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## Fossil-fuel cars get stay of execution

Industry raises concerns about emissions reduction plan and boosting green vehicle uptake by scrappage

A decision on banning vehicles with internal combustion engines (ICEs) from being imported into New Zealand has been put off – for now at least.

While there has been a media frenzy about a scrappage scheme, which has been on the government's agenda and reported by Autofile since at least 2019, its emissions reduction plan (ERP) has failed to seal the fate of petrol and diesel cars crossing the border.

The Climate Change Commission, in its final report to the government, called for a time limit to be set on light vehicles with ICEs being imported or built here. It suggested a ban by no later than 2035 and, if possible, as early as 2030.

However, the ERP, which was published on May 16, steers clear of tackling this controversial issue head-on.

"The government wants to consider more broadly what is required to support the transition to



The cover of the government's ERP

low-emissions vehicles [LEVs]," states the plan.

"This includes what further measures are required from 2027 to increase the fuel efficiency of the imported fleet and prevent high-emitting vehicles from being dumped into Aotearoa."

In addition, the ERP says a maximum carbon dioxide (CO<sub>2</sub>) limit, or penalties for individual light ICE imports "to tackle" the

highest emitters, will be approved later this year with such limits or penalties to be in place from 2023.

The government's table of actions for the ERP moving forward includes establishing if the clean car discount can be extended to other vehicle classes with a decision on that due this year.

Also on the agenda for 2022 is investigating how the tax system could support clean transport to ensure low-emissions options are not disadvantaged, such as if employer-provided public transport should be exempt from fringe benefit tax (FBT) and the FBT treatment of work-related vehicles.

And the government has yet to determine if legislative barriers preventing the use of some types of light LEVs can be reduced without unduly compromising safety objectives.

These are some of the issues in the ERP's fine print that might be around the corner for the car industry and on which policy decisions have yet to be made.

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## EDITORIAL

# Scrappage scheme highly predictable

Clean car upgrade merely confirms what government has signalled in past

Watching the May 22 episode of Sunday with Miriama Kamo on TVNZ 1 was enlightening and not in a good way. It was billed as a look “at the sobering truth of our climate crisis” to “find out why New Zealand and the world needs to act now”.

There was coverage of catastrophes in far-flung places before it was explained how huge strands of Australia are now uninsurable and likely to become unliveable in the future.

The real shocker was a mice plague of biblical proportions in three states. It came after years of drought, wildfires and downpours. Homeowners caught up to 600 rodents per night in traps. By the end of 2021, they had chomped through crops, grain stores and buildings at an estimated cost of \$100 million.

So, what of New Zealand? We're seeing more “extreme weather events”, such as multiple floods around Gisborne, severe storm damage in Westport and droughts in Southland with wetlands going up in flames.

Scientists predict things here will get much worse unless action is taken to cut pollution. This is where the first emissions reduction plan (ERP), published on May 16, comes in.

It has a big focus on cutting transport emissions with the car industry again on the government's radar. When it comes to our light fleet, the Climate Change Commission's recommendation to ban imports with internal-combustion engines



DARREN RISBY  
Editor, Autofile

(ICEs) has been parked up for now.

Such action could probably be invoked through next year's clean car standard and other issues may need to be considered before banning ICEs, such as

where all the electric cars will come from and how we power them.

However, what was as predictable as the sun rising in the east was scrappage being included in the ERP.

Despite some in the media reporting on “rumours” it might be covered in the plan before it was published – followed by some self-backslapping when it was – Autofile reported way back in October 2019 that our government was considering a scheme when it was suggested by Julie Anne Genter, then-Associate Minister of Transport.

Furthermore, Michael Wood, Minister of Transport, attended an event hosted by the Motor Trade Association on August 14, 2021, at which he spoke about a “scrappage mechanism” to cut emissions.

A scheme was then flagged up in the draft ERP released two months later. November's issue of Autofile quoted Wood as saying it would be “similar to California's Clean Cars 4 All initiative”. What was confirmed in the final plan last month was simply some more details about the “clean car upgrade”.

What's being proposed isn't a bad starting point. If government works with the industry, we could end up with a scheme that's right for our country. It's better to try than simply not bother. ☺

## autofile

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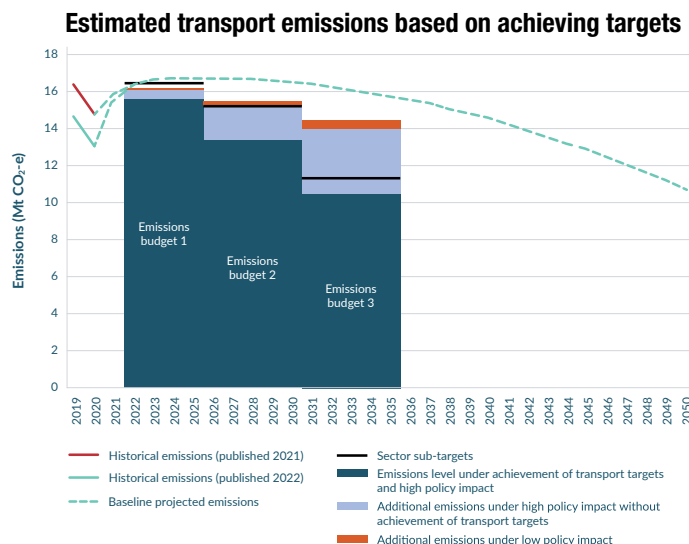
As for what will happen in automotive space as a direct result of policies in the plan, the major one is a scrappage scheme, which will be trialled next year.

Officially known as the clean car upgrade, it's an equity-orientated "scrap and replace" initiative to make LEVs affordable for low and middle-income households. It will be financed through the Climate Emergency Response Fund.

"The clean car discount has been successful in supporting the uptake of electric vehicles [EVs] and hybrids," says Michael Wood, Minister of Transport.

"However, the cost of transitioning to cleaner vehicles can be too expensive. Starting with an initial trial of up to 2,500 vehicles, the clean car upgrade will provide targeted assistance to households to shift to low-emission alternatives in exchange for scrapping their old vehicles.

"Through supporting the uptake of cleaner vehicles, we are not only helping families do their bit for our



The government says transport is on-track to meet its first sector emissions budget thanks to policies such as the clean car discount. Under high emissions trading scheme price conditions, the estimated cumulative impact of policies in the ERP is between 1.7 megatonnes (Mt) of carbon dioxide-equivalent (CO<sub>2</sub>-e) and 1.9Mt of CO<sub>2</sub>-e for 2022-25, along with future changes to the fleet's profile and fuel efficiencies. Achieving the ERP's transport targets is roughly equivalent to a 41 per cent cut in transport emissions by 2035 from 2019. *Source: ERP*

planet, but protecting them and our economy from future economic shocks and high fuel prices. This will also help reduce our international dependency on fossil fuels."

James Shaw, Minister of Climate Change, adds a similar scheme

in California has seen more than 10,000 Americans scrap their "old, dirty cars and replace them with cleaner alternatives", such as new and used plug-in hybrids, zero-emissions models and traditional petrol hybrids.

While a scrappage scheme has been campaigned on for some time by parts of the car industry, there has been criticism for the absence of in-depth detail on the proposals and reaction to the plan has been mixed.

In fact, it's fair to say there are plenty of big ideas in the ERP, but little in the way of how policies will work in practice.

Another major initiative is support for social-leasing schemes to make access to cleaner vehicles affordable for low-income earners. This is set to be rubber-stamped in 2022 with a trial to come next year.

An investigation has been completed into whether further targeted support is required to make LEVs more accessible and affordable for other disadvantaged groups and communities.

This includes considering if extra support is required to support disabled people to purchase suitable EVs, such as those to transport wheelchairs. The scheme will be rolled out by 2025. ▶



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## Setting goals for 2035

The government says an ERP is needed because "the climate crisis is the greatest challenge of our time".

Scientists warn global warming must be limited to 1.5°C above pre-industrial levels for the best chance of avoiding its worst effects. The plan outlines how New Zealand will contribute.

The ERP covers the emissions budget, or "stepping stone", for 2022-25. The aim is to cut pollution during this period by 290 megatonnes (Mt) of carbon-dioxide equivalent (CO<sub>2</sub>-e) in greenhouse gases (GHGs) – or 72.4Mt per annum.

Emissions budget two is for 2026-30 and its target is 305Mt of CO<sub>2</sub>-e. The aim of the third budget, from 2031-35, is to reduce emissions by 240Mt.

ERPs will be needed for these with input coming from the Climate Change Commission. The long-term target is to reach

net-zero emissions by 2050.

Transport is one of our largest sources of GHGs and is responsible for 17 per cent of the country's gross emissions.

Four targets have been set for this sector, which equate to about a 41 per cent reduction in its emissions by 2035 when stacked up against 2019 levels.

To achieve these, the government must work with key partners to realise initial actions for the ERP from 2022-25.

More action will then be needed for the 2026-30 and 2031-35 emissions budgets depending on how we're tracking.

Achieving the transport targets also depends on complementary policies, such as a strong emissions trading scheme price to incentivise the uptake of low-emissions fuels, and planning where we live to make it easier and safer for people to reduce car travel. ➡



Overall, the government is aiming to decrease pollution from transport to the equivalent of a 41 per cent reduction in the sector's emissions by 2035 from 2019 levels.

#### UNCERTAINTY EXISTS

The government's modelling in the ERP is based on assumptions about what could happen in the future and how effective its actions will be.

"The pace and scale of transport emissions reductions will be affected by a range of factors," it states.

"For example, changes in how we live, work and travel could support or hinder our ability to achieve a zero-carbon transport system.

"Changes to technologies, the availability and cost of alternative fuels, and changes in freight demand will affect our ability to achieve targets.

"Ambitious transport targets set are challenging to achieve. This means delaying action would result in harder and more costly measures in the future, and reduce our chance of achieving the targets."

#### PLANS PUBLISHED

A key action of ERP is the rapid adoption of low-emissions vehicles. These, along with zero-emissions vehicles (ZEVs), will continue to be incentivised through the clean car discount.

Extending the road-user charge (RUC) exemption for light EVs beyond 2024 is on the agenda, and the government wants to improve infrastructure "to ensure all New Zealanders can charge up when they need to".

This year, a cross-agency work programme will be established to tackle public and private charging infrastructure, while a national strategy will set out policy objectives up to 2035.

Next year, there will be a review of the Electricity (Safety) Regulations to cover safety needs associated with charging EVs to ensure uptake targets can be realised.

There is now a policy in place to reduce Kiwis' reliance on cars, and support people to exercise

more and use public transport.

It is hoped this can be achieved by improving and making public transport more affordable, getting people to walk and cycle more, and increasing the use of e-bikes.

The government is committed to delivering a national plan to increase cycling and micro-mobility, such as electric scooters.

It will also investigate opportunities to improve access for people living in social housing to shared-mobility schemes, such as car sharing and pooling.

Studies will be carried out on congestion charging, and to look into other pricing and demand management tools to cut transport emissions.

Work will now start on decarbonising the heavy fleet by providing funding for zero and low-emissions trucks, and mandating public-transport buses entering the fleet to be electric by 2025.

As for low-carbon liquid fuels, uptake will be supported by a sustainable aviation fuel mandate

## Policies for big bucks

The government's proposals for transport in the ERP won't come cheap. Costings include:

**\$569m** for the clean car upgrade.

**\$350m** to fund transport choices and services that reduce reliance on cars and support uptake of active and shared modes. Policies include cycleways, greener school travel and better public transport.

**\$61m** to support a skilled workforce of bus drivers.

**\$40m** over four years to help decarbonise the public-transport bus fleet by 2035.

**\$23m** to develop programmes to slash vehicle kilometres travelled.

**\$20m** for a low-emissions car social-leasing trial.

**\$20m** to accelerate decarbonising freight transport.

[continued on page 6]

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and sustainable biofuels obligation.

The Ministry of Transport is also exploring the role of mobility as a service. A pilot has been completed to determine the effectiveness of the platform to shape transport outcomes and encourage mode shift.

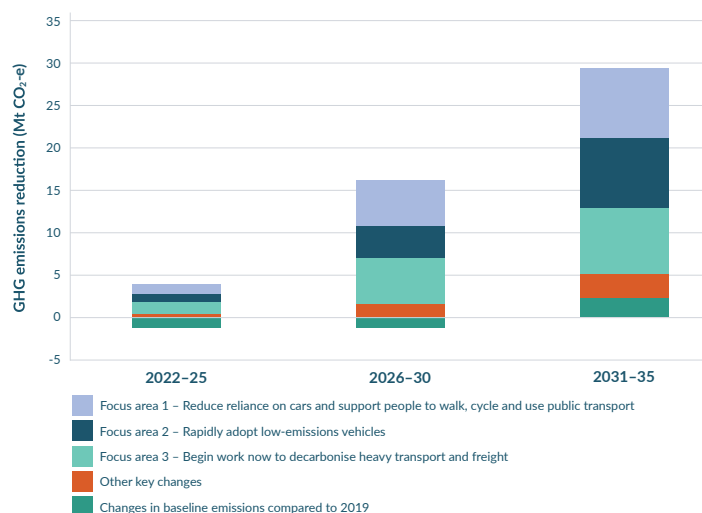
Policies affecting the way people travel in the future will mean how the government collects revenue from the transport sector will have to be reviewed. This will also consider "shifting expectations about the purpose and function of the transport system".

Some big targets to hit by 2035 have been laid down in the ERP.

These include:

- ▶ Increasing ZEVs to 30 per cent of the light fleet.
- ▶ Cutting the emissions intensity of transport fuel by 10 per cent.
- ▶ Reducing freight-transport emissions by 35 per cent.
- ▶ Decreasing vehicle kilometres travelled (VKT) by the light fleet by 20 per cent.

### Potential emissions cuts by focus area compared to 2019



This graphic shows how sectors can contribute to hitting transport's emissions target. Baseline changes include the effects of the fleet's growth and electrification under "business as usual". Other key changes include the impacts of the NZ ETS price on electrification and travel. Focus areas two and three include the impact of alternative fuels. The "ambitious" targets set for transport are "challenging to achieve". Delaying action would result in harder and more costly measures, and reduce the ability of achieving them. Source: ERP

"The amount people are travelling in fossil-fuelled vehicles is at the heart of the transport challenge," the ERP states.

"We cannot rely on just decarbonising the fleet quickly.

Improving urban form, offering better transport options and using other demand-management levers to reduce VKT by cars are vital.

"Most of this needs to occur in our largest cities where people

are more likely to have other transport options."

Managing whole-of-life CO<sub>2</sub> emissions in transport is viewed as essential.

"Aotearoa has made a good start to reduce transport emissions," according to the ERP.

"The government has made several commitments over the past year that have put transport on-track to achieve its targets for the first emissions budget period.

"This includes the clean vehicles package, progress on decarbonising the public-transport bus fleet, RUC-exemption policies and introducing a sustainable biofuels obligation.

"Along with changes in the fleet's profile and fuel efficiencies over time, the government is confident we will achieve the first emissions budget based on this analysis and that New Zealanders will benefit from greater access to LEVs, which are cheaper to run and improve the quality of our fleet." ☺

Industry reaction to scrappage – page 8



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## Green ways to fuel up

A roadmap for the more extensive use of hydrogen is proposed in the ERP.

It is among policies the government has come up with to reduce pollution from transport fuel by 10 per cent by 2035.

It says action is needed because the energy and industry sectors made up 27 per cent of total gross greenhouse gas (GHG) emissions in 2019.

Decarbonising energy has a range of benefits, such as cutting GHGs from other industries, reducing costs through efficiency and clean technology, and creating high-wage jobs.

Doing so will also reduce the country's exposure to international oil markets, help accelerate the uptake of low-emissions vehicles and boost diversification into new fuels.

"The government's 2050 vision is to have a highly renewable, sustainable and efficient energy system supporting a low-emissions

economy," states the ERP.

"A well-planned transition can help reduce energy costs for businesses and New Zealanders. It will strengthen our energy independence, and ensure supply is affordable and secure in the face of global shocks.

"Actions in the energy and industry sectors also contribute to new economic opportunities."

These include accelerating the roll-out of renewable generation and infrastructure for electrification, such as electric-vehicle chargers. And low-emissions fuels, such as biofuels and green hydrogen, will help decarbonise the transport system.

Developing the roadmap for hydrogen by 2023 is a key initiative. This will build on the government's aim for it to set strategy-guiding investment in hydrogen, and maximising economic benefits and emissions cuts. To achieve this, it will ensure regulatory settings for the gas are fit for purpose. ☺



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# Scrappage scheme 'too narrow'

An industry organisation is calling for the government's upcoming trial of its "scrap and replace" scheme to target a broader range of people and vehicles to help create a safer and cleaner fleet.

The Motor Trade Association (MTA) has welcomed the clean car upgrade, which was revealed in the emissions reduction plan (ERP) last month.

But it says it appears too narrowly focused on electric vehicles (EVs) rather than lower-emissions models as well.

Michael Wood, Minister of Transport, has announced the equity-orientated scheme will be launched next year with an initial trial of up to 2,500 units.

Eligible families and individuals will have to earn less than the median household income, which is around \$85,000, cars in-line for scrapping will need to be eight years

or older and people will get about \$10,000 to trade in their current vehicle, it has been reported.

Greig Epps, the MTA's advocacy and strategy manager, says his organisation wants the scheme's scope to be broader to allow anyone to participate.

"There's concern the range of vehicles to be offered via the clean car upgrade will be in short supply and unaffordable, even with the substantial subsidy," he says.

"We're glad the government has picked up on our proposal to look at scrappage and to have the idea developed by officials is a good start.

"However, it could have a broader impact than what's proposed. It should be for anyone concerned about their vehicle's age, safety and emissions."

The Motor Industry Association (MIA) is also keen for more details about the policy, but warns

officials to avoid the pitfalls and unintended consequences of similar initiatives overseas.

And the Imported Motor Vehicle Industry Association (VIA) predicts there will be challenges around defining what type of cars should be targeted and expects some resistance from the public to change their vehicles.

Epps notes the Ministry of Transport (MoT) has set aside a budget and is speaking to stakeholders, including automotive groups, to establish how a scrappage scheme may best work.

