the CCCFA changes would be a one-off and pondered if the roll-out of the expanded clean car discount scheme would be trouble-free – hinting that it might not.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

We now know its launch has been far from perfect. The causes of this are the subject of more detailed articles in this edition of Autofile.

Some of the problems will be fixable, but others might not because the feebate scheme is based on a problematic fuel-consumption conversion algorithm.

Stepping back from the clean car discount, you really do have to ask what's going wrong in consultation processes with the government.

Given the two most recent examples of the CCCFA and feebate scheme, from an industry perspective those at the Beehive seem to be going through the motions and ignoring the feedback.

It could be decisions had already been made, and it was too hard or unpalatable to go back and change already "signed off" strategies. After all, any "unintended" consequences can always be dealt with later if they arise.

Either way, it's disheartening for industry. Automotive associations and related parties put in a lot of thought, energy and cost into their submissions.

In the case of the CCCFA, we all knew it was going to be problematic from the start. Perhaps other sectors, such as social agencies, had greater sway on the day. So be it, but there was no surprise from industry when it came unstuck.

The wider clean car programme had a reasonable two-year lead-up, albeit at a conceptual level only and interspersed by Covid-19 lockdowns.

It was probably all too rushed in the end. No real testing seems to have occurred, well not by the wider industry that I'm aware of.

And that's notwithstanding the second phase of the clean car discount was deferred by three months from its original launch date of January 1, 2022.

Despite that extra time, the car industry still only got to see the final regulations a few weeks before implementation.

The feebate scheme isn't off to a good start. The fault seems to lie within the core foundational concept – the fuel-consumption conversion process. Even the developer of that formula stated it carried considerable scope for error.

Here's hoping the problems can be fixed and the roll-out of clean car standard come January 2023, won't be so troubled. We can but hope.

Ute tuned for performance

The Ranger Raptor, in action and inside

Ford is hailing its next-generation Ranger Raptor as raising the bar for off-road ability.

Developed by the marque's Australian design and engineering team, it boasts smarter technology and the latest hardware.

The biggest news for performance lovers is the introduction of a new three-litre V6 twin-turbo EcoBoost engine producing up to 292kW of power at 5,650rpm and 583Nm of torque at 3,500rpm.

It has been tuned by Ford Performance to provide a huge boost over the current two-litre bi-turbo diesel.

The V6 boasts a compacted graphite-iron cylinder block, which is about 75 per cent stronger and up to 75 per cent stiffer than the iron used in traditional castings.

Ford Performance has ensured it delivers immediate response to throttle inputs, while a race-bred, anti-lag system enables rapid delivery of boost on demand.

The system keeps the turbochargers spinning for up to three seconds after the driver backs off the throttle to allow for faster resumption of acceleration out of corners or between gears when hitting the gas again.

Mated to a 10-speed automatic transmission, the Raptor's engine delivers "effortless" acceleration on gravel, dirt, mud or sand, while the electronically controlled active-valve exhaust system amplifies the engine note in all drive modes.

Drivers can choose their preferred engine sound by pressing a button on the steering wheel or selecting a mode that uses one of four settings.

Quiet mode is designed to prioritise low volume over performance. Normal, which is the default mode, is for everyday use. Sport offers a louder note. Baja is the most aggressive of the profiles in volume and note. It's intended for off-road use only.

The Raptor has a unique chassis when compared to the next-gen Ranger. Mounts and reinforcements have been designed for elements including the c-pillar, load box and spare wheel.

Unique frames for the jounce bumper, shock tower and rear-shock bracket combine to ensure handling even in punishing off-road conditions.

The Raptor's suspension has been redesigned. The tough, lightweight aluminium upper and lower control arms, long-travel front and rear suspension, and refined Watt's link equipped coil-spring rear suspension deliver more control on rough terrain.

Soaking up the bumps are FOX 2.5-inch live-valve internal bypass shock absorbers with position-sensitive damping capability.

The Raptor's ability to tackle rough terrain is enhanced with some serious underbody protection. Made from 2.3mm-thick high-strength steel, the front-bash plate is almost double the size of that on the standard Ranger.

Front and rear twin-rated tow hooks provide flexible recovery options while driving off-road. There is the added benefit of being able to access one of the hooks if the other is buried, as well as using the balance straps during snatch recoveries in deep sand or thick mud.

For the first time, the Raptor gets an advanced permanent four-wheel-drive (4WD) system with an electronically controlled and on-demand two-speed transfer case, combined with front and rear-locking differentials.

The roots of the Raptor name lie in North America where Ford engineers have used it on high-performance pick-up trucks.

It started with the first-generation F-150 SVT Raptor in 2010, which was optimised for off-road performance. The marque focused on detailed engineering upgrades around the suspension, 4WD and all-terrain tyres.

In 2018, the Raptor spread the Ford Performance brand to a new audience.

As for the F-150, Ford Australia is teaming up with engineering specialist RMA Automotive Holdings to remanufacture some that are slated to arrive there from mid-2023.

The ute, which was the US' best-selling new and used vehicle last year, is part of the F-Series. It has a 4.5-tonne towing capability and its 3.5-litre EcoBoost V6 engine, mated with a 10-speed transmission, delivers 298kW and 678Nm.

Those across the ditch will have to be adapted to right-hand drive and to meet Australian Design Rules. However, Kiwis are out of luck for now with no immediate plans to bring the ute here.

"The F-150 as announced in Australia is not confirmed for New Zealand," Tom Clancy, of Ford NZ, told Autofile.

"We've always had a small but steady stream of queries for it, especially for its towing capacity. We are looking into options for New Zealand and how we could make the F-150 available."

Getting high-octane makeover

Toyota says hot-hatch fans are in for a treat when the GR Corolla arrives here in early 2023.

Motorsport engineers at Toyota Gazoo Racing (TGR) have created a sports car with "extraordinary performance" to match the GR Yaris, which was developed based on the marque's World Rally Championship model.

Neeraj Lala, chief executive officer of Toyota NZ, says the GR Corolla is the natural extension of where the company is going in terms of building vehicles that are fun to drive.

"The TGR brand is synonymous with innovation and performance. It's exciting to see it filtering into our product.

"We have rolled out six vehicles with GR treatment over the past few years. The addition of the GR Corolla shows we're going to continue to offer a vehicle for all customer needs as we move towards electrification."

It will carry the same powertrain – the 1.6-litre three-cylinder with single-scroll turbo – and all-wheel-drive (AWD) system that features in the GR Yaris.

Because the GR Corolla is slightly heavier and larger, the DOHC 12-valve engine has been uprated to 224kW and 370Nm of torque.

While the GR Yaris and GR Supra were essentially new vehicles from ground up, the GR Corolla is built on the TNGA-C platform. It has much of the space and refinement of a standard model.

Where it differs is in the performance and handling. As well as the 1.6-turbo, it will sport a six-speed intelligent manual transmission that automatically matches revs to the gear selected, a MacPherson strut front suspension and double-wishbone rear suspension.

The GR Corolla's AWD system's four-wheel-drive mode that controls driving-force distribution and its "drive" mode, which controls accelerator response, steering and others, have been separated for selection according to driver preference and environment.

The car will also feature a front and rear Torsen limited-slip differential like the GR Yaris.

While the interior has much of the comfort of a standard Corolla, there will be plenty of GR touches from the branded leather steering wheel to sports meters and a premium JBL audio system. More information will be released locally closer to launch.

Market gets hotter

Chevrolet has unveiled the 2024 Silverado EV – an all-electric version of the marque's best-selling ute.

It's being seen in the US as a rival to Ford's F-150 Lightning, Tesla's Cybertruck, Rivian's R1T and even GMC's Hummer EV.

"Chevrolet has constantly revolutionised the Silverado to make it the powerhouse it is today," says vice-president Steve Hill.

"The Ultium platform is a critical enabler of next-level pick-up performance for customers, whether they're driving a Silverado or considering a pick-up for the first time."

Parent company General Motors estimates the Silverado EV will have a range of 645km on a full charge thanks to the 24-module battery pack, and produce 347kW of power and 1,058Nm of torque in its "wide-open watts" mode.

The plan is to initially release the flagship RST First Edition. Its features include four-wheel drive, adaptive air suspension, semi-autonomous driving software and a 17-inch LCD infotainment screen.

The chassis is also coupled with independent front and rear suspensions, which help with off-road terrain and on-road performance.

The all-electric Silverado

Kartsport signs council track deal

More than four years after KartSport's track in Mount Wellington, Auckland, closed, top-level karting will have a new home.

The Colin Dale KartSport Development Charitable Trust has signed a community lease with the council for a site in Prices Road, Manukau.

With motorsport stalwart and long-time karting supporter Bob Cunningham leading the fundraising for the project in south Auckland, earthworks are expected to start in October this year.


The layout of the KartSport's facility for south Auckland


Karting has been a training ground for stars of the future, such as F2 driver Liam Lawson

The Mount Wellington circuit was a training ground for New Zealand motorsport's international stars including Nick Cassidy, Mitch Evans, and racing track and multiple IndyCar winner Scott Dixon.

It was closed in 2018 after 50 years in operation. The circuit's lease from Auckland Council expired and the closure was part of the authority's controversial reshuffle of its sporting facilities, which also aimed to move cricket from Eden Park to Western Springs and shunt speedway out of its home at "the Springs".

At the time, the council said it expected the new Colin Dale track would be operating "within two or three years".

Brent Robb, president of the Colin Dale Kartsport Development Charitable Trust, says the facility will be a reward after a lengthy process, and he hopes it will be the new breeding ground for future stars.

"We've been waiting a while for this," he says. "It will be the only international standard kart-racing track in New Zealand. It'll be a world-class facility with clubrooms that can benefit the whole park.

"The great thing about it being run by a charitable trust is that we can also give back to the local community, whether it be through scholarship programmes or have-a-go days for locals.

"It will make motorsport stronger in New Zealand. There are lots of large international meetings in Australia and these events never come to New Zealand because we've never had a track of the required standard."

The 1.2km circuit is set to be completed in five years and will cost about $6 million.


Shane van Gisbergen with his Fabia Rally2

V8 star eyes rally challenge

Australian V8 Supercars star Shane van Gisbergen is aiming to compete in the New Zealand round of the World Rally Championship (WRC) later this year.

The 32-year-old has a wide range of experience to draw from including quad racing, rallysprints and "classic" rallying having competed in his father's Ford Escort RS1800 in the Rally of Auckland in 2020.

