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Calling time on two decades of service

Chief executive will ease into full retirement from his job as association rethinks how to engage with members

David Vinsen has started his transition to retiring as chief executive of the Imported Motor Vehicle Industry Association (VIA) having been in the role for 19 years.

He has now gone part-time and will be less involved in the organisation operationally, although he's remaining in his position for the time being.

The idea is for Vinsen to further reduce his hours later in the 2022/23 financial year as the board of directors investigates options on how VIA will be led in the future.

The announcement on the way forward was made ahead of the association's 35th annual general meeting in Auckland last month.

Vinsen told Autofile that the planning for him to "ease back" has been taking place for some months now.

"Some of the reasons include my age and that I've been in the job for 19 years now. I think it's time for a refresh for me and the association.

"It needs to be a transition and that's why we've been talking about this for some time. I feel positive about it all and wasn't going to go on forever.

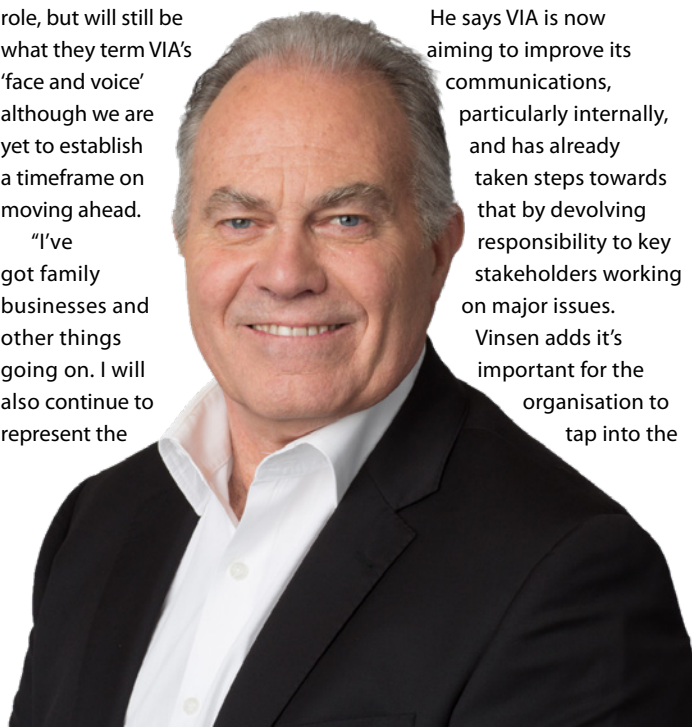
"I've now cut back my full-time role, but will still be what they term VIA's 'face and voice' although we are yet to establish a timeframe on moving ahead.

"I've got family businesses and other things going on. I will also continue to represent the

industry on various boards."

For example, Vinsen will remain on the government's clean car sector leadership group and on Auto Stewardship New Zealand's board.

He says VIA is now aiming to improve its communications, particularly internally, and has already taken steps towards that by devolving responsibility to key stakeholders working on major issues. Vinsen adds it's important for the organisation to tap into the



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GUEST EDITORIAL

Collaboration on tyres trailblazing

Adele Rose on why industry is celebrating after 10-year wait for stewardship scheme

A well-recognised concept at 3R Group is “we’re playing a long game” and anyone who has been involved in the Tyrewise project will know it’s certainly been just that.

For me, this meant its official announcement

as New Zealand’s first regulated product stewardship programme on June 21 was especially sweet.

And not just for me as the implementation project manager, but for our team and those who have worked with us on the project.

Tyrewise will be our country’s national tyre stewardship scheme. It’s a great example of how a united industry can chalk up a major win and blaze a trail for others.

It may have taken 10 years but the determination to succeed has been there since the Tyrewise working group first sat down with 3R to co-design an industry-led and government-supported stewardship scheme.

There was a common goal of wanting a fair and equitable scheme – a “level playing field” – that would keep end-of-life tyres out of landfills and stockpiles, and create jobs and value for Aotearoa.

We all knew it was possible to design a system supporting this change to market conditions that removed the negative impacts of free riders. We were determined to see it through.

There are other stewardship schemes we’ve been working on for around the same timeframe, but Tyrewise is unusual as the industry came together first and then asked



ADELE ROSE
Chief executive
3R Group

for regulation going forward. It has taken a change of government, a rapidly evolving sustainability landscape and unprecedented use of the Waste Minimisation Act, plus perseverance, patience and collaboration, to see the goal achieved.

The importance of the project being industry-led can’t be understated. Tyre-brand owners working alongside groups such as the Imported Motor Vehicle Industry Association, Motor Trade Association, Motor Industry Association and the AA – and with the then newly formed NZ Tyre Recyclers’ and Collectors’ Association – have been vital to its success. So too was the extensive public consultation that led to the creation of a robust and equitable scheme design.

Currently, tyres are an unregulated product with ad-hoc recycling fees charged to consumers at end of life. They have a 40 per cent recovery rate and all too often are illegally dumped in the environment or sent to landfill.

However, through Tyrewise we know they will become a well-managed waste stream with a 90 per cent recovery rate and create high-value end uses. In addition, we give consumers confidence that the advanced disposal fee paid when they buy a new tyre will be used accordingly.

We’re excited to now be working our way through the implementation project. It’s where you see plans put into action and hard work paying off. ☺

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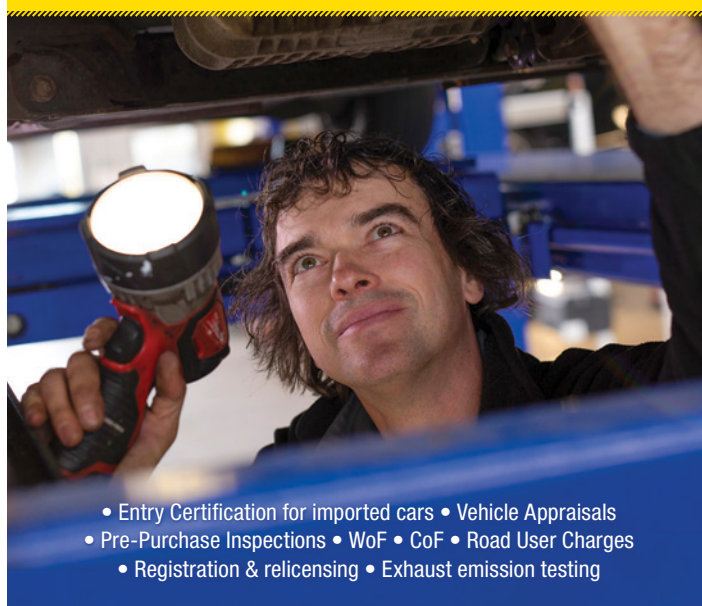
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combined knowledge, talents and expertise of its members.

"We have been putting all that into play. It means we will get better engagement and understanding of issues, and how to deal with them.

"We'll also get greater understanding from officials of various businesses we represent. We've got a lot of challenges facing the industry and some of those are almost existential."

Chris Stephenson, board chairman, says last month's AGM was "all about thanking David for all the work he has done for VIA over the past 19 years".

He adds: "We have yet to make decisions on what to do in the future. At the moment, it's about creating space in our budgets. That includes recruiting for a role that focuses on membership engagement and communication.

"Any association is only as successful as its members think it is. We've found ourselves in a position of not necessarily getting

in front of our members as best as we can, so improving our level of engagement is a top priority."

Stephenson acknowledges Vinsen for his support, dedication, honesty and professionalism – he has given a great deal to the industry and association over many years and "we wouldn't be where we are today" without his leadership.

"David's transition plan is something we have crafted collaboratively over the past 12 months. Throughout the process, it was always obvious he put the needs of the association and its members before his own."

As part of Vinsen retiring as chief executive, Kit Wilkerson, VIA's policy analyst and adviser, has been taking on more responsibility within the association.

Stephenson notes that many people have contributed to the success of VIA and the used-imports industry.

VIA's "revitalisation" started



David Vinsen in 2003 when he was appointed as chief executive of the IMVDA



two years ago with the creation of membership tiers and a council in place of a two-branch system with a national executive. The revamp has brought transparency to its funding, clarity of purpose and a platform for membership engagement.

He says: "While these changes helped correct our financial position, the association was left with only a thin surplus, and an ongoing need to engage and support members in new ways that created value."

Changes unveiled last month included the departure of admin manager Bev Purchase, who has been with VIA for almost 30 years.

Stephenson adds: "Saying goodbye to people we have worked with for so long is always sad and difficult, but it's also a necessary part of change and growth.

"The board would like to sincerely thank Bev for her many years of hard work, dedication and support, and wish her well as she looks to spend more time with her grandchildren, in her garden and listening to cricket."

In his annual report to members, Vinsen says: "VIA's core goal is to 'keep the door open for used imports into New Zealand'. To do so, it needs to be well-resourced and staffed.

"Although the association has only been operating in its current format for less than two years, it is essential we are 'fit for purpose' to meet challenges of the future.

"The board has decided to review VIA's structure and staffing to achieve this. We need research and communications expertise to ensure we are capable of properly representing the vehicle-import sector, as well as engaging better with our members and the industry.

"We have evolved over almost 35 years from a reactive group of used-vehicle importers to become a professional organisation that is taken seriously by successive governments. I believe we need to continue the evolution and development of the association."

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View on clean cars

VIA will consider reviewing its policy position on the government's clean cars programme.

The association changed its stance in October 2021 to support the policies, under which the clean car discount has been rolled out and the clean car standard continues to be developed.

The issue was raised at VIA's annual general meeting on June 23 when members asked that if there was a change of government, would it be

worthwhile for VIA to reconsider its position on this matter.

David Vinsen, chief executive, told Autofile the association decided to get behind the policies last year for the right reasons and that VIA has seen some benefit from that decision. Having said that, it may be worthwhile to reconsider where it sits on the issue.

"In light of the difficulties that have been experienced with the implementation of the clean car discount, we do have concerns about the clean car

◀ GOING BACK IN TIME

VIA started off as the Licensed Motor Vehicle Dealers' Importers' Association in 1988.

It was renamed the Imported Motor Vehicle Dealers' Association (IMVDA) in 1992 with the first word being replaced by "Independent" seven years later. The IMVDA then became the IMVIA in 2009.

"I wasn't in the first tranche of IMVDA members when it started, but as a family business we became members shortly after the association was formed," Vinsen recalls.

"I later became involved in the North Island branch committee and then the national executive before being recruited to take on the chief executive role in 2003."

Prior to heading up the IMVDA, Vinsen was president of the Motor Vehicle Dealers' Institute (MVDI). It was formed in 1975 when legislation required all traders to have a licence to operate. That system was administered and overseen by the MVDI.

"I've had a long career in the politics of the motor industry," he says. "It's been good because during that time we've moved from being a reactionary group that was always challenging officials and the government, to one that works collaboratively with it."

"We've become a much more professional organisation that has been recognised by successive governments and



Vinsen at a fuel conference in 2015

their departments, and we've worked closely and collaboratively with officials, ministers and parliamentarians.

"Instead of opposing things, we have a seat at the table and are able to contribute to and influence the thinking of the early shape of legislation."

Some of the highlights during Vinsen's time at VIA have included the exhaust emissions rule, the roll-out of the electronic stability control regulations and the Takata airbag recall for which the new-vehicle industry paid for replacement parts.

"There are also a whole heap of other things. You always deal with

things issue by issue."

Vinsen highlights the eventual dispensing of vehicles with internal combustion engines as one of those.

On this, he says: "The biggest risk this movement will need

to face is a political one. That will happen once the collective public – internationally and in New Zealand – realises the costs that are going to be incurred in implementing various schemes.

"It's social engineering and trying to force changes in behaviour by hurting people financially.

"As an industry, we're going to have to be nimble, strategic and go with the flow.

"That was why VIA took the decision last year to support the government's clean car programme. We acknowledged we weren't going to stop it, so it was better for us to be on-board to mitigate its effects and help shape its direction.

"Associations and organisations in the industry need to acknowledge these inexorable industrial trends. They need to be prepared to be agile and pragmatic to deal with them. Out of existential threats will come huge opportunities." ☺

◀ standard," he explains.

"That said, supporting the clean car policies has improved VIA's access to the minister. For example, the used-imports industry was [at first] given the same penalties for the discount as the new-vehicle industry, but that was never in the consultation process.

"I was able to contact the Minister of Transport privately about this. He then prepared a paper for cabinet and had that changed. That came about because of VIA having a seat at the table. We will now look at our support in a different light and review our position."

Chris Stephenson, VIA's chairman, says: "Our council will continue to review our policy positions. A big topic moving ahead will be the impact of the clean car standard.

"There have been a lot of teething issues with the clean car discount and these could be compounded by the standard. It will certainly be an issue our council continues to discuss this year."

Stephenson is pleased VIA managed to "squeeze out a surplus" from the 2021/22 financial year and emphasises the association needs to "build up some cash again." ☺



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Ready for future challenges

The celebration of a significant milestone reached by the Imported Motor Vehicle Industry Association (VIA) also signals more changes and challenges as it looks forward.

This year marks the 35th anniversary of the organisation in various guises and chairman Chris Stephenson has outlined plans for its future.

"Our goal for the next 35 years is to ensure government and the broader industry recognise our industry as the market default and benchmark given that for years we have provided, on average, holistically safer and more efficient vehicles to Kiwis at price-points they can afford," he says.

"We are already, and have been for a while, the largest providers of private transport in the country.

"While we will continue to face challenges, it's now almost impossible to picture a New Zealand future that isn't driven by used imports.

"Many people have contributed to the success of our association and industry, and I'm sure they reflect proudly on what has been achieved."

Stephenson emphasises the industry has grown, changed and matured over time, and so must the association, which is why it has unveiled the next steps of its "revitalisation".

David Vinsen has started his transition into retiring as chief executive by becoming part-time. He will be less involved operationally with his hours further reducing as VIA decides on a future leadership structure, while administration managing Bev Purchase is leaving.

In addition, the association is looking for more members to join its board.

"The completion of this year marks two years of our three-year tenure and brings up our constitutional need for renewal," explains Stephenson in his annual report.

"The requirement for renewal

is designed to keep the board fresh and encourage participation from other members of council. It's also intended to provide a level of consistency by maintaining a balance between new board members and old."

Because all current board members were appointed at the same time, the requirement for continued – and staggered – renewal means it has to start bringing new people on-board this year.

Expressions of interest are being sought from potential members. Any council members wishing to join VIA's board should contact Stephenson by July 21.

TABS ON FINANCES

The association's surplus for 2021/22 highlights "just how susceptible to change" its financial position remains, says Stephenson.

Draft financials presented to members at last month's AGM show a surplus of \$9,155 against a budget of \$18,340.

"I'm pleased to report governance affairs are all in order and the association has again posted a small surplus," he adds.

"The two significant contributing factors were lower-than-expected revenue and slightly higher-than-expected expenses. While still a surplus, this has highlighted just how susceptible to change our financial position remains."

VIA's operating surplus for the past financial year compares to \$29,812 for the previous 12 months.

Revenue dipped from \$500,995 to \$483,784 over the same timescale, while expenses rose slightly from \$471,183 to \$474,629.

Retaining earnings for 2022 were \$143,014 compared to \$133,859 in 2021, and working capital was \$140,822 versus \$130,068.

Membership and sponsorship contributions totalled \$466,062 in 2021/22 compared to \$450,237.



"Many people have contributed to the success of our association and industry, and I'm sure they reflect proudly on what has been achieved"

– Chris Stephenson

Expenses in this area rose from \$418,475 to \$454,909m while its surplus dropped from \$31,676 to \$11,153 for the past financial year.

VIA's 2021/22 financial reports are final, but are noted as draft. This is because they had yet to be reviewed by accountants when the AGM was held on June 23 because of the lack of available staff due to Covid-19.

The accounts also state VIA has incurred "significant" debts in prior

years, amounting to \$180,619 in 2020 and \$233,181 in 2019.

VIA's budget for the current financial year is being drafted with some further work needed around staffing costs and structures.

On top of Vinsen's reduction in hours to 20 per week and Purchase's departure, staffing costs will also be impacted by VIA looking to recruit an extra team member. The role, due to be advertised this month, will be focused on membership engagement and communication.

Because of this, the final numbers are unavailable. That said, the draft budget for 2022/23 again shows a small surplus – of about \$15,000.

Once finalised and approved by the board, the 2023 budget will be shared with members.

"In anticipation of the original AGM date, our annual council elections were finalised and the list of 2023 member-year VIA council members has been posted," says Stephenson.

"I would like to take this opportunity to thank any departing members for their contributions and welcome any new members. As an industry association entirely funded by its members, I would like to thank members for their support.

"Your financial contributions during times of economic uncertainty have been treated with the respect they deserve, and non-financial contributions of time and resource are always greatly appreciated.

"I would like to thank my fellow board members for their time this year. You all have significant business commitments, yet somehow always find the time to meet and champion good governance within our association.