"However, the proposal is narrowly focused on electrified vehicles – EVs, plug-in hybrids and petrol hybrids – under about eight years old," he adds.

"A sizeable subsidy is proposed, which for some vehicles may only cover about half their sticker prices. Participants will need to find the rest. This may be difficult for people

on low incomes given restrictions on lending resulting from the amended Credit Contracts and Consumer Finance Act.

"We also understand the clean car upgrade grant cannot be combined with the clean car discount, so you get one or the other – not both subsidies for low-emissions vehicles."

A previous MTA proposal to the MoT on scrappage took a transitional approach with a lower, "but still attractive", incentive available to Kiwis who commit to moving to a safer, cleaner method of transport.

"If a car, we think it should be at least 25 per cent cleaner in terms of carbon dioxide [CO2] emissions and at least three-star rated for safety. We need to pilot the scheme and 2,500 vehicles is about right.

"There are many uncertainties about the initiative due to its narrow focus and mixed objectives ►

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◀ – lower emissions and equity-focused. More work will be needed by officials to see if the target group will actually benefit.”

Epps hopes the trial is successful and can be a starting point to widen the project. If unsuccessful, he's keen lessons are learned and the scheme improved rather than the idea of scrappage as a way to improve our fleet being shelved for 10 years.

“We would hate to see the trial fail due to limited scope. I hope the MoT receives enough similar feedback from industry and revises its thinking.

“This would mean it focuses on the fleet and how scrappage can improve it, and that it partners with other government agencies to see how low-income families can be supported in accessing low – or lower – emissions vehicles.

“Overseas schemes can be looked at to conceptualise how this initiative may work, but we cannot ‘lift and shift’ something into the New Zealand context. Many initiatives overseas were introduced

to stimulate economic activity.

“We have a unique fleet composition. A Kiwi scrappage scheme should tackle its age and safety and, almost as a bonus, also address emissions.”

The MTA suggests vehicles older than 15 years should be a priority of any policy, with studies showing they fail a warrant of fitness more than 50 per cent of the time. Those aged 13-15 are also more likely to be involved in fatal crashes.

Epps points out a vehicle that has done about 150,000km can have an emissions profile up to 40 per cent worse than when it was built.

“Assuming 10,000km of travel per year, that car is about 15 years old. We think a trigger point would be 15 years.

“But a serious gap in our knowledge is what New Zealand’s

CO2 profile is. There should be more in-service emissions testing to better understand how bad the fleet is. We could use these

results to better identify scrappage candidates.”

The MTA is not advocating mandatory scrappage and says any scheme must be voluntary because people should be able to choose what they drive.

“However, motorists need to have the option to be part of the transition to a cleaner,

safer fleet,” adds Epps. “Scrappage with a modest incentive of, say \$2,500, can be that option.

“If people hold onto vehicles for whatever reason, we would encourage regular servicing as that can help keep emissions as close to the car’s original build state as possible.”

The MTA has been explaining its ideas on scrappage to the MoT

after Wood noticed its proposal in a submission to the Climate Change Commission last year.

Epps says: “We’ve encouraged officials to spread their net widely to gather views. We connected them with the Financial Services Federation to better understand obstacles facing low-income families seeking loans to make up balances of cars’ purchase prices.

“We’ve also encouraged them to speak to the other associations and major players, such as fleet companies. Something this broad-reaching cannot be based on one organisation’s viewpoint. It needs a connected view from industry.”

#### INDUSTRY WARNING

The MIA describes the ERP as being light on detail on how the scrappage trial will work, although its structure should be known by the end of 2022.

David Crawford, chief executive, says the government will need to avoid problems that have beset such schemes in other

[continued on page 10]



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countries before rolling one out permanently here.

"The MIA's views on scrappage are mixed," he says. "Our fleet had an average age of 14.7 years as of the end of 2021. We support initiatives to take older, less safe and polluting cars out of the fleet."

"Scrappage schemes are usually formulated in countries where there is new-vehicle manufacturing to stimulate production."

"Implementing these schemes where manufacturing doesn't happen can lead to unintended outcomes."

"For a country like New Zealand, designing such an initiative is challenging. Unintended outcomes are usually inflationary at the low end of the market by driving up the price of end-of-life vehicles towards the value of the scrappage incentive."

Crawford adds the MIA would back a well-thought-out policy that incentivises trading in end-of-life vehicles for newer models.

"Without knowing what the

criteria is for people to apply and the rules around the type of vehicle that must be bought with the grant, it's difficult to say if New Zealand's scheme will avoid known pitfalls. We support a trial before it's rolled out on scale. This will at least provide an opportunity to assess and modify it to suit our market."

#### DEFINING TARGETS

David Vinsen, VIA's chief executive, says tackling vehicles already in the fleet is a welcome move. But he warns the clean car upgrade's uptake may disappoint officials.

"The trial isn't about can we do it, but how we can do it," he told Autofile. "The government appears to have made a commitment to a scheme and this is the first dabbling-toe in the water to see how best to do it."

"There are some inherent limitations because people driving cars destined to be the focus for scrapping are often those who can't move up to more desirable models."

"We've been banging on about



## Action in Golden State

The November 2021 issue of Autofile covered what California's Clean Cars 4 All initiative is all about after it was flagged up by Michael Wood, Minister of Transport.

He said a scrappage scheme for New Zealand could look like the one started by the California Air Resources Board in January 2019.

Successful applicants there get up to US\$9,500 – or about NZ\$14,660 – towards a new or used plug-in hybrid, battery electric or fuel-cell electric vehicle. People can also opt for up to US\$7,500 to access public, private and shared-mobility options.

By the end of December last year, 13,355 clunkers had been replaced with low-emissions models. About 89 per cent of Clean Cars 4 All participants fall into the low-income bracket set by the federal government.

addressing the whole fleet and not just vehicles coming into it, but there's always been a reluctance by governments of all stripes for fear of upsetting constituents.

"I believe the ideologues are going to be unpleasantly surprised by poor uptake."

Vinsen notes one of the challenges to establishing a scrappage scheme is defining vehicles to be targeted and whether based on age, safety, fuel economy or emissions.

"It's the first time the government has recognised that while the fleet needs to be managed, it isn't just about what's coming in but also dealing with vehicles already here and accelerating the attrition of those less desirable."

"There has been thinking on this in the past. It has foundered because no one can properly define what a less-desirable car is. We have to set strategic targets on how the fleet should look to get maximum benefits in terms of safety, fuel economy and the environment." 🗨️

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## Chaos at port averted

Shipping line bosses are breathing a sigh of relief after their pure car carriers (PCCs) avoided having to wait days at sea because of a congested schedule at Lyttelton port.

A number of PCCs faced being unable to dock at the South Island port for 10 days last month after three coal vessels were scheduled for back-to-back arrivals and dominated the main berth used for discharging vehicles.

The coal ships were due to occupy Cashin Quay 1 from May 20-26, during which period four PCCs were also set to arrive.

However, the risk of having to wait more than a week was averted after two of the vessels changed their schedules – the Leo Spirit avoiding the port altogether and the Wisteria Ace's arrival being delayed until early June – and the remaining two PCCs being squeezed into spots at other berths.

The Don Juan, operated by

Armacup, discharged at Cashin Quay 3 on May 20, and Toyofuji's Trans Future 7 was able to unload between container-vessel operations at Cashin Quay 2 over May 28-29.

Blain Paterson, general manager of Toyofuji, says the company was happy with the outcome after previously describing the scheduling of the coal vessels as "frustrating".

Hans Corporaal, Armacup's chief operating officer, adds any delays for PCCs to unload increases costs for shipping lines.

"It's a problem for every car carrier and the infrastructure at Lyttelton is nowhere near sufficient to deal with industry requirements," he notes. "We are lucky passenger vessels are not in the mix as of yet because they get priority also."

Lyttelton Port Company says any delays experienced by PCCs there are "relatively minor" compared with issues at other ports worldwide. 🗨️



# 'Impediments' to electric shift

**T**he Motor Industry Association (MIA) says it's a sensible move on the government's part to steer clear of banning the importation of cars with internal combustion engines (ICEs) in its first emissions reduction plan (ERP).

The policies in the document cover the whole economy from 2022-25 and tackling emissions from the light-vehicle fleet is well-covered with the likes of the clean car discount and standard as well as new proposals, such as scrappage.

"We think the Minister of Transport is trying to understand what some of the impediments are around the timing of an ICE ban, but we're expecting the ERP for 2026-30 to have something about this," says David Crawford, the MIA's chief executive.

The issues don't just involve supplying zero-emissions cars,



but the supply of electricity in New Zealand.

"If we continue to supply ever more electricity-dependent vehicles, there's a need to develop the national and regional networks along with charging points and home-charging," Crawford told Autofile.

"It's not just going to be the transport sector relying more on electricity as we shift away from fossil fuels, so will many other industries. Issues include having enough capacity to meet

requirements and networks being robust enough.

"We need infrastructure for EVs and everything else. That will require a lot of investment, so it wasn't a complete surprise an ICE ban wasn't in the first ERP"

If New Zealand needs 40 per cent more electricity to be generated by 2050, for example, what we have now is insufficient.

"Expanding generation, distribution and supply by then requires more investment over a relatively short period at a rate our

country has never before seen," adds Crawford.

"We're providing officials with more information on the rate of EV supply into New Zealand and the type and timing of new battery technology, which will continue to evolve from lithium-ion to solid state and other forms between now and 2035.

"These future batteries are expected to have 50-60 per cent more energy density and be able to be charged at a faster rate for ranges typically of 600-700km. This will suck larger amounts of electricity out of the system as more EVs enter our fleet."

It seems the government is taking a pause on ICEs and Crawford asks if the clean car standard works well, is anything else needed. "It already has the ability, by setting regulations, to ban vehicles over a certain CO2-emissions level." ☺

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# Feebate exclusions praised

**T**he Low-Volume Vehicle Technical Association

(LVVTA) has described the process around exclusions from the clean car policies as "fair and sensible".

Chief executive Tony Johnson says consultation with the government has ensured that certain vehicle groups have been exempted from charges.

"The Ministry of Transport [MoT] has, during the development of the clean car discount and standard, always recognised there will be some vehicles that shouldn't have fees imposed on them."

The excluded groups include vehicles that are 40 years old or older as of April 1, 2022. This means, currently, those on or before 1982 don't attract fees.

"The LVVTA and other associations lobbied the MoT to



Imported left-hand drives, such as the Chevrolet Camaro, are only exempt from the feebate scheme if manufactured before 1982, so they are classed as classics. There is no exclusion for modern left-hand-drive vehicles

consider making the cut-off at 30 years old to recognise 'modern classics', but this was unsuccessful," adds Johnson.

"We do believe, however, this blanket recognition of 40-year-old vehicles is quite reasonable, if not ideal."

All scratch-built, low-volume vehicles (LVVs) are excluded, including those constructed here and overseas.

These are vehicles made or assembled in quantities of 500 or

less in any one year, and when their construction may affect compliance with New Zealand standards.

Essentially, scratch-builts are replicas and also modified so much they cannot be considered to still be the production model of origination.

Motorsport vehicles, within the scope of the exclusion, are legitimate road-going cars used in competitions. Most commonly, these are rally cars because that need to go on public roads between stages. Some club sport cars are also used on-road and for weekend racing.

To be exempt, they must be owned by competition licence-holders, used in such activities, meet tough safety rules and be issued with LVV authority cards.

Disability vehicles are in another excluded category because people who need them are often restricted as to what they can use. "Many vehicles that meet the user's individual needs may not be available in a low-emitting variant," explains Johnson.

They are defined as light vehicles used to transport a person with a disability. These need to be modified to enable a wheelchair user to safely get in or out, and enable the person and wheelchair to be safely restrained while on the move.

To be classed as a disability vehicle, it can also provide someone in a wheelchair, or of limited mobility, with assistance to enter and exit using a swivel or swing-out seat.

The other charge-exclusion

class is for special-interest vehicles (SIVs). They must be less than 20 years old, don't meet the frontal-impact rule or exhaust-emissions standards, and be issued with a SIV permit.

This exclusion doesn't apply to modern left-hand-drive (LHD) vehicles, such as Chevrolet Camaros, Ford Mustangs and Dodge Challengers.

These, however, may be eligible for LHD permits unless they also meet the criteria for an SIV because they don't meet frontal-impact or emissions rules.

"It's important to note all explanations are generalised," says

Johnson. "Someone considering building or importing a vehicle should do their homework to determine if it falls into an excluded group or not."

He describes the clean car policies as, in essence, being a "gas guzzler" tax.

"Such a tax already exists in many other parts of the world and it was always going to arrive here sooner or later.

"Fortunately, we've come through this potentially threatening legislative process very well and most enthusiasts can continue without any new impediments.

"If you learn the vehicle you want to import or register is outside the excluded groups, there are two things to remember.

"The legislation isn't saying you can't register it. It's just saying you have to pay a charge and the maximum payable for a second-hand vehicle is \$2,875 plus GST." ☺



Tony Johnson

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# Mixed results in difficult business environment

**T**urners Automotive Group has reported record earnings for the past financial year.

That's despite disruptions from Covid-19 lockdowns, and the more recent impact of the omicron outbreak on consumer demand and operations.

Key financial highlights for the 12 months to March 31 include revenue climbing by 15 per cent to \$342 million and an 11 per cent increase in earnings before interest and tax.

Net profit before tax (NPBT) and after tax rose by 15 and 16 per cent to \$43.1m and \$31.3m respectively.

Turners has declared a full-year dividend of 23 cents per share, up by 15 per cent, with earnings per share increasing by 16 per cent to 36.4c.

Highlights of 2021/22 included record earnings from automotive retail, and the finance and insurance (F&I) divisions operating in the used-car market.

Market share has continued to grow in car sales, with a good network of new branches being established, and there were improved annuity earnings from F&I.

The company says debt load has been returning slowly in credit management, but the environment should be more productive in the 2023 financial year.

Turners reports employee engagement is at a high, and has continued to increase at a time when retention and recruitment have been under pressure.

When it comes to inflation and interest rates, these are starting to impact with the "speed of change the biggest challenge", says chief executive Todd Hunter.

Profits boomed in each of

Turners' three largest businesses, which represent 94 per cent of divisional operating profit. They were up by 24 per cent in insurance, 14 per cent in finance and 26 per cent in automotive retail, although profit in the credit management business dropped by 40 per cent.

## DECLINE IN REVENUE

The parent company of 2 Cheap Cars has revealed a drop in revenue and profits after a "difficult" year to the end of March.



Todd Hunter

NZ Automotive Investments (NZAI) announced its revenue and income of \$66m for 2021/22 was down by \$100,000 from the previous year.

Actual NPAT fell \$600,000 over the same period to \$2.6m, and underlying net profit after tax came in at \$1.7m compared with \$3.8m.



David Page

Net operating cashflow, excluding NZ Motor Finance lending, decreased by \$6.8m due to the timing of inventory purchases, in particular a prepaid shipment of \$3.2m at the end of March.

Revenue for its automotive retail division fell 2.1 per cent to \$63.4m, while the NZ Motor Finance loan book increased by 79 per cent from \$3.8m to \$6.8m.

NZAI also reported underlying earnings of four cents per share in its announcement to the NZX on May 30.

Chief executive David Page adds the company's balance sheet remains solid with \$3.8m in cash and net debt of \$8m.

The board has approved a final gross dividend for the financial year of 0.88 cents per share to be paid on June 24, which takes the total gross dividend to 3.1c per share for 2021/22. 📱

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# Industry movers

**PETER MERSI** is stepping down as chief executive of the Ministry of Transport (MoT) after six years.

Mersi, also secretary for transport, has been appointed commissioner and chief executive at the Inland Revenue Department with effect from July 1.

"I've loved my time at the MoT, but it's time to move on and I'm looking forward to working with my new colleagues at Inland Revenue," he says.

Mersi has held his MoT roles since July 2016. He was previously chief executive of Land Information NZ for more than four years and was also acting secretary for internal affairs at the Department of Internal Affairs.

Bryn Gandy, the MoT's deputy chief executive, is acting up until a permanent replacement for Mersi is found.



Peter Mersi



Bryn Gandy

**RICHARD SHUTTLEWORTH** has joined Autosure as a business development manager.

He has more than 15 years' experience in the automotive finance and insurance industry. As well as having owned a vehicle wholesale operation, Shuttleworth has founded, built and sold a number of online businesses.

He has held senior roles with a variety of companies, such as Avanti Finance, Geneva Finance and Senate, and is now excited to be working with Autosure's dealers.



**DAVID PILKINGTON** is standing down as chairman of Port of Tauranga in July, three years after announcing his intention to retire.

Pilkington, who has been on the board for nearly 17 years, planned not to stand at his last re-election, but decided to after certain staffing matters arose.

He will be succeeded as chair by current board member Julia Hoare. She joined the port's board in 2015 and currently chairs its audit committee.

A former PwC partner, Hoare is deputy chair of The a2 Milk Company, and a director of Auckland International Airport and Meridian Energy. She is also president of the Institute of Directors.



David Pilkington



Julia Hoare

**CHRIS KEEFE** has joined Stellantis as director of communications for its Asia-Pacific and India region.

He was previously with Nissan where he was most recently deputy general manager of global communication strategy and planning. He also held senior positions with the marque in India and North America, and has worked in Africa and the Middle East.

He is now responsible for overseeing all Stellantis communications, launch strategies and media relations in various markets, including New Zealand and Australia.



**CRAIG EVANS**, New Zealand country manager, has stepped down after more than 30 years with Mainfreight. He started at the company in 1987 managing a branch in Hawke's Bay.



The Mercedes-Benz North Shore team with Lance Bennett, far right, general manager of Mercedes-Benz NZ

## Marque celebrates its top franchises

**M**ercedes-Benz NZ has honoured its top-performing dealers by making them circle of excellence members.

The recognition, which has replaced its retailer of the year awards, went to Armstrong Prestige Christchurch and Mercedes-Benz North Shore, with the two businesses rewarded for performing well in a difficult year.