This year, in a one-off outing across the Tasman, he finished second overall at the Rally of Canberra behind the wheel of a Skoda Fabia Rally2.

Now he has his sights on running an R5 or Rally2 car at the Kiwi round of the WRC in September.

"Rally NZ is my goal and I'm working on it," says Van Gisbergen. "Having New Zealand back on the calendar is great news, but everybody wants to do it so getting a car isn't easy."

He currently leads the Repco Supercars Championship.

Catching up in the forest

Tony McCall heads north-west of Auckland over Queen's Birthday weekend aiming to beat off-road legend Ian Foster's tally of six wins in the sport's most legendary race – the Woodhill 100.

Throughout the early 2000s, McCall and Foster engaged in a good-natured rivalry as they went wheel to wheel in the sand tracks and rocky logging "highways" of Woodhill Forest. McCall currently stands equal with Foster's six-win tally.

"Ian has stopped racing now and I had been behind him, now I can go one-up in June then two-up in October," McCall told Autofile.

His aim is simple – to set a record no other racing drivers can hope to topple. With a further Woodhill set to run as part of the national championship's final round in October, he can potentially slip two wins ahead.

McCall's Chev LS-engined Buckley-built single-seater has been developed to its fastest and strongest specification ever.

It now features a speedway-style rear wing that calms the vehicle at high speeds when all of its 16-18 inches of suspension travel is being used.

"We can add 10 to 15kph to our speed through the rough sections and it's a dream to drive on the big fast roads."

Although he ran at the opening round of the championship in late April and won his class with ease, McCall, of Manukau, south Auckland, says these days he regards the national championship as a sideshow compared to Woodhill.

Tony McCall in action. Photo: Phil Hagan

McCall at his workshop with a collection of spare rear wings

"They can run the Woodhill as part of the championship as it's this year or even as a stand-alone event. It doesn't matter. It is the only race of its type and it's the one everybody wants to win."

The Woodhill 100 is off-road racing's oldest event with a history stretching back to the sport's origins in the 1970s.

In those days it had a rival, the Leadfoot, which brought the four-wheel-drive fraternity and the "buggies" together over a similar distance in the same forest.

There was also a short-lived 400km enduro and the one-off Woodhill Safari organised by rally man Stuart Roberts that pitted off-roaders against rally drivers, including David Thexton.

Of all these events, the Woodhill is the sole survivor.

"Although the tracks are as gnarly as ever, the race is now a 160km sprint," says McCall.

"You can't afford to be off the trigger for a moment. There's no rest point and no time when you can gather your energy. It's just a constant assault on your mind and body."

This year the Woodhill 100 will be run on an all-new course that's shorter than usual. A lap will come in at 11km, so the front-runners will be completing that distance in roughly eight minutes.

"It also means we'll be lapping slower cars almost immediately, so it's going to be busy for the race leaders, says McCall.

"The guy out front can time his run past the slower cars. But if you get that wrong and tangle wheels, it's going to be tricky."

Being slowed by encountering "traffic" at the wrong place can also let the chasing pack close right up, meaning the leader must then re-establish first position.

"It's not a done deal. First, I have to qualify well, the aim being to score pole. Then I have to get a decent start on a very loose surface. Then we're dealing with an unfamiliar track, and quickly into lapped traffic and probably dust."

McCall says he expects to have one eye on the mirror, the other looking for a way past the midfield by the end of the second lap.

The Woodhill 100 is being held on June 4 and 5. Qualifying is on the Saturday over a shorter loop track.

The race itself is on the Sunday with the action starting from just after 8am. The sport's Kiwitruck junior category has its own separate short endurance race on the day.

The holiday weekend is the race's traditional home and the new course has been plotted at the Auckland Offroad Adventure Park on Lookout Road. Access is from Rimmers Road near Helensville.

Buyer has no basis to claim for damages after camper conversion fails inspection

The case: The buyer sought $40,000 in damages from the trader because he was led to believe his Toyota Land Cruiser was suitable for conversion into a camper. After the modifications were finished, it failed a warrant of fitness (WOF) and needed certification. The trader insisted it wasn't responsible for the vehicle's modifications.

The decision: The tribunal found the dealer hadn't misled the buyer and it had no liability in regard to the modifications. The application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Jeremy Thomas purchased a new bare cab and chassis Toyota Land Cruiser from Miles Ltd, trading as Ilam Toyota in Christchurch, in November 2018. He wanted to convert it into a camping truck for five people and equipment.

Peter Munro Commercials modified it in 2019, but Thomas said it was then too heavy. As a result, the dealer repurchased the Toyota in October 2020.

However, Thomas sought $40,000 in damages. His claim represented the amount he paid plus modifications exceeding what the dealer paid him for the repurchase.

Thomas alleged the vehicle was unfit for purpose and the trader had misled him pre-purchase that it was suitable to be modified.

The case

Prior to purchase, Thomas emailed questions and discussed his modification plans with the trader. Unfortunately, these and indicative pricing were unavailable to the tribunal.

But it was possible to infer Thomas made enquiries about who could carry out the changes, if the gross vehicle mass (GVM) would need to be increased, when a GVM increase would be done and by whom, and changes to turn the vehicle into a camping truck.

Thomas' enquiries included if any GVM increases were a "standard ex-factory option" or whether they would need to be completed by a third party.

He also discussed his plans with Peter Munro Commercials, which quoted him $29,210 for the work on November 20, 2018.

Thomas bought the Land Cruiser on January 8, 2019, for $85,491 and took it to Peter Munro Commercials.

Orders and invoices made out to him, which were produced for the tribunal. They included a camping canopy and water tanks for $40,412 from TJM Underwood, and two from Peter Munro Commercials for $29,447 and $8,011 for supplying and fitting items, including suspension modifications.

On May 13, 2019, the Land Cruiser failed its WOF because it needed a low-volume vehicle (LVV) certification for its modified suspension.

Further work was carried out before it passed on June 7, but it was unclear if an LVV certificate had been issued.

The trader serviced the Toyota on August 11. Thomas queried who had certified the upgrades, if the work affected the factory warranty and the vehicle's weight.

The dealer noted the bolt-on spacers had no LVV certification plate visible, it weighed 3,220kg, which was close to its GVM of 3,300kg, and it needed an LVV certificate for suspension airbags.

Thomas rejected the vehicle on August 19 stating all parties were aware it was being converted to a camper that would be used for towing and it would be subject to WOF requirements.

He claimed the dealer was responsible for the initial pricing and arranging delivery to ensure it "met necessary compliance thresholds".

Thomas added: "Once modifications were complete, Ilam Toyota was unable to issue a WOF as the vehicle was deemed to be non-compliant."

The vehicle hadn't been issued with LVV certification as legally required before obtaining a WOF, it was unable to be insured because it was being used outside the manufacturer's weight limitations and it was "unable to be legally driven on any road in New Zealand".

Even if the Land Cruiser could have been put through a GVM upgrade process, it would still have not complied once the payload was factored in.

The trader obtained a LVV certificate on September 21 and agreed to purchase the vehicle back from Thomas for $125,000.

It argued Peter Munro Commercials was instructed by Thomas to modify it and obtain LVV status because of the changes made.

The dealer added Thomas, as the owner, was required to ensure it was maintained in-line with WOF requirements.

The trader also argued it never assumed any responsibility to ensure it was WOF-compliant after delivering it to Thomas in January 2019.

Because the work done by Peter Munro Commercials exceeded the legal threshold for GVM, Thomas was legally required to arrange for WOF or LVV status.

The trader said it only became aware of the extent of the modifications when they had been completed and the issue of the WOF's continuation arose.

It argued there could be no claim against it under the Consumer Guarantees Act (CGA) because the Land Cruiser was fit for purpose at purchase. The dealer added it wasn't liable for breaching any CGA guarantee in respect of the modifications.

A 2018 Toyota Land Cruiser

The finding

The adjudicator said Thomas hadn't established the cab and chassis were defective in any way or unfit for purpose. No modifications were carried out by the trader and modifications occurred post-purchase.

Further, the tribunal rejected submissions the Land Cruiser was incapable of being altered in a way that would allow it to comply with all legal requirements.

In short, if Thomas instructed another provider to modify it in a way that made it overweight, that issue was between Thomas and the company that did the work.

The tribunal didn't consider he produced any evidence to suggest the trader misled him when buying the Land Cruiser in breach of the Fair Trading Act (FTA).

The dealer made it clear any GVM increase would be an after-market issue carried out by a third-party provider that would need pre-registration of the vehicle.

For whatever reason, no steps were taken before registration to increase its GVM. If that needed to happen, the trader had already made it clear it was an issue for Thomas and Peter Munro Commercials.

However, there was no evidence to suggest the dealer had misled Thomas in that regard. Accordingly, he hadn't established the trader had engaged in any conduct in breach of the FTA.

Order

The application was dismissed.

Car could only be driven 19km on single charge within two months of purchase

The case: Two months after purchase, the battery in the buyer's Nissan Leaf had deteriorated significantly and she wanted to reject the car. The trader said it had remedied the issue, so the purchaser wasn't entitled to a refund.

The decision: The tribunal ruled the trader took too long to fix the electric vehicle (EV) and the work was unsatisfactory. It upheld the application to reject it and ordered the dealer to pay $11,506 to the buyer.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Mangala Iyer wanted to reject the 2011 Nissan Leaf she bought for $11,500 from Patel Motors (NZ) Ltd on April 6, 2021.

Iyer said its battery was defective and the dealer had failed to fix it within a reasonable time. She applied to recover the purchase price and other costs.

Patel Motors said Iyer shouldn't be entitled to reject the car because it had been repaired.

The case

On April 14 last year, Iyer charged her Leaf for about one hour but it failed to top up, so it was taken to Patel Motors for assessment. The trader couldn't find any issue with the EV, but it replaced the 12-volt battery.

Iyer used the car for at least two weeks without any issues. She travelled about 35km each day and charged it every second day.

But, by May, the battery began to deplete quickly and she was only able to drive about 19km per charge. She returned the Leaf to Patel Motors on June 21.

The trader had Giltrap Nissan assess it on June 25. It found the battery was depleting at an excessive rate and it suspected the EV had "faulty battery internals".

The dealer also had Battery Clinic assess it on June 28. In a letter to the tribunal dated November 2 and in evidence during the hearing, Patel Motors told the tribunal Battery Clinic had performed no repairs.