"Last, but not least, thank you to the VIA team. Your continued resilience and adaptability in the face of continued change shows the commitment you have to our association." ☺

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Loan rates set to 'drop off cliff'

Experts warn car dealers and finance companies are likely facing more hard times ahead with conversion rates for automotive loans remaining depressed since amendments to legislation kicked in last year.

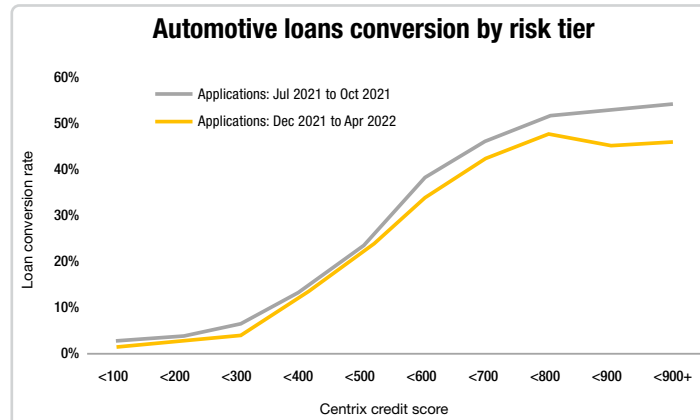
Little more than one-third of applications for finance to purchase vehicles have gained approval since the Credit Contracts and Consumer Finance Act (CCCFA) was updated on December 1.

About 35 per cent of such loans are going through compared with 42 per cent in November before the act was revamped, according to credit bureau Centrix.

New changes are being introduced to the CCCFA from July 7 to address what the government describes as "unintended consequences" of December's refresh of the laws.

However, they may not provide much of a boost for the automotive sector, with the Financial Services Federation (FSF) predicting the latest adjustments will have little impact on current challenges facing businesses.

Centrix also predicts arrears and defaults on vehicle loans may soon increase as cost-of-living pressures facing many New Zealanders look



set to continue through the winter.

Lyn McMorran, the FSF's executive director, says: "The government has fiddled around the edges but hasn't made great changes. They are only tweaks and just provide a bit of clarity, so there may be slight changes to processes and systems lenders have invested in.

"We don't have to do both benchmark testing and check bank statements. However, we still need detailed expenses with applications and have to ask borrowers what's going to change so they can meet repayments.

"The minister has been talking it all up a bit and people may think it's going to be easier to get credit, but that won't be the case. It won't

make much difference at all."

McMorran told Autofile lending to prospective car buyers may also significantly tumble over coming months with other factors adding to problems created by the CCCFA.

"The changes to the CCCFA are what we expected. They're not great, and the timing's not great either with inflation and household expenses increasing.

"The motor-vehicle space is holding up. There have been supply issues, which has created pent-up demand, and people are still attracted by the clean car discount for electric and hybrid vehicles.

"There's still lending happening, but I expect it will drop off a cliff because people are going to hunker down for a hard winter

with cost-of-living pressures. I think things will be tough for a while."

While not expecting them to have much impact, McMorran is unhappy industry has had to wait an extra month for the latest CCCFA changes to be introduced after the government initially signalled they would be implemented from early June.

David Clark, Minister of Commerce and Consumer Affairs, announced initial changes to the regulations and responsible lending code in March. The Ministry of Business, Innovation and Employment (MBIE) then conducted consultation on those proposals before announcing the new rules on June 9. However, regulatory adjustments can only come into force 28 days after they are made.

"They always knew that was part of the process so why tell us June 3 as the date for changes if it was obviously not going to happen until July," says McMorran.

"They knew there was this 28-day notice period from the time changes were gazetted but why they didn't do them sooner so they could come in from June, I just don't know.

"It seems poor practice to allow it to drag on this long and it's been

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◀ an uncertain time for lenders. I don't think any of our members were holding out hopes for great change.

"As for the rest of the report still sitting with the minister, we have no idea what it says. We're not expecting a huge amount of change from that because with that comes an admission of how bad the regulations were in the first place."

Clark has been considering a report from MBIE and the Council of Financial Regulators into the December alterations to the CCCFA. He is due to make an announcement this month on whether those findings will lead to further action.

McMorran adds the ongoing uncertainty for FSF members around the legislation is symptomatic of a failure by the government to heed industry warnings ahead of the new regime being introduced last year.

While officials labelled the tightening of regulations as a way to protect vulnerable consumers, the FSF and many others felt the previous laws were strong



Keith McLaughlin,
managing director
of Centrix

enough and simply needed better enforcement.

"There hasn't been a problem with a lack of consultation between MBIE and the federation, but there has been a lack of listening from the very beginning of plans to change the CCCFA.

"We've had a lot of consultation and it's been engaging. We have written submission after submission saying the same thing, yet it's gone nowhere. MBIE has ticked the listening box but not taken anything on-board. If it had, we may not have needed these tweaks.

Car loan conversion rates

Jul 2021	42.5%
Aug 2021	36.4%
Sep 2021	42.7%
Oct 2021	43.2%
Nov 2021	42.1%
Dec 2021	38.8%
Jan 2022	33.3%
Feb 2022	31.9%
Mar 2022	32.8%
Apr 2022	34.9%

"The situation we've been in over the past few months could have been avoided by listening to industry. It's a shame because we're all on the same side. We don't want people to get into harmful debt, it's not helpful to the consumer or lender."

ARREARS THREAT

Centrix reveals lending levels "dropped overnight" following the December implementation of the CCCFA's changes and there has been little sign of any significant recovery since.

In the automotive industry, the loan-conversion rate hovered around the 42-43 per cent mark between September and November last year. It fell to 38.8 per cent in December before plunging even further in January to 33.3 per cent.

Figures from Centrix show the rate dropped further in February to 31.9 per cent and edged up slightly in the following two months to 32.8 and 34.9 per cent respectively.

While there has been a slight improving trend of late, Centrix notes the conversion rate remains down on levels seen before the CCCFA was revamped.

Keith McLaughlin, managing director, says the market had plenty of warning the regulatory changes were coming, but it wasn't until businesses started processing applications that they understood the ramifications of the new rules.

"It added significant cost to lenders and they put additional work into approval systems," he told Autofile. "However, people who

[continued on page 10]



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have previously been approved for loans are now being declined.

"There's been no huge uplift in lending since. If consumer confidence drops, so does spending and the introduction of the CCCFA has certainly had an ongoing impact."

He notes a looming risk for car dealers and finance companies is likely to be an increase in the number of borrowers falling behind on repayments.

"As household income is further stretched, arrears and defaults are going up. Right now, they're going up more for personal loans and the buy-now, pay-later sector.

"So far, it's not really had an impact in relation to home or automobile lending. As household spending gets crunched, consumers tend to prioritise where they make repayments and fortunately for motor-vehicle finance that's considered an important facility to not let go to arrears.

"However, the whole industry is contracting. Arrears and defaults

are starting to rise and, as the pinch becomes tighter for households, that will likely flow into home loans and auto lending."

McLaughlin adds that from conversations he has had with finance companies, he believes many will continue to seek full details of consumers' expenses once changes are made to the CCCFA this month.

"Many of them say that while the criteria around affordability has changed, they will still keep everything in place so if they get challenged down the line they can show the work they've put into an application.

"Most say they will keep the affordability criteria in place, but will moderate their decision processes because they don't have to look at some of the details as strictly as in the past."

His advice to dealers and finance companies in the automotive space is to make the application process as simple as possible to maximise the chance of securing a deal and

Changing regulations

The government announced on June 9 that changes to the CCCFA regulations and responsible lending code will come into effect from July 7. These will:

1. Remove regular "savings" and "investments" as examples of outgoings lenders need to inquire into when assessing borrowers' likely expenses.
2. Clarify that when consumers provide detailed breakdowns of future living expenses, and these are benchmarked against robust statistical data, there's no need to also inquire into current expenses from recent bank transactions.
3. Explain that when lenders make estimates from bank

records, they can ask borrowers about how expenses are likely to change after they get loans.

4. Clarify obtaining information in "sufficient detail" only relates to what's provided by consumers directly rather than relating these to bank transactions.

5. Provide extra guidance that a "reasonable surplus" isn't required if the lender has applied adequate buffers and adjustments to income and expenses.

6. Give alternative guidance and examples for when it's "obvious" a loan is affordable, so a full income and expenses assessment isn't required.

raising conversion rates.

"There won't be as many borrowers in the market as there were six months ago and if you get one you want to keep them on the hook.

"Businesses need to set up systems so they can make quick decisions. Otherwise there will be other companies out there who will take that opportunity.

"It will be interesting to see what happens to lending from July because even though the bulk of lenders will retain some form of affordability testing, it's how much of a throttle the extra bit of discretion will provide to lending."

'RESTRICTIVE' RULES

MBIE says this month's adjustments to the CCCFA aim to address concerns that the regulations introduced in December were proving more onerous and restrictive than intended.

"Progressing these changes has allowed the government to respond quickly to concerns raised by consumers and lenders," says a spokesperson.

The department notes it received feedback from lenders, financial mentors and other interested parties after releasing an exposure draft of the changes for public consultation in April.

"While it was initially expected the changes could come into force in June, public submissions on

the exposure draft made some significant suggestions so it was important to carefully consider them before the regulations and code changes were finalised.

"The changes will come into force on July 7. This date is in accordance with the 28-day rule – a legal requirement for changes to the responsible lending code to come into force 28 days after being notified in the New Zealand Gazette.

"Changes to regulations are also required by the cabinet manual to come into force 28 days after they are made, with limited exceptions. This gives the public time to prepare for the change before it comes into effect."

Minister Clark has echoed MBIE's comments about the latest changes addressing concerns raised by consumers.

He describes the adjustments as a "pragmatic step" to avoid unduly restricting access to credit for New Zealanders, while continuing to protect those at risk from predatory and irresponsible lending.

Clark notes he also brought forward a scheduled review of the scale and impacts of December's lending reforms because of consumer concerns about the new legislation.

"I have received a final report from officials and expect to make decisions on next steps in coming weeks." ☎

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Drive to clean up transport

The government's emissions reduction plan (ERP) is about much more than increasing the size of our electric vehicle (EV) fleet.

The prime minister says it focuses on getting New Zealand on-track to meet its first emissions budget.

"We've all seen reports on sea-level rise and its impact here," says Jacinda Ardern. "We cannot leave climate change until it's too late to fix.

"The ERP delivers the greatest opportunity we've had in decades to address climate change, and to move to a high wage, low-emissions economy that provides greater security by creating jobs, run on more clean energy, supporting nature and improving infrastructure.

"Households are already seeing the impact of escalating petrol prices. This plan sets out practical ways to cut power, transport and



The government says its clean car policies had provided 14,500 rebates to buyers as of April 11 and has helped to triple monthly EV sales to 1,500 units. It adds EVs made up 12.1 per cent of sales of new cars in 2022's first quarter. Source: ERP

other costs by taking climate-friendly actions."

Plenty of policies are being planned for the transport sector because it's one of the country's largest sources of greenhouse gas (GHG) emissions.

They come in at 17 per cent, which is why the government wants to change the way Kiwis travel.

The June issue of Autofile reported that light vehicles with internal combustion engines (ICEs) have yet to be banned.

However, a scrappage scheme – called the clean car upgrade – was finally announced after being on the government's agenda for some years.

The ERP has a focus on three

major areas for transport. These are the rapid adoption of low-emissions vehicles (LEVs), reducing reliance on cars and supporting people to walk, cycle and use public transport, and starting work on decarbonising heavy transport and freight.

The government will continue to incentivise the uptake of low and zero-emissions vehicles (ZEVs), consider extending the road-user charges (RUC) exemption for light EVs beyond 2024 and improve our EV-charging infrastructure to ensure all New Zealanders can "fuel up" when they need to.

A provision for funding to support the freight sector to buy zero and low-emissions trucks is included in the ERP, along with the requirement for only fully electric public-transport buses to enter the fleet by 2025.

There is also support for the

[continued on page 12]

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uptake of low-carbon liquid fuels through a sustainable aviation fuel mandate and sustainable biofuels obligation.

The government says its clean cars programme is helping to encourage cleaner LEVs to enter the fleet. The thrust of this in the ERP is to avoid New Zealand becoming a “dumping ground for fossil-fuelled vehicles the rest of the world does not want”.

The Ministry of Transport (MoT) states: “Fossil-fuelled cars will need to be phased out in time to achieve zero-emissions transport. The government will consider what further measures and commitments are needed to achieve this.”

The ERP also outlines support for social-leasing schemes to make access to cleaner, safer vehicles more affordable for low-income households.

“This will enable access for households that rely on private vehicles and can’t afford to switch to LEVs. How this will be implemented and trialled will be developed alongside community partners to ensure the scheme best fits target locations and communities.”

So, what do the Imported Motor Vehicle Industry Association (VIA), Motor Industry Association (MIA) and Motor Trade Association (MTA) make of the ERP and how it will impact on automotive sector?

SUPPLY CHALLENGE

Where are all the EVs going to come from? That’s a question David Vinsen, chief executive of VIA, asks with the government aiming to increase ZEVs to at least 30 per cent of the light fleet by 2035.

“All vehicle manufacturers are accelerating their design, development and building of EVs, but that takes a while to put into place,” he told Autofile.

“We are also in competition with every other western jurisdiction and it will take a while for them to come through in numbers the government wants.

“Looking at converting as much of the fleet to EVs as possible is a step in the right direction, but availability will still be a challenge.”

There are plenty of initiatives in the ERP aimed at shared-



The ERP states low-carbon liquid fuels, such as biofuels, will play a role along with electrification, hydrogen and other technologies to cut emissions

ownership models and social-leasing schemes when it comes to privately owned vehicles. Some proposals address equity issues “whereas the policies themselves are fundamentally flawed in that respect”, cautions Vinsen.

“The idealogues want to get people out of privately owned and operated cars into almost anything else, such as public transport or more-efficient vehicles, but they will face serious resistance,” he predicts.

“We are a long, skinny country with poor public transport. Unless or until officials address that and come up with alternative systems that are cost-effective, people are going to require private vehicles.”

As for the government promoting different vehicle-ownership models and forms of mobility, he says: “Additional money to accelerate the whole ERP came as a surprise, including the suggestion it be used to encourage subscription-type transport and services, and alternatives including micro-mobility, e-bikes and public transport.”

Vinsen notes the government’s ambitions to change the nature of the fleet and boost schemes such as subscription services may lead to a number of dealers shifting their business models.

“The intention is to move people away from private vehicles to some other form of transport. If someone is going to change from importing and retailing to importing and leasing or subscription, that’s entirely different and they need time to adapt.

“Instead of bringing in 1,000 cars and making 1,000 sales, a business might bring in 1,000 vehicles for one sale or even no sales, and just

hold the vehicles in a pool for use by subscription or rental.”

He adds the “brave new era” officials are trying to create means people in the automotive industry need to understand it’s not just about driving a car, “it’s about getting from A to B in a convenient, cost effective and environmentally safe fashion”.

“It’s about rethinking the way transport works, not just at a governmental level but at a personal and private level. It’s a huge jump in how we traditionally use transport and I expect there will be some public resistance to such changes.”

Vinsen notes there are “no real surprises” in the ERP, which was released in May, and VIA has had good relationships with the climate change commissioner and his staff to help inform their recommendations, and to ensure they understand the limitations. While VIA’s members knew changes would be coming, they didn’t know what shape they would take or what the timing for policies would be.

Vinsen hopes there will now be plenty of effective communication between decisionmakers and industry as the ERP’s measures are introduced.

“If the plan is implemented as is, it signals radical changes to the way New Zealanders own and use vehicles and how they get themselves and goods around.

“The industry will continue to positively contribute to policy development and discussions with a view to set clear targets and mechanisms to achieve them.

“The one thing we don’t like is uncertainty and ad-hoc interventions. We like decent lead

times to changes so we can work to those more successfully. The new and used industry needs plenty of notice so we can work with suppliers to get access to vehicles that meet the government’s aims.

“The car industry is demand-driven. Once clear parameters and clear political mandates are set and start to affect public behaviour, it can then work on supplying what’s in demand.”

‘AMBITIOUS’ GOALS

The MIA’s chief executive, David Crawford, is unsurprised the clean car discount and standard will continue to lead the uptake of LEVs with about \$1.2 billion being set aside in the ERP to help get 30 per cent of the light fleet to be zero emissions in 13 years’ time.

He highlights an extension to the exemption from RUC is to be considered for light EVs from 2024. However, public transport, cycling and pedestrian initiatives are – “ambitiously” in Crawford’s view – forecast to reduce vehicle kilometres travelled by the light fleet by 20 per cent nationally.

“Unfortunately, the plan appears to be silent on the role motorcycles and scooters can play. We are surprised by this omission.”