Mercedes-Benz North Shore scooped the honour for the second year, with staff members Victor Zhang, Ashwin Doolabh, Zach Bauer and Gary Hubbard taking out individual awards.

Armstrong Prestige Christchurch had extra reason to celebrate with employees Jarrod Buchanan and Jeremy Duffy among the prize-winners.

The circle of excellence awards

were introduced alongside individual accolades last year to acknowledge the marque's two top-performing dealerships.

The winners for 2021 were announced during an online ceremony, which was followed by presentations at the Park Hyatt Auckland. Visit [www.autofile.co.nz](http://www.autofile.co.nz) for a full list of the winners. ☺



From left, Lester White, business development manager of Mercedes-Benz NZ (MBNZ), Beth Morrison, head of customer services of MBNZ, and Jarrod Buchanan, sales manager of Armstrong Prestige Christchurch

## Meeting postponed

**T**he Imported Motor Vehicle Industry Association has postponed its annual general meeting due to there being a shortage of auditors in New Zealand.

It will be held on June 22 instead of May 25 so the process for completing its accounts from the past financial year can be completed.

"The AGM has been deferred mainly because we've struggled to get auditors to check our accounts," David Vinsen, chief executive, told Autofile.

"Apparently a number of them

normally come from overseas to do such work for associations, societies and charities so everybody is struggling to get auditors, but we'll be all set to go on June 22."

The meeting, which starts at 2.30pm, is being held at Jacanna Customs & Freight's premises in Astley Ave, New Lynn, Auckland.

Members have the option of appearing in person or attending via video conference.

More information will be emailed out in the week before the event, which will cover the 2021/22 financial year. ☺



# Enigma of zero-deaths strategy

New Zealand is using a model of safety based on a programme called Vision Zero first implemented as a national road strategy in Sweden in the mid-1990s.

It has since been adopted by many jurisdictions globally.

Under Vision Zero, all road deaths are unacceptable and preventable. At its core is the idea of “safe system” – an all-inclusive approach that places the blame for fatalities not on road users, but on those who design and manage the system.

This approach is in contrast to traditional approaches to road safety that place blame squarely on the shoulders of individual road users, who are often criticised for being “bad or distracted drivers”, “careless cyclists” or arguably even “vulnerable road users”.

These individuals have been held up as the root cause of problems, often their own problems, even though in many cases it's clearly victim-blaming and contrary to – or, at least, only one interpretation of – the evidence.

For example, when a person dies because his or her small car is crushed in a collision with a more massive vehicle, under the current system we tend to blame the driver indirectly by highlighting the use of an unsafe vehicle even though it would be at least as true to declare the bigger car harmful.

The problem with blaming road users is that doing so implies no one else has the power to prevent harm.

This enables lots of bad actors, including car companies, to deflect

attention away from their decisions that lead to increased harm especially from SUVs and utes, which compose a growing portion of vehicle sales, and regulators who escape scrutiny for dangerous street designs and policies.

When properly realised, Vision Zero attempts to maximise the development of a “safe” mobility system while forgiving the inevitable errors of those using the system.

Vision Zero has led to significant reductions in harm in Europe but it seems to have led to increased harm in other markets, such as the US.

Researchers have identified that countries achieving the best results from Vision Zero differ from the US in three major ways.

These are their citizens live more compactly, their transport systems and roads favour cyclists and pedestrians, and they have put laws in place to favour these “vulnerable” road users.

I emphasise “vulnerable” because I’m not sure the idea of vulnerable road users is compatible with the philosophy of Vision Zero.

We must instead see the existence of a class of legitimate road users who are especially vulnerable to harm as a flaw in the design of our system. Harm to those road users is a management and design failure.

While these geographic issues are important, I would argue the main reason some jurisdictions



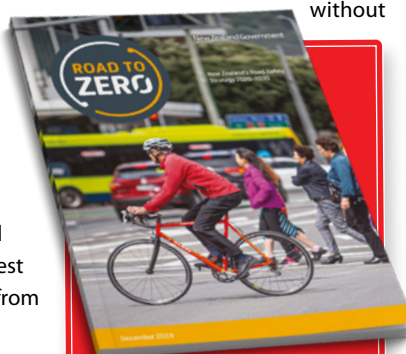
KIT WILKERSON  
Policy adviser and analyst  
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are finding success with Vision Zero and others are not doing so is based on the local definition of rights.

In Europe, rights are seen as applying for the benefit of the entire population. In other words, the right of everyone to be unharmed by the bad

actions of others.

In the US, rights focus more on individuals being able to act without



## At a glance

Vision Zero is a global movement to end traffic-related fatalities and serious injuries by taking a systemic approach to road safety.

The premise of this strategy is that road deaths and injuries are unacceptable and preventable.

interruption or interference, at least until harm is caused.

This is very closely related, if not the flipside of the coin, to the idea of negative freedom versus positive freedom, the very real difference between having the right to do and having a right from.

In this case, Europe tends to promote the idea of freedom to do, specifically the right to participate in governance. In contrast, the US tends to focus on the idea of right from tyranny, including the tyranny of the majority.

And finally, one final difference that has been identified between countries that have had success with Vision Zero and those that haven't is the amount of influence large corporations, vested interests and even public opinion have in the execution of policies. Where these interests have a large influence, Vision Zero has less success.

The reason for this is obvious. The idea of Vision Zero pushes the responsibility for success and failures onto the regulators.

If those regulators are not trusted or cannot act without outside influences, then the philosophical and ideological foundation of Vision Zero cannot be realised.

A decade ago, when I first moved to New Zealand from the US, I would have said that New Zealand was more like Europe. However, I have since watched as American culture, especially economic and political ideologies, has leached in. Now I do not know.

Vision Zero might not be compatible with New Zealand as it is today. It could simply be the case that the core axioms necessary to make Vision Zero work cannot be met in this country.

If Vision Zero does prove to be an effective strategy, we should broaden its application to include other challenges, such as mental health, housing and aspects of our social safety net. ☺



# The month that was... June

June 28, 1999

## Vehicle repairers lose battle with State

Despite losing a battle to protect its members, the Collision Repair Association (CRA) was aiming for a workable relationship with the country's vehicle insurers.

The association, formerly the Motor Body Builders' Association, had action taken against it by the Commerce Commission after it threatened a boycott of parts suppliers dealing directly with State Insurance at wholesale prices.

State had been trialing a system whereby it avoided paying the retail cost of parts charged by collision repairers by buying them direct and saving up to 30 per cent. The aim was to reduce costs to itself and then, ultimately, to customers.

The CRA saw State's move as detrimental to its members, who were claimed to be suffering because of the insurance company's actions.

Andrew Garratt, chief executive officer of the CRA, said the industry had been run down over the years in terms of labour rates, which hadn't increased since the late 1980s.

Repairers had, therefore, turned to parts to make their profit, but he added State was taking away that avenue of revenue.

Garratt added repairers faced capital costs as high as \$300,000 to set up their businesses.



June 15, 2007

## Tyre knowledge important

Speculation into the use of snow tyres had highlighted the need for dealers to convey specification information about them.

The use of snowies on vehicles involved in accidents was highlighted on TV One's Close Up during May.

Many car traders had since been inundated with queries from would-be buyers wanting to know about what types were fitted to cars they were interested in.

Three fatal crashes were covered in the story. They all involved vehicles fitted with snow tyres. The deaths of a mother and son outside of Rangiora had the coroner requesting Land Transport New Zealand to investigate their use on New Zealand's roads.

"I would like people with recent Japanese imports to find out what sort of tyres they've got and what they should do about them right now," said coroner Phil Comber. "Tyres are expensive, but a lot cheaper than funerals."

Many dealers questioned what their responsibilities were in making customers aware about those fitted to vehicles on their yards.



June 6, 2008

## Import sales down 26 per cent

Figures just released by Statistics NZ showed sales of new and used cars and commercial vehicles were down in May 2008, which was due in part to economic downturn and credit limitations.

Sales of used-imported passenger vehicles were down by 26 per cent during that month, sliding from 11,021 in May 2007 to 8,156. That figure was also a decrease of four per cent when compared with 8,492 in April 2008.

Registrations of used-imported commercials also decreased. They fell by 15.3 per cent from 1,018 to 862.

The new-vehicle market, which had enjoyed a solid period of growth over the best part of seven years, also cooled in May.

New passenger sales dropped by 11.3 per cent from 6,344 to 5,627, but the figures were slightly up compared to April.

Sales of new commercial vehicles, which came in at 2,002, were down by 2.4 per cent on the 2,051 sold in May 2007.

"The reason for the waning sales may be due in part to the pressure from the demand side of the equation," said Andy Cuming, communications manager for the Motor Trade Association.



June 20, 2008

## The shift to smaller vehicles

Statistical analysis of the new-car industry in May showed a buyer shift towards light and small vehicles, with the used-imports sector showing similar results.

The Toyota Yaris was up by 26.6 per cent in the year-to-date figures, rising from 4,889 to 6,188, while its monthly registrations climbed by 15.2 per cent from 1,010 to 1,164.

The small-car segment, which included vehicles such as the Ford Focus and Toyota Corolla, had enjoyed sales increases of 13.2 per cent year to date. That was up from 7,771 to 8,800.

The shift in buyer attitudes was also evident at the large end of the passenger market. The upper-large segment, which included models such as the Ford Fairlane, Holden Caprice and BMW 7 Series, was down by 29.3 per cent from 208 to 147 year to date.

The large-car segment, which included models such as Holden's Commodore and Honda's Accord, had decreased by 17.5 per cent from 4,983 to 4,109. In addition, the SUV market was on the slide with registrations of luxury-size models tracking down by 15.2 per cent in the first five months of 2008 from 858 to 728.



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# No easy way to limit emissions

The release of the emissions reduction plan (ERP) was interesting in both what it declared and what it didn't.

And, as other commentators have remarked, it was long on statements of intent but short on tangible actions.

The ERP also serves to hint at the dilemma between action and political survival. It's easy to talk about such matters, but harder to confront the realities of what must be done.

A perfect example has played out under the government's 25-cent subsidy on fuel tax. The outcomes of that policy are likely contrary to the ERP's intent.

A specific target action in the plan is to reduce vehicle kilometres travelled (VKT) and history shows us the price of fuel has direct influence on New Zealanders' use of their cars.

So, the jump in fuel prices on the back of the conflict in Ukraine would have helped to stimulate a reduction in car use, so less VKT.

However, the government – while still finalising proposals for the ERP – was arguably spooked by opinion polls at the time and hurriedly rolled out the reduction in excise duty on petrol and then road-user charges (RUC).

And therein lies the dilemma facing the powers-that-be in that situation and that's why walking the talk isn't always so easy.

The budget was published a few days after the ERP last month, and it included a two-month extension of the 25c fuel-tax subsidy and lower RUC.

That said, credit where credit is due. The government also extended its half-price initiative for public-transport fares, so I guess that's a positive.

It's obvious fuel prices have a strong influence on vehicle use, but history also shows that as a populace it doesn't take long for most of us to get used to the new paradigm and revert to traditional practices. It isn't always easy or practical to change our habits.

Will it be any different in the future given the imperatives outlined in the ERP? Our towns and cities have been developed on the notion of easily accessible personal transport, typically the car. That's not going to change in the foreseeable future.

As a nation, many of us actively pursue our Kiwi heritage linked to outdoor activities. We love being "out there, doing it", whether that be via hitching up the boat, chucking mountain bikes on the ute's tray, heading off into the hills for a bit of tramping or hunting, or simply cruising to that nice café in the country.



TONY EVERETT  
Sector manager – dealers,  
Motor Trade Association

Our existence up to now has been centred around our access to and use of personal transport – our cars or utilities. Changing our "vehicle kilometres travelled" habits will not be easy.

Notwithstanding that, are the low-

carbon vehicles on offer really going to provide a sustainable alternative? For example, the bosses of Volkswagen and Renault are the latest to warn against going all-in on electric vehicles (EVs) despite both marques pushing to introduce more fully electric options to their line-ups.

They say the reasons for this include combustion-engine sales, including hybrids, have yet to reach their peak, while batteries and the cost of EVs are the two big hurdles to jump.

But back to the ERP and the proposed clean car upgrade, a fancy way of saying "scrappage", is interesting.

The MTA has promoted the concept of a scrappage scheme and the government's proposal is a laudable idea at face value, although its effectiveness will turn on the design.

The parameters of that programme have yet to be defined but based on what has been

outlined so far it seems to be at cross-purposes. Is it a carbon dioxide (CO<sub>2</sub>) emissions-reduction initiative or social-equity policy? The two goals may be incompatible.

If CO<sub>2</sub> reduction across the fleet is the aim, then a broad scrappage scheme should be targeted towards replacing frequently used fuel-hungry vehicles – for example, those clocking up a minimum of 10,000km per annum and coming in at 192gCO<sub>2</sub>/km or more.

That would ensure the maximum emissions reduction from reassignment to low-carbon alternatives. If a scrappage programme isn't targeted like this, it may only succeed in dragging in hardly used, old clunkers in the final stages of their economic lives.

Conversely, if social equity is the primary aim of such a scheme, then shouldn't its administration and funding be managed through the social-welfare parts of government and not the transport sector?

The proposed \$569 million budget for the clean car upgrade is substantial and, within a transport focus, perhaps this funding would be better allocated to road-safety initiatives or promoting regular vehicle servicing to reduce fleet emissions right now.

This would likely benefit more than 2,500 road users targeted under the ERP scrappage scheme. It isn't going to be easy. ☹

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# Seeking heights of refinement

The “significantly updated” CX-5 sees the introduction of Mazda Intelligent Drive Select (Mi-Drive) drive-mode selection.

It also boasts enhanced driving dynamics, fresh styling, stronger grade differentiation, improvements to on-board practicality and extra safety features.

The marque’s Mi-Drive system enables motorists to select the most appropriate mode with one touch of a switch.

The Activ and Takami variants further benefit from an off-road mode, which makes driving feel more natural on unmade and slippery surfaces.

Mazda’s next-generation Skyactiv vehicle architecture has been applied to the SUV, further evolving the bodyshell, suspension and seats to enhance ride comfort and reduce fatigue.

Road noise has also been greatly reduced, particularly when driving on rough surfaces such as gravel.

The front of the CX-5 features a more three-dimensional grille and signature-wing design. The rear and front-lamp clusters have been restyled, and there’s a new exterior colour – metallic zircon sand.

All up, there are seven different models in the range and, with the addition of the Activ, there’s a specification level and price-point “to suit everyone”.



Variants in the range incorporate subtle differences. The Activ is designed for those “who seek out roads less-travelled” and provides ample capability for adventure.

Its features include silver underguard-style treatment to the front and rear bumpers and door garnishes, black door mirrors, lime-green accents on the front grille and 19-inch black machine-cut alloys.

The Activ’s interior combines suede upholstery with lime-green stitching and air-conditioning louvres. It also features a floorboard with a water-resistant side.

The SP25T boasts a “blackout” design to complement its turbo-charged performance. It sports black chrome on the front-grille and signature wing, and gloss black on the lower bumper sections, wheel arches, door garnishes and door mirrors.

Its 19-inch alloys are finished in black metallic paint, and the front grille boasts red accents. Red stitching trims the black leather

The Activ variant is an addition to Mazda’s CX-5 range, which sees the introduction of the marque’s Mi-Drive system



seats, steering wheel, gear shift lever and door panels.

The range-topping Takami has a one-colour exterior with the gloss paint of the bright silver 19-inch alloys enhancing its solid metal appearance. The interior features nappa leather and genuine woodgrain.

The two-piece, reversible load-space floorboard and tailgate sill are on the same level to aid loading or can be lowered for extra cargo space.

Pricing for the CX-5 range starts at \$42,290 for the two-wheel-drive GLX through to \$64,290 for the Takami.

## GT BOOSTS RANGE

A sports performance Roadster GT with six-speed manual transmission has been added to the MX-5’s line-up.

This variant features Bilstein sports suspension dampers, Brembo front brakes with red callipers, front suspension-tower brace bar and 17-inch gunmetal BBS-forged alloys with 205/45 tyres.

After more than three decades,

the MX-5’s direct-response engine, rear-wheel-drive layout and interior have been enhanced.

Mazda has developed kinematic posture control (KPC) exclusively for the iconic model. The system recognises a difference in speeds between the back wheels while cornering, lightly applying brakes to the inner wheel.

This prevents lift, enhances the characteristics of the rear multi-link suspension and suppresses body roll.

In short, KPC stabilises the car, especially during tough cornering with high g-forces as well as on rough roads. It adds no weight to the vehicle, and comes as standard on all 2022 Roadster soft-top and the retractable fastback RF variants.

The Roadster GT and RF Limited six-speed manual models are priced from \$54,990, while the RF Limited six-speed automatic starts at \$56,490, plus on-roads.

A metallic platinum quartz exterior colour has been added to the range, while there is a \$300 surcharge for soul-red crystal and metallic machine-grey paint colours. ⊕



The MX-5 Roadster GT

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# Going hyper and all-electric

**L**otus has revealed its new “hyper SUV” the Eletre, which was previously codenamed Type 132.

The first genuine family car model to be launched by the marque is underpinned by its newly developed 800-volt “electric premium architecture” and offers a battery capacity of “more than 100kWh”.

The SUV’s optimal range is expected to be just shy of 600km, while about 400km can be added to a depleted battery after 20 minutes of being plugged into a 350kW charger. It also supports 22kW home-charging.

Its performance figures are something else. With a power output of 442kW in base form and making the 0-100kph dash in less than three seconds, the all-wheel-drive Eletre incorporates “more than 70 years of sports-car design



and engineering”, enthuses Lotus’ managing director Matt Windle.

There are five drive modes – range, tour, sport, off-road and individual. These alter its steering, driveline and suspension parameters.

The Eletre rides on adaptive air springs and dampers, while a five-link rear suspension controls its 5,103mm long, 2,231mm wide and 1,630mm tall body. Its ride height, active rear steering, anti-roll bars

and torque-vectoring-by-brake system are all adjustable.

The car is likely to uphold the marque’s weight-saving virtues by combining a three-in-one electric motor, controller and reducer, and carbon fibre and aluminium construction.