But that was proved incorrect after the hearing. Battery Clinic's manager, David Phan, provided a statement saying the electric battery required replacing because "the degree of deterioration was too high".

It had tried a repair by replacing the worst-performing cells and then reset the lithium-ion battery controller.

However, Battery Clinic didn't charge Patel Motors for its assessment and work because it "did not believe it would provide a significant improvement for a reasonable length of time".

The tribunal found Phan's statement was clear evidence the electric battery was defective, so Patel Motors' claim that the Leaf had no known defects was unreliable.

The vehicle was also assessed by Blue Cars, an Avondale-based hybrid and EV specialist.

The tribunal had owner William Alexander's report of July 26. This stated: "We have tested all aspects of the traction battery performance and believe the true range is at least 80km.

"We believe the battery is basically working as expected for its age, but there are a couple of small anomalies we identified that may be reducing range by a small amount."

Blue Cars reported the battery charged at the expected rate of about 14.7kWh. It drove the car from fully charged until almost empty. When fully charged, its range indicator showed 81km and Blue Cars said it clocked up 80.5km.

It noted work had been done on the battery with slightly higher-than-ideal variations in cell voltages. This caused an imbalance between the cells that meant it couldn't be fully charged or discharged.

Blue Cars said the battery could have been rebalanced, but that would likely improve the range by only a few kilometres. It also considered the car's range was about 81km, which Alexander believed was acceptable for a Nissan Leaf of that age.

A 2011 Nissan Leaf

The finding

Within two months of purchase, the electric battery had deteriorated significantly and needed to be fixed.

Although Patel Motors initially denied the car had any defect or that any repairs were performed, the evidence showed otherwise.

Giltrap Nissan considered the battery had "faulty internals" and Battery Clinic found it had deteriorated to the extent it thought the battery should be replaced.

That major deterioration meant the car wasn't of acceptable quality for the purposes of section six of the Consumer Guarantees Act (CGA) because it wasn't as free of minor defects or as durable as a reasonable consumer would consider acceptable.

After Iyer first rejected the Leaf by email on July 13, she agreed to allow Patel Motors to repair it, but restated her rejection because she was unhappy with the time taken to fix it and was concerned it hadn't been properly remedied.

Patel Motors took about five weeks to assess and fix the car before returning it. That was much longer than reasonable – the battery should have taken no more than one week to deal with.

The tribunal's assessor said battery deterioration was common in Leafs of that age, and the type of repair performed by Battery Clinic was neither difficult nor expensive and should have been performed much faster.

The assessor added the car wasn't adequately fixed. Although replacing deteriorated cells could be appropriate for a vehicle of that age and mileage, they should also have been rebalanced – as Blue Cars identified.

Voltage variations caused by the unbalanced replacement cells would have adversely affect the EV's performance and the longevity of remaining cells would be compromised.

Under section 18 of the CGA, Iyer was entitled to reject the Leaf because Patel Motors had failed to fix the battery within a reasonable time.

As a result, she was entitled to recover all amounts paid, including the purchase price of $11,500. Iyer was also entitled to recover what she paid having the Leaf transported to Patel Motors' premises by A1 Onehunga Towing.

In addition, she sought to recover fuel and insurance costs for another vehicle she used while the Leaf was being fixed.

But the tribunal wasn't satisfied she was entitled to recover that. Instead, it accepted Patel Motors' evidence that it offered to supply a courtesy car to Iyer, but she declined because she had another vehicle to use.

Orders

Iyer's application to reject the Leaf was allowed. The trader was ordered to refund the purchase price, transportation costs and to uplift the vehicle.

Armacup (NZ)

LATEST SCHEDULE

	Port Calls	Paganella v2208	Turandot v2209	Paganella v2210	Viking Passama v2211
JAPAN	Moji	—	—	—	—
	Osaka	28 Apr	1 May	6 Jun	16 Jun
	Nagoya	—	2 May	7 Jun	17 Jun
	Yokohama	29 Apr	3 May	8 Jun	18 Jun
	Hitachinaka	—	4 May	—	—
NEW ZEALAND	Auckland	13 May	18 May	23 Jun	4 Jul
	Lyttelton	17 May	21 May	TBC	8 Jul
	Wellington	23 May	23 May	TBC	9 Jul
	Nelson	24 May	24 May	TBC	TBC

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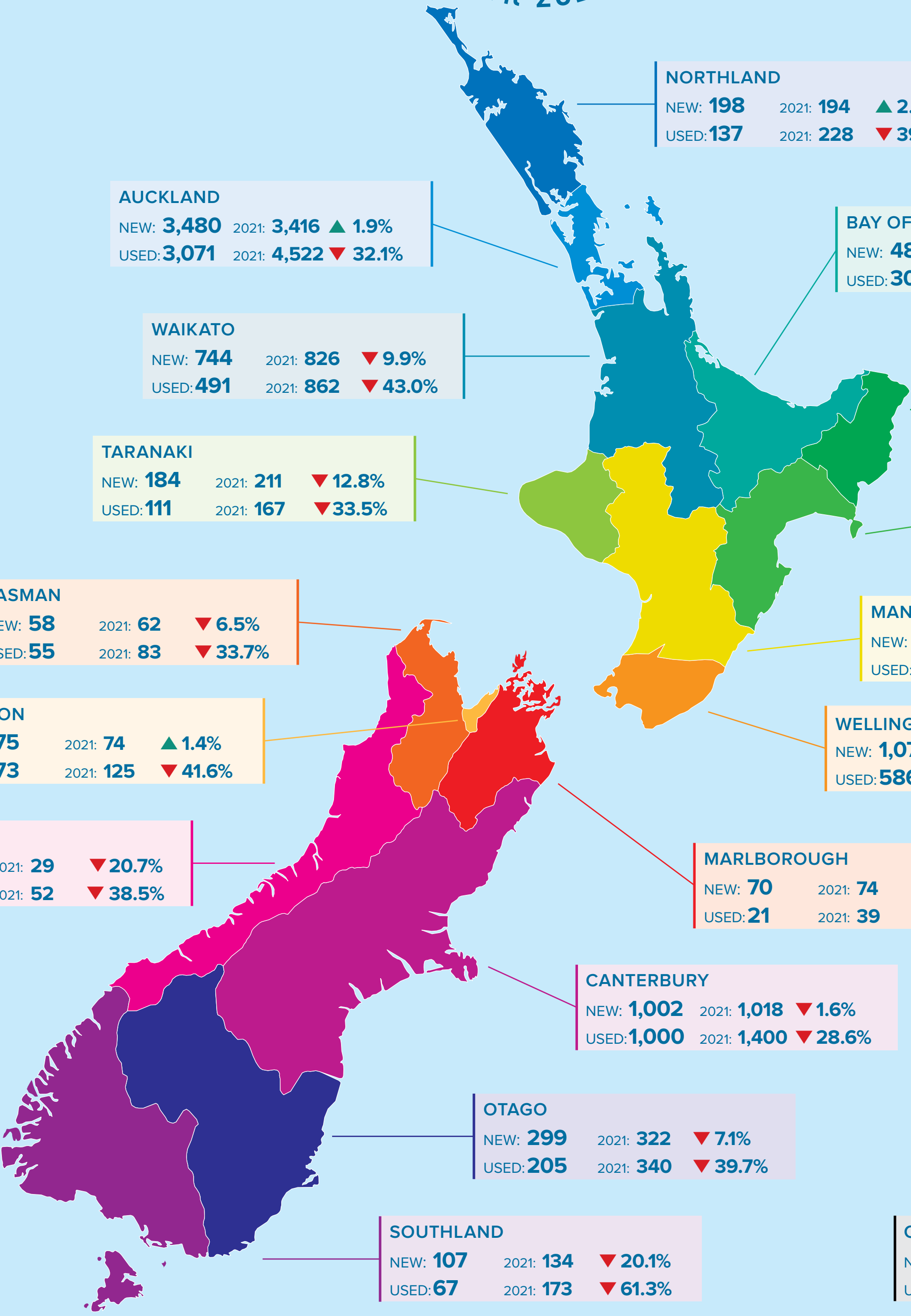
Shipping to cure kids

Around the Country
April 2022

Total new cars
8,537
2021: 8,812 ▼ 3.1%

Total imported used cars
6,515
2021: 10,127 ▼ 35.7%



			2021	
NORTHLAND	NEW	198	194	▲ 2.1%
	USED	137	228	▼ 39.9%
AUCKLAND	NEW	3,480	3,416	▲ 1.9%
	USED	3,071	4,522	▼ 32.1%
BAY OF PLENTY	NEW	487	626	▼ 22.2%
	USED	302	580	▼ 47.9%
WAIKATO	NEW	744	826	▼ 9.9%
	USED	491	862	▼ 43.0%
GISBORNE	NEW	47	62	▼ 24.2%
	USED	11	79	▼ 86.1%
TARANAKI	NEW	184	211	▼ 12.8%
	USED	111	167	▼ 33.5%
HAWKE'S BAY	NEW	271	279	▼ 2.9%
	USED	143	253	▼ 43.5%
TASMAN	NEW	58	62	▼ 6.5%
	USED	55	83	▼ 33.7%
MANAWATU-WHANGANUI	NEW	396	366	▲ 8.2%
	USED	189	345	▼ 45.2%
NELSON	NEW	75	74	▲ 1.4%
	USED	73	125	▼ 41.6%
WELLINGTON	NEW	1,076	1,097	▼ 1.9%
	USED	586	846	▼ 30.7%
WEST COAST	NEW	23	29	▼ 20.7%
	USED	32	52	▼ 38.5%
MARLBOROUGH	NEW	70	74	▼ 5.4%
	USED	21	39	▼ 46.2%
CANTERBURY	NEW	1,002	1,018	▼ 1.6%
	USED	1,000	1,400	▼ 28.6%
OTAGO	NEW	299	322	▼ 7.1%
	USED	205	340	▼ 39.7%
SOUTHLAND	NEW	107	134	▼ 20.1%
	USED	67	173	▼ 61.3%
OTHERS (Chatham Islands, overseas, unknown)	NEW	20	22	▼ 9.1%
	USED	21	33	▼ 36.4%