James Shaw, Minister of Climate Change, focused on light-EV uptake, shifts in transport modes and other energy contributors in his presentation on the ERP on May 16 with these areas “outstripping” heavy transport.

“This is reflected in the ERP with the bulk of the emissions reduction from heavy transport and freight being targeted for the third emissions budget period in 2031-35,” says Crawford. “The

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Industry movers

GREIG EPPS is leaving his role as advocacy and strategy manager at the Motor Trade Association (MTA) and will join the Insurance Council of New Zealand as its regulatory affairs manager from next month.

He has spent eight years with the MTA, having initially joined as industry relationship manager in July 2014 before shifting into his current position in November 2018. His last day with the association will be July 29.

Epps' background covers work as a lawyer or governance adviser and he has had roles in New Zealand at Lincoln University, Vector and the University of Auckland. He has also worked for the University of Toronto in Canada and InterGen HK Ltd in Hong Kong.



SEAN STEVENS has resigned as chief executive officer of Vehicle Inspection NZ (VINZ), effective from July 29.

"He has made a valuable contribution to VINZ over the past seven years," says Euan Philpot, director of VINZ.

"He has been CEO since February 2020 and helped the company meet the challenges of operating as an essential service during Covid restrictions. We wish him well in his future endeavours."

Stevens joined VINZ in August 2015. His previous positions were national manager of delivery, and general manager of operations and delivery. He became VINZ's acting CEO in August 2019, before being appointed permanently, taking on the role from Gordon Shaw.

Philpot remains a director of VINZ and will act as interim CEO after July 29 until a replacement is found.



Sean Stevens



Euan Philpot

DAVID PAGE has resigned as chief executive officer of NZ Automotive Investments Ltd (NZAI), the parent company of 2 Cheap Cars.

His resignation was announced to the NZX on July 1 and will come into effect on September 30.

Page, who will remain a shareholder in the company, became CEO of NZAI in December 2020 after being an independent director of the company for four months.

He was previously a partner with Rutherford Consulting in Auckland for 10 months. That was preceded by nine-and-a-half years at the ASB Bank. Page's last position there was acting general manager of banking advice centres for the New Zealand branch network.



PATRICK BOURKE has been appointed as New Zealand country manager to oversee MG Motor's expansion here.

He has more than 30 years' experience having led teams at large automotive companies in the UK, Belgium and Australia, and has played a role in sales strategies.

Bourke has been with MG for more than three years. He was previously the marque's general manager of sales across the Tasman.



heavy sector is given significantly more time, which is something the MIA argued for with legislation progressing slower to match."

By the end of this year, funding will be available to support the freight sector in the purchasing of zero and low-emissions trucks.

"Hydrogen is mentioned alongside electrification and low-carbon liquid fuels," says Crawford. "Total emissions from freight are ambitiously targeted to reduce by 35 per cent by 2035. From 2025, all new buses must be zero emissions and, by 2035, all public transport must be zero emissions.

"Options for extending RUC exemptions beyond heavy EVs to other fuel types, and for regulation on heavy-vehicle imports to cut emissions, are to be evaluated by 2025."

The MIA notes \$4.5b of revenue from the emissions trading scheme (ETS) has been allocated to establish the Climate Emergency Response Fund. This will be used to help New Zealand reach target net-zero GHG emissions by 2050. The fund will initially have \$2.9b over four years.

"The government appears committed to using new policy in conjunction with the ETS," says Crawford. "Its top-level modelling suggests price signals from the ETS will directly account for just one-third of total emissions reduction in this budget with the rest coming from ERP-related policy changes.

"In-line with this, the government has indicated it will adjust ETS settings to 'balance' gross and net-emissions reductions."

The government is aiming for half of all energy to come from renewable resources by 2035, although mechanisms and details to achieve this will be in a national energy strategy, which has still to be drawn up. About \$650 million has been allocated over four years with another \$330m over three years post-2026. Some of this will go to the use of alternative fuels, such as hydrogen and biomass.

MAKING TRANSITION

The Climate Change Commission's final report to the government formed the basis for its input into

the ERP and the MTA's submission to that process stated EVs are only part of the solution in cutting emissions from the fleet.

Greig Epps, advocacy and strategy manager, says: "As we transition to a low-emissions future, this means electrified vehicles, hydrogen-shared services, public transport, active travel modes and low-emissions models with ICEs.

"One thing many people miss in ambitious predictions is that a fleet with 30-40 per cent electrified vehicles in 2035 is a fleet that has up to 70 per cent ICEs.

"We need to spend the next 10 years or so helping people transition to low-emissions journeys that suit them. It seems low-emissions ICEs will be a key part of that."

Epps points out technicians with skills suitable for ICEs will still be required so that millions of such vehicles still in the fleet by 2035 can be repaired and serviced.

And car dealers will be helping consumers "make journey choices", while service stations will be needed to help motorists fuel up "whether through biofuels, hydrogen or electrons".

Epps says what the ERP has done is to solidify the path forward that the automotive industry has been talking about for the past couple of years.

"The fleet composition will slowly change, starting with the clean car discount and from next year with the clean car standard," he told Autofile.

"There will be economic pain felt by everyone because prices will rise as the limited supply of LEVs is tapped by every country trying to implement policies for a zero-carbon future.

"Biofuel blends will be slowly introduced, which may increase fuel costs. Supply chains will take at least another year or so to recover, but will freight costs drop to pre-pandemic levels? That's unlikely.

"It's likely the domestic second-hand market will be more active as people hold onto their vehicles or replace from within the existing fleet. This will put more pressure on the repair sector to maintain them to ensure safety and keep cars performing as best they can." ☺

Marques recognise dealerships

Ebbett Audi has been crowned as top dealer of 2021 at the Audi Excellence Awards.

The business in Hamilton scooped a hatful of gongs at a ceremony hosted by comedian Dai Henwood.

Other big winners on the night were Auckland-based Continental Cars Audi and Giltrap Audi.

Dean Sheed, general manager of Audi NZ, says the marque's excellence programme is about more than sales. It aims to reward dealers and individuals who deliver "outstanding results across metrics we apply to customer service".

"It's critically important our customers are treated with the utmost care," he adds. "The challenges of 2021 provided an opportunity for our dealers and staff to follow through on that focus."

"Congratulations to all winners



Andrew Unternahrer, left, dealer principal of Ebbett Audi, with Dean Sheed, general manager of Audi NZ. Visit www.autofile.co.nz for more results and photos

for their outstanding performances in 2021, especially Andrew Unternahrer and the team at Ebbett Audi. It's a fabulous result for their hard work throughout a difficult year with omicron and global shortages."

In addition to the customer satisfaction and overall dealer of the year awards, Ebbett Audi

scored plenty of individual wins.

These were Twin Cup technical and technician of the year – Ben Allen, warranty adviser – Glen Cameron, service adviser – Annika Lourens, service manager – Richard Wren, non-metropolitan sales specialist – James Jones, non-metro e-tron sales specialist – Chris Loader, and sales manager



Claire Dalton, Audi NZ's national sales manager, with Shaun Marburg, of Farmer Audi

and used-car sales manager – Jason Young.

Continental Cars landed two awards – the Twin Cup service thanks to Allan Wilson while Kim Gibb was marketing manager of the year.

Farmer Audi's Mark Ferguson was top parts manager, and Andrew Lewis, of Archibalds Audi,

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The Blackwells Mazda team. From left, parts manager Wayne McLellan, service manager Jeff Bunz, dealer principal Seth Owens, marketing manager Kitty Hong and sales manager George Wallis

was the Twin Cup apprentice and apprentice of the year.

Giltrap Audi scooped three awards. These were business manager – Rod Williams, metropolitan sales specialist – Cameron Gemmell and metro e-tron sales specialist – Gary Cutfield.

FRANCHISE'S TRIFECTA

Blackwells Mazda in Christchurch has been named as the marque's best franchise for the third time.

The Mazda Dealership Awards celebrated business success in 2021 with all areas of operations

being evaluated by the judges.

Seth Owens, dealer principal of Blackwells Mazda, describes landing the top honour as a "huge privilege and not something we take lightly".

He adds: "The team has worked incredibly hard this year and it's amazing to see that paying off."

David Hodge, managing director of Mazda NZ, says it has been a difficult couple of years for the industry, but its dealerships have risen to the challenge.

"It was a long wait to be able to celebrate our dealers' hard work



Giltrap North Shore's general manager Phil Dixon, left, and service manager Nigel Tipler with Sheena Ighani, GM New Zealand's after-sales business district manager

and we're thrilled to honour those who have exceeded expectations," he adds.

"It's the third time Blackwells Mazda has won dealer of the year, which is further evidence of its strong commitment to achieving success across all areas of its business.

"It not only achieved outstanding sales results, but continued to provide top-notch customer service."

Blackwells also landed awards for excellence in new-vehicle sales, after-sales – service and marketing.

Other winners included John Andrew Mazda in Auckland for finance and lead management, and Nicholson Mazda in Whakatane for after-sales – parts. Fagan Mazda in Masterton scooped the Mazda Foundation Community Excellence Award.

'LEGENDS' HONoured

Two dealerships have been recognised for excellence as part of General Motors NZ's first after-sales "legends programme".

The awards, which focus on customer satisfaction, were won by Giltrap North Shore in Auckland and Robertson Prestige in Palmerston North.

Phil Dixon, general manager of Giltrap North Shore, is proud the dealership scooped one of the inaugural honours.

"We're humbled to receive this award, which has been achieved by our dedicated parts and service teams," he adds.

Dealer principal Mark Harris was equally pleased that Robertson Prestige was also crowned a winner. "Maintaining excellence in everything we do is what we strive for every day, so this is recognition that we're achieving that goal."

"Judging a dealership and its team on all facets of its operation is the most accurate measure of overall success," says Stephen Matthews, GM NZ's general manager of after-sales.

"There are 31 Holden service centres around the country. The winners have achieved to the highest level possible." 📞

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Robertson Prestige team members. From left, service manager Courtney Syverston, dealer principal Mark Harris and after-sales manager Peter Shaw

Tech solution replaces trawling

With unprecedented stock shortages currently being endured by the automotive industry, now – more than ever – dealers are seeking alternative ways to drive revenue.

Much focus is being placed on the pre-owned market and capitalising on this sector of the business.

However, the ongoing challenge is finding an efficient and effective method of driving used-car stock levels up to a point where they can sufficiently sustain dealerships.

Since my days at Driven magazine, I've been campaigning for more effective pre-owned vehicle-management tools for New Zealand's automotive industry after seeing traders inefficiently spending hours trawling through classifieds in search of stock for their yards.

I recognised a need to digitise this process to make it more efficient. But given the complexities of our local industry with countless models, variations and imports, we've always struggled to have the same quality data solutions as our overseas counterparts.

Finally, after six years exploring an array of options, I'm proud to

announce the launch of a range of tools in New Zealand. They are set to revolutionise the way used-car departments manage their stock.

Delivered in the form of a plug-in to AdTorque Edge's multi-faceted marketing and lead-attribution platform ALICE, these tools offer a range of efficient solutions for building used-car inventory and increasing profitability.

ALICE's new plug-in includes tools for sourcing and pricing pre-owned vehicles as well as recapturing former customers who have listed their cars online.

By utilising this technology, dealerships will be able to save time spent searching through multiple platforms and listings searching for used stock, while also ensuring they are pricing cars competitively against the market.



TODD FULLER
General manager, New Zealand
AdTorque Edge

“On average, dealers utilising this technology have seen a 300 per cent jump in the number of pre-owned vehicles they're buying and selling”

SOURCING STOCK
AdTorque Edge's new Vehicle Sourcing Tool delivers a single, real-time view of all current online listings across a range of classified sites, including Trade Me and AutoTrader.

The system allows users to filter and search to find the exact cars they are after, while also providing unlimited hot-lists and notification features so they will never miss a good deal as it is listed.

PRICING VEHICLES
ALICE's easy-to-use Vehicle Pricing Tool provides accurate and real-time values of potential stock listed for sale online.

The data and market insights it provides enable traders to price their own vehicles for trade-in and sale, ensuring they sit competitively against the rest of the market. In turn, this allows them to win deals over their

competitors and maximise their own profit.

RETAINING CLIENTS
The Customer Recapture Tool serves two purposes. Firstly, it acts as an additional means of sourcing pre-owned vehicles.

By periodically uploading a database into ALICE, dealers will be alerted when former customers have listed cars online for resale so they can contact them immediately to discuss buying what they're selling.

Secondly, it can drive retention – an area where many dealers struggle. Given the already-established relationship with a former client on repurchasing a pre-owned car, the dealership is well-positioned to initiate discussions about a new vehicle purchase.

ARE THESE TOOLS EFFECTIVE?
This is a question you may ask. Data coming out of our Australian branch has shown that dealers using these pre-owned vehicle tools are reporting as much as a 300 per cent increase in the number of vehicles they are buying and selling.

I don't know many dealers who wouldn't be keen to see those type of results in their used-car departments at the moment. ☺



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'Policies incentivise' bigger vehicles

Quite frankly, I really don't have anything constructive to say about the emissions reduction plan (ERP).

However, it does try to take a whole-of-government approach, includes Māori involvement and acknowledges that people have to be taken along on its journey.

What the ERP completely fails to do is be transparent with the magnitude of changes that need to take place. Instead, it seems to embrace "business as usual" by maintaining the system that has caused climate change.

Even worse than hiding the magnitude of necessary changes, the ERP picks winners and losers. The pressure put on different industries is uneven and research used to argue for these priorities is disingenuous at best.

Just take transport as an example. Yes, there is a large volume of research that argues this sector is an easy and cheap initial target for decarbonisation.

That research might even be correct – in the jurisdiction it was applicable to. But this research is all based on and refers to conditions in large manufacturing jurisdictions, such as the US, EU and China.

For those places, switching to electric vehicles (EVs) is possible to do quickly because they can mandate for them to be supplied. They have the legal and economic clout to do that. New Zealand does not and will be forced to compete directly with more influential jurisdictions for limited supply.

Relying on a transition to electric cars is likely to be impossible in the timeframe

discussed, even with industry's best endeavours, and is setting us up for failure – an extremely expensive failure.

EVs aside, many of the other transport initiatives in the ERP are dubious as exercises to reduce carbon dioxide (CO₂) emissions. To me, it feels like the government has taken all the initiatives it was already considering and has assigned potential CO₂ savings to them.

It doesn't seem to matter that programmes will undercut each other and the situation gets even worse when we consider the government's history of implementing policies to reduce greenhouse gases (GHGs).

The clean car policies have been designed to cut GHG emissions, yet explicitly incentivise bigger and more fuel-consuming vehicles. When it comes to subsidies, we might very well find out that smaller, more efficient cars aren't even eligible because they will fare poorly in crashes against SUVs, utes or other "safe" vehicles.

Similarly, the clean car standard is weight-adjusted. This means small and already relatively low-emitting models will be subsidising bigger, higher emitters.

Maybe this is the compromise the EU had to make with its domestic manufacturers that make more profits from bigger cars, but why is New Zealand doing it?

Modelling by VIA shows these design characteristics will make the clean car programme less effective



KIT WILKERSON
Policy adviser and analyst
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at reducing GHGs overall, especially in the short term, while also increasing the prices of smaller, low-emitting and more affordable options.

We tried to make this case in the early planning of the programme but to no avail so we can, unfortunately, assume all other policies being implemented will do so with similar priorities.

We saw these priorities in early draft proposals in the ERP. They were riddled with late-stage inequity, disclaimers followed every section explaining how the government was aware the policy being discussed would unfairly impact poorer people and that, hopefully, some future policy would be introduced to mitigate it.

And so enters the clean car upgrade. It's a scrappage, or equity, scheme that wasn't in the draft plan, but was announced immediately after and arguably in response to claims the ERP was inequitable.

It aims to assist low to middle-income households shift to low-emissions transport alternatives in exchange for scrapping their old vehicles.

That really is the worst part of this plan because a well-designed scrappage scheme could provide real benefits in improving the fleet's quality while reducing pressure from the lack of EV supply without reducing the ambitions of the programme.

A universal scheme could also incentivise importers to start

embracing circular-economy principles by taking responsibility for vehicles as they near end of life.

A well-designed scrappage scheme could be implemented much more cheaply, leaving money for the government to introduce grants to help people in need with low-emissions transport options.

Here is where the reality of the situation hits the road and where my honest opinion of the whole ERP emerges, but at least transport is trying.

What about every other industry and agriculture? The remaining sections of the plan for other sectors seem much lighter on content.

The opportunities presented by the ERP have been squandered by compromises and leaves a lingering suspicion the real intent is to look righteous while purposely kicking the can to our children.

The vehicle-import industry was given an ultimatum as we spoke with government about its intent. We were told we either needed to start supplying zero-emissions goods or had no business being in business.

When we pointed out it wasn't a matter of what we wanted to supply and more a simple matter of there not being enough appropriate stock available globally, the response was an unapologetic, "look harder".