Many of the Eletre’s aerodynamics cues are drawn from the Evija hypercar. Its prominent rear diffuser and gaping bonnet vent are part of

a system that draws air through, around, under and over it.

Much of its technology comes from Chinese sister company, Geely, including a scrolling rear LED strip, autonomous driving capabilities, camera-and-screen wing mirrors, digital instrument cluster and voice control.

A 15.1-inch touchscreen centre stack controls the four-seater’s main functions with most systems accessible via three touches.

Its software is 5G-compatible and offers over-the-air updates. Entertainment options include the standard 15-speaker KEF audio package or the optional 23-speaker premium surround-sound system.

Lotus says the Eletre, which will be made at Geely’s factory near Wuhan, is likely to start at around NZ\$190,600 when it goes on sale in early 2023. ☺

## Dilemma for Bond

**H**e drove a Range Rover Sport in the film No Time To Die, but is it harder to imagine James Bond in an Aston Martin SUV?

That said, the marque is touting its range-topping DBX707 as the “fastest, most powerful, best handling and most engaging car of its kind”, so there’s something for the British secret agent to ponder.

Tobias Moers, chief executive officer, believes it will “propel Aston Martin to the pinnacle of SUV performance” – and it could propel you too, if you have NZ\$468,000 when it arrives down under later this year.

The DBX707’s Mercedes-AMG-sourced four-litre V8 has been souped up with two ball-bearing turbochargers and an engine calibration to produce peak outputs of 520kW and 900Nm. Those vital statistics are up by 46kW and 200Nm compared to the V8 in the DBX.

The SUV’s engine is mated with a nine-speed wet multi-clutch automatic transmission.

This is said to be capable of managing much-increased torque loadings and deliver noticeably faster gear changes compared to the standard DBX’s torque converter.

As for the DBX707 getting from 0-100kph? That’s 3.3 seconds compared with its sibling’s 4.5. ☺



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# Formula 2 becoming showcase

In its 17-year history, the Toyota Racing Series (TRS) has propelled 20 drivers into Formula One.

Likewise, the FIA F2 championship, which is the most-effective feeder for F1, is fast showing a trend to becoming locked in as a showcase for talent now coming through the Castrol TRS.

In the F2 round at the Circuit de Barcelona-Catalunya in Spain last month, the championship top five became a TRS hunting ground.

It resulted in Marcus Armstrong leaping from seventh to fifth and just a point shy of Liam Lawson, with both taking aim at long-time rival Jehan Daruvala.

Only championship leader Felipe Drugovich and second-placed Theo Pourchaire haven't competed in New Zealand.

Armstrong finished 10th and seventh in the F2's Spanish round



Liam Lawson ahead of England's Jake Hughes at the Circuit de Barcelona-Catalunya last month

to move into the top five for the championship. He finished 10th in the Saturday's sprint race and started the feature event from 13th.

Aware that a such a position to start out from put him in the midfield risk zone where other drivers can quickly dismantle aspirations for a podium finish, Armstrong avoided tangling with

other racers before going on the attack.

He then made the most of a late pit stop to emerge on fresh rubber. He passed a number of drivers, including Lawson who had changed tyres earlier in the race.

Armstrong says: "I'm very happy with our recovery in the last 10 laps and the points that came with

it. I wanted more but did what we could. The team was fantastic all weekend."

He outpaced his team-mate, Red Bull Junior driver Juri Vips, in Spain, while his performance there has helped to propel the Hitech Grand Prix team to fourth in the ladder for teams' championship points. ☺

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## Kiwis fall short in US

It was heartbreak for two New Zealanders in the Indianapolis 500 after a penalty and an accident dashed their hopes of glory.

Scott Dixon, pictured below, who started first on the grid, was the one to beat after leading a race-high 95 laps and becoming the Indy 500's all-time lap leader with 665.

But the six-time IndyCar champion's shot at success was dashed when he was landed with a drive-through penalty with 25 laps remaining after exceeding the speed limit in the pit lane.

It dropped the Chip Ganassi Racing Honda driver down the field and he finished 21st.

"It's heart-breaking to be honest," says Dixon. "I came into the pit and had to lock the rears and kind of locked all four. I knew it was going to be close. I think it was a

mile an hour over or something. It was frustrating to mess up."

Fellow Kiwi Scott McLaughlin was also on course for a good result after charging from 26th on the grid up to 11th before a double-impact crash ended his race.

Last season's rookie of the year escaped unhurt after smashing into the wall at turn three before again colliding into it at the next turn on lap 150 of 200.

"I was coming up through the pack and we were running really strong there," explains the Team Penske driver. "I got caught by a gust of wind and hadn't been in clean air for a while. It just caught me and snapped around."

Ex-Formula One star Marcus Ericsson won the May 30 race to lead the drivers' standings on 226 points. ☺





# Driver recruitment goes global

Nico Caillol, category manager and motorsport manager for the Castrol Toyota Racing Series (TRS), arrives back in New Zealand this month after a lengthy recruitment drive in the US and Europe.

He has been networking with team managers, talent-spotters and series management for the British, French, Spanish and Italian F4, Formula Regional European Championship, EuroFormula Open Championship, the Road To Indy, and F4 and F3 Americas in July.

As the global spectre of Covid-19 shutdowns recedes, Toyota Gazoo Racing (TGR) plans to return to its five-round championship, which was last run with international drivers at the beginning of 2020, prior to lockdown.

Caillol says: "It's great to be back and taking the show on the road as we start the countdown to 2023."

The Tatuus-chassis FT-60 for the TRS has been homologated by the Federation Internationale de l'Automobile (FIA) as a regional Formula car-and-engine combination. The FIA validation was the last link in the chain that allowed for the cars to be used in two the first two rounds of the W Series on support cards – at the Spanish Grand Prix last month and in Japan later this year.

"This is the first time any international junior formulae have shared cars in this way," Caillol told Autofile. "This enables the use of sea freight, as opposed to air, and keeps the all-women championship's carbon footprint as low as possible."

The W Series uses a Tatuus chassis that's identical to the TRS'



Nico Caillol chatting with Daniel Gaunt, a regular test driver for the Toyota Racing Series

but with different engines. The chassis-engine combination is a world-first with the installation managed by David Gouk, TGR New Zealand's powertrain guru.

Caillol expects the high-media profile of the W Series to emphatically confirm the post-coronavirus resurgence of the TRS for male and female drivers.

He adds: "Obviously, the W Series project will be a big part of the season and we would hope to attract several drivers because they will have the distinct advantage of having done two race weekends in our New Zealand cars anyway."

A full team of TGR NZ staff travelled to Europe to help ready them for international duties.

This month, the cars will return to a base in the UK for preparation ahead of them being shipped to Suzuka for the Japanese GP.

They will then be freighted to New Zealand for full preparation prior to the TRS championship starting in January next year.

There will be five consecutive race weekends for the 20 drivers contesting the TRS in 2023, with events being held in the North and South Islands. The schedule concludes with the NZ Grand Prix.

Caillol emphasises the series is also a nurturing ground for technical and engineering staff.

"It's great that we've been able to retain the four teams we have in New Zealand who run these cars and provide engineering jobs at that time of year.

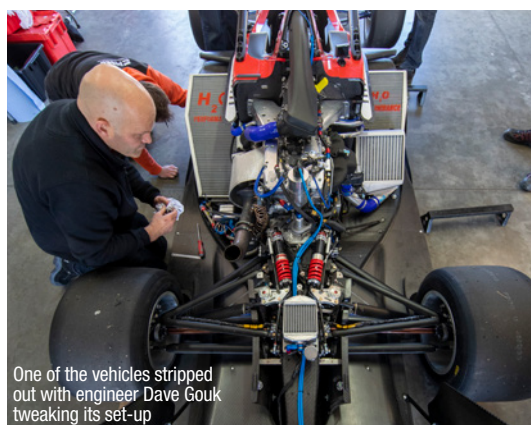
"All of the teams have engineers they retain or bring in for the championship who have worked at the highest levels of motorsport, so these young drivers will be in good hands.

"The championship has always proved a popular stepping stone to a successful season in the northern hemisphere and that will continue.

"Drivers can also secure points that will mean a big step towards getting a FIA Super Licence to allow them to test or drive in their chosen categories."

Calendar details with dates and venues for the championship, which will be staged in January and February, will be released soon.

Caillol's time spent overseas is already beginning to bear fruit with TGR NZ taking enquiries from racers and junior-driver programmes around the world. 🌐



One of the vehicles stripped out with engineer Dave Gouk tweaking its set-up



A TRS "mule" car being tested for Formula W



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# Vehicle's engine seized three months after purchase but buyer failed to check oil

## Background

Daniel Hovell bought a 2008 Toyota Mark X for \$6,750 from Infinity Auto Imports Ltd on December 17, 2020. About three months later and after he had driven 13,359km in the car, its engine seized due to a lack of oil.

Infinity Auto Imports denied liability for the damage, so Hovell rejected it. He wanted to recover all costs incurred in respect of the Mark X and to be relieved of the loan that he had needed to purchase it.

## The case

Hovell said he was attracted to the Mark X because he considered Toyotas to be reliable.

Its odometer was on 128,543km at purchase and it had been serviced. The next service was due on June 16, 2021 or at 138,546km.

However, Hovell didn't service the vehicle or check its oil levels after buying it. Instead, he drove the Mark X until its engine seized on March 29, 2021, when the odometer reading was 141,902km.

He said there was no warning this was about to happen and no dashboard lights came on.

The car was transported to Midhirst Service Station. Its invoice made no mention of the engine damage, but stated: "We found the oil light isn't working. The sump plug was tight and no sign of recent removal. There are no oil leaks that we could find."

In a letter to the tribunal, the service station's manager, Scott Jamieson, stated: "We checked the oil and water. Found no oil in the engine. The owner said the car was making a knocking sound.

"The engine wouldn't turn over. We checked the sump for leaks – no sign of leaks. The engine showed no sign of leaks. The engine seized due to no oil in the engine."

Jamieson thought the oil-pressure light wasn't working because it should have appeared on the dashboard display when the

ignition was engaged. But it didn't show when he tried to start the car.

The trader denied responsibility for the damage or repairs under the Consumer Guarantees Act (CGA).

## The finding

The sole issue in this case was whether the vehicle had been of acceptable quality for the purposes of section six of the CGA.

The tribunal accepted Hovell's evidence that the engine had seized due to it being driven while low on oil.

Low oil levels would have caused the engine to be starved of lubrication causing damage to the crankshaft, pistons and all internal bearings. The engine needed to be replaced.

Given the absence of leaks, the tribunal's assessor advised the oil consumption was likely to have been caused by worn piston rings, worn valve guides or perished valve-stem seals, which allowed oil to enter the combustion chamber.

The assessor added the vehicle's oil consumption of about four litres was acceptable for its age and mileage. Based on Hovell's use of it, it appeared to have been using around one litre for every 3,500km driven.

He said a consumer who bought a used car of this age and mileage had an obligation to properly service and maintain it, and regularly check its fluid levels.

Hovell travelled 13,359km over three months. Despite that extensive use, he didn't service the vehicle.

The assessor advised the Mark X should have been serviced every 10,000km. Its service sticker stated this should have been done at 138,546km. The engine seized at 141,902km. This meant it was driven for 3,356km beyond its recommended service interval.

Hovell submitted the service-reminder light didn't appear on the dashboard display. While that might have been the case, the sticker on the windscreen was a clear reminder.

Despite the car's age and mileage, and significant distances Hovell was driving, he never checked the oil.

If he had done this regularly or serviced the vehicle, he would have discovered it was consuming oil. He would then have been able to replenish it before the engine was irreparably damaged.

The car had an oil-pressure warning light that would only appear when the pressure got so low that engine damage was probably already occurring.

That warning light might have initially flickered momentarily, particularly when cornering and braking, and would then only illuminate consistently when there was very low or no oil pressure.

Consequently, the tribunal wasn't satisfied a faulty oil-pressure light would have contributed to the engine damage.

Even if it was working, the adjudicator wasn't satisfied Hovell would have seen it until significant damage had already occurred.

**The case:** The buyer wanted to reject his Toyota Mark X after its engine failed three months after purchase. He said there was no warning that it was about to seize and no lights on the dashboard illuminated. The trader said it wasn't responsible for the damage or repairs.

**The decision:** The purchaser had travelled 13,359km in the car. However, he neglected to service the vehicle, which resulted in the engine damage, so the tribunal dismissed the application.

**At:** The Motor Vehicle Disputes Tribunal, Auckland.

Hovell paid \$6,750 for a 12-year-old vehicle with an odometer reading of 128,543km at the time of sale.

Despite his belief as to the quality and durability of Toyotas, a reasonable consumer buying a car of that price, age and mileage must have realistic expectations as to its quality and durability and should understand that defects, which might be expensive to repair, might arise.

Additionally, a reasonable consumer should understand protections in section six of the CGA are not indefinite and, at some point, the risk of a used vehicle developing defects must transfer from the supplier to the purchaser.

Although the Mark X was using oil and might have had a fault that affected its oil-pressure warning light, the tribunal was satisfied the engine damage didn't breach the CGA's guarantee of acceptable quality.

The tribunal considered the realistic expectations that a reasonable consumer must have for a car of such an age and mileage, and Hovell's extensive use of it before the engine seized and his failure to adequately maintain it.

It was ruled that when supplied the vehicle had been as free of minor defects and as durable as a reasonable consumer would consider acceptable.

## Order

The adjudicator dismissed the claim to reject the Mark X. ☐

A 2008 Toyota Mark X





# Trader left to face music after salesman flees country with customer's money

## Background

Luoyao Huang paid \$15,500 for a 2009 BMW Z4 hardtop convertible on February 18, 2020.

She thought she was buying it from Titan Motors. Unfortunately, she never took supply of it.

Instead, she said her \$15,500 was stolen by a man identified only as "Mr A", a former employee of the dealer. He was subject to a police investigation over this matter, so the tribunal decided not to name him. Mr A had since left New Zealand.

Huang wanted Titan Motors to supply the BMW or refund her \$15,500 paid to Mr A, but it had refused.

The dealer said the buyer should have been suspicious about Mr A's conduct, especially after he dropped the car's price by \$7,500.

## The case

The day before purchase, Huang saw the car advertised on Trade Me. She provided a copy of the listing to the tribunal.

It had dealership's name written at the top and stated the BMW had a buy-now price of \$23,000. The seller was listed as "timz2005" with an icon that included "Titan Motors" next to it.

Huang contacted the seller and spoke to Mr A, who said he was employed by the trader.

She initially offered \$18,500, which Mr A declined. But he eventually asked her if she was prepared to make a "one-off payment of \$15,500" and she agreed.

On February 18, 2020, Mr A sent a vehicle offer and sale agreement (VOSA) to Huang.

It stated she agreed to buy a 2009 BMW Z4 convertible for \$15,500 from Titan Motors. The car was to be delivered to her in Christchurch after undergoing minor repairs. Huang paid \$15,500 into the bank account provided by Mr A.

By March 3, Huang hadn't

received the vehicle, so she called Mr A but no one answered. She then contacted the trader and spoke with director Zijian Liang.

At first, she was told Mr A was on sick leave and no one else at Titan Motors was aware of the transaction. Eventually, Huang discovered Mr A had kept her money and fled New Zealand on March 3 last year.

The dealer refused to supply the BMW or refund Huang's purchase price. She lodged a complaint with police, which considered her claim against Titan Motors was "not a criminal matter".

Huang sought orders from the tribunal for a refund or the car to be supplied.

The trader admitted Mr A was its employee, but didn't have liability because he had acted fraudulently and didn't have its authority to sell the vehicle.

It added: "The VOSA wasn't valid because the company manager hadn't signed it and because the 'purchaser price and payment' clause wasn't signed."

The dealer claimed Huang should have realised Mr A didn't have authority to sell the car and that he was acting fraudulently because she paid money into Mr A's personal bank account.

It added the price was discounted by \$7,500 for buy now and was \$3,000 less than Huang had initially offered to pay for it.

## The finding

The tribunal had to consider if the dealer – through Mr A – engaged

in misleading conduct in breach of section nine of the Fair Trading Act (FTA).

The circumstances in which an employer is liable for a worker's state of mind and conduct are set out in the section 45 of the act.

In this case, that was if the conduct engaged in was on behalf of the dealer. It was ruled Mr A acted within the scope of his actual or apparent authority.

Huang said the trader was responsible for Mr A's actions because he was an employee and always acted as such during the transaction.

The dealer agreed Mr A was its employee, but it had no liability because he acted unlawfully and outside the scope of his employment in purporting to sell the car and get money from Huang.

The trader's submission that Mr A's conduct amounted to private acts unconnected to the business was inconsistent with the evidence. The car was owned by Titan Motors and he advertised it on the dealer's Trade Me account.

Mr A and Huang negotiated the purchase, which was consistent with his employment as a salesperson. The tribunal rejected the trader's argument the VOSA was invalid, saying its terms were clear.

Regardless of his actual authority, Mr A's conduct was deemed within the scope of his apparent authority from

**The case:** The consumer thought she was buying a BMW Z4 from the trader. However, its employee pocketed the \$15,500 she paid for it and fled New Zealand. The dealer said it wasn't liable because its former staff member had acted fraudulently and had no authority to sell the car.

**The decision:** The tribunal ruled the ex-employee's conduct was consistent with his job as a salesman and the purchaser was misled. The trader had to pay \$12,400 to the buyer.

**At:** The Motor Vehicle Disputes Tribunal, Auckland.

the perspective of a reasonable onlooker.

The tribunal was satisfied the trader, through its employee's conduct, had engaged in misleading conduct in breach of the FTA's section nine.

Huang was misled into paying \$15,500 into Mr A's account. The evidence was clear he intended to keep it and not supply the vehicle.

The tribunal stated it didn't intend to order a full refund. That was because the object of the remedies in the FTA's section 43 is to do justice to parties based on the case's circumstances, and it considered justice required it take account of Huang's contributory negligence.

The adjudicator accepted the trader's submission that Huang should have been suspicious about Mr A's conduct. In particular, the size of the discount offered for a one-off cash payment was \$7,500 less than the buy-now price and \$3,000 less than her lowest offer.