HEIWA AUTO

Imported Passenger Vehicle Sales by Make - April 2022

MAKE	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,920	2,923	-0.1	44.8%	14,087	27.3%
Mazda	857	1,369	-37.4	13.2%	6,022	11.7%
Nissan	843	1,315	-35.9	12.9%	7,626	14.8%
Honda	444	866	-48.7	6.8%	3,755	7.3%
Subaru	269	735	-63.4	4.1%	4,722	9.1%
Volkswagen	230	514	-55.3	3.5%	1,952	3.8%
BMW	154	525	-70.7	2.4%	2,970	5.7%
Mitsubishi	142	428	-66.8	2.2%	2,315	4.5%
Audi	132	310	-57.4	2.0%	1,830	3.5%
Suzuki	121	254	-52.4	1.9%	813	1.6%
Mercedes-Benz	99	192	-48.4	1.5%	1,400	2.7%
Lexus	86	196	-56.1	1.3%	1,317	2.5%
Ford	42	63	-33.3	0.6%	336	0.7%
Volvo	26	81	-67.9	0.4%	468	0.9%
Chevrolet	25	25	0.0	0.4%	145	0.3%
Dodge	14	23	-39.1	0.2%	117	0.2%
Hyundai	11	18	-38.9	0.2%	65	0.1%
Mini	11	25	-56.0	0.2%	127	0.2%
Holden	9	20	-55.0	0.1%	95	0.2%
Land Rover	9	41	-78.0	0.1%	275	0.5%
Jaguar	8	37	-78.4	0.1%	249	0.5%
Porsche	8	22	-63.6	0.1%	158	0.3%
Jeep	7	28	-75.0	0.1%	176	0.3%
Kia	6	8	-25.0	0.1%	37	0.1%
Plymouth	4	0	400.0	0.1%	9	0.0%
Tesla	4	6	-33.3	0.1%	22	0.0%
MG	3	3	0.0	0.0%	8	0.0%
Pontiac	3	0	300.0	0.0%	12	0.0%
Smart	3	1	200.0	0.0%	14	0.0%
Alfa Romeo	2	2	0.0	0.0%	19	0.0%
Daihatsu	2	2	0.0	0.0%	6	0.0%
Isuzu	2	3	-33.3	0.0%	13	0.0%
Aston Martin	1	0	100.0	0.0%	7	0.0%
Buick	1	1	0.0	0.0%	4	0.0%
Chrysler	1	27	-96.3	0.0%	215	0.4%
Others	16	64	-75.0	0.2%	304	0.6%
Total	**6,515**	**10,127**	**-35.7**	**100.0%**	**51,690**	**100.0%**

Imported Passenger Vehicle Sales by Model - April 2022

MAKE	MODEL	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Aqua	1,403	666	110.7	21.5%	3,890	7.5%
Toyota	Prius	561	391	43.5	8.6%	1,627	3.1%
Toyota	Corolla	309	212	45.8	4.7%	833	1.6%
Mazda	Axela	303	495	-38.8	4.7%	1,752	3.4%
Nissan	Leaf	294	208	41.3	4.5%	1,362	2.6%
Honda	Fit	205	328	-37.5	3.1%	1,022	2.0%
Mazda	CX-5	203	176	15.3	3.1%	971	1.9%
Mazda	Demio	178	240	-25.8	2.7%	676	1.3%
Nissan	Note	166	86	93.0	2.5%	507	1.0%
Volkswagen	Golf	158	302	-47.7	2.4%	1,195	2.3%
Toyota	C-HR	149	5	2,880.0	2.3%	313	0.6%
Nissan	X-Trail	123	330	-62.7	1.9%	1,667	3.2%
Subaru	Impreza	122	225	-45.8	1.9%	1,034	2.0%
Mitsubishi	Outlander	91	264	-65.5	1.4%	1,479	2.9%
Suzuki	Swift	90	207	-56.5	1.4%	556	1.1%
Toyota	Vitz	86	98	-12.2	1.3%	262	0.5%
Nissan	Serena	80	100	-20.0	1.2%	492	1.0%
Mazda	Premacy	70	107	-34.6	1.1%	535	1.0%
Toyota	Wish	70	188	-62.8	1.1%	409	0.8%
Toyota	Camry	67	55	21.8	1.0%	186	0.4%
Mazda	Atenza	65	180	-63.9	1.0%	1,098	2.1%
Subaru	XV	63	52	21.2	1.0%	312	0.6%
Honda	Vezel	55	11	400.0	0.8%	182	0.4%
Audi	A3	53	65	-18.5	0.8%	318	0.6%
Volkswagen	Polo	47	90	-47.8	0.7%	280	0.5%
Toyota	Sai	42	79	-46.8	0.6%	157	0.3%
Toyota	Auris	40	53	-24.5	0.6%	209	0.4%
Honda	Grace	39	22	77.3	0.6%	91	0.2%
BMW	116i	35	89	-60.7	0.5%	336	0.7%
BMW	320i	31	105	-70.5	0.5%	483	0.9%
Honda	Insight	30	37	-18.9	0.5%	113	0.2%
Honda	CR-Z	29	16	81.3	0.4%	124	0.2%
Nissan	Juke	28	58	-51.7	0.4%	314	0.6%
Nissan	March	28	40	-30.0	0.4%	108	0.2%
Subaru	Forester	28	114	-75.4	0.4%	644	1.2%
Others		1,174	4,433	-73.5	18.0%	26,153	50.6%
Total		**6,515**	**10,127**	**-35.7**	**100.0%**	**51,690**	**100.0%**

Weathering storms in market

Turners Automotive Group is anticipating record full-year dividends for its shareholders despite having to navigate government legislation and the continued fall-out from the coronavirus pandemic.

The company is expecting net profit before tax for its 2022 financial year to be between $42 million and $43m – ahead of previous guidance of $40m-$42m.

Based on this and applying its dividend policy, it anticipates dividends for the full year of at least 23 cents per share fully imputed, up from 22c.

Todd Hunter, chief executive officer, says the expected results demonstrate Turners' resilience in the face of Covid-19, the strength of its deliberate diversification strategy, and annuity income from finance and insurance (F&I).

He adds the omicron outbreak is disrupting the wider used-car market and the company's operations. For example, its vehicle-processing capacity has reduced with staff having to isolate due to testing positive or as household contacts.

Although demand for used vehicles dropped away in the second half of February, Turners has continued to gain market share in automotive retail, "reflecting a widening advantage over competitors".

It expects a return to normal operating conditions reasonably quickly following the peak of the current outbreak.

Hunter notes Turners' F&I segments continue to deliver "quality annuity earnings". Despite amendments to the Credit Contracts and Consumer Finance Act, which are now being reviewed by the government, and challenges for some potential borrowers, the group is "navigating the change well".

In automotive retail, the ability to source domestically, which accounts for more than 90 per cent of the company's stock, continues to prove an advantage as the pandemic and government regulation effectively reduce the supply of used imports from Japan.

"Our Tina from Turners brand campaign has exceeded expectations, enhancing our ability to secure more quality New Zealand cars and reinforcing our strength of supply," says Hunter.

"The combination of consignment supply and our local purchasing means we are well-positioned from a supply perspective.

"Delivering another record year of earnings, despite near-term Covid-19 challenges, further highlights the benefits of Turners' geographic diversification, supply diversification and earnings diversification."

Feebates aftermath

There were 6,515 used-imported cars registered last month.

That was down by 73.2 per cent compared to March's total of 24,346 when there were high levels of pre-registrations ahead of the clean car discount's launch on April 1.

Last month's total was also a drop of 35.7 per cent compared to 10,127 in April 2021.

The top-selling model was Toyota's Aqua with 1,403 units for a market share of 21.5 per cent.

HIT ON EARNINGS

NZ Automotive Investments (NZAI), which owns 2 Cheap Cars, has downgraded its anticipated profits.

It cites external economic factors for this, including the war in Ukraine, weaker economic sentiment in Japan, further bond buying by the Bank of Japan and the kiwi strengthening against the yen.

The currency movement has affected the company's hedge position with respect to committed inventory purchasing in the financial year ending March 31, creating a "mark to market" loss of $700,000.

The foreign-exchange impact relates to stock to be delivered in the 2023 financial year and does not economically relate to 2021/22.

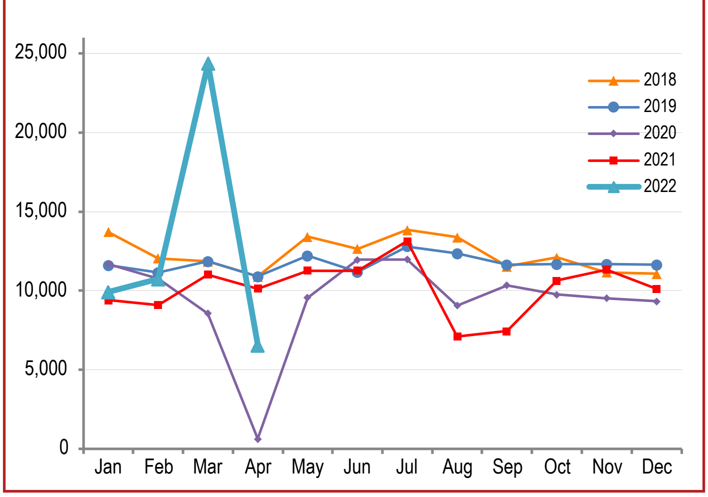
"Nevertheless, the company's accounting policies will require it to recognise the impact in its financial year 2022 statements," says David Page, chief executive officer.

As a result, underlying net profit after tax for the year ending March 31 is anticipated to be in the range of $1.7m-$1.8m, down from previous guidance of $2.3m-$2.7m.

Actual net profit after tax, which includes a one-off gain from rearranging leases of $900,000, is expected to be between $2.6m and $2.7m. That's down from the guidance of $3.2m-$3.6m previously announced.

"In the absence of the accounting impact of these foreign-exchange movements, the company had been expecting to deliver a result towards the lower end of the guidance range," adds Page.

"The company remains in compliance with all banking covenants and is in a solid financial position with cash balances of $3.8m and net debt of $8m, including the trade finance facility, as at March 31."



Shipping vehicles is 'consistent'

A car dealer in Auckland is relieved the supply chain to import used vehicles from Japan has been improving.

There have been issues around the world when it comes to shipping as companies continue to contend with the fall-out of the coronavirus pandemic. Those problems are being further exacerbated by the impact of Russia's invasion of Ukraine, which is having adverse impacts on markets.

As for getting stock from Japan to New Zealand, Tim Mitchell, of Vision Auto Sales, says: "The shipping of cars has been consistent. It is a well-honed and developed industry that knows what it's doing.