This ultimatum was appropriate if the government saw climate change as a real emergency. But then, if it really is an emergency, I wonder why every other industry is only being asked to think about planning to plan to consider change. ☹



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Rubber hits road for tyres scheme

A product stewardship scheme for reusing end-of-life tyres (ELTs) is expected to start operating in 2023.

Its implementation follows Auto Stewardship New Zealand Ltd (ASNZ), which will operate Tyrewise, securing \$1.2 million from the government's Waste Minimisation Fund.

The regulated scheme aims to deliver a "positive environmental outcome" for the majority of about 6.5 million ELTs that would otherwise end up in landfill each year.

"We're now putting our plans into action including a four-month trial in Hawke's Bay beginning in August," says Adele Rose, chief executive of the 3R Group and Tyrewise's implementation project manager.

"It has been a long journey to get to this point – some 10 years. But achieving a robust scheme with stakeholder buy-in will achieve its goals."

Tyrewise was set up in 2012 as a result of the co-designed product stewardship scheme and regulation is required under the Waste Minimisation Act to ensure whole-industry participation is mandatory.

When up and running, it will be funded through an advanced stewardship fee. This is set to be charged to tyre importers by NZ Customs and for tyres on vehicles when first registered.

The fee will replace the current ad-hoc charge levied by tyre retailers, while other systems will be in place for tyres on vehicles not registered for on-road use.

Mark Gilbert, chairman of ASNZ, says the recycling fee currently paid by most consumers when they buy new tyres isn't uniform and they have no guarantee their ELTs will get recycled.

Tyrewise will ensure tyres are collected and recycled instead of

ending up in landfills, on roadsides or being illegally dumped.

A target of 80 per cent of ELTs being collected and processed by the fourth year of the scheme's operation has been set. This increases to more than 90 per cent by the sixth year.

"We are pleased to have moved out of the design stage," says

Gilbert. "In particular, the four-month trial will test all aspects of the scheme, including electronic tracking, audit and compliance systems."

He adds the tyre and automotive industries have long been in favour of the scheme's

approach, which ensures there is a level playing field and no free riders.

David Parker, Minister for the Environment, says regulated product stewardship schemes are important for the transition to a low-emissions, low-waste and circular economy.

"This is the last piece of the puzzle for tyres, and part of the government's wider actions to change the way we manage our resources and reduce waste," he adds. "Once regulations for the scheme are enacted, Tyrewise will run one of the first regulated product stewardship schemes in New Zealand."

Participants in the scheme – tyre and vehicle importers, generators, retailers, transporters, processors, collection points and manufacturers – need to be registered.

This process will be done online when the software is ready. In the meantime, forms have been created that outline the information needed. These should only be used as guide and do not need to be completed at this stage. Any questions about the scheme can be emailed to Trevor Tutt at trevor@3r.co.nz.



Mark Gilbert

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The month that was... July

July 26, 1999

Judicial review on tribunal decision

The Motor Vehicle Dealers' Institute (MVDI) opted to go ahead with a high-court judicial review of a decision made by the Motor Vehicle Disputes Tribunal involving Wholesale Car Bazaar.

The ruling was important to the institute because it made admissible, for the first time, evidence produced by the crusading Nottingham brothers.

If their evidence stood up in the high-court review, it could pave the way for up to 40 cases to be taken against Wholesale Car Bazaar.

However, the claims would be directly lodged with the Motor Vehicle Dealers' Fidelity Fund because the company no longer existed.

The MVDI's executive director, Steve Downes, said the purpose of the review was to clarify the tribunal's procedures and rules so that there was no confusion over what was accepted as evidence.

Dermot and Phillip Nottingham were delighted with the strike-out, which they saw as another step along the path to making \$800,000 worth of claims against the fidelity fund.

The MVDI said a number of legal actions undertaken by the Nottinghams had been stuck out and the momentum of their activities had "slowed to a snail's pace".



July 9, 2004

Heat goes on recalls

Another vehicle recall – this time for Mazda Atenzas – had accelerated action towards getting industry agreement on how the thorny issue of call-backs should be dealt with in the future.

Two key automotive industry organisations, one representing new-vehicle importers, had edged closer to having their members' responsibility for recall actions more clearly defined and broadly accepted.

While still officially maintaining that the responsibility for rectifying used imports already in New Zealand legally rested with the dealers selling them and not the manufacturers, some new-car distributors had accepted responsibility for rectifying used imports as well as the new vehicles they imported.

Mazda NZ confirmed to Autofile that it had agreed to pick up the tab for rectifying 138 used-imported Atenzas as well as the 4,033 Mazda 6s it imported new involved in its most recent recall.

Mitsubishi Motors NZ belatedly accepted similar responsibility for 843 Fuso trucks and buses, as well as 343 Galant/Legnum VR4 cars, which had been called back in June 2004.

However, Holden NZ hadn't accepted responsibility for rectifying as many as 600 used-imported Isuzu Wizards and Bighorns because Isuzu Japan wouldn't agree to fund the remedial work in this country.



July 20, 2007

Air pollution study released

The industry was at odds with a study into the quality of New Zealand's air, which stated about 1,100 premature deaths in New Zealand each year were being caused by pollution from home-heating systems, transport and industry.

The report published by Health and Air Pollution NZ (HAPNZ) showed the highest cost of such emissions was premature death caused by long-term exposure to such pollutants.

The main source of air pollution nationally, which was costing the country about \$1.1 billion a year, was home heating. Transport was the primary source in Auckland.

"We are repeatedly seeing the damage air pollution does to human health, society and the economy," said David Benson-Pope, Minister for the Environment.

"These effects are felt throughout the country, from towns such as Timaru to cities like Auckland. We've recently seen improvements to air quality in some areas, such as Christchurch.

"But this report shows how important it is for all councils to progressively work towards meeting national air-quality standards by 2013."



July 17, 2009

Japanese makers livid at canny Kiwis

Car manufacturers in Japan were mad at New Zealanders because of the fixed-price loophole that saw Kiwis paying less for certain models in Auckland than in Tokyo.

Deregistering a vehicle and exporting it, either back to Japan or Singapore, and still make a hefty profit was regarded as "dumping" by the industry.

Graeme Seymour, managing director of Honda NZ, revealed the loophole at the launch of the new Honda City. Using the examples of prices for a vehicle in Japan – \$26,000 there compared to \$21,000 to New Zealand – he said that even after taking into account shipping, which was about \$1,200, a "canny" buyer could make a profit.

When questioned why Honda NZ should be so frustrated, Seymour saw it as devaluing the product and "disrupting the mother country".

It wasn't just Honda that was fuming. He added there was nothing marques in New Zealand could do because they couldn't keep track of everyone who bought a new car and then deregistered it.



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Strict rules for access to register

Car dealers might recall their right to access private owners' names and addresses on the Motor Vehicle Register (MVR) came under much tighter control in 2017.

Before that, access was largely unimpeded with traders able to freely identify the "owner" – actually, the registered party – of any vehicle at any time.

That unfettered access was deemed to be inappropriate. Although abuse of the system might not have been common, it did sometimes occur.

By then, personal privacy had become a sensitive issue across all spheres and, therefore, it was unsurprising to see new controls being applied.

At the time, industry organisations applied for and were granted special rights for dealer members to retain access to private-owner details on the MVR, albeit subject to significant limitations.

Most registered traders were able to operate by getting access through approved representative organisations on the basis of a five-year term. That's due to expire later this year and all parties must now reapply.

Approved organisations include the Motor Trade Association, Imported Motor Vehicle Industry Association, Motor Industry

Association and the National Automotive Industry Technology Association.

Others that have authorised access on behalf of their members are the Financial Services Federation, Insurance Council of NZ, NZ Bankers' Association and the NZ Institute of Private Investigators.

A relatively small number of registered traders also secured approval, so if they wish to maintain that approach they must also reapply. Waka Kotahi has already sent reminders to all previous applicants.

Irrespective of whether you secured access via your representative organisation or on your own behalf, you must treat those rights seriously. Dealers, irrespective of their access pathway, still carry ultimate responsibility for their actions.

Breach of access terms is treated seriously and could result in a loss of access rights, which would make trading much more difficult notwithstanding the likelihood of significant fines.

If you're lucky enough to retain access, you will likely be faced with extensive staff training to satisfy the regulators, which include the transport agency, Ombudsman,



TONY EVERETT
Sector manager – dealers,
Motor Trade Association

Privacy Commissioner and the police.

Hopefully, that list of enforcers gives you a feel for the gravity these matters hold.

Application requirements this time around will be more extensive. Also, more expansive control measures will likely be introduced.

Approvals for access will take effect from November 1 with current standard terms expiring on October 31.

Exact details are still being drafted for the upcoming five-year term. But at the moment there are five main changes proposed to the standard terms and conditions of the new security and privacy requirements. These are:

1. You will have to notify someone if you access their information, including when and why. You must also let them know they can opt out from having their names and addresses being accessible in the MVR if they wish.
2. You must have robust security processes and policies. Systems and policies in place need to prevent any unauthorised access to personal information in the register. Each person accessing the information should have an individual log-in.
3. You will need to have a

documented training programme. The definition of what that consists of, such as when access is appropriate, includes your record keeping, knowledge of obligations under the Privacy Act 2020 and refresher training.

4. You will have to keep accurate and up-to-date records. These and supporting evidence must be retained for 18 months that cover the date, registration-plate number, name of the person who accessed the information and the reason for doing so.
5. You will have to submit an annual report to Waka Kotahi that includes evidence of record-keeping and training records.

Waka Kotahi generally allows up to eight weeks from the time of receiving an application and full payment to provide a draft decision.

Processing times may take longer in certain circumstances, such as when further information has been requested, when the application is complicated or there are differing views as to its appropriate outcome.

Applicants have 14 days to respond to draft decisions. If you agree with the draft or fail to respond within two weeks, Waka Kotahi will finalise its decision. If you disagree, it considers feedback before reaching a final decision. Ⓢ

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Touring gets purely electric

Volkswagen's ID. Buzz follows in the iconic Kombi's footsteps with a unique design that points to the future while paying homage to the marque's past.

The electric all-rounder transfers seven decades of know-how into the five-seater campervan and its van sibling, the Cargo.

Kevin Richards, general manager of VW Commercial Vehicles, says it's an exciting time with the company aiming to bring both models to New Zealand next year.

"The ID. Buzz isn't just the next-generation Kombi – it's so much more than that. It marks a shift into the electric era and we're confident it will also create a lot of love for the brand by bringing back happy memories.

"To have an icon reimagined like this that fits with the needs of modern mobility means we'll be seeing future generations telling their own ID. Buzz stories, so the legend will continue."

The campervan is packed full of technology. There are no more knobs and buttons in the cockpit. Instead, there's a touchpad in the steering wheel with just a "light touch" sufficient to operate its functions.

An augmented-reality projection shows directional arrows for the driver exactly where the vehicle is about to go courtesy



Volkswagen's new ID. Buzz



of a heads-up display that projects the navigation directly in front and onto the road.

There are even intelligent LED headlight "eyes" that communicate interactively with

the driver and passers-by.

VW describes the technical architecture of the ID. Buzz and Cargo as "inherent to their dynamic driving pleasure".

There is a synchronous motor at the back, which generates 150kW of output and 310Nm of torque that's integrated in the centre of the powered rear axle. The top speed is restricted electronically to 145kph.

Both models are launching in Europe with their 77kWh batteries integrated deep down in the sandwich floor, while the lightweight electric drive system results in good weight distribution and a low vehicle centre of gravity. Both factors optimise their handling and agility.

The lithium-ion battery can be charged from wall boxes or public charging stations using 11kW alternating current (AC). Via a CCS

plug connector at a DC rapid-charging station, power increases to as much as 170kW. When fuelled up in this way, the battery level rises from five to 80 per cent in about 30 minutes.

The range also offers "plug and charge". This bi-directional function allows the ID. Buzz to serve as an energy-storage device so owners can power their homes and charge other EVs.

It can also come in handy during camping trips for external equipment, such as speakers, cooking appliances and lights. Using this system, the van authenticates itself at compatible DC rapid-charging stations via the charging connector.

It also exchanges all necessary data with the station for added convenience. The transfer and communication take place via a special DC bi-directional wall box.

The ID. Buzz boasts a spaciouly designed interior. In the lounge-like, friendly ambience of the MPV version, five people have ample room for travelling and 1,121 litres of luggage. If the second row of seats are folded down, load capacity jumps to 2,205l.

Two or three seats up-front as the customer desires and a fixed partition separating off the 3.9 cubic metres of space are features of the ID. Buzz Cargo.

Production of the range starts later this year for Europe ahead of other markets. ☺

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Emissions-free model for range

Ford has confirmed the all-electric E-Transit Custom is due to arrive in New Zealand by early 2024.

It's part of the marque's bigger plans for at least seven electrified vehicles to be available in this country by the end of that year.

The e-van will join Ford NZ's electrified line-up alongside the already-available Transit Custom PHEV, Escape PHEV, and Focus and Puma hybrids. Later this year, it will also introduce the larger all-electric E-Transit Cargo.

Simon Rutherford, managing director of Ford NZ, says: "The E-Transit Custom is exactly the kind of versatile, practical van that business customers are looking for with the benefit of zero-emissions efficiency.

"We are focused on understanding and meeting the needs of commercial-vehicle



A prototype of the E-Transit Custom

buyers and bringing them the best of our global line-up."

The E-Transit Custom is designed to set a new benchmark in the segment and help companies make the switch to EVs.

It will be built with next-generation connectivity at its heart, such as intelligent software and connectivity tools to help owners maximise vehicle uptime and increase productivity for businesses.

benchmark in the segment.

According to reports in the UK, the e-van's range could top 380km, but it's unclear how that will be affected by a full payload.

Then there's something called ProPower – onboard technology that allows you to plug in power tools, lights and devices while off-grid.

All Custom variants will be built by Ford Otosan. This is the marque's joint venture in Kocaeli, Turkey, which is the home of Transit manufacturing in Europe.

The E-Transit Custom will enter production in the second half of 2023. More details and specifications about the model destined for New Zealand will be released in September.

There will also be diesel and plug-in variants available, although information on those is yet to be confirmed. ☺

Hydrogen at the ready

Renault has revealed its first ready-for-market hydrogen fuel-cell vehicle in the commercial market.

The Master Van H2-Tech goes into production later this year with fast refuelling times and a zero-emissions range of up to 500km being claimed.

Equipped with a 30kW fuel cell, 33kWh battery and four 6kg hydrogen tanks, the 12-square-metre cargo van is being built at the marque's plant in Batilly, France.

The electric and hydrogen integration is being handled by PVI, a Renault Group subsidiary.

The vehicle has been developed in partnership with HYVIA, which

– along with energy provider Plug Power – provides the vehicle with "its own ecosystem" replete with green hydrogen production and distribution.

The hydrogen-electric powertrain replaces the Master's standard turbo-diesel engine and draws fuel from cylindrical tanks in its roof.

It can be refuelled with hydrogen, or its battery can be juiced up separately via a standard EV plug to effectively make it a plug-in hybrid.

Renault is also working on a larger 19-cubic metre version of its hydrogen Master and a 15-seat minibus variant. ☺



Renault's Master Van H2-Tech is powered by hydrogen and battery

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Title race as close as it gets

She finished second overall in the south, now Bree Morris is the North Island Formula Ford champion.

Her title was decided on a countback of victories after Morris and rival Hayden Bakkerus ended the northern season on the same points following a dramatic showdown at Taupo International Motorsport Park.

Bakkerus arrived at the final round with a 117-point lead over Morris, but an engine fire put him out of the first race and Morris was able to close the gap by claiming third overall. She then took a further two podium finishes to amass enough points to equal the tally Bakkerus held.

Morris says that after the second race she knew there was a chance of winning the championship, particularly with double points available for the final race.



Bree Morris, North Island Formula Ford champion

"I knew if I finished third and Hayden was sixth, then the title would be mine," she explains.

"I was actually fighting for second and settled for third. It wasn't until I came into the pits and saw that Hayden had finished sixth that I realised I had the title. It was a bit of a shock actually and it's still sinking in."

As winner of the series, Morris



Morris battles for the Formula Ford title at Taupo. Photo: Geoff Ridder

will have the opportunity to test a Toyota Racing Series FT-50 car.

"I've learnt so much this season," she adds. "The North Island Formula Ford has become so competitive. Winning is definitely a shock. But it's a great feeling and good for my CV and the next step I take, whatever that may be."

The Giltrap Group North Island Formula Ford Series is also

2022 North Island Formula Ford series

Pos.	Driver	Points
1	Bree Morris	776
2	Hayden Bakkerus	776
3	Liam Sceats	701
4	Sebastian Manson	671
5	Mason Potter	506
6	Kyan Davie	495
7	Shane Drake	488
8	Judd Christiansen	472
9	Leo Scott	472
10	Joshua Andrew	331

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Building F2 momentum

With points-paying finishes, including a win and one third place, in all rounds of this year's FIA Formula 2 Championship, Marcus Armstrong is forcing his way up the table.