Also, paying the purchase price into Mr A's personal account should have caused her to make further inquiries with the trader.

Huang didn't exercise a reasonable degree of care in protecting her interests, so the tribunal considered a reduction of 20 per cent was appropriate to do justice between the parties.

## Order

The trader was ordered to pay \$12,400 to the buyer. ☺

A 2009 BMW Z4 convertible



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## LATEST SCHEDULE

|             | Port Calls  | Paganella<br>v2210 | Don Juan<br>v2211 | Turandot<br>v2212 | Paganella<br>v2213 |
|-------------|-------------|--------------------|-------------------|-------------------|--------------------|
| JAPAN       | Moji        | —                  | —                 | —                 | —                  |
|             | Osaka       | 1 Jun              | 18 Jun            | 1 Jul             | 14 Jul             |
|             | Nagoya      | 2 Jun              | 19 Jun            | 2 Jul             | 15 Jul             |
|             | Yokohama    | 3 Jun              | 20 Jun            | 3 Jul             | 16 Jul             |
|             | Hitachinaka | —                  | —                 | —                 | —                  |
| NEW ZEALAND | Auckland    | 18 Jun             | 7 Jul             | 19 Jul            | 2 Aug              |
|             | Lyttelton   | 2 Jul              | 11 Jul            | TBC               | 7 Aug              |
|             | Wellington  | 4 Jul              | 13 Jul            | TBC               | 8 Aug              |
|             | Nelson      | 5 Jul              | 19 Jul            | TBC               | TBC                |

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2021: 9,984 ▲ 5.9%

## Total imported used cars

**6,886**

2021: 11,250 ▼ 38.8%

### NORTHLAND

NEW: 258 2021: 276 ▼ 6.5%  
USED: 145 2021: 272 ▼ 46.7%

### AUCKLAND

NEW: 4,457 2021: 4,035 ▲ 10.5%  
USED: 3,121 2021: 5,135 ▼ 39.2%

### BAY OF PLENTY

NEW: 614 2021: 651 ▼ 5.7%  
USED: 384 2021: 595 ▼ 35.5%

### WAIKATO

NEW: 832 2021: 905 ▼ 8.1%  
USED: 605 2021: 947 ▼ 36.1%

### GISBORNE

NEW: 48 2021: 62 ▼ 22.6%  
USED: 37 2021: 87 ▼ 57.5%

### TARANAKI

NEW: 194 2021: 214 ▼ 9.3%  
USED: 120 2021: 200 ▼ 40.0%

### HAWKE'S BAY

NEW: 307 2021: 303 ▲ 1.3%  
USED: 123 2021: 301 ▼ 59.1%

### TASMAN

NEW: 71 2021: 79 ▼ 10.1%  
USED: 52 2021: 92 ▼ 43.5%

### MANAWATU-WHANGANUI

NEW: 377 2021: 420 ▼ 10.2%  
USED: 210 2021: 375 ▼ 44.0%

### NELSON

NEW: 66 2021: 68 ▼ 2.9%  
USED: 62 2021: 105 ▼ 41.0%

### WELLINGTON

NEW: 1,069 2021: 1,188 ▼ 10.0%  
USED: 621 2021: 845 ▼ 26.5%

### WEST COAST

NEW: 29 2021: 33 ▼ 12.1%  
USED: 23 2021: 64 ▼ 64.1%

### MARLBOROUGH

NEW: 93 2021: 65 ▲ 43.1%  
USED: 21 2021: 33 ▼ 36.4%

### CANTERBURY

NEW: 1,641 2021: 1,138 ▲ 44.2%  
USED: 996 2021: 1,546 ▼ 35.6%

### OTAGO

NEW: 372 2021: 357 ▲ 4.2%  
USED: 261 2021: 428 ▼ 39.0%

### SOUTHLAND

NEW: 123 2021: 158 ▼ 22.2%  
USED: 82 2021: 183 ▼ 55.2%

### OTHERS (Chatham Islands, overseas, unknown)

NEW: 24 2021: 32 ▼ 25.0%  
USED: 23 2021: 42 ▼ 45.2%

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### Imported Passenger Vehicle Sales by Make - May 2022

| MAKE          | MAY '22      | MAY '21       | +/- %        | MAY '22<br>MKT SHARE | 2022 YEAR<br>TO DATE | 2022 MKT<br>SHARE |
|---------------|--------------|---------------|--------------|----------------------|----------------------|-------------------|
| Toyota        | 2,552        | 3,133         | -18.5        | 37.1%                | 16,634               | 28.4%             |
| Nissan        | 1,050        | 1,493         | -29.7        | 15.2%                | 8,675                | 14.8%             |
| Mazda         | 953          | 1,552         | -38.6        | 13.8%                | 6,972                | 11.9%             |
| Honda         | 478          | 970           | -50.7        | 6.9%                 | 4,233                | 7.2%              |
| Subaru        | 367          | 862           | -57.4        | 5.3%                 | 5,089                | 8.7%              |
| BMW           | 271          | 594           | -54.4        | 3.9%                 | 3,240                | 5.5%              |
| Volkswagen    | 250          | 536           | -53.4        | 3.6%                 | 2,202                | 3.8%              |
| Mitsubishi    | 186          | 507           | -63.3        | 2.7%                 | 2,501                | 4.3%              |
| Audi          | 149          | 357           | -58.3        | 2.2%                 | 1,979                | 3.4%              |
| Suzuki        | 145          | 273           | -46.9        | 2.1%                 | 958                  | 1.6%              |
| Mercedes-Benz | 114          | 211           | -46.0        | 1.7%                 | 1,513                | 2.6%              |
| Lexus         | 105          | 233           | -54.9        | 1.5%                 | 1,422                | 2.4%              |
| Ford          | 37           | 59            | -37.3        | 0.5%                 | 373                  | 0.6%              |
| Volvo         | 35           | 63            | -44.4        | 0.5%                 | 503                  | 0.9%              |
| Chevrolet     | 22           | 34            | -35.3        | 0.3%                 | 167                  | 0.3%              |
| Land Rover    | 20           | 62            | -67.7        | 0.3%                 | 295                  | 0.5%              |
| Dodge         | 18           | 22            | -18.2        | 0.3%                 | 135                  | 0.2%              |
| Hyundai       | 15           | 17            | -11.8        | 0.2%                 | 80                   | 0.1%              |
| Holden        | 11           | 23            | -52.2        | 0.2%                 | 106                  | 0.2%              |
| Jeep          | 11           | 36            | -69.4        | 0.2%                 | 187                  | 0.3%              |
| Mini          | 11           | 24            | -54.2        | 0.2%                 | 138                  | 0.2%              |
| Jaguar        | 10           | 43            | -76.7        | 0.1%                 | 259                  | 0.4%              |
| Porsche       | 9            | 27            | -66.7        | 0.1%                 | 167                  | 0.3%              |
| Tesla         | 9            | 5             | 80.0         | 0.1%                 | 31                   | 0.1%              |
| Chrysler      | 7            | 24            | -70.8        | 0.1%                 | 222                  | 0.4%              |
| Kia           | 5            | 12            | -58.3        | 0.1%                 | 42                   | 0.1%              |
| Skoda         | 5            | 1             | 400.0        | 0.1%                 | 12                   | 0.0%              |
| Smart         | 4            | 1             | 300.0        | 0.1%                 | 19                   | 0.0%              |
| Peugeot       | 3            | 14            | -78.6        | 0.0%                 | 49                   | 0.1%              |
| Alfa Romeo    | 2            | 2             | 0.0          | 0.0%                 | 21                   | 0.0%              |
| Buick         | 2            | 0             | 200.0        | 0.0%                 | 6                    | 0.0%              |
| Cadillac      | 2            | 4             | -50.0        | 0.0%                 | 34                   | 0.1%              |
| Daihatsu      | 2            | 3             | -33.3        | 0.0%                 | 8                    | 0.0%              |
| Fiat          | 2            | 1             | 100.0        | 0.0%                 | 9                    | 0.0%              |
| Lamborghini   | 2            | 2             | 0.0          | 0.0%                 | 4                    | 0.0%              |
| Others        | 22           | 43            | -48.8        | 0.3%                 | 281                  | 0.5%              |
| <b>Total</b>  | <b>6,886</b> | <b>11,243</b> | <b>-38.8</b> | <b>100.0%</b>        | <b>58,566</b>        | <b>100.0%</b>     |

### Imported Passenger Vehicle Sales by Model - May 2022

| MAKE          | MODEL     | MAY '22      | MAY '21       | +/- %        | MAY '22<br>MKT SHARE | 2022 YEAR<br>TO DATE | 2022 MKT<br>SHARE |
|---------------|-----------|--------------|---------------|--------------|----------------------|----------------------|-------------------|
| Toyota        | Aqua      | 1,131        | 691           | 63.7         | 16.4%                | 5,020                | 8.6%              |
| Toyota        | Prius     | 493          | 445           | 10.8         | 7.2%                 | 2,119                | 3.6%              |
| Nissan        | Leaf      | 396          | 199           | 99.0         | 5.8%                 | 1,758                | 3.0%              |
| Mazda         | Axela     | 343          | 510           | -32.7        | 5.0%                 | 2,095                | 3.6%              |
| Honda         | Fit       | 257          | 370           | -30.5        | 3.7%                 | 1,279                | 2.2%              |
| Toyota        | Corolla   | 250          | 235           | 6.4          | 3.6%                 | 1,082                | 1.8%              |
| Mazda         | CX-5      | 202          | 250           | -19.2        | 2.9%                 | 1,171                | 2.0%              |
| Nissan        | Note      | 192          | 127           | 51.2         | 2.8%                 | 699                  | 1.2%              |
| Mazda         | Demio     | 183          | 267           | -31.5        | 2.7%                 | 859                  | 1.5%              |
| Subaru        | Impreza   | 179          | 254           | -29.5        | 2.6%                 | 1,213                | 2.1%              |
| Volkswagen    | Golf      | 160          | 343           | -53.4        | 2.3%                 | 1,354                | 2.3%              |
| Toyota        | C-HR      | 141          | 9             | 1,466.7      | 2.0%                 | 453                  | 0.8%              |
| Nissan        | X-Trail   | 134          | 399           | -66.4        | 1.9%                 | 1,800                | 3.1%              |
| Suzuki        | Swift     | 121          | 218           | -44.5        | 1.8%                 | 677                  | 1.2%              |
| Mitsubishi    | Outlander | 120          | 303           | -60.4        | 1.7%                 | 1,599                | 2.7%              |
| Nissan        | Serena    | 105          | 88            | 19.3         | 1.5%                 | 597                  | 1.0%              |
| Mazda         | Premacy   | 88           | 114           | -22.8        | 1.3%                 | 623                  | 1.1%              |
| Mazda         | Atenza    | 71           | 195           | -63.6        | 1.0%                 | 1,168                | 2.0%              |
| Toyota        | Wish      | 70           | 195           | -64.1        | 1.0%                 | 479                  | 0.8%              |
| Subaru        | XV        | 67           | 77            | -13.0        | 1.0%                 | 379                  | 0.6%              |
| Toyota        | Vitz      | 67           | 91            | -26.4        | 1.0%                 | 329                  | 0.6%              |
| Nissan        | Juke      | 62           | 74            | -16.2        | 0.9%                 | 376                  | 0.6%              |
| Toyota        | Camry     | 60           | 70            | -14.3        | 0.9%                 | 246                  | 0.4%              |
| Honda         | Vezel     | 58           | 14            | 314.3        | 0.8%                 | 240                  | 0.4%              |
| Volkswagen    | Polo      | 55           | 84            | -34.5        | 0.8%                 | 336                  | 0.6%              |
| BMW           | 116i      | 54           | 96            | -43.8        | 0.8%                 | 390                  | 0.7%              |
| Toyota        | Sai       | 54           | 92            | -41.3        | 0.8%                 | 211                  | 0.4%              |
| Audi          | A3        | 50           | 70            | -28.6        | 0.7%                 | 368                  | 0.6%              |
| BMW           | 320i      | 49           | 118           | -58.5        | 0.7%                 | 532                  | 0.9%              |
| Toyota        | Auris     | 47           | 62            | -24.2        | 0.7%                 | 256                  | 0.4%              |
| Subaru        | Forester  | 45           | 122           | -63.1        | 0.7%                 | 689                  | 1.2%              |
| Mercedes-Benz | A180      | 33           | 30            | 10.0         | 0.5%                 | 159                  | 0.3%              |
| Austin        | Mini      | 31           | 61            | -49.2        | 0.5%                 | 292                  | 0.5%              |
| Nissan        | March     | 31           | 27            | 14.8         | 0.5%                 | 139                  | 0.2%              |
| Honda         | Insight   | 30           | 32            | -6.3         | 0.4%                 | 143                  | 0.2%              |
| Others        |           | 1,457        | 4,911         | -70.3        | 21.2%                | 27,436               | 46.8%             |
| <b>Total</b>  |           | <b>6,886</b> | <b>11,243</b> | <b>-38.8</b> | <b>100.0%</b>        | <b>58,566</b>        | <b>100.0%</b>     |


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# Traders warned about labels

**D**ealers are being reminded to ensure the correct carbon dioxide (CO<sub>2</sub>) emissions ratings are provided for stock being sold.

They need to ensure new vehicle emissions and energy labels are displayed. These state whether a model attracts a rebate or fee – or is charge-neutral – under the clean car discount.

The Imported Motor Vehicle Industry Association has reminded dealers these labels must be physically displayed on stock on yards and with all online listings.

Malcolm Yorston, technical manager, says: "Make sure all your advertising, including your website, is correctly displaying CO<sub>2</sub> emissions plus any rebate or fee payable and displaying the new fuel-economy labels on cars."

Trade Me Motors, meanwhile, has rolled out changes to support the clean-vehicle regulations, which involves interpreting the law, working with new data sets and "balancing the needs of everyone in our industry".

The company emphasises it's a requirement for specific details to be displayed with listings – make, model and energy economy on a cost-per-year basis with a rating out of six, energy economy per litre/100km, kWh/100km or both. Then there is the CO<sub>2</sub> rating, CO<sub>2</sub>g/km and the rebate or fee.

"We've been working alongside Waka Kotahi, our partners and customers to adopt the changes in a way that's clear for buyers and fair for dealers," says a spokesman for Trade Me.

Temporary changes until

May 31 included a placeholder message stating "clean car fee or rebate may apply", along with a pop-up link about the scheme and directing would-be buyers to talk to dealers for more details. Listings were not required to show the fee or rebate amount, but this had to be included in the description.

However, changes kicked in from the start of June with prices to include any rebate or charge along with CO<sub>2</sub> emissions. Rebates aren't subtracted from prices because they are applied post-purchase.

"Buyers have told us they want clarity and transparency around total price," says Trade Me. "Eighty-five per cent want fees and rebates on listings, and 70 per cent want fees included in the asking price."

"We want to create a fair and level playing field for all dealers regardless of location or

stock. This means every car for sale will be treated the same with regard to fees and rebates."

Dealers must now provide the correct VIN or chassis information on all Trade Me listings. In most cases, clean-car information will be automatically displayed and dealers need to do nothing more after submitting prices.

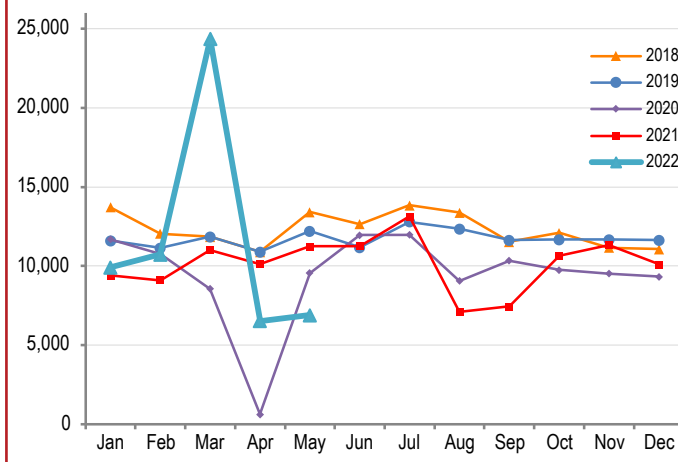
Waka Kotahi's information for specific models is then checked by

## Toyota one-two

There were 6,886 used-imported cars registered in May. That was down by 38.8 per cent compared to 11,243 in the same month of 2021. Toyota completed a double on the models' ladder with the Aqua on 1,131 and Prius with 493 for a combined market share of 74.5 per cent.

The top five was completed by the Nissan Leaf on 396, Mazda Axela on 343 and Honda Fit with 257.

Used Imported Passenger Registrations - 2018-2022



Trade Me. If a range is returned, the highest amount is presented.

"We'll add any applicable fee amount resulting in the asking price. We'll also display the fee or rebate in the pricing breakdown on the listing."

"If your VMS [vehicle management system] provider is sending through clean-vehicle information, we will use this rather than looking up the information."

When Waka Kotahi doesn't recognise the VIN or chassis, dealers need to provide the clean-car details. There are two ways traders can do this – via the VMS or editing the listing in DealerBase.

In some cases, dealers may want to control the exact asking price on a listing. Trade Me accepts prices including the charge if traders have signalled fees are already included and the VMS allows this option.

In these cases, it puts the price provided as the asking price and states the amount of the charge as well as the price excluding the fee.

"If you want to use this option, reach out to your VMS provider to check whether they offer this," says Trade Me. "If this is not provided correctly, you risk having your listing removed until the information is corrected."

When a VIN or chassis fails to return any information from the transport agency, Trade Me will email the dealer to indicate if a clean car fee or rebate is applicable and enter the amount.

Traders can log onto rightcar.co.nz to confirm CO<sub>2</sub> values and estimated rebates of charges. ☺

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# Stink-bug action under way

**B**iosecurity NZ has launched its winter campaign to raise awareness of brown marmorated stink bugs (BMSBs).

It focuses on how to correctly identify and report them. They look like some other bug species but have identifiable elements, such as white stripes or banding on the antennae and abdomen. They are about the same size as a 10-cent coin.