"However, many dealers are struggling and I feel sorry for them because there are so many things out of their control at the moment."

Mitchell adds the car industry is facing constant change. For example, dealerships are now web-based businesses with traders carrying more stock.

He says the internet has made the industry intensely competitive. "People can do their own research online and quickly determine the relative value of cars.

"It's all about efficiency of scale and the efficacy of the business. I tend to buy what's in demand and what's available in Japan."

Meanwhile, our ports continue to report issues caused by Covid-19, including Napier.

"There has been an escalation in regional and global container schedule disruption, and we continue to work with vessel omissions, delays and inconsistent schedules across fewer vessel calls," says Todd Dawson, chief executive.

"This has been accompanied by larger container exchanges for the port and cargo owners to manage."

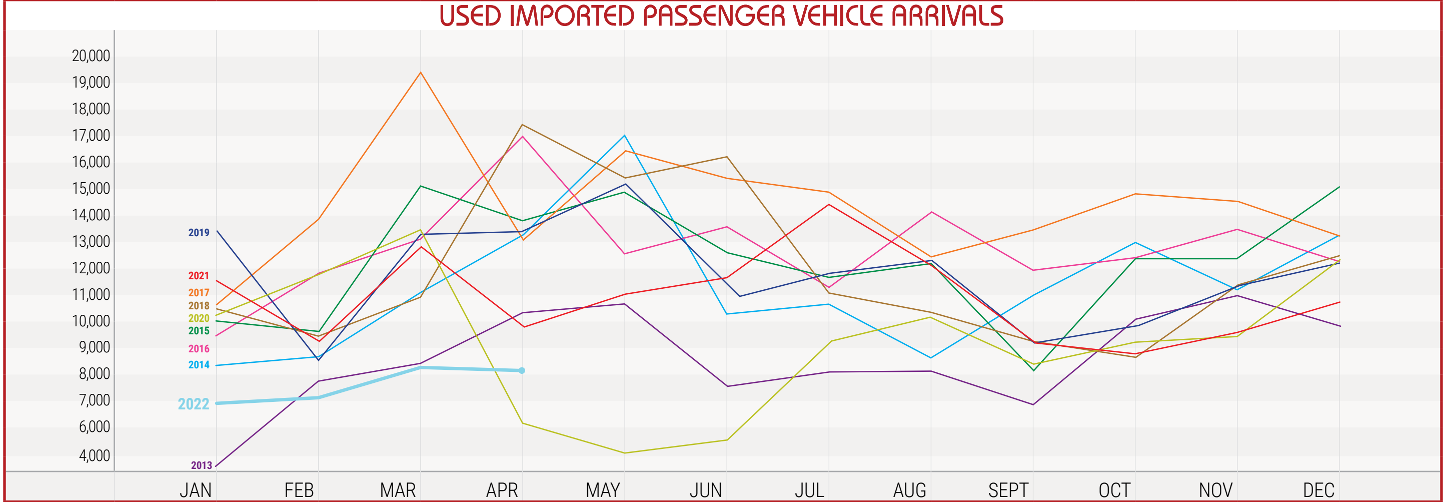
He adds omicron outbreaks and pandemic-related port lockdowns in China have placed extra pressure on international supply chains with flow-on effects to shipping reliability into New Zealand.

USED IMPORTS DOWN

There were 8,018 used cars imported last month. Of those, 7,639 came from Japan and 242 from Australia. Next up were Singapore with 47, then the US and UK with 37 each.

The year-to-date total now stands at 30,369 – down by 30.2 per cent compared to 43,520 by this time in 2021.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2022 JAN '22	FEB '22	MAR '22	APR '22	APR SHARE %	2022 TOTAL	2021 Q1	Q2	Q3	Q4	2021 TOTAL	MRKT SHARE	2020 2020 TOTAL	MRKT SHARE
Australia	262	240	232	242	3.0%	**976**	847	860	747	618	3,072	2.4%	4,185	3.9%
Great Britain	60	44	60	37	0.5%	**201**	367	424	271	197	1,259	1.0%	690	0.6%
Japan	6,490	6,753	7,837	7,639	95.3%	**28,719**	31,773	30,673	33,160	27,902	123,508	94.8%	100,994	92.9%
Singapore	46	69	33	47	0.6%	**195**	433	363	351	231	1,378	1.1%	1,846	1.7%
USA	44	20	77	37	0.5%	**178**	87	235	190	185	697	0.5%	480	0.4%
Other countries	31	33	20	16	0.2%	**100**	91	132	96	84	403	0.3%	468	0.4%
Total	**6,933**	**7,159**	**8,259**	**8,018**	**100.0%**	**30,369**	**33,598**	**32,687**	**34,815**	**29,217**	**130,317**	**100.0%**	**108,663**	**100.0%**

Services being 'scaled up'

Geneva Finance is aiming to deal with consumers more directly after rethinking the company's branding and approach for its 20th birthday.

As a specialist in car, light commercial, trailer, boat and jet-ski finance, personal and homeowner loans, and insurance, the company's lending has traditionally originated through the broker and dealer network.

Moving forward, it's looking at more direct-to-consumer deals as it aims to help consumers with their financial needs.

"The business has had impressive longevity because we've always focused on matching our services to what customers need at the time, such as matching repayments to pay cycles to make budgeting easier," says managing director David O'Connell.

"Our focus, as we pass this important milestone, is on how we can keep refining and scaling up. Our direction is clear. Customers will see better and more tailored services from us than before."

Simon Moore, sales and lending manager, adds: "The majority of our customers use our services to purchase vehicles. We understand the importance of a reliable vehicle as a tool to get to work, and get children to and from school.

"Our focus is on ensuring customers have access to a reliable service where they have certainty about their financial situation, and access to all the resources and support they need."

To mark two decades of doing business, Geneva has unveiled new corporate branding, while its website will be more frequently updated with information about consumer and finance topics.

For example, the site will have useful information about current issues, such as the effect of legislative changes on the loan-application process so people know what a finance provider looks for during assessment and what its obligations are as a responsible lender.

DEALER TRADE FALLS

There were 14,794 second-hand cars sold to the public by traders in April. That was down from 16,316 units, or by 9.3 per cent, on the same month of last year.

In addition, there were 10,250 trade-ins. This total represented a decrease of 20.8 per cent from 12,944 vehicles.

SECONDHAND CAR SALES - April 2022

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	APR '22	APR '21	+/- %	MARKET SHARE	APR '22	APR '21	+/- %	APR '22	APR '21	+/- %
Northland	514	552	-6.9	3.47	1,676	1,895	-11.6	92	215	-57.2
Auckland	5,226	5,327	-1.9	35.33	11,363	12,355	-8.0	4,789	5,204	-8.0
Waikato	1,431	1,656	-13.6	9.67	3,595	3,972	-9.5	15	1,137	-98.7
Bay of Plenty	1,029	1,116	-7.8	6.96	2,519	2,938	-14.3	592	714	-17.1
Gisborne	142	146	-2.7	0.96	354	380	-6.8	0	44	-100.0
Hawke's Bay	509	639	-20.3	3.44	1,260	1,506	-16.3	57	446	-87.2
Taranaki	392	458	-14.4	2.65	961	1,138	-15.6	0	226	-100.0
Manawatu-Whanganui	841	980	-14.2	5.68	1,928	2,176	-11.4	346	835	-58.6
Wellington	1,386	1,612	-14.0	9.37	2,938	3,438	-14.5	0	1,050	-100.0
Tasman	135	142	-4.9	0.91	442	476	-7.1	130	17	664.7
Nelson	99	153	-35.3	0.67	352	437	-19.5	79	126	-37.3
Marlborough	130	156	-16.7	0.88	332	434	-23.5	628	89	605.6
West Coast	96	110	-12.7	0.65	266	312	-14.7	1,039	31	3251.6
Canterbury	1,969	2,130	-7.6	13.31	4,609	5,295	-13.0	1,712	1,873	-8.6
Otago	606	757	-19.9	4.10	1,659	1,939	-14.4	188	504	-62.7
Southland	236	320	-26.3	1.60	799	976	-18.1	388	213	82.2
Other	53	62	-14.5	0.36	170	148	14.9	195	220	-11.4
NZ Total	**14,794**	**16,316**	**-9.3**	**100.00**	**35,223**	**39,815**	**-11.5**	**10,250**	**12,944**	**-20.8**

New Passenger Vehicle Sales by Make - April 2022

MAKE	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	1,598	1,255	27.3	18.7%	3,842	10.6%
Mitsubishi	1,570	1,188	32.2	18.4%	5,523	15.2%
Suzuki	794	652	21.8	9.3%	2,379	6.5%
Hyundai	608	553	9.9	7.1%	2,766	7.6%
Honda	560	220	154.5	6.6%	1,765	4.9%
Mazda	538	617	-12.8	6.3%	2,271	6.3%
Kia	467	1,088	-57.1	5.5%	2,981	8.2%
MG	339	249	36.1	4.0%	1,827	5.0%
Skoda	262	131	100.0	3.1%	648	1.8%
Volkswagen	258	371	-30.5	3.0%	932	2.6%
Subaru	159	248	-35.9	1.9%	848	2.3%
Nissan	157	441	-64.4	1.8%	953	2.6%
Mercedes-Benz	153	163	-6.1	1.8%	892	2.5%
Audi	131	131	0.0	1.5%	586	1.6%
Mini	113	73	54.8	1.3%	288	0.8%
BMW	112	157	-28.7	1.3%	623	1.7%
Ford	107	257	-58.4	1.3%	920	2.5%
Porsche	95	51	86.3	1.1%	266	0.7%
Lexus	92	81	13.6	1.1%	431	1.2%
Polestar	81	0	8,100.0	0.9%	237	0.7%
Peugeot	77	93	-17.2	0.9%	436	1.2%
Citroen	44	29	51.7	0.5%	123	0.3%
Volvo	41	67	-38.8	0.5%	321	0.9%
Land Rover	39	128	-69.5	0.5%	503	1.4%
Fiat	25	5	400.0	0.3%	58	0.2%
Cupra	18	4	350.0	0.2%	108	0.3%
Renault	17	28	-39.3	0.2%	137	0.4%
Seat	13	22	-40.9	0.2%	21	0.1%
Jaguar	12	73	-83.6	0.1%	181	0.5%
Haval	11	119	-90.8	0.1%	932	2.6%
SsangYong	9	59	-84.7	0.1%	342	0.9%
Yamaha	7	2	250.0	0.1%	23	0.1%
Can-Am	6	3	100.0	0.1%	34	0.1%
Bentley	4	5	-20.0	0.0%	19	0.1%
Alfa Romeo	3	10	-70.0	0.0%	30	0.1%
Isuzu	3	36	-91.7	0.0%	181	0.5%
Jeep	3	143	-97.9	0.0%	277	0.8%
Lotus	3	0	300.0	0.0%	9	0.0%
Aston Martin	2	5	-60.0	0.0%	26	0.1%
Chevrolet	2	1	100.0	0.0%	13	0.0%
Mahindra	1	2	-50.0	0.0%	72	0.2%
Maserati	1	8	-87.5	0.0%	31	0.1%
Rolls-Royce	1	1	0.0	0.0%	7	0.0%
Tesla	1	10	-90.0	0.0%	1,302	3.6%
Others	0	33	-100.0	0.0%	168	0.5%
Total	**8,537**	**8,812**	**-3.1**	**100.0%**	**36,332**	**100.0%**