After some of his competitors soared ahead on the tight street of Baku in Azerbaijan last month, he clung on for sixth spot.

Going into the Baku round - the series' midpoint - both Armstrong and Liam Lawson were in the top five.

However, poor results at Imola, Barcelona, Monte Carlo and Baku meant Lawson dropped to 10th overall in the field of 22.

The Monaco race may have signalled the turning point in the championship for the two Kiwis.

Coming third in the sprint race and sixth in the feature event gave Armstrong a 14-point haul and lifted him from fifth to fourth on the ladder. In contrast, Lawson managed just one point over a disappointing weekend at the glamorous principality. 📍

Marcus Armstrong's result in Monaco gave him a much-needed boost on the F2 points table

Lighting up the road to IndyCars

Hunter McElrea is firmly on-track for the big time. Confirmed in late 2021 to race the full 2022 Indy Lights Championship for leading team Andretti Autosports, he says the opportunity to run one step away from full-on Indy is "just amazing".

"Indy Pro 2000 to Indy Lights is a really big step-up, double the horsepower, turbo, heavier car and, instead of doing 250kph, you're doing 300.

"I'm loving it and it's been a dream debut. That I scored pole first time out was incredible. In terms of qualifying and race pace, I'm right there."

Profiled on David Turner's Racing World podcast, McElrea describes the races as intensely challenging and, while the championship has a fair way to run, he's feeling confident.

"So far, I've been where I need to be – fighting for the lead. The raw speed is there. Andretti Racing gives us very good cars and we need to convert that into consistent pace."

By June, McElrea was third in the championship behind his team-mate Sting Ray Robb, who was leader at the start of this year.

The Kiwi has also been named as a recipient of support from the Tony Quinn Foundation.

"To get the news I'll be representing the foundation alongside Liam Lawson is something I'm extremely proud of and really thankful for because it's hard work in this sport for a couple of guys like us from our part of the world," says McElrea.

"The hardest part is the financial side. To get funding, firstly, that you



weren't expecting and, secondly, to get that purely off recognition is really special and rare. I can't thank Tony, Josie Spillane and all the trustees enough for choosing me."

The Tony Quinn Foundation recently announced support for Lawson's Formula 2 programme this year.

Both McElrea and Lawson are one step away from the pinnacle of their respective motorsport careers, with the latter eyeing up F1 and McElrea set on reaching the IndyCar Series.

The McElreas are a fast family with Hunter being a third-generation racer. His grandfather

Rod won the New Zealand Beach Racing championships in Nelson in 1971 and the Open Saloon Car Association Championship in 1983.

His father Andy won the 1991 NZ Formula Ford and 1996 NZ Trans-Am Championship. He's also the founder and team principal of McElrea Racing, which competes in the Porsche championships in Australia.

But back to Hunter. He already has an impressive racing CV after starting his career in karting at the age of seven.

Stepping up to Formula Ford in 2015, McElrea, who is just 22 years old, competed in Formula Ford

championships in both Australia and New Zealand, sometimes with the family outfit McElrea Racing.

Three years later, he won the Australian Formula Ford championship in only his second full season. He notched up 13 wins to become the first non-Australian driver to win the title since 1985.

Then, in December 2018, McElrea won the \$200,000 Mazda Road To Indy Shootout earning the right to compete in the 2019 US F2000 National Championship.

Competing with Pabst Racing, McElrea claimed four victories, including back-to-back wins at Portland, Orgeon, and ultimately finished as championship runner-up after missing out on the title by only five points.

In October 2019, McElrea reunited with Pabst for the Chris Griffis Memorial Test, setting the fastest time in the Indy Pro 2000 category. In March of the following year, Pabst officially confirmed him as one of its entrants for the 2020 Indy Pro 2000 series.

His rookie season netted him fifth position in the championship, with six podiums and a win at the final race of the year.

McElrea again signed for Pabst Racing for the 2021 season, and won races at Barber Motorsports Park, Mid-Ohio Sports Car Course and New Jersey Motorsports Park on his way to third in the championship. He also claimed seven podiums and a season leading five pole positions.

A full interview with McElrea can be found on YouTube at shorturl.at/sBHKT or www.youtube.com/watch?v=twth46n2ot8. 📺



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Adjudicator dismisses dealer's claim buyer was registered as a motor-vehicle trader

Background

Max Sherlock wanted to recover \$350 from Superior Cars Ltd, of New Plymouth, in respect of a 2008 Audi A5 that he purchased on February 6, 2021, for \$21,000.

He claimed the car wasn't sold with a new WOF issued within one month before the date of supply, its registration was expired and it needed a new tyre. He also wanted a refund of the tribunal's application fee.

The supplier had refused to refund these costs because it claimed the sale was a trader-to-trader deal, so the CGA wasn't applicable to this matter.

The case

The vehicle offer and sale agreement (VOSA) stated the Audi's WOF would expire on January 19, 2022. However, that was incorrect. At the time of purchase, it was due to expire on February 14, 2021. That was little more than one week post-supply.

Sherlock said he told Superior Cars' director Peter Wilson that, by law, he had to sell the car with a new warrant.

He added Wilson told him to get the WOF renewed and he would "sort [him] out". By this, Sherlock understood the trader would reimburse him the costs of doing this.

Sherlock took the Audi to VTNZ on February 9, but it failed its WOF test because one front tyre was mismatched in respect of its load rating. He phoned Wilson about the issue and was told to go to Just Tyres to have the issue addressed.

Sherlock purchased four new tyres for the Audi at a cost of \$560 and was issued with a new warrant. It had an expiry date of February 14, 2022. The inspection cost him \$60.

He also discovered the VOSA had recorded the car's registration expiry date as May 19, 2021. But that was also an error because it

had expired in December 2020.

Sherlock said Wilson told him that he would "sort [him] out" in respect of getting that renewed, so he also claimed \$55 for six months' registration.

Finally, he wanted a refund of \$140 for one new tyre and the tribunal's application fee of \$50.

Wilson denied liability to reimburse the buyer. He claimed the tribunal lacked the jurisdiction to determine this case because Sherlock was, at the time of sale, a motor-vehicle trader and, therefore, it was a "dealer to dealer" sale.

He added the tribunal could only determine matters when one party, but not both, was a registered trader.

The evidence showed Sherlock had been a dealer, but his register of motor-vehicle traders' registration had expired on September 26, 2020.

Wilson said Sherlock had given him "stock lists" relating to vehicles he was trying to dispose of and that he "pretended" to be a trader. It was Wilson's understanding the purchase of the Audi was done by Sherlock "as a car dealer".

Unfortunately for Superior Cars, the documents recording the sale of the Audi – and, in particular, the VOSA – didn't reflect this was a dealer-to-dealer sale.

By the time of the transaction, Sherlock's registration had expired and the tribunal didn't consider Wilson had established that he was holding himself out as a dealer in respect of

this transaction. Rather, the evidence suggested this was a purchase by Sherlock in a private capacity.

Sherlock pointed out the box on the VOSA in which a purchaser can acknowledge goods were being supplied and acquired in-trade, and that the CGA wouldn't apply, had been struck out. In addition, he hadn't signed it.

It appeared the parties intended the CGA would apply to the transaction, so the tribunal ruled it did have jurisdiction to hear and determine this case.

The finding

Section nine of the CGA states there is a guarantee for goods to correspond with their description. It wasn't in dispute that the VOSA incorrectly recorded the Audi's registration and WOF expiry dates.

The tribunal also concluded the car failed to comply with the guarantee of acceptable quality in respect of its mismatched tyre. This meant it wasn't as free from minor defects and potentially not as safe as a reasonable consumer would regard as acceptable.

The remedies available to a consumer when a vehicle breaches a CGA guarantee are set out in section 18 of the act. The usual remedy is for the purchaser to require the supplier to fix the failure within a reasonable time.

The evidence was that the parties had come to an arrangement whereby

The case: The buyer sought a \$350 refund for warrant of fitness (WOF) and registration charges, the tribunal's application fee and a new tyre for his Audi. However, the dealer said the sale was a trader-to-trader transaction so the Consumer Guarantees Act (CGA) didn't apply

The decision: The adjudicator ruled the purchaser was no longer in-trade, so the CGA applied to the deal. The trader was ordered to pay the buyer \$255, which excluded the hearing fee.

At: The Motor Vehicle Disputes Tribunal, via telephone conference.

Sherlock would get the car warranted and licensed, and replace the defective tyre. Superior Cars would then reimburse him for those costs.

It appeared Wilson reneged on that agreement after he formed the view Sherlock was operating as a registered motor-vehicle trader, which was an issue the tribunal had rejected based on evidence presented to the hearing.

Therefore, the appropriate remedy was for Sherlock to be reimbursed \$255 in damages in respect of the WOF, licensing of the car and one new tyre. He also wanted reimbursement of his \$50 tribunal application fee.

However, the tribunal only has jurisdiction to order parties to be reimbursed for this charge in the circumstances set out in schedule one of the Motor Vehicle Sales Act, which didn't apply in this case.

Accordingly, no jurisdiction existed for the adjudicator to order that the purchaser be refunded the application fee.

In his application, the buyer also sought for "penalties as the MVDT sees fit" to be imposed on Superior Cars.

Apart from the damages the adjudicator awarded to cover Sherlock's losses, the tribunal had no jurisdiction to impose penalties so it also dismissed that aspect of his claim.

Order

The trader was ordered to pay the buyer \$255. ☺



A 2008 Audi A5

Tribunal kicks out case based on car's age and distance travelled in it since supply

Background

Gorby Rejie purchased a 2010 Volkswagen Polo for \$7,000 from private seller Jithin Thankachan on April 19 last year.

Four months later, its engine seized. He replaced it and wanted to recover the repair costs from Nihon WorthWheels Ltd, the trader that had imported and sold it to Thankachan on April 1 2021.

When Rejie filed his claim, he named Nihon WorthWheels as the sole respondent. However, under powers in the Motor Vehicle Sales Act (MVSA), the tribunal joined Thankachan as a party to enable a determination.

The case

Nihon WorthWheels brought the Polo into New Zealand in February 2021 before it passed compliance testing and was sold to Thankachan on April 1 last year.

Eighteen days later, Thankachan on-sold the vehicle, which then had an odometer reading of 84,000km, to Rejie.

He drove it 2,250km over a two-month period without incident when the engine failed.

Rejie took the vehicle to Cartech Waikato, which advised him the cam-chain tensioner had failed and the engine had seized. He replaced the latter with a second-hand unit that cost \$2,377. He wanted to recover that amount.

Nihon WorthWheels denied liability. It said the Polo was in "fine working order" when it was sold to Thankachan and it wasn't a party to the transaction with Rejie. The trader told the hearing it would be "grossly unjust" if it were held liable for the engine failure.

Thankachan said he purchased the car from Nihon WorthWheels for his personal use, but his financial circumstances then changed so he sold it to Rejie for the same amount he paid for it.

He added he didn't regularly sell cars or engage in the business

of motor-vehicle trading, and that the transaction with Rejie was a genuine private sale.

The finding

There were four issues requiring consideration in this case. Firstly, if tribunal had jurisdiction to consider this claim as set out in sections 89 and 90 of the MVSA.

Under section 89, the tribunal has jurisdiction to hear any application under the CGA and Fair Trading Act (FTA) relating to the sale of any vehicle.

However, there are limits in this regard. Under section 90 of the MVSA, it only has jurisdiction when one of the parties to a claim is a registered motor-vehicle trader.

Nihon WorthWheels was named as the respondent, so the tribunal had jurisdiction to consider Rejie's claim against this company.

The second consideration was whether Nihon WorthWheels had liability under the CGA.

When a purchaser alleges a vehicle isn't of acceptable quality, it can bring a claim under this act against its supplier and or manufacturer. For the purposes of the CGA, Nihon WorthWheels was the manufacturer of the car.

Under section two of the legislation, the term "manufacturer" is defined as including a person that imports or distributes goods when they are made outside New Zealand and the foreign maker of the goods has no ordinary place of business in this country.

The Polo was made by Volkswagen AG, which has no

ordinary place of business in New Zealand, and European Motor Distributors Ltd, which traded as Volkswagen NZ, was separate from the German manufacturer.

Consequently, because it imported the Polo, Nihon WorthWheels carried the obligations of the manufacturer for the purposes of the CGA.

Thirdly, did Thankachan have any liability in this matter? The MVSA states someone is a trader when he or she is a registered motor-vehicle dealer or when that person is carrying on the business of vehicle trading.

That is defined as selling more than six units or importing in excess of three in any 12-month period, unless it can be proved the vehicles are not sold for the primary purpose of gain.

There was no evidence that Thankachan was a dealer, so he had no liability for this vehicle under the CGA.

The final matter the adjudicator needed to consider was whether the car was of acceptable quality when it was sold.

Section six of the CGA imposes on suppliers and manufacturers of consumer goods a guarantee they are of acceptable quality.

The expression "acceptable quality" is defined in section seven of the act, which states goods must be fit for all purposes for which those of the type in question are commonly supplied.

They must also be acceptable in appearance and finish, free from minor defects, and as safe and

The case: The engine in the buyer's car seized four months post-supply from a private seller, who had sold it 18 days after purchasing it from a trader. The application was for the dealer to pay for the remedial work.

The decision: The tribunal ruled the trader was considered a manufacturer under the Consumer Guarantees Act (CGA). But given the vehicle's age and the distance it had travelled since it was made, any liability a manufacturer had for it had expired.

At: The Motor Vehicle Disputes Tribunal, Auckland.

durable as a reasonable consumer fully acquainted with the state and condition of the goods, including any hidden defects, would regard as acceptable.

"Acceptable" needs to take into account the nature of the goods, the price when relevant, any statements made about them on any packaging or label, the nature of the supplier and the context in which they were sold, any representation made about the goods by the supplier or manufacturer, and all other relevant circumstances of their supply.

Rejie would only have been entitled to a remedy from Nihon WorthWheels if he proved the Polo wasn't of acceptable quality.

In considering if goods meet the guarantee of acceptable quality, the tribunal looks at the quality elements set out in section seven of the CGA from the perspective of a "reasonable consumer".

It accepted Rejie's evidence that the engine seized due to a failed cam-chain tensioner.

However, the protections in the CGA aren't indefinite and apply for as long as is reasonable in the circumstances of each case.

Given the age of the Polo and distance it had travelled since manufacture, any liability under this legislation that a manufacturer had for it had expired.