Biosecurity NZ asks anyone who thinks they've found one to catch it, snap it and report it online at [report.mpi.govt.nz/pest](http://report.mpi.govt.nz/pest) or by calling 0800-809-966. They can be caught under a glass or in a container.

Dr Cath Duthie, manager of readiness, says: "Winter is when the BMSB is most likely to be found in enclosed spaces. This can cause problems for homeowners. As summer comes, it's more likely to be found outdoors."

The 2021/22 high-risk season finished on April 30 with no evidence of any established stink-bug population in New Zealand although 61 live bugs were intercepted. They were mostly associated with imported cargo.

Live interceptions have dropped considerably over the past three years, "largely due to import rules that make it harder for BMSBs

to enter on risky cargo such as vehicles, machinery and parts from countries with established stink-bug populations".

Duthie adds: "Such cargo must be treated before arriving in New Zealand during the BMSB season."

"Biosecurity NZ further tightened border controls during the just-completed season. This included targeted alerts on additional goods associated with BMSB detections. Consignments covered by alerts underwent full inspection to rule out the presence of live bugs.

"The fact we have no established BMSB populations suggests the

current biosecurity approach is working well. However, the risk of an incursion is never zero."

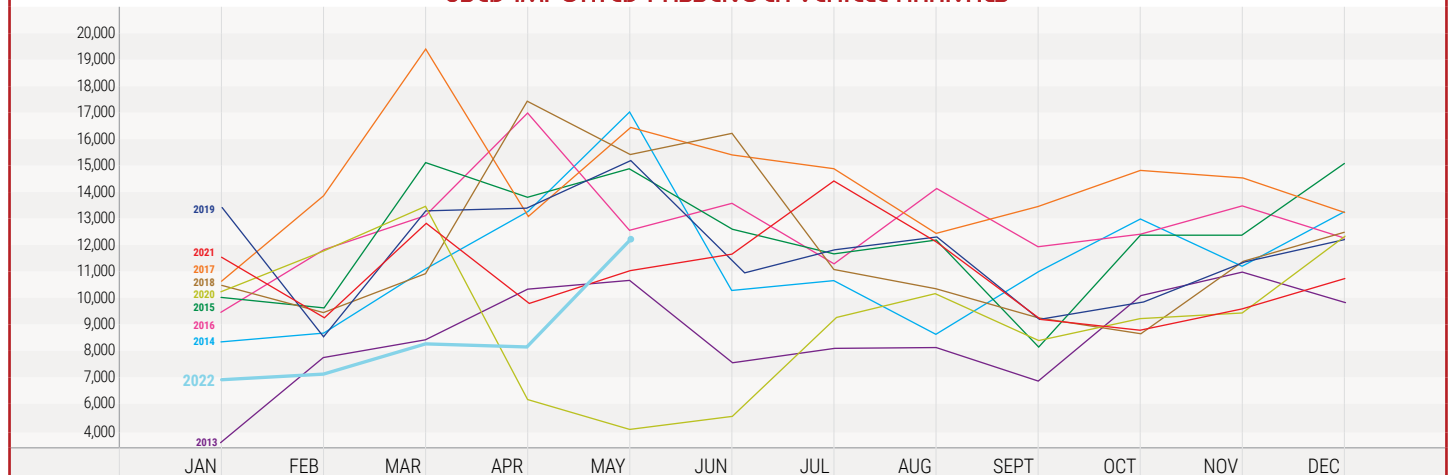
Stink bugs pose a major threat to our horticulture industry with the potential to cost the country nearly \$4 billion if they establish here.

## YEAR'S BEST MONTH

There were 12,047 used cars imported during May for the biggest monthly total so far in 2022 to push the year-to-date aggregate to 42,406.

Of those, 11,702 came from Japan and there 180 were from Australia. Next up were the US with 60, the UK on 55 and Singapore with 33. 🇯🇵

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

| COUNTRY OF EXPORT | 2022         |              |              |              |               |               |               | 2021          |               |               |               |                |               | 2020           |               |
|-------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|---------------|
|                   | JAN '22      | FEB '22      | MAR '22      | APR '22      | MAY '22       | MAY SHARE %   | 2022 TOTAL    | Q1            | Q2            | Q3            | Q4            | 2021 TOTAL     | MRKT SHARE    | 2020 TOTAL     | MRKT SHARE    |
| Australia         | 262          | 235          | 232          | 242          | 180           | 1.5%          | 1,151         | 847           | 860           | 747           | 618           | 3,072          | 2.4%          | 4,185          | 3.9%          |
| Great Britain     | 60           | 41           | 60           | 37           | 55            | 0.5%          | 253           | 367           | 424           | 271           | 197           | 1,259          | 1.0%          | 690            | 0.6%          |
| Japan             | 6,490        | 6,751        | 7,837        | 7,639        | 11,702        | 97.1%         | 40,419        | 31,773        | 30,673        | 33,160        | 27,902        | 123,508        | 94.8%         | 100,994        | 92.9%         |
| Singapore         | 46           | 69           | 33           | 47           | 33            | 0.3%          | 228           | 433           | 363           | 351           | 231           | 1,378          | 1.1%          | 1,846          | 1.7%          |
| USA               | 44           | 20           | 77           | 37           | 60            | 0.5%          | 238           | 87            | 235           | 190           | 185           | 697            | 0.5%          | 480            | 0.4%          |
| Other countries   | 31           | 33           | 20           | 16           | 17            | 0.1%          | 117           | 91            | 132           | 96            | 84            | 403            | 0.3%          | 468            | 0.4%          |
| <b>Total</b>      | <b>6,933</b> | <b>7,149</b> | <b>8,259</b> | <b>8,018</b> | <b>12,047</b> | <b>100.0%</b> | <b>42,406</b> | <b>33,598</b> | <b>32,687</b> | <b>34,815</b> | <b>29,217</b> | <b>130,317</b> | <b>100.0%</b> | <b>108,663</b> | <b>100.0%</b> |



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# Companies extend partnership

Janssen Insurance and Quest Insurance Group have extended their distribution agreement until March 2027 following the success of the venture, which was initially launched in April 2017.

Under its terms of the deal, Janssen distributes Quest's products in competition with the latter's own direct channel and lending operations at Geneva Finance, which owns Quest.

This competitive environment and similar business cultures have benefitted both organisations.

Quest's premium revenue increased from \$2.7 million in the 12 months to March 2017 to

\$10.6m for the six-month period to September 2021.

The business started operating in October 2002, and provides vehicle and loan-related insurance products. It has since grown to become a major contributor to the Geneva group's pre-tax profit, and delivered \$2.6m in the 12 months to March 2021 and \$1.7m in the six months to September 2021.

"Simon Moore, who has responsibility for Quest, and the Janssen team have built a mutually profitable model where the cultures of both businesses are closely aligned," says David O'Connell, managing director of Geneva.

"This has been a driver of Quest's growth. Given the shared benefits achieved under the initial agreement, we're pleased to further grow Quest's market share and the profitability of both organisations."

Jason Wescott, Janssen's managing director, says the company is happy to renew its deal with Quest and hopes it will deliver continued growth for the pair.

He adds: "It allows us to continue on the path we are on in what's a very challenging market at the moment."

"Janssen provides technology-based software and we're now

positioned and committed to further grow our network and market penetration."

The company currently operates in 350 dealerships nationwide and Wescott is keen for that number to increase.

## DECLINE IN TRADE

There were 17,009 second-hand passenger vehicles sold by traders to the public last month. That was down from 17,959 units, or by 5.3 per cent, when compared to May 2021.

Trade-ins came in at 12,519 units, which was a decrease of 14.1 per cent from 14,576. 📉

## SECONDHAND CAR SALES - May 2022

| REGION             | DEALER TO PUBLIC |               |             |               | PUBLIC TO PUBLIC |               |             |  | PUBLIC TO DEALER |               |              |  |
|--------------------|------------------|---------------|-------------|---------------|------------------|---------------|-------------|--|------------------|---------------|--------------|--|
|                    | MAY'22           | MAY'21        | +/- %       | MARKET SHARE  | MAY'22           | MAY'21        | +/- %       |  | MAY'22           | MAY'21        | +/- %        |  |
| Northland          | 621              | 642           | -3.3        | 3.65          | 1,955            | 2,110         | -7.3        |  | 199              | 272           | -26.8        |  |
| Auckland           | 5,799            | 5,850         | -0.9        | 34.09         | 11,900           | 13,073        | -9.0        |  | 5,384            | 5,921         | -9.1         |  |
| Waikato            | 1,773            | 1,860         | -4.7        | 10.42         | 3,887            | 4,434         | -12.3       |  | 1,157            | 1,338         | -13.5        |  |
| Bay of Plenty      | 1,175            | 1,290         | -8.9        | 6.91          | 2,859            | 3,190         | -10.4       |  | 578              | 803           | -28.0        |  |
| Gisborne           | 153              | 135           | 13.3        | 0.90          | 398              | 392           | 1.5         |  | 50               | 57            | -12.3        |  |
| Hawke's Bay        | 648              | 701           | -7.6        | 3.81          | 1,438            | 1,598         | -10.0       |  | 446              | 548           | -18.6        |  |
| Taranaki           | 393              | 459           | -14.4       | 2.31          | 1,046            | 1,197         | -12.6       |  | 179              | 235           | -23.8        |  |
| Manawatu-Whanganui | 941              | 1,073         | -12.3       | 5.53          | 2,031            | 2,247         | -9.6        |  | 681              | 853           | -20.2        |  |
| Wellington         | 1,507            | 1,888         | -20.2       | 8.86          | 3,037            | 3,558         | -14.6       |  | 1,142            | 1,152         | -0.9         |  |
| Tasman             | 153              | 168           | -8.9        | 0.90          | 505              | 533           | -5.3        |  | 22               | 27            | -18.5        |  |
| Nelson             | 117              | 156           | -25.0       | 0.69          | 411              | 460           | -10.7       |  | 120              | 137           | -12.4        |  |
| Marlborough        | 149              | 179           | -16.8       | 0.88          | 386              | 407           | -5.2        |  | 92               | 117           | -21.4        |  |
| West Coast         | 109              | 123           | -11.4       | 0.64          | 314              | 319           | -1.6        |  | 43               | 45            | -4.4         |  |
| Canterbury         | 2,341            | 2,233         | 4.8         | 13.76         | 5,042            | 5,363         | -6.0        |  | 1,807            | 1,999         | -9.6         |  |
| Otago              | 765              | 783           | -2.3        | 4.50          | 1,814            | 2,029         | -10.6       |  | 452              | 531           | -14.9        |  |
| Southland          | 300              | 347           | -13.5       | 1.76          | 870              | 1,072         | -18.8       |  | 166              | 290           | -42.8        |  |
| Other              | 65               | 72            | -9.7        | 0.38          | 148              | 165           | -10.3       |  | 1                | 251           | -99.6        |  |
| <b>NZ Total</b>    | <b>17,009</b>    | <b>17,959</b> | <b>-5.3</b> | <b>100.00</b> | <b>38,041</b>    | <b>42,147</b> | <b>-9.7</b> |  | <b>12,519</b>    | <b>14,576</b> | <b>-14.1</b> |  |

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## New Passenger Vehicle Sales by Make - May 2022

| MAKE          | MAY '22       | MAY '21      | +/- %      | MAY '22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|---------------|---------------|--------------|------------|-------------------|-------------------|----------------|
| Toyota        | 1,911         | 1,357        | 40.8       | 18.1%             | 5,758             | 12.3%          |
| Kia           | 1,713         | 1,015        | 68.8       | 16.2%             | 4,693             | 10.0%          |
| Mitsubishi    | 1,685         | 1,182        | 42.6       | 15.9%             | 7,203             | 15.4%          |
| Suzuki        | 742           | 770          | -3.6       | 7.0%              | 3,119             | 6.7%           |
| Hyundai       | 684           | 479          | 42.8       | 6.5%              | 3,450             | 7.4%           |
| MG            | 455           | 290          | 56.9       | 4.3%              | 2,282             | 4.9%           |
| Mazda         | 447           | 732          | -38.9      | 4.2%              | 2,715             | 5.8%           |
| Honda         | 300           | 381          | -21.3      | 2.8%              | 2,065             | 4.4%           |
| Ford          | 263           | 295          | -10.8      | 2.5%              | 1,183             | 2.5%           |
| Volkswagen    | 257           | 561          | -54.2      | 2.4%              | 1,189             | 2.5%           |
| Audi          | 227           | 204          | 11.3       | 2.1%              | 813               | 1.7%           |
| Subaru        | 224           | 362          | -38.1      | 2.1%              | 1,072             | 2.3%           |
| Peugeot       | 183           | 99           | 84.8       | 1.7%              | 619               | 1.3%           |
| Skoda         | 183           | 176          | 4.0        | 1.7%              | 830               | 1.8%           |
| Haval         | 159           | 222          | -28.4      | 1.5%              | 1,091             | 2.3%           |
| BMW           | 152           | 184          | -17.4      | 1.4%              | 775               | 1.7%           |
| Mercedes-Benz | 144           | 230          | -37.4      | 1.4%              | 1,035             | 2.2%           |
| Land Rover    | 121           | 98           | 23.5       | 1.1%              | 624               | 1.3%           |
| Nissan        | 104           | 497          | -79.1      | 1.0%              | 1,057             | 2.3%           |
| Porsche       | 88            | 74           | 18.9       | 0.8%              | 354               | 0.8%           |
| Lexus         | 87            | 76           | 14.5       | 0.8%              | 518               | 1.1%           |
| Polestar      | 77            | 0            | 7,700.0    | 0.7%              | 314               | 0.7%           |
| Mini          | 71            | 100          | -29.0      | 0.7%              | 359               | 0.8%           |
| Volvo         | 69            | 39           | 76.9       | 0.7%              | 390               | 0.8%           |
| Citroen       | 50            | 30           | 66.7       | 0.5%              | 173               | 0.4%           |
| SsangYong     | 36            | 50           | -28.0      | 0.3%              | 378               | 0.8%           |
| Jaguar        | 29            | 34           | -14.7      | 0.3%              | 210               | 0.4%           |
| Jeep          | 26            | 159          | -83.6      | 0.2%              | 303               | 0.6%           |
| Fiat          | 15            | 7            | 114.3      | 0.1%              | 73                | 0.2%           |
| Renault       | 11            | 32           | -65.6      | 0.1%              | 148               | 0.3%           |
| Yamaha        | 9             | 4            | 125.0      | 0.1%              | 32                | 0.1%           |
| Bentley       | 7             | 5            | 40.0       | 0.1%              | 26                | 0.1%           |
| Alfa Romeo    | 6             | 12           | -50.0      | 0.1%              | 36                | 0.1%           |
| Aston Martin  | 5             | 5            | 0.0        | 0.0%              | 31                | 0.1%           |
| Lotus         | 5             | 0            | 500.0      | 0.0%              | 14                | 0.0%           |
| Can-Am        | 4             | 9            | -55.6      | 0.0%              | 38                | 0.1%           |
| Cupra         | 4             | 15           | -73.3      | 0.0%              | 112               | 0.2%           |
| Lamborghini   | 4             | 3            | 33.3       | 0.0%              | 15                | 0.0%           |
| Maserati      | 4             | 5            | -20.0      | 0.0%              | 35                | 0.1%           |
| Piaggio       | 3             | 0            | 300.0      | 0.0%              | 5                 | 0.0%           |
| Rolls-Royce   | 3             | 1            | 200.0      | 0.0%              | 10                | 0.0%           |
| Ferrari       | 2             | 3            | -33.3      | 0.0%              | 12                | 0.0%           |
| McLaren       | 2             | 1            | 100.0      | 0.0%              | 9                 | 0.0%           |
| Seat          | 2             | 11           | -81.8      | 0.0%              | 23                | 0.0%           |
| Others        | 2             | 175          | -98.9      | 0.0%              | 1,708             | 3.6%           |
| <b>Total</b>  | <b>10,575</b> | <b>9,984</b> | <b>5.9</b> | <b>100.0%</b>     | <b>46,899</b>     | <b>100.0%</b>  |