New Passenger Vehicle Sales by Model - April 2022

MAKE	MODEL	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	Outlander	837	531	57.6	9.8%	3,191	8.8%
Toyota	RAV4	716	475	50.7	8.4%	1,574	4.3%
Mitsubishi	Eclipse Cross	544	121	349.6	6.4%	1,198	3.3%
Honda	Jazz	487	56	769.6	5.7%	1,045	2.9%
Suzuki	Swift	407	241	68.9	4.8%	1,181	3.3%
Mazda	CX-5	254	269	-5.6	3.0%	927	2.6%
Hyundai	Ioniq	239	72	231.9	2.8%	362	1.0%
Toyota	Corolla	239	265	-9.8	2.8%	498	1.4%
MG	ZS	220	145	51.7	2.6%	1,136	3.1%
Toyota	Yaris	194	139	39.6	2.3%	481	1.3%
Hyundai	Kona	192	239	-19.7	2.2%	1,011	2.8%
Toyota	Highlander	180	37	386.5	2.1%	302	0.8%
Toyota	Yaris Cross	128	122	4.9	1.5%	276	0.8%
Suzuki	Baleno	125	117	6.8	1.5%	312	0.9%
Kia	Sportage	121	86	40.7	1.4%	735	2.0%
Mitsubishi	ASX	107	406	-73.6	1.3%	592	1.6%
Suzuki	Jimny	106	82	29.3	1.2%	452	1.2%
Volkswagen	Tiguan	99	143	-30.8	1.2%	266	0.7%
Suzuki	Ignis	94	52	80.8	1.1%	231	0.6%
Skoda	Superb	86	8	975.0	1.0%	229	0.6%
Mitsubishi	Mirage	82	61	34.4	1.0%	154	0.4%
Polestar	Polestar 2	81	0	8,100.0	0.9%	237	0.7%
Toyota	C-HR	80	99	-19.2	0.9%	178	0.5%
Kia	Stonic	76	625	-87.8	0.9%	683	1.9%
MG	3	74	40	85.0	0.9%	350	1.0%
Kia	Niro	73	85	-14.1	0.9%	326	0.9%
Nissan	Leaf	71	2	3,450.0	0.8%	135	0.4%
Subaru	Outback	70	108	-35.2	0.8%	325	0.9%
Kia	EV6	68	0	6,800.0	0.8%	88	0.2%
Skoda	Octavia	66	18	266.7	0.8%	143	0.4%
Nissan	X-Trail	63	217	-71.0	0.7%	623	1.7%
Skoda	Kodiaq	63	45	40.0	0.7%	148	0.4%
Volkswagen	Golf	60	53	13.2	0.7%	132	0.4%
Mini	Hatch	58	24	141.7	0.7%	142	0.4%
Honda	CR-V	55	58	-5.2	0.6%	459	1.3%
Mazda	Mazda2	55	32	71.9	0.6%	165	0.5%
Mazda	CX-30	54	68	-20.6	0.6%	258	0.7%
Suzuki	Vitara	54	105	-48.6	0.6%	126	0.3%
Hyundai	Ioniq 5	53	1	5,200.0	0.6%	183	0.5%
Hyundai	Tucson	53	12	341.7	0.6%	524	1.4%
Ford	Puma	49	57	-14.0	0.6%	67	0.2%
Kia	Sorento	48	51	-5.9	0.6%	221	0.6%
Mini	Countryman	48	43	11.6	0.6%	132	0.4%
Mazda	CX-3	46	73	-37.0	0.5%	249	0.7%
MG	HS	45	36	25.0	0.5%	340	0.9%
Others		1,617	3,293	-50.9	18.9%	13,945	38.4%
Total		**8,537**	**8,812**	**-3.1**	**100.0%**	**36,332**	**100.0%**

Getting stock proves challenging

Disruption to the supply chain when it comes to new-vehicle arrivals "has been the biggest operational challenge".

That's the view of Ash Waugh, chairman of the Colonial Motor Company, who says managing customer expectations from a franchise perspective is more complex than ever because of this.

"Demand has generally outstripped supply across the board and, while vehicle flows through our dealerships have been strong, we experienced some negative impacts from the Covid lockdowns," he explains in his half-year report.

"Despite these challenges, our dealership staff are working at capacity in an ever-changing and uncertain environment."

The company reported trading profit after tax for 2021/22's first half was a record high of $18 million. That was up by 41.5 per cent on the same period in 2020/21, while total revenue climbed by 22.4 per cent to $535.7m. A fully imputed interim dividend of 15 cents per share, which was unchanged, was paid on March 28.

"It's seldom that all our major trading operations deliver outstanding results in one six-month period, but this has been the case over the first half of the financial year," says Waugh.

"Motor vehicles, heavy trucks and tractors have all delivered excellent results in a challenging environment, particularly in terms of stock availability and especially for used cars where supply remains an issue."

Waugh adds consumer demand continues to be robust, but potential headwinds include direct and indirect disruptions to trading, labour and vehicle supply due to the pandemic, and price increases from tax changes and inflation.

As for Colonial's property developments, the Team Hutchinson Ford facility in central Christchurch, and Capital City Motors Ford and Mazda facilities' in Lower Hutt have finally been completed.

Subaru's STI E-RA concept

A new leased service facility on Mustang Drive in Bell Block, New Plymouth, will improve Energy City Motors' service offering in Taranaki.

In addition, there are significant upgrade developments under way at Avon City Ford in Christchurch and Dunedin City Motors has been going through a brand refresh.

END FOR STI VARIANTS

Owners of a Subaru STI may be in possession of a collector's item overnight.

The marque is fast-tracking investment in future performance technologies and has confirmed there will be no STI variant for the new-generation WRX.

The announcement paves the way for an era of performance as Subaru Tecnica International focuses on bringing forward the latest technologies for new models.

Wallis Dumper, managing director of Subaru of NZ, says STI's journey is not over but has morphed into future developments, such the STI E-RA all-electric concept.

"The STI announcement aligns with our government's drive toward low-emissions vehicles, including electric," he adds.

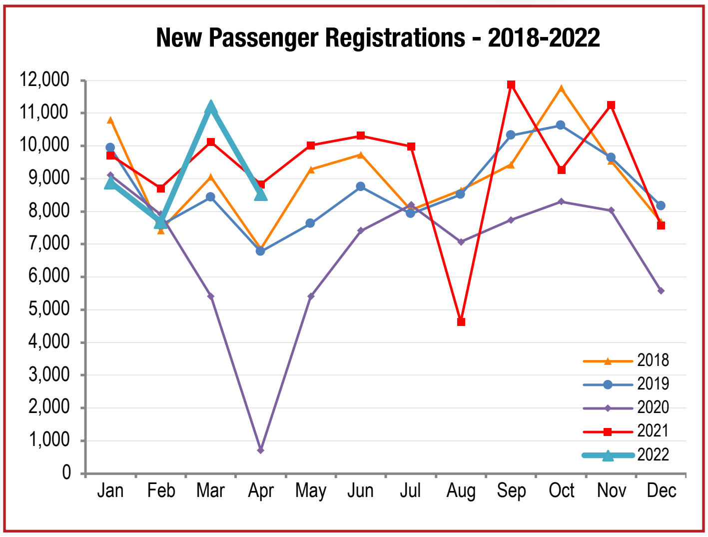
"Our government has a desire to be ahead of the rest of the world with the introduction of effectively a CO_2 'tax'.

"This certainly poses a challenge for New Zealand's automotive industry given our smaller size in the global market. It's larger markets that truly influence each brand's manufacturer."

Car sales dip

There were 8,537 new cars sold last month, which was down by 3.1 per cent from 8,812 in the same month of 2021. Mitsubishi's Outlander was the top model with 837 units and a 9.8 per cent share of the market, while Toyota's RAV4 was second on 716. The top five included Mitsubishi's Eclipse Cross on 544, Honda's Jazz with 487 and the Suzuki Swift on 407.

Toyota topped the marques' ladder on 1,598. Mitsubishi had 1,570 registrations and Suzuki was third with 794.



BOWATER TAKES TITLE

Nelson's Bowater Toyota retained the marque's supreme award at the Toyota and Lexus business excellence awards.

The franchise received the top honour for all aspects of store operations, market leadership and branch facilities.

After sharing the supreme award with South Canterbury Toyota in 2020, Bowater Toyota received 2021's top honour outright. It also secured the president's trophy for outstanding customer service. The business took out the overall title in 2014, 2015 and 2016.

Tony Bowater, chief executive officer, is the third-generation owner of the Nelson company, which also has branches in Richmond and Motueka.

"The whole team at Bowater Toyota is delighted," he says. "It really does recognise the hard work we all put in during the year and the commitment we have to provide the best service we can to our customers."

Steve Prangnell, Toyota NZ's general manager of franchise development, says the awards celebrate the contribution the 64-strong store network makes to the ongoing trust of the brand.

"To say the business environment over the past 24 months has been challenging would be an understatement," he adds. "With lockdowns, the economic downturn and supply-chain issues, 2021 presented our stores with operating conditions they've never experienced before.

"Despite this, the efforts and success of the network over the past year have been amazing with exceptional results across the board.

"Our new-vehicle stores came together to deliver 30,200 vehicle sales and obtain a market share of 18.4 per cent."

Visit www.autofile.co.nz for the other winners.