Order

The application was dismissed. ☹



A 2010 Volkswagen Polo

Armacup^{NZ}



LATEST SCHEDULE

	Port Calls	Don Juan v2211	Turandot v2212	Paganella v2213	Don Juan v2214
JAPAN	Moji	—	—	—	—
	Osaka	17 Jun	5 Jul	—	1 Aug
	Nagoya	18 Jun	6 Jul	—	2 Aug
	Yokohama	19 Jun	7 Jul	13 Jul	3 Aug
	Hitachinaka	—	—	—	—
NEW ZEALAND	Auckland	5 Jul	24 Jul	27 Jul	22 Aug
	Lyttelton	9 Jul	1 Aug	1 Aug	TBC
	Wellington	10 Jul	2 Aug	2 Aug	TBC
	Nelson	19 Jul	2 Aug	2 Aug	TBC

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Total new cars

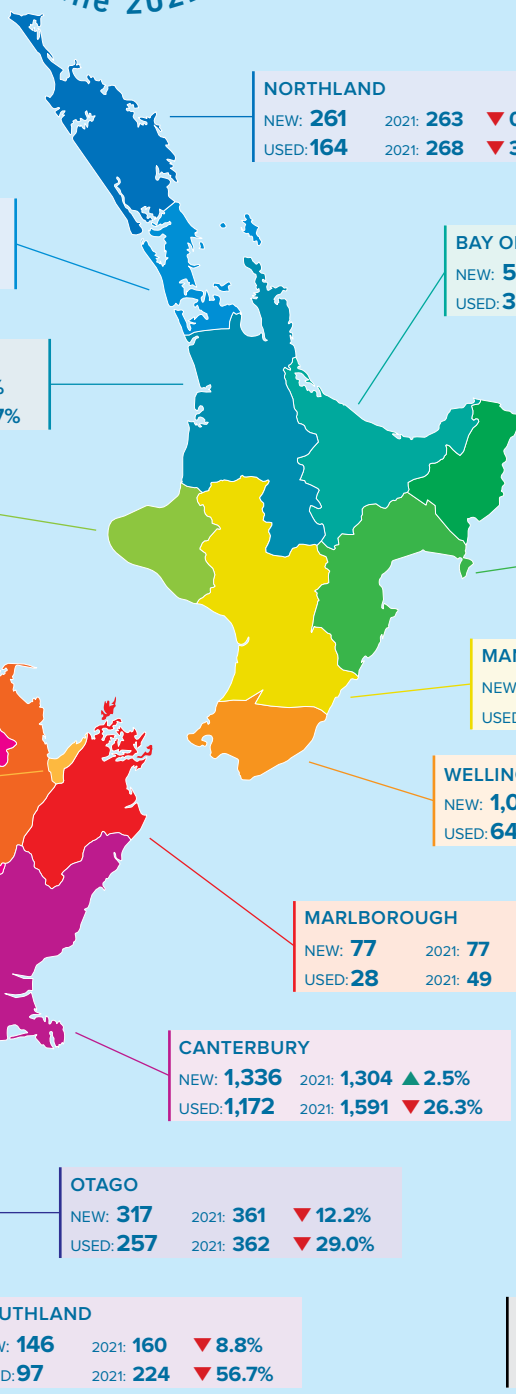
9,563

2021: 10,276 ▼ 6.9%

Total imported used cars

7,417

2021: 11,252 ▼ 34.1%



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Imported Passenger Vehicle Sales by Make - June 2022

MAKE	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,854	3,191	-10.6	38.5%	19,486	29.5%
Mazda	1,051	1,566	-32.9	14.2%	8,023	12.2%
Nissan	1,008	1,383	-27.1	13.6%	9,683	14.7%
Honda	554	1,049	-47.2	7.5%	4,787	7.3%
Subaru	389	887	-56.1	5.2%	5,478	8.3%
Volkswagen	283	511	-44.6	3.8%	2,485	3.8%
BMW	235	619	-62.0	3.2%	3,474	5.3%
Mitsubishi	228	467	-51.2	3.1%	2,729	4.1%
Suzuki	188	278	-32.4	2.5%	1,146	1.7%
Audi	138	348	-60.3	1.9%	2,117	3.2%
Mercedes-Benz	131	204	-35.8	1.8%	1,644	2.5%
Lexus	90	252	-64.3	1.2%	1,512	2.3%
Ford	43	72	-40.3	0.6%	416	0.6%
Volvo	34	58	-41.4	0.5%	537	0.8%
Land Rover	27	46	-41.3	0.4%	322	0.5%
Hyundai	22	19	15.8	0.3%	102	0.2%
Chevrolet	21	24	-12.5	0.3%	188	0.3%
Jeep	13	30	-56.7	0.2%	200	0.3%
Porsche	13	21	-38.1	0.2%	180	0.3%
Dodge	12	26	-53.8	0.2%	147	0.2%
Jaguar	9	35	-74.3	0.1%	268	0.4%
Holden	8	24	-66.7	0.1%	114	0.2%
Chrysler	7	27	-74.1	0.1%	229	0.3%
Mini	7	20	-65.0	0.1%	145	0.2%
Ferrari	5	2	150.0	0.1%	14	0.0%
Fiat	5	2	150.0	0.1%	14	0.0%
Tesla	5	2	150.0	0.1%	36	0.1%
Alfa Romeo	4	1	300.0	0.1%	25	0.0%
Kia	4	8	-50.0	0.1%	46	0.1%
Peugeot	4	15	-73.3	0.1%	53	0.1%
Renault	4	5	-20.0	0.1%	38	0.1%
Citroen	3	6	-50.0	0.0%	48	0.1%
Daihatsu	2	2	0.0	0.0%	10	0.0%
Factory built	2	0	200.0	0.0%	2	0.0%
Lincoln	2	1	100.0	0.0%	9	0.0%
Others	12	42	-71.4	0.2%	273	0.4%
Total	7,417	11,243	-34.0	100.0%	65,980	100.0%

Imported Passenger Vehicle Sales by Model - June 2022

MAKE	MODEL	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Aqua	1,213	762	59.2	16.4%	6,230	9.4%
Toyota	Prius	559	410	36.3	7.5%	2,676	4.1%
Mazda	Axela	399	537	-25.7	5.4%	2,494	3.8%
Nissan	Leaf	350	66	430.3	4.7%	2,108	3.2%
Toyota	Corolla	292	244	19.7	3.9%	1,374	2.1%
Honda	Fit	256	384	-33.3	3.5%	1,535	2.3%
Mazda	Demio	242	224	8.0	3.3%	1,101	1.7%
Subaru	Impreza	200	242	-17.4	2.7%	1,413	2.1%
Mazda	CX-5	193	280	-31.1	2.6%	1,364	2.1%
Volkswagen	Golf	191	311	-38.6	2.6%	1,545	2.3%
Toyota	C-HR	182	22	727.3	2.5%	635	1.0%
Nissan	Note	180	100	80.0	2.4%	879	1.3%
Mitsubishi	Outlander	166	295	-43.7	2.2%	1,765	2.7%
Nissan	X-Trail	146	387	-62.3	2.0%	1,946	2.9%
Suzuki	Swift	145	218	-33.5	2.0%	822	1.2%
Nissan	Serena	94	112	-16.1	1.3%	691	1.0%
Mazda	Premacy	91	117	-22.2	1.2%	714	1.1%
Subaru	XV	84	81	3.7	1.1%	463	0.7%
Honda	Vezel	76	43	76.7	1.0%	316	0.5%
Mazda	Atenza	76	219	-65.3	1.0%	1,244	1.9%
Toyota	Vitz	76	89	-14.6	1.0%	405	0.6%
Toyota	Camry	68	85	-20.0	0.9%	314	0.5%
Toyota	Wish	66	164	-59.8	0.9%	545	0.8%
Volkswagen	Polo	59	102	-42.2	0.8%	395	0.6%
Toyota	Sai	58	70	-17.1	0.8%	269	0.4%
BMW	116i	52	99	-47.5	0.7%	442	0.7%
Audi	A3	51	69	-26.1	0.7%	419	0.6%
Toyota	Auris	51	60	-15.0	0.7%	307	0.5%
Honda	Grace	45	29	55.2	0.6%	163	0.2%
Honda	Insight	45	40	12.5	0.6%	188	0.3%
Nissan	Juke	41	61	-32.8	0.6%	417	0.6%
BMW	320i	37	131	-71.8	0.5%	569	0.9%
Mercedes-Benz	A180	36	35	2.9	0.5%	195	0.3%
Nissan	March	36	34	5.9	0.5%	175	0.3%
Austin	Mini	35	49	-28.6	0.5%	327	0.5%
Others		1,526	5,072	-69.9	20.6%	29,535	44.8%
Total		7,417	11,243	-34.0	100.0%	65,980	100.0%



WHAT DO YOU WANT FROM YOUR VEHICLE SUPPLIER?

Market share and margins grow

A combination of factors has resulted in profits made on Turners Automotive Group's owned fleet continuing to improve.

Gross margins climbed by eight per cent to \$818 per unit during 2021/22 due to initiatives focused on buying improvements, more retail transactions and the constrained supply of used cars nationally.

Todd Hunter, chief executive officer, reports its market share has also grown. That has been off the back of the company's optimisation and expansion strategy with retail sales increasing by six per cent over the past financial year.

"Sourcing vehicles in the local market has been a top priority," he says. "The Tina from Turners campaign has helped build our inventory of locally owned cars with 'owned' inventory sales increasing by 25 per cent on the 2021 financial year."

Another goal realised by Turners is boosting its "finance-attach rate to further realise synergies of our related businesses".

Despite disruption caused by the Credit Contracts and Consumer Finance Act (CCCFA) and its changes in December 2021, this came in at 32.7 per cent compared to 30.6 per cent in 2020/21.

Turners' inventory levels were maintained within a \$29 million to \$32m range. That was about 30 per cent lower than their peak at the start of April 2020, and damaged and end-of-life vehicles sales rose by 13 per cent.

Net profit before tax (NPBT) in automotive retail increased by

26 per cent to \$19.4m in 2021/22, reinstating it as Turners' most profitable business after being briefly overtaken by finance. Overall group NPBT rose by 15 per cent to \$43.1m.

The finance division's NPBT was \$18m, up by 14 per cent. Its risk-pricing model and focus on premium borrowers proved successful as the loan book grew by 28 per cent to \$423m.

Hunter says: "We were pleased with how the business navigated the CCCFA changes, which generated further market-share growth as other providers struggled to cope with the process."

Consumer arrears tracked down to historic lows. They came in at two per cent by March 31 compared to 4.9 per cent over the previous 12 months, while commercial arrears were 0.5 per cent versus 1.8 per cent.

As for Turners' insurance division,

its NPBT was \$11.6m, which was a 24 per cent jump. Market-share gains and distribution agreements helped drive strong policy sales with gross written premium up by six per cent to \$39.9m.

"Our distribution arrangements are working well and there's a good pipeline of these opportunities ahead."

On the flipside, credit management NPBT tumbled by

40 per cent to \$3m. This division continues to have lower debt-load levels due to low consumer arrears and corporates working back into recovery action post-pandemic.

As for the group's overall performance in 2021/22, Hunter says: "Our team has continued to deliver for customers and shareholders."

"Our focus on quality is paying off, and engagement levels have never been higher at a time in the economy when retention and recruitment is a real challenge. Our brand value is growing and investment we've made in the Turners brand has created tangible value."

"While the near-term economic outlook is looking much more uncertain, our business has never been in better shape. We're ready for whatever comes next."

Chairman Grant Baker adds: "Our internal confidence to keep expanding our automotive retail footprint is high and – combined with property investments we've made into network expansion – is delivering further gains to shareholders."

"Unrecognised gains across our property portfolio now add up to 22 cents per share on top of share-price growth and dividends over the past 12 months."

"As we head into an economic environment that will offer up challenges and opportunities, the business has already been significantly de-risked."

"One of the most attractive aspects of the used-car market is that it's a needs-based purchase."

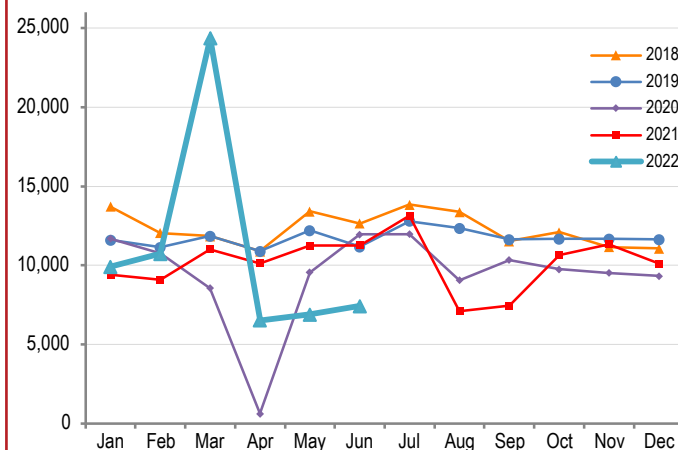
Registrations fall

There were 7,417 used-imported cars registered last month. That was down by 34 per cent compared to 11,243 in June 2021 to bring the year-to-date total to 65,980.

Toyota took out the top two spots on the models' ladder with the Aqua on 1,213 units and Prius with 559 for a combined market share of 23.9 per cent.

The top five was completed by the Mazda Axela on 399, Nissan Leaf on 350 and Toyota Corolla with 292.

Used Imported Passenger Registrations - 2018-2022



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Automation of port canned

Ports of Auckland Ltd (POAL) has called a halt on its automation project.

Chief executive Roger Gray says the decision gives certainty about the future, and allows the company to focus on its core job of "safely providing a great service to importers and exporters".

It will also help POAL get the business back to the level of profitability that it has delivered in the past.

Gray says the end of automation doesn't mean the loss of all investment and work that has gone into the project over the past seven years.

"The infrastructure built – for example, the new wharf and cranes – provides extra capacity essential for future growth," he explains.

"We will, however, have to write off approximately \$65 million in investments that will no longer be used, mainly the automation software and guidance system.

"POAL attempted automation for the right reasons – to lift capacity, productivity and profitability without further expansion or reclamation.

"I'm confident we can still meet those aims. We will just take a different path.

"It was a bold and innovative project but one that, despite the

hard work of many, was unable to be delivered."

The project got under way in 2016 with the goal of future-proofing the port's capacity. The targeted delivery date for infrastructure and automation work was late 2019 to early 2020. However, the latter was two years over its initial delivery date with operational targets continually being missed.

Jan Dawson, who chairs POAL's board, says: "Our review indicated that despite the best efforts of our team and supplier, the project is experiencing continuing delays to full terminal roll-out, the system

isn't performing to expectations and we don't have confidence in the projected timeline or cost to completion."

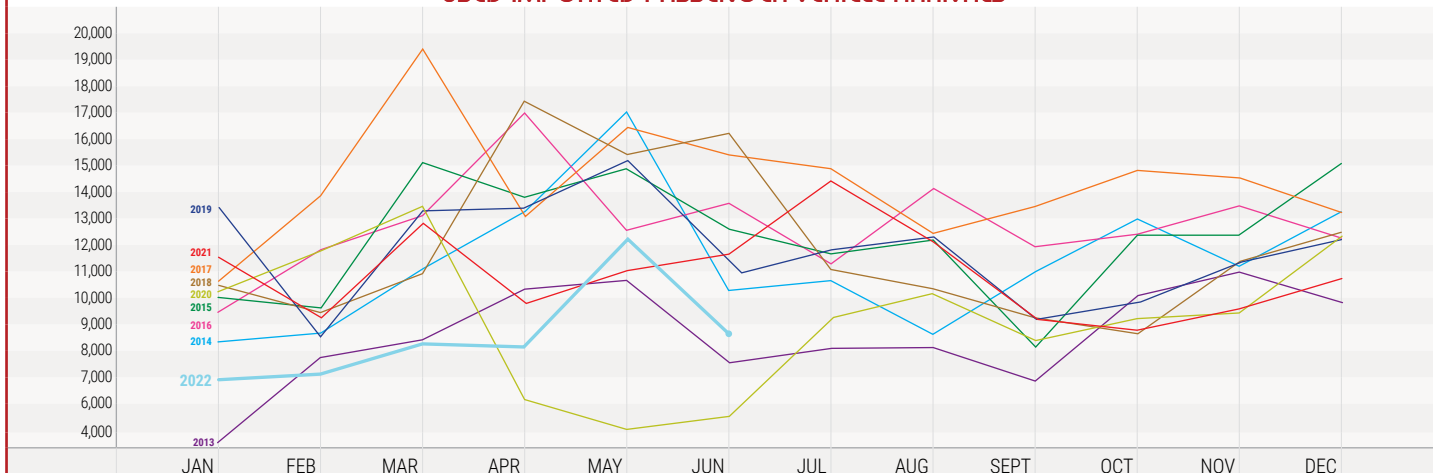
DECLINE IN IMPORTS

There were 8,710 used passenger vehicles imported during June. Of those, 8,289 were from Japan for a market share of 95.2 per cent and 258 came in from Australia.

Next up were the UK with 71, and Singapore on 39 and the US with 30.

So far this year, the total stands at 50,747 – down from 66,285 and by 23.4 per cent compared to this time in 2021. 📉

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	JUN '22	JUN SHARE %	2022 TOTAL	Q1	Q2	Q3	Q4	2021 TOTAL	MRKT SHARE	2020 TOTAL	MRKT SHARE
Australia	262	235	226	242	180	258	3.0%	1,403	847	860	747	618	3,072	2.4%	4,185	3.9%
Great Britain	60	41	59	37	55	71	0.8%	323	367	424	271	197	1,259	1.0%	690	0.6%
Japan	6,490	6,751	7,477	7,639	11,702	8,289	95.2%	48,348	31,773	30,673	33,160	27,902	123,508	94.8%	100,994	92.9%
Singapore	46	69	33	47	33	39	0.4%	267	433	363	351	231	1,378	1.1%	1,846	1.7%
USA	44	20	75	37	60	30	0.3%	266	87	235	190	185	697	0.5%	480	0.4%
Other countries	31	33	20	16	17	23	0.3%	140	91	132	96	84	403	0.3%	468	0.4%
Total	6,933	7,149	7,890	8,018	12,047	8,710	100.0%	50,747	33,598	32,687	34,815	29,217	130,317	100.0%	108,663	100.0%



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Company set for record profits

The Colonial Motor Company has announced it was on-track to set a new record for annual profit for the financial year ending June 30, 2022, after reporting a solid third quarter for the business.

In guidance to the NZX, it predicts profit for the 12-month period will be materially ahead of the \$27.9 million it achieved in 2020/21, which – in itself – was an all-time high despite the challenges around the coronavirus pandemic and impacts on the supply chain.

Ashley Waugh, chairman, notes that Colonial's half-year report

released in February announced a record first-half result of \$18m in trading profit after tax.

"In that report, the board commented that consumer demand had continued to be robust, but there were a number of potential headwinds that could impact results in the second half," he says.

"There have been Covid and supply-chain disruptions to trading experienced across the business, but not to a degree that will detract from a strong full-year result.