## New Passenger Vehicle Sales by Model - May 2022

| MAKE         | MODEL              | MAY '22       | MAY '21      | +/- %      | MAY '22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|--------------|--------------------|---------------|--------------|------------|-------------------|-------------------|----------------|
| Toyota       | RAV4               | 923           | 617          | 49.6       | 8.7%              | 2,495             | 5.3%           |
| Mitsubishi   | Outlander          | 824           | 406          | 103.0      | 7.8%              | 4,012             | 8.6%           |
| Kia          | Stonic             | 564           | 319          | 76.8       | 5.3%              | 1,247             | 2.7%           |
| Mitsubishi   | ASX                | 402           | 525          | -23.4      | 3.8%              | 994               | 2.1%           |
| Mitsubishi   | Eclipse Cross      | 386           | 119          | 224.4      | 3.7%              | 1,582             | 3.4%           |
| Suzuki       | Swift              | 327           | 299          | 9.4        | 3.1%              | 1,507             | 3.2%           |
| Kia          | Sportage           | 325           | 152          | 113.8      | 3.1%              | 1,060             | 2.3%           |
| Toyota       | Corolla            | 308           | 272          | 13.2       | 2.9%              | 806               | 1.7%           |
| Kia          | Seltos             | 305           | 291          | 4.8        | 2.9%              | 753               | 1.6%           |
| MG           | ZS                 | 272           | 192          | 41.7       | 2.6%              | 1,408             | 3.0%           |
| Honda        | Jazz               | 221           | 294          | -24.8      | 2.1%              | 1,266             | 2.7%           |
| Kia          | Sorento            | 201           | 36           | 458.3      | 1.9%              | 422               | 0.9%           |
| Mazda        | CX-5               | 199           | 298          | -33.2      | 1.9%              | 1,125             | 2.4%           |
| Hyundai      | Ioniq              | 184           | 35           | 425.7      | 1.7%              | 546               | 1.2%           |
| Hyundai      | Kona               | 184           | 171          | 7.6        | 1.7%              | 1,195             | 2.5%           |
| Toyota       | Highlander         | 169           | 11           | 1,436.4    | 1.6%              | 471               | 1.0%           |
| Suzuki       | Jimny              | 123           | 98           | 25.5       | 1.2%              | 575               | 1.2%           |
| Ford         | Puma               | 122           | 73           | 67.1       | 1.2%              | 189               | 0.4%           |
| Haval        | H6                 | 116           | 0            | 11,600.0   | 1.1%              | 502               | 1.1%           |
| Toyota       | Yaris Cross        | 115           | 64           | 79.7       | 1.1%              | 391               | 0.8%           |
| Subaru       | Outback            | 114           | 169          | -32.5      | 1.1%              | 439               | 0.9%           |
| Toyota       | Yaris              | 113           | 104          | 8.7        | 1.1%              | 594               | 1.3%           |
| Suzuki       | Baleno             | 112           | 151          | -25.8      | 1.1%              | 424               | 0.9%           |
| Hyundai      | Ioniq 5            | 102           | 0            | 10,200.0   | 1.0%              | 285               | 0.6%           |
| MG           | 3                  | 99            | 47           | 110.6      | 0.9%              | 449               | 1.0%           |
| Hyundai      | Tucson             | 98            | 12           | 716.7      | 0.9%              | 622               | 1.3%           |
| Toyota       | Land Cruiser Prado | 94            | 57           | 64.9       | 0.9%              | 217               | 0.5%           |
| Suzuki       | Vitara             | 90            | 119          | -24.4      | 0.9%              | 216               | 0.5%           |
| Suzuki       | Ignis              | 88            | 52           | 69.2       | 0.8%              | 318               | 0.7%           |
| MG           | HS                 | 83            | 39           | 112.8      | 0.8%              | 423               | 0.9%           |
| Kia          | Carnival           | 81            | 19           | 326.3      | 0.8%              | 186               | 0.4%           |
| Skoda        | Superb             | 81            | 52           | 55.8       | 0.8%              | 310               | 0.7%           |
| Kia          | EV6                | 80            | 0            | 8,000.0    | 0.8%              | 168               | 0.4%           |
| Volkswagen   | Tiguan             | 79            | 227          | -65.2      | 0.7%              | 345               | 0.7%           |
| Polestar     | Polestar 2         | 77            | 0            | 7,700.0    | 0.7%              | 314               | 0.7%           |
| Toyota       | C-HR               | 75            | 118          | -36.4      | 0.7%              | 253               | 0.5%           |
| Peugeot      | 3008               | 73            | 41           | 78.0       | 0.7%              | 176               | 0.4%           |
| Volkswagen   | Golf               | 67            | 122          | -45.1      | 0.6%              | 199               | 0.4%           |
| Ford         | Everest            | 66            | 109          | -39.4      | 0.6%              | 492               | 1.0%           |
| Kia          | Niro               | 65            | 71           | -8.5       | 0.6%              | 391               | 0.8%           |
| Mitsubishi   | Mirage             | 64            | 54           | 18.5       | 0.6%              | 218               | 0.5%           |
| Honda        | CR-V               | 59            | 18           | 227.8      | 0.6%              | 518               | 1.1%           |
| Hyundai      | Santa Fe           | 59            | 145          | -59.3      | 0.6%              | 464               | 1.0%           |
| Mazda        | CX-3               | 56            | 87           | -35.6      | 0.5%              | 304               | 0.6%           |
| Skoda        | Kodiaq             | 56            | 44           | 27.3       | 0.5%              | 204               | 0.4%           |
| Others       |                    | 2,274         | 3,855        | -41.0      | 21.5%             | 15,824            | 33.7%          |
| <b>Total</b> |                    | <b>10,575</b> | <b>9,984</b> | <b>5.9</b> | <b>100.0%</b>     | <b>46,899</b>     | <b>100.0%</b>  |



# Marque aims for agency model

**M**ercedes-Benz is preparing to introduce an agency model in New Zealand.

The move comes with a similar structure in Australia being subject to legal action from dealers across the Tasman.

The marque says the change in this country aims to improve the vehicle-buying process for consumers "by offering even more convenience, choice and peace of mind".

"We are working closely with our retail partners to confirm their ongoing commitment to the brand under the new agency sales model," a spokesman told Autofile. "We look forward to launching the next chapter of the company's history in the second half of 2022."

The agency model – dubbed by Mercedes-Benz as "retail of the future" – has already been rolled out in South Africa, Austria and Sweden.

However, its introduction across the ditch is currently the subject of a NZ\$700m lawsuit launched by a group of independent dealers.

They have taken umbrage with the dealership model being dropped in favour of an agency approach whereby the distributor retains ownership of stock. The latter also sets retail prices and pays franchises a set fee for each vehicle sold.

Introducing such a programme requires Mercedes-Benz to renegotiate its dealer contracts to allow it to control the sales process.

Franchisees in Australia have claimed the changes have been implemented without negotiation and undermine investment in dealerships, and say an analysis by Deloitte shows the agency model will halve the profitability of some.

Honda has long been operating an agency model in New Zealand and Toyota made a similar move in 2018, while Mercedes-Benz previously stated the changes in Australia were in response to a contracting market



Mercedes-Benz is recalling certain 2005-13 models, such as this 2011 R-Class

and online purchasing.

A spokesman for Mercedes-Benz NZ says it's inappropriate to comment about the situation in Australia until legal proceedings there have concluded.

He adds: "Mercedes-Benz Cars Australia has long flagged a move towards modernising the purchasing experience.

"Notwithstanding the fact all dealers signed onto the new agency model after a lengthy and

inclusive process, unfortunately some of the network elected to commence legal proceedings."

In addition, the marque is recalling 1,982 vehicles in New Zealand with concerns emerging about their brake boosters.

The call-back affects certain 2005-13 models – the ML-Class, GL-Class built on the 164 platform and R-Class with the 251 platform.

The brake booster's function in some vehicles may be affected by advanced corrosion in the joint housing area. Over time and with significant water exposure, this may result in leaking.

"In this case, the brake-force support might be reduced, leading to an increase in brake-pedal force required to decelerate the vehicle and or to a potentially increased stopping distance," it adds.

"This may be accompanied by a hissing or airflow noise when applying the brake.

"In rare cases of very severe corrosion, it might be possible

for a particularly strong braking manoeuvre to damage the booster whereby the connection between the pedal and brake system would fail. In such cases, it would not be possible to decelerate via the service brake."

Owners of potentially affected cars have been informed of the recall and parts will be replaced as required. The foot-parking brake is unaffected by the brake-booster problem.

## GREEN ALTERNATIVES

MG Motor says it's embracing its leadership position as providing the most attainable fully electric vehicle (EV) in New Zealand by announcing initiatives to reinforce the marque as "number one" for plug-in motoring.

"Thanks to clean car rebates, there's no better time to make the switch to more sustainable motoring," says Peter Ciao, chief executive officer of the brand here and in Australia.

"MG is the leader in affordable EV mobility. An electric and plug-in vehicle is cost-effective and delivers price certainty, which is all the more desirable with high and fluctuating fuel prices." The ZS EV launches mid-year from \$49,990.

## VARIANTS PLUG IN

The Miles Group has taken on Opel for a new dealership it is opening in Auckland.

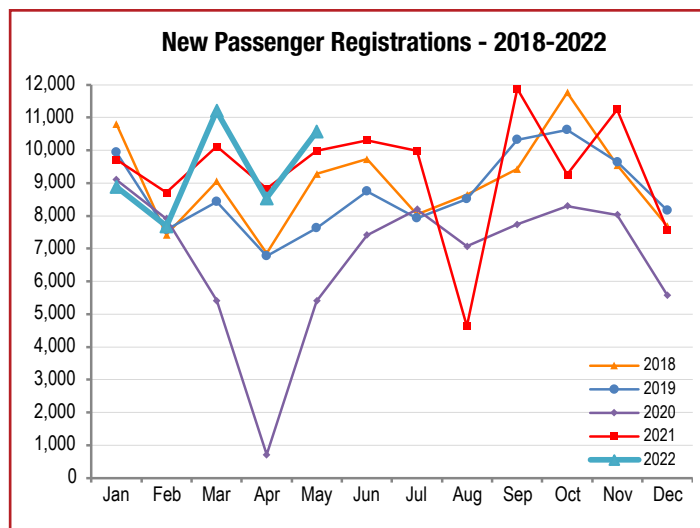
"Opel aims to be New Zealand's most-efficient brand and every vehicle is eligible for a clean car discount under the government's new programme," says the company. "Even better, each model has a plug-in variant.

"We're excited to welcome the brand into our group. We'll be open for business at our new North Shore dealership on Fred Thomas Drive mid-2022."

Work on the facility started last year. It will include an 18-bay service centre and a vehicle elevator made from glass. Mercedes-Benz, Citroen and Peugeot will be on the same site. 📍

## Sales bounce back

There were 10,575 new cars registered in May. This was up by 5.9 per cent from 9,984 in the same month of last year. The top model was Toyota's RAV4 on 923 for a market share of 8.7 per cent. The Mitsubishi Outlander was second on 824 with Kia's Stonic was third on 564. Toyota topped the marques' ladder on 1,911. Kia had 1,713 registrations and Mitsubishi was third with 1,685.



# Safety ratings 'inform' market

The availability and performance of active driver safety systems (ADAS) across a range of goods-carrying commercial vans have been evaluated by ANCAP for its second round of comparative results.

Vans are becoming an increasingly important market segment, with generally higher levels of vehicle kilometres travelled due to their primary use of carrying goods, and commercial usage, compared with passenger vehicles and people movers.

As a result of the Covid-19 pandemic, their use has also increased due to a rise in the home delivery of groceries and other online purchases.

ANCAP says it publishes its commercial van safety comparison to assist fleet, business and private consumers make "informed" purchasing decisions. Its first report came out in December 2020

after it joined up with Euro NCAP to evaluate such ADAS in New Zealand and Australia.

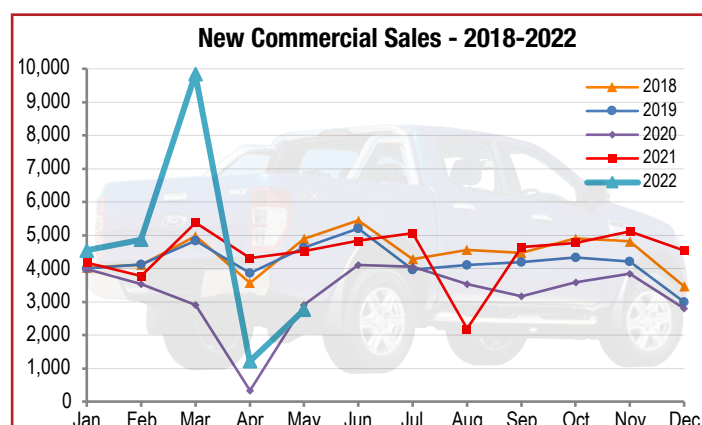
"This analysis provides added value to fleet and commercial van operators as it extends beyond our

traditional star-rating programme to shine a light on the active safety performance of an important segment," says Carla Hoorweg, ANCAP's chief executive officer.

The 2022 report highlights the newly released Hyundai Staria Load as "setting a new benchmark". It performed very well in all areas and earned the first "platinum" level of crash avoidance with an ADAS score of 90 per cent.

Toward the other end of the scale, the "modest" active-safety technology fitted to the LDV Deliver 9 was put through its paces for a bronze rating and 27 per cent. The Fiat Ducato scored 28 per cent, also bronze.

The Toyota Hiace on 77 per



## New Commercial Sales by Make - May 2022

| MAKE          | MAY'22       | MAY'21       | +/- %        | MAY'22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|---------------|--------------|--------------|--------------|------------------|-------------------|----------------|
| Toyota        | 1,163        | 1,023        | 13.7         | 42.1%            | 4,949             | 21.3%          |
| Ford          | 418          | 930          | -55.1        | 15.1%            | 4,889             | 21.1%          |
| Mitsubishi    | 163          | 538          | -69.7        | 5.9%             | 4,563             | 19.6%          |
| Isuzu         | 147          | 287          | -48.8        | 5.3%             | 1,594             | 6.9%           |
| Nissan        | 121          | 335          | -63.9        | 4.4%             | 1,169             | 5.0%           |
| Fuso          | 109          | 80           | 36.3         | 3.9%             | 485               | 2.1%           |
| Hino          | 102          | 57           | 78.9         | 3.7%             | 398               | 1.7%           |
| Volkswagen    | 55           | 95           | -42.1        | 2.0%             | 385               | 1.7%           |
| Mercedes-Benz | 46           | 59           | -22.0        | 1.7%             | 333               | 1.4%           |
| LDV           | 44           | 291          | -84.9        | 1.6%             | 1,269             | 5.5%           |
| Hyundai       | 37           | 139          | -73.4        | 1.3%             | 319               | 1.4%           |
| Scania        | 37           | 43           | -14.0        | 1.3%             | 160               | 0.7%           |
| Iveco         | 35           | 34           | 2.9          | 1.3%             | 164               | 0.7%           |
| Foton         | 33           | 5            | 560.0        | 1.2%             | 123               | 0.5%           |
| Chevrolet     | 29           | 17           | 70.6         | 1.0%             | 72                | 0.3%           |
| UD Trucks     | 25           | 16           | 56.3         | 0.9%             | 107               | 0.5%           |
| Ram           | 22           | 27           | -18.5        | 0.8%             | 182               | 0.8%           |
| MAN           | 19           | 15           | 26.7         | 0.7%             | 77                | 0.3%           |
| Fiat          | 18           | 69           | -73.9        | 0.7%             | 230               | 1.0%           |
| Volvo         | 18           | 17           | 5.9          | 0.7%             | 57                | 0.2%           |
| Others        | 121          | 448          | -73.0        | 4.4%             | 1,699             | 7.3%           |
| <b>Total</b>  | <b>2,762</b> | <b>4,525</b> | <b>-39.0</b> | <b>100.0%</b>    | <b>23,224</b>     | <b>100.0%</b>  |

## New Commercial Sales by Model - May 2022

| MAKE          | MODEL          | MAY'22       | MAY'21       | +/- %        | MAY'22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|---------------|----------------|--------------|--------------|--------------|------------------|-------------------|----------------|
| Toyota        | Hilux          | 942          | 793          | 18.8         | 34.1%            | 4,015             | 17.3%          |
| Ford          | Ranger         | 388          | 875          | -55.7        | 14.0%            | 4,671             | 20.1%          |
| Toyota        | Hiace          | 203          | 183          | 10.9         | 7.3%             | 815               | 3.5%           |
| Nissan        | Navara         | 121          | 335          | -63.9        | 4.4%             | 1,168             | 5.0%           |
| Mitsubishi    | Triton         | 114          | 491          | -76.8        | 4.1%             | 4,363             | 18.8%          |
| Isuzu         | D-Max          | 54           | 213          | -74.6        | 2.0%             | 1,203             | 5.2%           |
| Mitsubishi    | Express        | 49           | 46           | 6.5          | 1.8%             | 199               | 0.9%           |
| Hino          | 500            | 46           | 28           | 64.3         | 1.7%             | 206               | 0.9%           |
| Isuzu         | F Series       | 43           | 34           | 26.5         | 1.6%             | 167               | 0.7%           |
| Hino          | 300            | 38           | 21           | 81.0         | 1.4%             | 132               | 0.6%           |
| Mercedes-Benz | Sprinter       | 38           | 48           | -20.8        | 1.4%             | 281               | 1.2%           |
| Isuzu         | N Series       | 34           | 36           | -5.6         | 1.2%             | 153               | 0.7%           |
| Fuso          | Canter 616-CT  | 32           | 6            | 433.3        | 1.2%             | 128               | 0.6%           |
| Hyundai       | Staria Load    | 31           | 0            | 3,100.0      | 1.1%             | 290               | 1.2%           |
| Ford          | Transit        | 30           | 55           | -45.5        | 1.1%             | 216               | 0.9%           |
| Foton         | Aumark         | 30           | 4            | 650.0        | 1.1%             | 98                | 0.4%           |
| Chevrolet     | Silverado 1500 | 24           | 17           | 41.2         | 0.9%             | 48                | 0.2%           |
| Iveco         | Daily          | 23           | 19           | 21.1         | 0.8%             | 103               | 0.4%           |
| Volkswagen    | Amarok         | 21           | 32           | -34.4        | 0.8%             | 95                | 0.4%           |
| Ram           | 1500           | 20           | 27           | -25.9        | 0.7%             | 162               | 0.7%           |
| Others        |                | 481          | 1,262        | -61.9        | 17.4%            | 4,711             | 20.3%          |
| <b>Total</b>  |                | <b>2,762</b> | <b>4,525</b> | <b>-39.0</b> | <b>100.0%</b>    | <b>23,224</b>     | <b>100.0%</b>  |

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cent and Ford Transit with 63 per cent achieved a gold level for their ADAS. The Transit Custom and Mercedes-Benz Sprinter achieved 58 and 52 per cent respectively to both secure silver.

Hoorweg says: "It's encouraging to see the full suite of active-safety features now standard in a number of vans. We encourage brands to continue updating the safety specification of their vans as they would with passenger vehicles."

The regular ANCAP safety-rating programme evaluates the safety of passenger cars, SUVs and light commercials up to 3.5-tonne gross vehicle mass.

Meanwhile, LDV is aiming to be the first marque to sell a fully electric ute in New Zealand. The brand is owned by SAIC Motor Corporation, with local importer Great Lake Motor Distributors

saying orders and enquiries have been flooding in with \$1,000 refundable deposits being taken.

Pricing for the EVT60 has yet to be revealed although at least one model is likely to be less than \$80,000 to be eligible for the government's clean car rebate, which is currently set at \$8,625.

Range is likely to come in

at about 325km from a single charge via an 88.5kWh battery. The two-wheel-drive utility will be capable of AC and DC charging, and it will come with a home-charging cable.

Production of the EVT60 for the New Zealand market is anticipated to start in September with a local arrival of early 2023 being slated.