Ute registrations 'will recover'

New commercial registrations plummeted last month with the feebate scheme being launched.

Trade was impacted so much with charges being introduced on high-emissions models from the start of April that no commercials made it into the top three of the overall new-vehicle market.

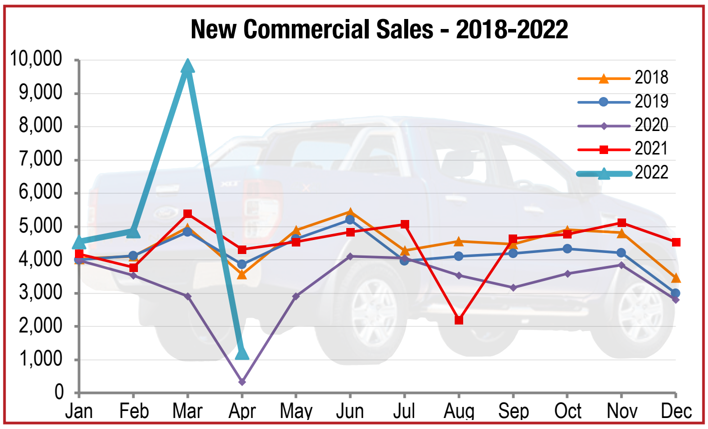
"It's the first time in more than a decade that a ute hasn't made it into the top three for monthly registrations," says David Crawford, chief executive of the Motor Industry Association (MIA). However, he believes sales of utilities will "gradually recover as the year progresses".

Registrations of new commercials tumbled by 71.6 per cent last month compared to April 2021 – from 4,302 units to 1,220. By comparison, there were 9,842 in March when franchises rushed to pre-register. That month's total was 8,662 more than April's.

Crawford told Autofile: "Given the amount of light commercials sold in March, we anticipated there would not be many sales in April, which turned out to be the softest month for them in seven years. Sales of plug-ins were much higher than anticipated last month, especially as they received rebates before April."

As for the roll-out of the clean car discount, he adds: "There were some wrinkles last month, but no major issues, and there were some initial teething problems before the launch. However, by and large, these have been resolved."

The new-vehicle sector has benefitted from holding information about vehicles' and variants' emissions in its online processes since May 2013, when MIAMI – the association's model information system – was introduced.



New Commercial Sales by Make - April 2022

MAKE	APR '22	APR '21	+/- %	APR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	305	1,158	-73.7	25.0%	4,471	21.8%
Toyota	146	974	-85.0	12.0%	3,793	18.5%
Isuzu	108	267	-59.6	8.9%	1,447	7.1%
Fuso	105	67	56.7	8.6%	376	1.8%
Nissan	85	238	-64.3	7.0%	1,048	5.1%
Hino	67	57	17.5	5.5%	296	1.4%
Mitsubishi	53	401	-86.8	4.3%	4,400	21.5%
Mercedes-Benz	40	51	-21.6	3.3%	287	1.4%
Scania	34	23	47.8	2.8%	123	0.6%
Volkswagen	33	86	-61.6	2.7%	330	1.6%
Fiat	26	79	-67.1	2.1%	212	1.0%
UD Trucks	25	20	25.0	2.0%	82	0.4%
Iveco	23	27	-14.8	1.9%	129	0.6%
Renault	21	18	16.7	1.7%	95	0.5%
Foton	20	10	100.0	1.6%	90	0.4%
Kenworth	17	23	-26.1	1.4%	98	0.5%
Chevrolet	15	17	-11.8	1.2%	43	0.2%
Ram	14	27	-48.1	1.1%	160	0.8%
Mazda	13	203	-93.6	1.1%	443	2.2%
Hyundai	12	132	-90.9	1.0%	282	1.4%
Others	58	424	-86.3	4.8%	2,264	11.1%
Total	**1,220**	**4,302**	**-71.6**	**100.0%**	**20,469**	**100.0%**

New Commercial Sales by Model - April 2022

MAKE	MODEL	APR '22	APR '21	+/- %	APR '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	Ranger	287	1,023	-71.9	23.5%	4,283	20.9%
Toyota	Hilux	103	781	-86.8	8.4%	3,073	15.0%
Nissan	Navara	85	238	-64.3	7.0%	1,047	5.1%
Isuzu	F Series	42	17	147.1	3.4%	124	0.6%
Mitsubishi	Express	41	38	7.9	3.4%	150	0.7%
Fuso	Canter 616-City Tip	36	10	260.0	3.0%	56	0.3%
Toyota	Hiace	35	156	-77.6	2.9%	618	3.0%
Hino	500	34	30	13.3	2.8%	160	0.8%
Isuzu	D-Max	34	195	-82.6	2.8%	1,149	5.6%
Mercedes-Benz	Sprinter	32	42	-23.8	2.6%	243	1.2%
Fiat	Ducato	26	79	-67.1	2.1%	212	1.0%
Hino	300	25	22	13.6	2.0%	94	0.5%
Isuzu	N Series	23	49	-53.1	1.9%	119	0.6%
Ford	Transit	18	135	-86.7	1.5%	186	0.9%
Renault	Master	17	6	183.3	1.4%	48	0.2%
Foton	Aumark	16	7	128.6	1.3%	68	0.3%
Scania	R620	16	2	700.0	1.3%	39	0.2%
Iveco	Daily	13	14	-7.1	1.1%	80	0.4%
Mazda	BT-50	13	203	-93.6	1.1%	443	2.2%
Mitsubishi	Triton	12	363	-96.7	1.0%	4,249	20.8%
Others		312	892	-65.0	25.6%	4,028	19.7%
Total		**1,220**	**4,302**	**-71.6**	**100.0%**	**20,469**	**100.0%**

As well as data on model characteristics, such as safety systems, it makes emissions conversions from the New European Driving Cycle to class three of the World Harmonised Light-Duty Vehicles Test Procedure, which the Ministry of Transport uses for its clean-car ratings.

One issue that is on the MIA's agenda is what future rebate and charge levels will be under the clean car discount.

If they change, that will influence the model mix coming to New Zealand with distributors now planning and placing forward orders for 2023 with parent companies overseas.

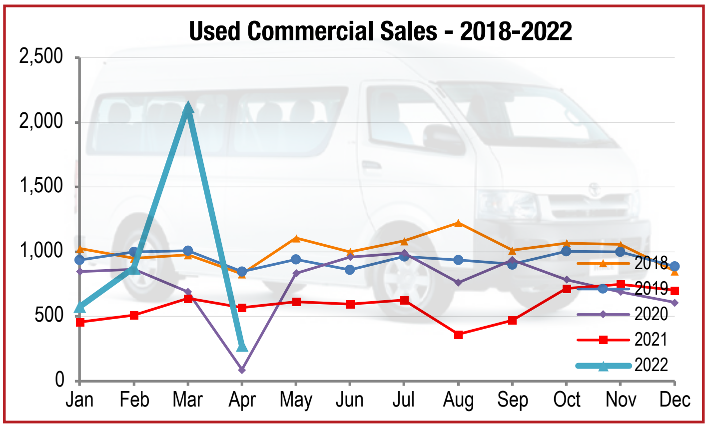
DOUBLE FOR FORD

The Ford Ranger topped the ladder for new commercials last month with a 23.5 per cent share of the market, despite registrations tumbling by 71.9 per cent from 1,023 in April 2021 to 287.

Toyota's Hilux was second with 103 units – down by 86.8 per cent from 781. The Nissan Navara was third on 85 units for a 64.3 per cent drop from 238. Isuzu's F Series was fourth with 42 and Mitsubishi's Express was fifth on 41.

Ford was the best-selling marque. Its 305 registrations represented one-quarter of the market despite its tally last month being 73.7 per cent lower than the 1,158 units it sold in the same month of last year. Next up were Toyota with 146 and Isuzu on 108.

So far this year, Ford is number one with 4,471 registrations. It's followed by Mitsubishi on 4,400 units and Toyota with 3,793.



HINO TOPS TABLE

As for used-imported commercials, there were 278 units registered last month compared with 567 a year ago for a 51 per cent decrease.

Hino and Toyota topped the marques' table on 54 units for market shares of 19.4 per cent. Isuzu was third with 38.

Hino's Dutro came first on the models' table with 36 units on the back of a 12.5 per cent climb from 32 units a year ago. It was the only nameplate in the top five to see an increase in April registrations. Toyota's Dyna was second on 25 with Isuzu's Elf third with 23.

Toyota leads the way year to date on 1,451 units and a market share of 37.6 per cent.

Used Commercial Sales by Make - April 2022

MAKE	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Hino	54	46	17.4	19.4%	260	6.7%
Toyota	54	215	-74.9	19.4%	1,451	37.6%
Isuzu	38	57	-33.3	13.7%	209	5.4%
Mitsubishi	30	34	-11.8	10.8%	152	3.9%
Nissan	27	79	-65.8	9.7%	1,147	29.7%
Ford	12	28	-57.1	4.3%	133	3.4%
Daihatsu	10	3	233.3	3.6%	51	1.3%
Chevrolet	7	14	-50.0	2.5%	36	0.9%
UD Trucks	7	4	75.0	2.5%	19	0.5%
Holden	6	15	-60.0	2.2%	97	2.5%
Suzuki	6	6	0.0	2.2%	41	1.1%
Iveco	3	0	300.0	1.1%	6	0.2%
Mazda	3	24	-87.5	1.1%	67	1.7%
Volkswagen	3	3	0.0	1.1%	25	0.6%
Fuso	2	2	0.0	0.7%	11	0.3%
Grove	2	0	200.0	0.7%	4	0.1%
MAN	2	1	100.0	0.7%	3	0.1%
Mercedes-Benz	2	2	0.0	0.7%	11	0.3%
Scania	2	2	0.0	0.7%	3	0.1%
Dodge	1	5	-80.0	0.4%	19	0.5%
Others	7	27	-74.1	2.5%	115	3.0%
Total	**278**	**567**	**-51.0**	**100.0%**	**3,860**	**100.0%**

Used Commercial Sales by Model - April 2022

MAKE	MODEL	APR'22	APR'21	+/- %	APR'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Hino	Dutro	36	32	12.5	12.9%	180	4.7%
Toyota	Dyna	25	32	-21.9	9.0%	131	3.4%
Isuzu	Elf	23	37	-37.8	8.3%	138	3.6%
Fuso	Canter	20	23	-13.0	7.2%	83	2.2%
Toyota	Hiace	17	146	-88.4	6.1%	1,109	28.7%
Hino	Ranger	15	12	25.0	5.4%	66	1.7%
Daihatsu	Hijet	10	3	233.3	3.6%	50	1.3%
Isuzu	Forward	10	14	-28.6	3.6%	47	1.2%
Nissan	NV200	8	3	166.7	2.9%	56	1.5%
Nissan	NV350	6	34	-82.4	2.2%	759	19.7%
Suzuki	Carry	6	6	0.0	2.2%	38	1.0%
Toyota	Toyoace	6	16	-62.5	2.2%	59	1.5%
Nissan	Atlas	5	15	-66.7	1.8%	57	1.5%
Holden	Commodore	4	3	33.3	1.4%	27	0.7%
Mitsubishi	Rosa	4	2	100.0	1.4%	9	0.2%
UD Trucks	Quon	4	1	300.0	1.4%	9	0.2%
Ford	F-100	3	2	50.0	1.1%	4	0.1%
Ford	Ranger	3	13	-76.9	1.1%	73	1.9%
Nissan	Caravan	3	13	-76.9	1.1%	198	5.1%
Nissan	Civilian	3	1	200.0	1.1%	20	0.5%
Others		67	159	-57.9	24.1%	747	19.4%
Total		**278**	**567**	**-51.0**	**100.0%**	**3,860**	**100.0%**

Global shortfall hits rentals

Worldwide shortages of new cars and industry rationalisation will leave New Zealand's rental fleet at about 30-40 per cent of what it was before the pandemic.