"As a consequence, the strong trading conditions experienced in the first half, combined with a solid third quarter to the end of March,

sees the business on track to post a [record] trading profit after tax for the 2022 financial year."

Meanwhile, retail-card spending on vehicles remained stable in May, according to Stats NZ, with the seasonally adjusted figure of \$208m only up by \$1m, or 0.6 per cent, when compared with April.

However, it was the second-best month of this year for the sector, only being eclipsed by the \$209m splashed out by consumers in January.

The actual amount spent on vehicles in May using electronic cards was \$205m, which was

down 0.6 per cent from \$206m a year ago.

Of all the retail industries, fuel made the biggest gain in May because its \$622m spend was an increase of \$51m, or 8.9 per cent, from the month prior.

TRADING IMPACTED

There were 15,477 second-hand cars sold to the public by traders in June. That was down from 17,047 units, or by 9.2 per cent, on the same month of 2022.

There were 11,299 trade-ins last month. This total represented a decrease of 20.7 per cent from 14,255 units. 📉

SECONDHAND CAR SALES - June 2022

REGION	DEALER TO PUBLIC				PUBLIC TO PUBLIC				PUBLIC TO DEALER			
	JUN'22	JUN'21	+/- %	MARKET SHARE	JUN'22	JUN'21	+/- %		JUN'22	JUN'21	+/- %	
Northland	574	603	-4.8	3.71	1,737	2,037	-14.7		213	231	-7.8	
Auckland	5,034	5,620	-10.4	32.53	10,945	12,673	-13.6		4,681	5,864	-20.2	
Waikato	1,598	1,732	-7.7	10.32	3,672	4,297	-14.5		1,032	1,333	-22.6	
Bay of Plenty	1,060	1,177	-9.9	6.85	2,621	3,138	-16.5		534	818	-34.7	
Gisborne	200	148	35.1	1.29	370	446	-17.0		42	55	-23.6	
Hawke's Bay	534	663	-19.5	3.45	1,275	1,514	-15.8		391	488	-19.9	
Taranaki	364	422	-13.7	2.35	999	1,148	-13.0		188	235	-20.0	
Manawatu-Whanganui	862	1,064	-19.0	5.57	1,885	2,261	-16.6		662	858	-22.8	
Wellington	1,424	1,691	-15.8	9.20	2,840	3,546	-19.9		1,020	1,040	-1.9	
Tasman	125	149	-16.1	0.81	356	500	-28.8		25	18	38.9	
Nelson	120	143	-16.1	0.78	365	490	-25.5		103	122	-15.6	
Marlborough	166	187	-11.2	1.07	379	442	-14.3		66	102	-35.3	
West Coast	95	115	-17.4	0.61	262	319	-17.9		37	64	-42.2	
Canterbury	2,203	2,103	4.8	14.23	4,770	5,293	-9.9		1,730	1,991	-13.1	
Otago	748	778	-3.9	4.83	1,648	2,015	-18.2		437	520	-16.0	
Southland	312	373	-16.4	2.02	932	1,081	-13.8		137	253	-45.8	
Other	58	79	-26.6	0.37	180	173	4.0		1	263	-99.6	
NZ Total	15,477	17,047	-9.2	100.00	35,236	41,373	-14.8		11,299	14,255	-20.7	

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New Passenger Vehicle Sales by Make - June 2022

MAKE	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	1,827	1,406	29.9	19.1%	9,028	16.0%
Kia	1,408	1,018	38.3	14.7%	6,099	10.8%
Toyota	1,285	1,285	0.0	13.4%	7,038	12.5%
Hyundai	848	599	41.6	8.9%	4,298	7.6%
Suzuki	723	829	-12.8	7.6%	3,839	6.8%
MG	412	244	68.9	4.3%	2,691	4.8%
Mazda	386	679	-43.2	4.0%	3,101	5.5%
Land Rover	249	211	18.0	2.6%	873	1.5%
Mercedes-Benz	221	266	-16.9	2.3%	1,256	2.2%
Volkswagen	215	536	-59.9	2.2%	1,403	2.5%
Subaru	209	226	-7.5	2.2%	1,281	2.3%
Ford	204	201	1.5	2.1%	1,387	2.5%
Skoda	181	191	-5.2	1.9%	1,011	1.8%
Honda	164	355	-53.8	1.7%	2,228	3.9%
Audi	127	156	-18.6	1.3%	940	1.7%
Peugeot	126	118	6.8	1.3%	745	1.3%
Haval	120	212	-43.4	1.3%	1,210	2.1%
Nissan	113	453	-75.1	1.2%	1,170	2.1%
BMW	109	225	-51.6	1.1%	884	1.6%
Polestar	103	0	10,300.0	1.1%	417	0.7%
Lexus	92	87	5.7	1.0%	610	1.1%
Mini	68	77	-11.7	0.7%	427	0.8%
Volvo	66	42	57.1	0.7%	455	0.8%
Porsche	49	33	48.5	0.5%	403	0.7%
Jaguar	43	65	-33.8	0.4%	253	0.4%
Cupra	39	29	34.5	0.4%	151	0.3%
SsangYong	39	107	-63.6	0.4%	417	0.7%
Citroen	38	27	40.7	0.4%	211	0.4%
Jeep	25	125	-80.0	0.3%	328	0.6%
Fiat	15	10	50.0	0.2%	88	0.2%
Tesla	11	222	-95.0	0.1%	1,313	2.3%
Renault	9	20	-55.0	0.1%	157	0.3%
Alfa Romeo	6	15	-60.0	0.1%	42	0.1%
Aston Martin	4	4	0.0	0.0%	35	0.1%
Maserati	4	9	-55.6	0.0%	39	0.1%
Seat	4	11	-63.6	0.0%	27	0.0%
Can-Am	3	5	-40.0	0.0%	41	0.1%
Isuzu	3	106	-97.2	0.0%	185	0.3%
Lamborghini	3	2	50.0	0.0%	18	0.0%
Bentley	2	7	-71.4	0.0%	28	0.0%
Ferrari	2	5	-60.0	0.0%	14	0.0%
Lotus	2	0	200.0	0.0%	16	0.0%
Rolls-Royce	2	0	200.0	0.0%	12	0.0%
Yamaha	2	5	-60.0	0.0%	34	0.1%
Others	2	49	-95.9	0.0%	240	0.4%
Total	9,563	10,272	-6.9	100.0%	56,443	100.0%

New Passenger Vehicle Sales by Model - June 2022

MAKE	MODEL	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	Outlander	903	407	121.9	9.4%	4,914	8.7%
Kia	Sportage	661	210	214.8	6.9%	1,721	3.0%
Mitsubishi	ASX	435	738	-41.1	4.5%	1,429	2.5%
Toyota	RAV4	352	486	-27.6	3.7%	2,845	5.0%
Hyundai	Kona	328	235	39.6	3.4%	1,523	2.7%
Suzuki	Swift	328	286	14.7	3.4%	1,835	3.3%
Mitsubishi	Eclipse Cross	316	82	285.4	3.3%	1,897	3.4%
Kia	Sorento	300	48	525.0	3.1%	722	1.3%
Toyota	Corolla	267	223	19.7	2.8%	1,072	1.9%
Toyota	Highlander	248	233	6.4	2.6%	717	1.3%
MG	ZS	210	162	29.6	2.2%	1,617	2.9%
Kia	Seltos	168	102	64.7	1.8%	920	1.6%
Mazda	CX-5	157	288	-45.5	1.6%	1,282	2.3%
MG	HS	140	28	400.0	1.5%	563	1.0%
Kia	Stonic	137	406	-66.3	1.4%	1,384	2.5%
Hyundai	Santa Fe	129	191	-32.5	1.3%	593	1.1%
Hyundai	Tucson	129	12	975.0	1.3%	751	1.3%
Mitsubishi	Pajero Sport	127	93	36.6	1.3%	524	0.9%
Suzuki	Vitara	121	146	-17.1	1.3%	336	0.6%
Suzuki	Jimny	112	165	-32.1	1.2%	686	1.2%
Hyundai	Ioniq	109	44	147.7	1.1%	655	1.2%
Land Rover	Defender	106	66	60.6	1.1%	263	0.5%
Honda	Jazz	104	198	-47.5	1.1%	1,369	2.4%
Polestar	Polestar 2	103	0	10,300.0	1.1%	417	0.7%
Toyota	Yaris Cross	94	57	64.9	1.0%	485	0.9%
Subaru	Outback	93	79	17.7	1.0%	532	0.9%
Toyota	Yaris	90	86	4.7	0.9%	684	1.2%
Ford	Escape	85	33	157.6	0.9%	353	0.6%
Suzuki	Baleno	82	140	-41.4	0.9%	506	0.9%
Skoda	Kodiahq	67	40	67.5	0.7%	271	0.5%
Toyota	Landcruiser Prado	67	44	52.3	0.7%	284	0.5%
Kia	EV6	65	0	6,500.0	0.7%	233	0.4%
Nissan	X-Trail	64	155	-58.7	0.7%	740	1.3%
Suzuki	Ignis	64	44	45.5	0.7%	381	0.7%
Toyota	C-HR	64	84	-23.8	0.7%	317	0.6%
Haval	H6	63	26	142.3	0.7%	565	1.0%
Land Rover	Discovery	63	34	85.3	0.7%	74	0.1%
MG	3	62	50	24.0	0.6%	509	0.9%
Hyundai	i30	61	11	454.5	0.6%	171	0.3%
Haval	Jolion	57	95	-40.0	0.6%	645	1.1%
Skoda	Superb	56	67	-16.4	0.6%	366	0.6%
Volkswagen	Tiguan	55	180	-69.4	0.6%	400	0.7%
Ford	Everest	53	59	-10.2	0.6%	545	1.0%
Mazda	CX-3	53	67	-20.9	0.6%	357	0.6%
Honda	CR-V	49	89	-44.9	0.5%	567	1.0%
Others		2,166	3,983	-45.6	22.6%	17,423	30.9%
Total		9,563	10,272	-6.9	100.0%	56,443	100.0%

Marques facing off for title

Toyota says its sights remain set on market leadership – not only with new-vehicle sales, but also reducing carbon dioxide (CO₂) emissions across its fleet and meeting Kiwis' mobility needs.

Its announcement comes hot on the heels of Mitsubishi Motors of New Zealand (MMNZ) declaring it wants to claim this year's title of most popular marque when it comes to combined car and commercial registrations.

Neeraj Lala, chief executive officer of Toyota NZ, says the company takes its "responsibility as market leader seriously".

"Our responsibility extends beyond selling cars. It extends to sustainability and contributing to communities we operate in.

"This moves beyond just introducing low-emissions products. It's also the journey towards mobility and car-sharing technologies, development of the hydrogen economy and contributing innovation to alternative sectors, such as the flourishing marine industry through our relationship with Emirates Team NZ.

"We're not being complacent in our bid for market leadership for a 35th consecutive year as we start to see production return amidst global supply-chain disruption.

"However, it's equally as important for business continuity that we continue to electrify our fleet and ensure our carbon footprint for new-vehicle sales is on a downward trajectory to meet our emissions objective."

Toyota NZ sold 3,156 new vehicles in May with an electrification mix of 34 per cent. Year to date, its CO₂ emissions for new registrations sits at 162g/km. As for Lexus in the same month, it had 84 per cent electrification of sales and an average of 102gCO₂/km.

"We've seen an ever-increasing move to hybrid versions of our



vehicles as customers are able to now receive a clean car discount for them," says Lala.

"Our goal has always been depth and breadth of our range as we move forward on our electrification journey."

Toyota's used-vehicle wholesales have also seen a shift to electrification, with about 43 per cent being hybrids so far this year.

Lala says: "The transition to electrification has to be affordable, accessible and safe for

all Kiwis. This has always been our goal. We are forging partnerships with the government and not-for-profit groups to ensure we navigate this just transition to achieving net zero by 2050.

"I acknowledge some customers have been waiting a long time for vehicles and I apologise for delays. I remain highly optimistic that with our loyal customers we will deliver a record number of sales this year."

MMNZ has made no bones about trying to topple Toyota from the number-one spot for new vehicles after almost doubling sales in its 2022 financial year.

Mitsubishi sold 23,665 units during the 12 months ending March 31 for an increase of 92 per cent from 2020/21 when it registered 12,360.

This uplift gave it a market share of 14.4 per cent for the past financial year, second only to Toyota on 18 per cent. It marks a "steady improvement" over the past decade – it came eighth in 2011.

Daniel Cook, chief operating

officer, believes MMNZ may be on-track to become the country's top marque of 2022 for overall new-vehicle sales.

He says immediately after the first Covid-19 lockdown that the business decided demand for new vehicles was still there and income would be funnelled towards goods rather than tourism.

"We were the only vehicle brand that continued advertising through the mid-part of 2020 and it paid off. By July 2020, some of our dealers were setting all-time sales records.

"Actions we've taken have enabled us to leapfrog. A way to help look after our staff was to keep on bringing in vehicles. In turn, they innovated and we changed the way we do business a lot. From that we picked up a lot of market share."

Cook believes Mitsubishi is in a strong position to contest overall market leadership this year.

But does market position really matter to consumers? Probably not, he says, although it does give customers confidence in the brand, and allows it to create a wider network of dealerships and increase exposure.

"We'll be opening at least another couple of stores over the next 18 months and, effectively, we've got 100,000 Mitsubishi's now on the road aged between one and seven years.

"Looking after those people – giving them a continuity of supply and servicing wherever they are with the sort of standards we now set – is really important."

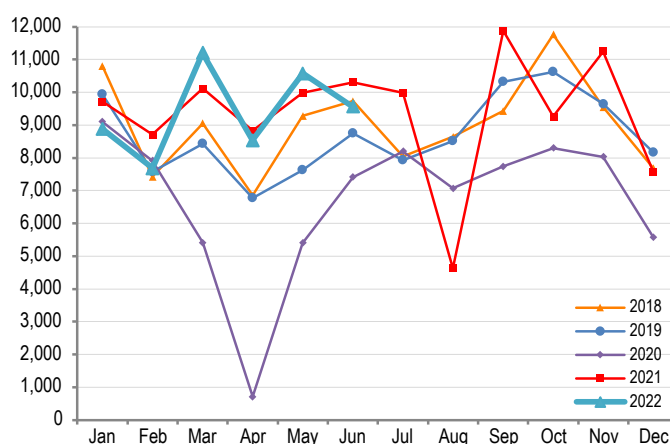
He adds MMNZ has "a clear plan to stay ahead" of Toyota for the rest of the year "and that includes selling a lot of PHEVs, which are proving popular at the moment".

"We're enjoying success. We've got a small team here in New Zealand and we like winning. We promised our dealers a trip to Tokyo some time ago for our annual rewards events. We might just have to cough up and do that if the borders open properly and we can get onto some planes." ☺

Mitsubishi tops

There were 9,563 new cars registered last month, which was down 6.9 per cent from 10,272 in June 2021. Mitsubishi's Outlander was the leading model on 903 units for a 9.4 per cent share of the market. The Kia Sportage was second on 661 with Mitsubishi's ASX third on 435. The top five was completed by the Toyota RAV4 with 352 and Hyundai's Kona on 328. Mitsubishi topped the marques' ladder with 1,827 registrations, followed by Kia on 1,408 and Toyota with 1,285.

New Passenger Registrations - 2018-2022



Tax on utes presents 'challenge'

The government may have to look at the level of fees light commercials attract under its clean vehicle policies.

That's the view of Dan Cook, chief operating officer of Mitsubishi Motors of NZ.

Since its April 1 launch, the full clean car discount scheme has resulted in registrations of light commercial vehicles stalling.

In addition, high-emitting models face being pinged at the border come January 2023 under the clean car standard.

Cook believes the government will need to "take a look" into its policies, "particularly around light commercials, perhaps changing those rates of tax" in the future.

"For a long time now, we've been building our brand in New Zealand, gradually incrementing our sales," he says. "Then the pandemic set a new foundation for business and there were a lot of challenges.

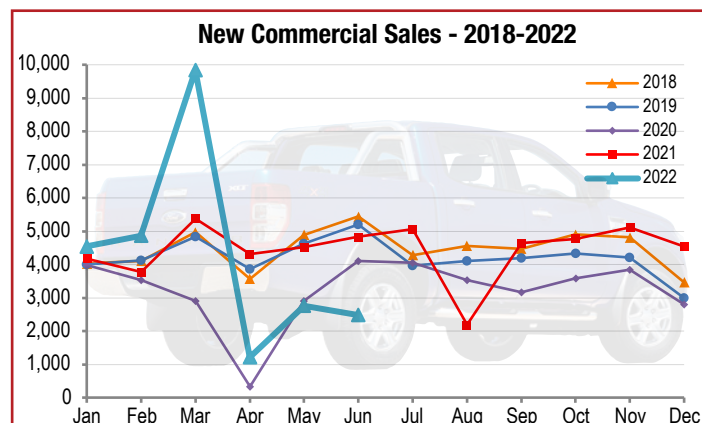
"Firstly, no one really predicted there would be a huge boom in the economy, which drove a lot of demand for vehicles. Secondly, there were major supply issues that created opportunities for us to

get vehicles into the market. Then there was the clean car discount. It's known as the ute tax and farmers are up in arms about it.