## CHARGES IMPACT SALES

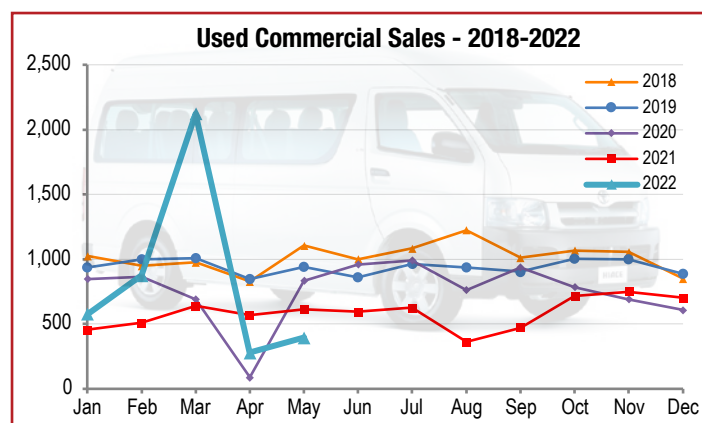
There were 2,762 new commercials registered last month – down by 39 per cent compared to 4,525 in May last year.

Toyota's Hilux was the top model with 942 units. It was followed by Ford's Ranger on 388 and Toyota's Hiace with 203. Next up were Nissan's Navara with 121 and Mitsubishi's Triton on 114.

As for used-imported commercials, there were 393 registered last month compared to 612 in May 2021 for a decrease of 35.8 per cent.

The Hino Dutro was the top model with 42 units, followed by the Isuzu Elf on 36 and Hiace with 34.

The large drops in light commercials are in-line with market demand for them falling following the roll-out of the full clean car discount scheme on April 1.

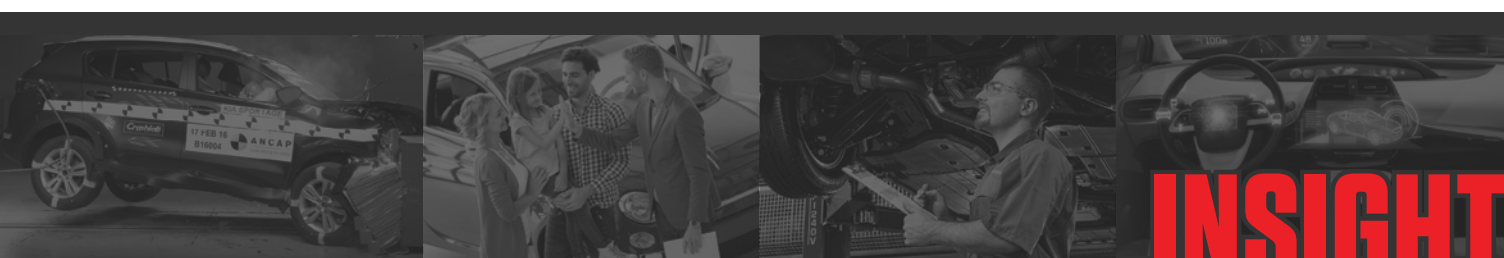


## Used Commercial Sales by Make - May 2022

| MAKE         | MAY'22     | MAY'21     | +/- %        | MAY'22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|--------------|------------|------------|--------------|------------------|-------------------|----------------|
| Toyota       | 87         | 257        | -66.1        | 22.1%            | 1,538             | 36.2%          |
| Hino         | 62         | 45         | 37.8         | 15.8%            | 322               | 7.6%           |
| Nissan       | 61         | 89         | -31.5        | 15.5%            | 1,208             | 28.4%          |
| Isuzu        | 55         | 51         | 7.8          | 14.0%            | 264               | 6.2%           |
| Mitsubishi   | 36         | 26         | 38.5         | 9.2%             | 188               | 4.4%           |
| Ford         | 16         | 31         | -48.4        | 4.1%             | 149               | 3.5%           |
| Chevrolet    | 9          | 10         | -10.0        | 2.3%             | 45                | 1.1%           |
| Mazda        | 8          | 14         | -42.9        | 2.0%             | 75                | 1.8%           |
| Daihatsu     | 7          | 7          | 0.0          | 1.8%             | 58                | 1.4%           |
| UD Trucks    | 6          | 4          | 50.0         | 1.5%             | 25                | 0.6%           |
| Fuso         | 5          | 1          | 400.0        | 1.3%             | 16                | 0.4%           |
| Dodge        | 4          | 5          | -20.0        | 1.0%             | 23                | 0.5%           |
| GMC          | 4          | 3          | 33.3         | 1.0%             | 21                | 0.5%           |
| Holden       | 4          | 14         | -71.4        | 1.0%             | 101               | 2.4%           |
| Suzuki       | 4          | 8          | -50.0        | 1.0%             | 45                | 1.1%           |
| Fiat         | 3          | 1          | 200.0        | 0.8%             | 14                | 0.3%           |
| Volkswagen   | 3          | 11         | -72.7        | 0.8%             | 28                | 0.7%           |
| Volvo        | 3          | 3          | 0.0          | 0.8%             | 14                | 0.3%           |
| Hyundai      | 2          | 2          | 0.0          | 0.5%             | 9                 | 0.2%           |
| Iveco        | 2          | 3          | -33.3        | 0.5%             | 8                 | 0.2%           |
| Others       | 12         | 27         | -55.6        | 3.1%             | 102               | 2.4%           |
| <b>Total</b> | <b>393</b> | <b>612</b> | <b>-35.8</b> | <b>100.0%</b>    | <b>4,253</b>      | <b>100.0%</b>  |

## Used Commercial Sales by Model - May 2022

| MAKE         | MODEL    | MAY'22     | MAY'21     | +/- %        | MAY'22 MKT SHARE | 2022 YEAR TO DATE | 2022 MKT SHARE |
|--------------|----------|------------|------------|--------------|------------------|-------------------|----------------|
| Hino         | Dutro    | 42         | 33         | 27.3         | 10.7%            | 222               | 5.2%           |
| Isuzu        | Elf      | 36         | 27         | 33.3         | 9.2%             | 174               | 4.1%           |
| Toyota       | Hiace    | 34         | 177        | -80.8        | 8.7%             | 1,143             | 26.9%          |
| Toyota       | Dyna     | 28         | 43         | -34.9        | 7.1%             | 159               | 3.7%           |
| Fuso         | Canter   | 23         | 16         | 43.8         | 5.9%             | 106               | 2.5%           |
| Hino         | Ranger   | 17         | 9          | 88.9         | 4.3%             | 83                | 2.0%           |
| Nissan       | NV200    | 17         | 2          | 750.0        | 4.3%             | 73                | 1.7%           |
| Isuzu        | Forward  | 16         | 13         | 23.1         | 4.1%             | 63                | 1.5%           |
| Nissan       | Atlas    | 13         | 13         | 0.0          | 3.3%             | 70                | 1.6%           |
| Nissan       | NV350    | 13         | 43         | -69.8        | 3.3%             | 772               | 18.2%          |
| Toyota       | Hilux    | 11         | 5          | 120.0        | 2.8%             | 56                | 1.3%           |
| Ford         | Ranger   | 10         | 12         | -16.7        | 2.5%             | 83                | 2.0%           |
| Toyota       | Toyoace  | 10         | 14         | -28.6        | 2.5%             | 69                | 1.6%           |
| Daihatsu     | Hijet    | 7          | 7          | 0.0          | 1.8%             | 57                | 1.3%           |
| Mitsubishi   | Fuso     | 5          | 2          | 150.0        | 1.3%             | 24                | 0.6%           |
| Mitsubishi   | Triton   | 5          | 4          | 25.0         | 1.3%             | 27                | 0.6%           |
| Nissan       | Civilian | 5          | 4          | 25.0         | 1.3%             | 25                | 0.6%           |
| Dodge        | Ram      | 4          | 4          | 0.0          | 1.0%             | 19                | 0.4%           |
| Mazda        | BT-50    | 4          | 6          | -33.3        | 1.0%             | 33                | 0.8%           |
| Nissan       | Caravan  | 4          | 9          | -55.6        | 1.0%             | 202               | 4.7%           |
| Others       |          | 89         | 169        | -47.3        | 22.6%            | 793               | 18.6%          |
| <b>Total</b> |          | <b>393</b> | <b>612</b> | <b>-35.8</b> | <b>100.0%</b>    | <b>4,253</b>      | <b>100.0%</b>  |



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**INSIGHT**

# Business aiming to expand

Armstrong's has identified Toyota as a key brand for the company as its business in Auckland grows.

It is planning to open a super-site in Mount Wellington in early 2023, as previously reported.

The new premises for Auckland City Toyota were previously occupied by Fleet Partners.

"This move allows us to have significantly more sales and service capacity in a key location," says Troy Kennedy, chief executive officer.

"With a second-floor office facility included in the complex that can house around 70 staff, we're using the opportunity to consolidate our head office, distribution businesses and retail call centre into one complex."

The offices are expected to be complete several months after Auckland City Toyota becomes

operational. The development is part of Armstrong's growth plans in the city with facilities recently opened in Greenlane for Peugeot and Citroen.

It has a new dealership in Botany, east Auckland, covering Nissan, Peugeot and Citroen, and is expanding Auckland City Toyota in Greenlane. In addition, land has been secured in Botany for three new dealerships.

Armstrong's has indicated it expects to record \$549.8 million revenue for the 2022 financial year and \$627.4m in the following 12 months.

Meanwhile, North Western Toyota has opened a service centre in Hobsonville en-route to creating a car dealership.

"As we've seen through the pandemic, there are many factors that can impact the efficiency of

services," says Mark Jago, chief executive officer of North Shore Toyota.

"We want to set the standard for customer experience to meet the changing landscape of the service and sales industry."

Solar panels and rain tanks are in place on-site to encourage energy conservation and preserve water being repurposed for cleaning vehicles. Yaris hybrids are provided as courtesy cars with staff at Hobsonville up to speed in servicing electric cars. The centre will trial a courtesy shuttle covering major local transport hubs for clients.

Steve Bambury, leader of after-sales at North Western Toyota, says a strong customer base has always existed in west Auckland, so the new branch serves the growing Hobsonville and north-west Auckland areas. ☺

## Registrations up

Imports of new cars came in at 8,890 in May. This was 11 per cent fewer than in the same month of 2021 and only 0.2 per cent above April's 8,871 units.

Registrations of new passenger vehicles totalled 10,575 last month, which was up 5.9 per cent from May 2021's figures and also represented an increase of 24.1 per cent from 8,524 units in March.

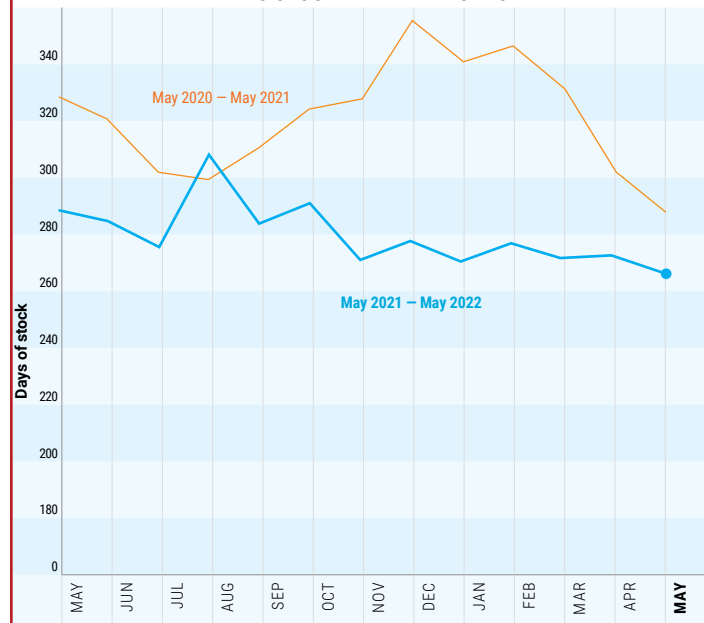
The numbers have resulted in the stock of new cars still to be registered dropping by 1,685 to 81,211. Daily registrations, as averaged over the previous 12 months, stand at 306 units per day – up from 273 a year earlier.

May's results mean stock at-hand has fallen to 266 days, or 8.7 months, if sales continue at the current rate. In the same month of 2021, the figures were 287 days, or 9.4 months, respectively

## Dealer stock of new cars in New Zealand

|                      | CAR SALES     |                 |          |            |                                      |                          |
|----------------------|---------------|-----------------|----------|------------|--------------------------------------|--------------------------|
|                      | IMPORTED      | REGISTERED      | VARIANCE | STOCK      | DAILY SALES<br>- 12-MONTH<br>AVERAGE | DAYS<br>STOCK<br>AT HAND |
| 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              | 8,517         | 7,658           | 859      | 83,225     | 302                                  | 276                      |
| Mar '22              | 10,522        | 11,198          | -676     | 82,549     | 305                                  | 271                      |
| Apr '22              | 8,871         | 8,524           | 347      | 82,896     | 304                                  | 273                      |
| May '22              | 8,890         | 10,575          | -1,685   | 81,211     | 306                                  | 266                      |
| Year to date         | 43,167        | 46,899          | (3,732)  |            |                                      |                          |
| Change on last month | 0.2%          | 24.1%           |          | -2.0%      |                                      |                          |
| Change on May 2021   | -11.0%        | 5.9%            |          | 3.6%       |                                      |                          |
|                      | LESS IMPORTED | MORE REGISTERED |          | MORE STOCK |                                      |                          |

## DAYS STOCK IN NZ - NEW CARS



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# Government focus on supply

A discussion document to future-proof New Zealand's supply chain and freight system has been published following problems caused by the pandemic.

Michael Wood, Minister of Transport, describes the issues paper as the first step in developing a 30-year strategy.

"Through Covid, we saw how major international disruptions can disrupt businesses, and limit the availability of key goods and services," he says. "We're taking action to future-proof our supply chain, limiting the impact of the next global shock."

The paper reports a worldwide oversupply of shipping capacity after the 2008 global financial crisis has kept sea-freight rates to this country low, with international freight costs making up 4.2 per cent

of the value of imports in 2019.

However, the pandemic has impacted on that. There has been a significant decline in air-freight capacity with demand for sea freight outpacing capacity. This has led to port congestion.

Disruptions have resulted in fewer services to New Zealand and sea-freight costs jumping to six per cent of the value of imports. Other impacts have been harder to quantify.

The issues paper states small and medium-sized enterprises have been worst affected and dependence on international shipping is "challenging".

The report adds international lines move about 75 per cent of domestic cargo, which is susceptible to decisions of overseas-based operators.

It says some stakeholders have

suggested ports could achieve economies of scale through better co-operation and specialisation.

Also, the just-in-time approach means there's little "fat" in the system to cope with disruptions and it's hard to switch between freight options.

According to Statistics NZ, labour productivity in the transport sector has been declining over the past five years and capital productivity has dropped since 2002. It notes the pre-coronavirus operating environment is unlikely to return, so systems are needed.

The issues paper proposes four key outcomes. The freight and supply-chain system should be low emissions, it should be resilient, reliable and prepared for potential disruptions, it must be productive and innovative, and it needs to be safe and equitable. ☺

## Stock levels soar

There were 12,047 used cars imported in May for an increase of 9.4 per cent from 11,016 units in the same month of 2021.

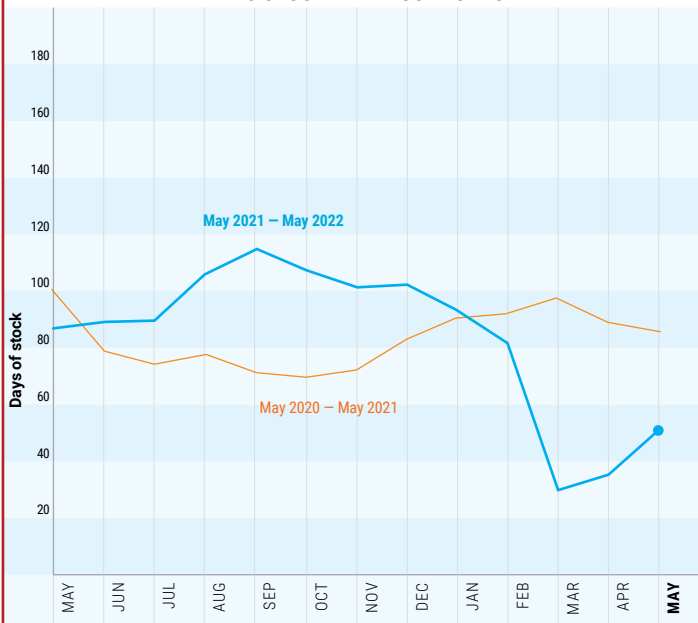
The monthly figure was also a climb of 50.2 per cent from 8,018 vehicles in April.

A total of 6,886 units were registered during May. This was down 38.8 per cent from 11,250 registrations during the same month of 2021 but 5.8 per cent higher than April's 6,507 units.

With 5,161 more used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, to 18,179 units. This was up 39.6 per cent from April's total of 13,018 but 38.7 per cent lower than 29,648 at the end of May 2021.

Average daily registrations fell to 355 and there was 51 days' stock remaining.

DAYS STOCK IN NZ - USED CARS



Dealer stock of used cars in New Zealand

|                      | CAR SALES     |                 |          |            | DAILY SALES        |                    |
|----------------------|---------------|-----------------|----------|------------|--------------------|--------------------|
|                      | IMPORTED      | REGISTERED      | VARIANCE | STOCK      | - 12-MONTH AVERAGE | DAYS STOCK AT HAND |
| 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         | 10,105          | -3,172   | 31,167     | 336                | 93                 |
| Feb '22              | 7,149         | 10,727          | -3,578   | 27,589     | 340                | 81                 |
| Mar '22              | 8,259         | 24,341          | -16,082  | 11,507     | 377                | 31                 |
| Apr '22              | 8,018         | 6,507           | 1,511    | 13,018     | 367                | 35                 |
| May '22              | 12,047        | 6,886           | 5,161    | 18,179     | 355                | 51                 |
| Year to date         | 42,406        | 58,566          | (16,160) |            |                    |                    |
| Change on last month | 50.2%         | 5.8%            |          | 39.6%      |                    |                    |
| Change on May 2021   | 9.4%          | -38.8%          |          | -38.7%     |                    |                    |
|                      | MORE IMPORTED | LESS REGISTERED |          | LESS STOCK |                    |                    |

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