Dan Alphe, chief executive officer of Jucy, also warns market conditions will see rental prices rise in the short term.

He says the sector has been hit hard by Covid-19 with revenues dropping by more than 95 per cent overnight, which resulted in many operators selling off most of their fleets at a time when supply-chain shortages increased resale values of second-hand vehicles.

"The asset rationalisation we have seen in the rental industry provided a lifeline for some of the larger players," explains Alpe. "However, some of the second and third-tier companies have exited an unsustainable market.

"As a result, when we opened our doors to international tourists this month, New Zealand was missing a critical part of its infrastructure. Replenishing this fleet will take us at least two years."

While some large industry players also sold campervans into the domestic market, most of Jucy's fleet was placed into temporary storage.

Alpe says: "Our Australian operation had around three weeks' notice before the borders reopened in February – similar to what New Zealand businesses have had.

"What we saw there was significant government investment to incentivise aviation and bring capacity back in time for the tail-end of the summer season.

"In addition, the Australian government was well-organised and rolled out aggressive tactical campaigns targeting the working-holiday market, in the first instance, with great effect.

"This meant there was no gradual build and leisure travel has bounced back.

"The immediate response from the market was much quicker than expected. We have taken that learning on-board to scale up our New Zealand call centre.

"Our bookings in Australia showed strong demand for April and May. It's our expectation New Zealand will have a similar response assuming airline capacity matches demand."

Alpe says the average daily rate for vehicle hire in Australia has increased by 95 per cent with bookings for March being at 115 per cent of 2019 volumes for the same month.

Stock edges up

Imports of new cars came in at 8,871 in April. This was 10.4 per cent more than in the same month of 2021, but 15.7 per cent lower than March's 10,522 units.

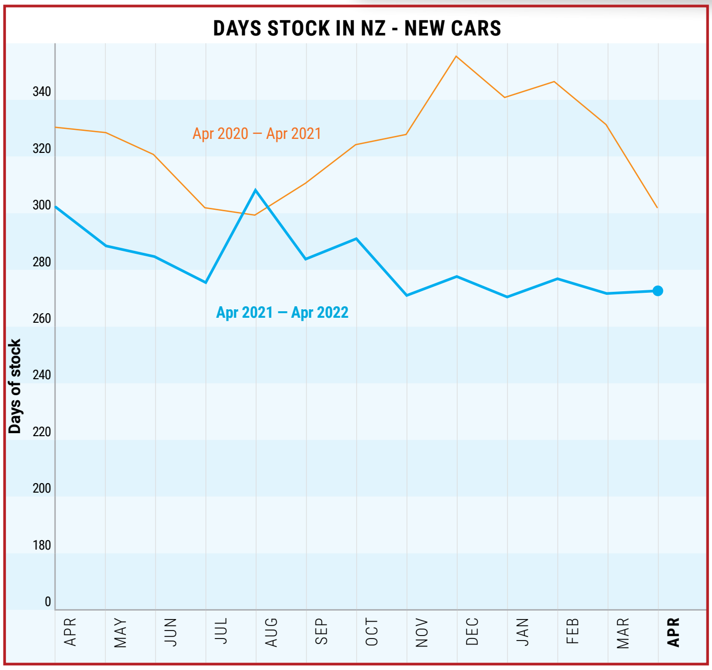
Registrations of new passenger vehicles totalled 8,537 last month, which was down by 3.2 per cent from April 2021's figures and also represented a drop of 23.7 per cent from 11,193 units in March.

The numbers have resulted in the stock of new cars still to be registered increasing by 334 to 83,294. Daily registrations, as averaged over the previous 12 months, stand at 304 units per day – up from 260 a year earlier.

April's results mean stock at-hand has risen slightly to 274 days, or nine months, if sales continue at the current rate. In the same month of 2021, the figures were 301 days, or 9.9 months, respectively.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	6,367	8,944	-2,577	82,366	305	270
Feb '22	8,923	7,658	1,265	83,631	302	277
Mar '22	10,522	11,193	-671	82,960	305	272
Apr '22	**8,871**	**8,537**	**334**	**83,294**	**304**	**274**
Year to date	**34,683**	**36,332**	**(1,649)**			
Change on last month	**-15.7%**	**-23.7%**		**0.4%**		
Change on Apr 2021	**10.4%** MORE IMPORTED	**-3.2%** LESS REGISTERED		**6.3%** MORE STOCK		



Prices of used cars climbing

Trade Me Motors reports the prices of used vehicles being sold is increasing, with some models now selling for more than the sticker prices of their new equivalents.

It attributes the shift to strong consumer demand and limited supply, which means some sellers are getting rid of vehicles for more than they originally paid.

Sales director Jayme Fuller says the median price for second-hand late models on the site has increased $12,000 from $41,990 in 2020 to $53,990 in 2022.

In comparison, the median price of new vehicles of all model years only climbed from $41,990 in 2019 to $45,990 in 2022.

Fuller notes cars have traditionally been considered depreciating assets, but that's no longer the case.

In addition, the median listing price of all second-hand vehicles on Trade Me has jumped by 41 per cent since 2019.

Meanwhile, Chris Stephenson, chief executive officer of the Enterprise Group, says prices of used cars in Japan have been shifting in both directions recently.

Looking back to July 1, 2021, that was when the government launched rebates on new and used battery electric vehicles and plug-in hybrids when first registered in New Zealand.

Almost immediately, those subsidies were eaten up by industry-anticipated price increases at auctions in Japan.

"Some of those increases have flattened out a bit more, but who knows what we will see if there's more demand," Stephenson told Autofile.

"Prices in Japan have been fluctuating a lot in both directions. There's been some movement up and down, but it's still early days."

As for the launch of the full clean car discount scheme on April 1, the government tried "lumping" the used-vehicle sector in with new cars, "and it's many of the smaller traders who are struggling with these new regulations".

Stephenson compares new-vehicle distributors to having the resources that big supermarkets operators, such as Foodstuffs, have access to.

Then there are about 3,000 entrepreneurs in the used sector, which are more like dairies, so it's no wonder they have been struggling with the changes especially with errors on emissions ratings produced by Rightcar's online tool for the feebate scheme.

Registrations fall

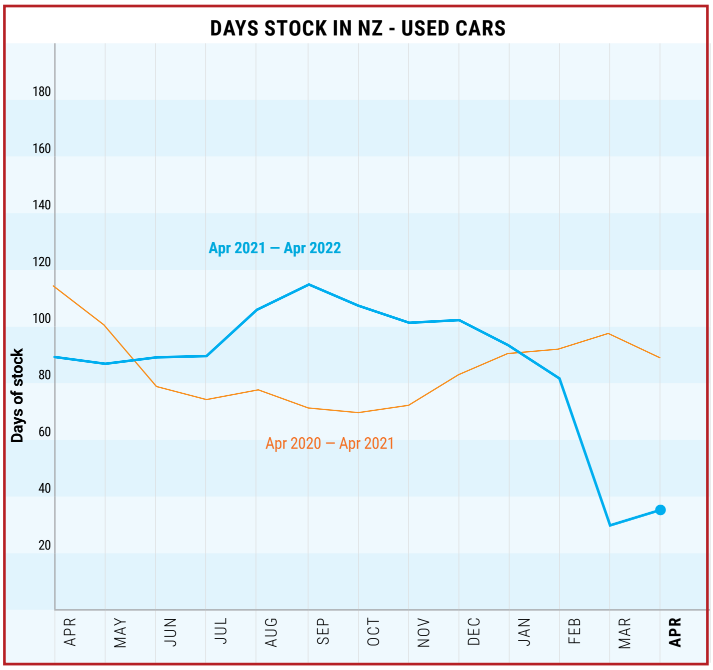
There were 8,018 used cars imported in April for a decrease of 19.2 per cent from 9,922 units in the same month of 2021.

The monthly figure was also a drop of 2.9 per cent from 8,259 in March.

A total of 6,515 vehicles were registered during April. This was down by 35.7 per cent from 10,128 during the same month of 2021 and 73.2 per cent lower than March's 24,341 units when dealers were pre-registering light vehicles to avoid penalties under the government's feebate scheme.

With 1,503 more used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, to 13,018 units. This was 56.4 per cent below the total of 29,882 at the end of April 2021.

Average daily registrations fell to 367 and there is 35 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Apr '21	9,922	10,128	-206	29,882	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	6,933	10,106	-3,173	31,166	336	93
Feb '22	7,159	10,728	-3,569	27,597	340	81
Mar '22	8,259	24,341	-16,082	11,515	377	31
Apr '22	**8,018**	**6,515**	**1,503**	**13,018**	**367**	**35**
Year to date	**30,369**	**51,690**	**(21,321)**			
Change on last month	**-2.9%**	**-73.2%**		**13.1%**		
Change on Apr 2021	**-19.2%** LESS IMPORTED	**-35.7%** LESS REGISTERED		**-56.4%** LESS STOCK		