"Those three factors have created a perfect storm for us to gain some great market share on the back of our hard work."

Cook notes policies the government has introduced have changed purchasing decisions, "we've definitely seen that". He describes the market for utes as "the really tricky one".

"The tradies, the farmers, they're putting stuff on the back of them. There's no viable alternative for those people. They can buy a new vehicle, which is more efficient than the 10-year-old one they have



New Commercial Sales by Make - June 2022

MAKE	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	924	865	6.8	37.2%	5,873	22.8%
Ford	287	1,069	-73.2	11.5%	5,176	20.1%
Isuzu	202	448	-54.9	8.1%	1,796	7.0%
Mitsubishi	179	703	-74.5	7.2%	4,742	18.4%
Fuso	118	81	45.7	4.7%	603	2.3%
Nissan	87	383	-77.3	3.5%	1,256	4.9%
Volkswagen	84	101	-16.8	3.4%	468	1.8%
Hino	79	67	17.9	3.2%	477	1.9%
LDV	70	273	-74.4	2.8%	1,339	5.2%
Fiat	62	50	24.0	2.5%	292	1.1%
Hyundai	49	134	-63.4	2.0%	368	1.4%
Mercedes-Benz	44	56	-21.4	1.8%	377	1.5%
Scania	37	50	-26.0	1.5%	197	0.8%
UD Trucks	36	12	200.0	1.4%	143	0.6%
Renault	35	11	218.2	1.4%	143	0.6%
Great Wall	31	137	-77.4	1.2%	460	1.8%
SsangYong	19	31	-38.7	0.8%	199	0.8%
Iveco	18	30	-40.0	0.7%	182	0.7%
Ram	16	29	-44.8	0.6%	198	0.8%
Foton	15	6	150.0	0.6%	138	0.5%
Others	93	283	-67.1	3.7%	1,281	5.0%
Total	2,485	4,819	-48.4	100.0%	25,708	100.0%

New Commercial Sales by Model - June 2022

MAKE	MODEL	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hilux	771	631	22.2	31.0%	4,786	18.6%
Ford	Ranger	225	910	-75.3	9.1%	4,896	19.0%
Toyota	Hiace	122	168	-27.4	4.9%	937	3.6%
Mitsubishi	Triton	99	568	-82.6	4.0%	4,462	17.4%
Nissan	Navara	87	383	-77.3	3.5%	1,255	4.9%
Mitsubishi	Express	80	133	-39.8	3.2%	279	1.1%
Isuzu	D-Max	76	321	-76.3	3.1%	1,279	5.0%
Fiat	Ducato	62	50	24.0	2.5%	292	1.1%
Ford	Transit	61	159	-61.6	2.5%	277	1.1%
Volkswagen	Amarok	55	42	31.0	2.2%	150	0.6%
Isuzu	F Series	48	58	-17.2	1.9%	215	0.8%
Isuzu	N Series	46	58	-20.7	1.9%	199	0.8%
Hyundai	Staria Load	44	0	4,400.0	1.8%	334	1.3%
Hino	500	34	30	13.3	1.4%	240	0.9%
Hino	300	33	30	10.0	1.3%	165	0.6%
Mercedes-Benz	Sprinter	33	44	-25.0	1.3%	314	1.2%
Great Wall	GWM Cannon	31	128	-75.8	1.2%	460	1.8%
Isuzu	C Series	30	10	200.0	1.2%	70	0.3%
Toyota	Landcruiser	30	66	-54.5	1.2%	149	0.6%
LDV	G10	21	78	-73.1	0.8%	320	1.2%
Others		497	952	-47.8	20.0%	4,629	18.0%
Total		2,485	4,819	-48.4	100.0%	25,708	100.0%

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or, because of the tax, they may hold onto their old one.

"The unintended consequence of that is potentially more emissions than may have happened otherwise."

A common criticism of the clean car legislation is that the government's ambitions will outstrip the global supply of electric vehicles (EVs).

Cook says Mitsubishi is handling that situation at the moment, although there's plenty of industry discussion around this.

"In New Zealand, we're right at the forefront of restrictions. Our policies are as severe or more severe than anywhere else in the world and, of course, we're a small market so we can't dictate what's produced."

As well as utes, he notes Kiwis love SUVs because they also suit our way of life.

"Relative to competitors, our Outlander and Eclipse Cross PHEVs present excellent value evidenced by their continued segment leadership," says Cook.

"These, in combination with availability and value of the rest of our range, will deliver us another strong result this year.

"Last year, we had a lot of ute

sales as farmers tried to beat the tax. We were trying to help them by landing as many as we could to reduce those costs. Continuing forward, ute buyers will have to pay more taxes.

"The idea is for them to move into more efficient vehicles. Some people are able, but many buyers don't really have another

choice. There isn't an option in the foreseeable future to get a plug-in hybrid or pure electric-vehicle variant.

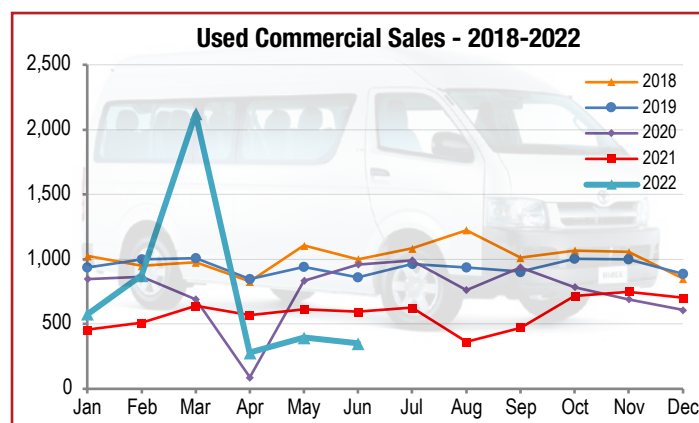
"We do feel for those customers. They will still need to keep on buying vehicles they need, especially utes. There is a real challenge for the government."

HILUX BACK ON TOP

There were 2,485 new commercials sold last month, which was down 48.4 per cent when compared to 4,819 in June 2021.

The Toyota Hilux was the top model with 771 sales. It was followed by Ford's Ranger with 225 and Toyota's Hiace with 122.

As for used-imported commercials, there were 348 registered in June compared to 595 in the same month last year for a drop of 41.5 per cent. 📉

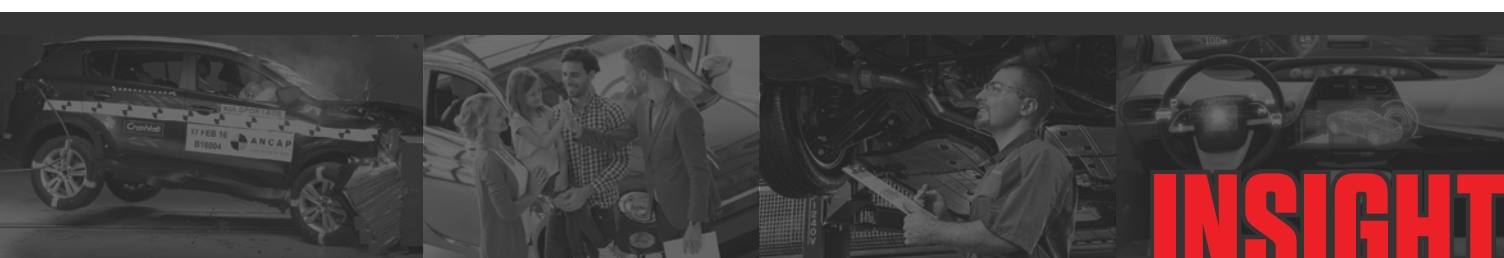


Used Commercial Sales by Make - June 2022

MAKE	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	94	257	-63.4	27.0%	1,629	35.4%
Nissan	60	104	-42.3	17.2%	1,268	27.6%
Hino	47	38	23.7	13.5%	369	8.0%
Isuzu	38	44	-13.6	10.9%	302	6.6%
Mitsubishi	23	24	-4.2	6.6%	211	4.6%
Ford	15	32	-53.1	4.3%	164	3.6%
Suzuki	9	5	80.0	2.6%	54	1.2%
Chevrolet	6	13	-53.8	1.7%	51	1.1%
Daihatsu	5	5	0.0	1.4%	63	1.4%
UD Trucks	5	4	25.0	1.4%	30	0.7%
Holden	4	14	-71.4	1.1%	105	2.3%
Mazda	4	14	-71.4	1.1%	79	1.7%
DAF	3	0	300.0	0.9%	12	0.3%
Freightliner	3	0	300.0	0.9%	5	0.1%
Honda	3	2	50.0	0.9%	8	0.2%
MAN	3	0	300.0	0.9%	6	0.1%
Volkswagen	3	4	-25.0	0.9%	31	0.7%
Fiat	2	3	-33.3	0.6%	16	0.3%
Fuso	2	2	0.0	0.6%	18	0.4%
GMC	2	1	100.0	0.6%	23	0.5%
Others	17	29	-41.4	4.9%	154	3.3%
Total	348	595	-41.5	100.0%	4,598	100.0%

Used Commercial Sales by Model - June 2022

MAKE	MODEL	JUN'22	JUN'21	+/- %	JUN'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hiace	50	178	-71.9	14.4%	1,190	25.9%
Hino	Dutro	33	25	32.0	9.5%	255	5.5%
Isuzu	Elf	22	27	-18.5	6.3%	196	4.3%
Nissan	NV350	21	48	-56.3	6.0%	793	17.2%
Toyota	Dyna	19	32	-40.6	5.5%	178	3.9%
Nissan	NV200	18	3	500.0	5.2%	91	2.0%
Fuso	Canter	14	16	-12.5	4.0%	120	2.6%
Hino	Ranger	13	7	85.7	3.7%	96	2.1%
Isuzu	Forward	12	12	0.0	3.4%	75	1.6%
Nissan	Atlas	8	18	-55.6	2.3%	78	1.7%
Suzuki	Carry	8	5	60.0	2.3%	50	1.1%
Toyota	Toyoace	7	17	-58.8	2.0%	76	1.7%
Toyota	Coaster	6	1	500.0	1.7%	15	0.3%
Daihatsu	Hijet	5	5	0.0	1.4%	62	1.3%
Toyota	Regius	5	11	-54.5	1.4%	70	1.5%
Mazda	BT-50	4	3	33.3	1.1%	37	0.8%
Mitsubishi	Fuso	4	1	300.0	1.1%	28	0.6%
Nissan	Caravan	4	17	-76.5	1.1%	206	4.5%
Nissan	Civilian	4	5	-20.0	1.1%	29	0.6%
Toyota	Hilux	4	8	-50.0	1.1%	60	1.3%
Others		87	156	-44.2	25.0%	893	19.4%
Total		348	595	-41.5	100.0%	4,598	100.0%



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INSIGHT

Funding boost for training

The Motor Trade Association (MTA) says the government's extension of Apprenticeship Boost until the end of next year is great news for the automotive industry.

It had been making the case for the scheme to be continued for some months before the announcement was made.

Greig Epps, advocacy manager, says: "It has enabled many businesses in our sector to take on an apprentice successfully, which means more young New Zealanders in employment and support for businesses at a tough time during the Covid pandemic. It's more important than ever this continues."

In a survey the MTA carried out of its members last year, 42 replied that Apprenticeship Boost helped them to employ a new apprentice, 36 said it helped to retain them

and 30 described the scheme as essential when it came to support for employment decisions.

"It's great the government has listened, especially at a time when difficult decisions need to be made," says Epps.

While Apprenticeship Boost was originally conceived as relief from pressures of the pandemic, the MTA says demand for apprentices hasn't diminished and – if anything – it has grown.

It can take up to two years for an apprentice to start contributing fully to a business and financial costs are the biggest obstacle when providing such training.

Apprenticeship Boost has enabled employers to retain and take on new apprentices without fear of financial hardship.

The MTA is disappointed the amount of the subsidy has been

reduced to \$500 a month, but it will still help employers find a place for apprentices on their books.

The MTA has also welcomed \$6 million in funding to protect commercial premises, such as service stations and dealerships, from ram raids and robberies.

Companies can apply for grants from the Proceeds of Crime Fund to install security measures, such as devices, alarm and screens.

Ian Baggott, the MTA's sector manager for energy and the environment, says ram raids and burglaries are frightening and costly for owners and operators.

"Anything to keep people safe is welcome, so we appreciate this announcement," he adds.

"Hopefully, the fund is big enough and not mired in red tape so businesses can get the protection they need quickly."

Total imports down

Imports of new cars came in at 9,455 in June. This was 20.4 per cent fewer than in the same month of 2021, but 6.4 per cent above May's total of 8,890 units.

Registrations of new passenger vehicles totalled 9,563 last month, which was down by 6.9 per cent from June 2021's figures and also represented a decline of 9.4 per cent from 10,559 units in May.

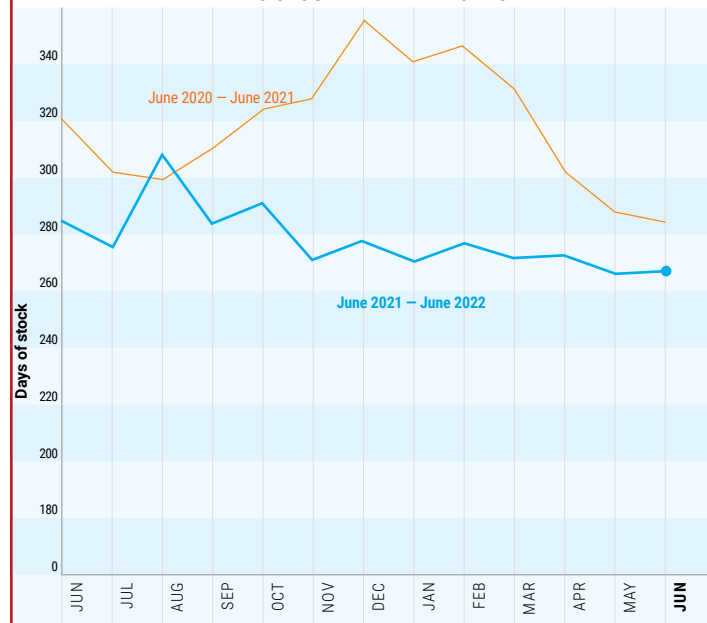
The numbers have resulted in the stock of new cars still to be registered dropping by 108 to 80,922. Daily registrations, as averaged over the previous 12 months, stand at 304 units per day – up from 281 a year earlier.

May's results mean stock at-hand has increased to 266 days, or 8.8 months, if sales continue at the current rate. In the same month of 2021, the number of days stock at-hand was 285 days.

Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	8,943	-2,576	82,367	305	270
Feb '22	8,517	7,657	860	83,227	302	276
Mar '22	10,322	11,198	-876	82,351	305	270
Apr '22	8,871	8,523	348	82,699	304	272
May '22	8,890	10,559	-1,669	81,030	306	265
Jun '22	9,455	9,563	-108	80,922	304	266
Year to date	52,422	56,443	(4,021)			
Change on last month	6.4%	-9.4%		-0.1%		
Change on Jun 2021	-20.4%	-6.9%		1.2%		
	LESS IMPORTED	LESS SOLD		MORE STOCK		

DAYS STOCK IN NZ - NEW CARS



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'Positive changes' to lending mix

Geneva Finance has announced an unaudited pre-tax profit of \$8.2 million for the 12 months up to March 31 – up by \$1.5m, or 22 per cent, on 2020/21.

The uplift was largely driven by improved contributions from insurance and lending, up by 47 and 12 per cent respectively.

Group assets increased by nine per cent to \$156m, revenue of \$42.7m was up by \$7.9m and operating costs grew by 17 per cent to \$19.5m.

The company's lending business, Geneva Financial Services, delivered a pre-tax profit of \$5.4m, which was \$600,000 higher than 2020/21.

David O'Connell, managing director, notes lending started strongly before Covid-19 lockdowns and restrictions cut in.

"Positive changes to the lending mix continued to show improvements in asset quality, delivering lower provisioning levels. Receivables closed at \$77.4m, up 2.7 per cent."

Quest Insurance's pre-tax profit climbed by \$1.5m to \$4.7m. This was largely driven by increases in gross written premium, which at \$30.1m was 40 per cent up on last year.

Cash on-hand rose to \$24.8m from \$15.8m and, as of March 31, Quest's solvency surplus climbed to \$4.02m above the minimum \$5m requirement.

Federal Pacific Tonga, 60 per cent owned by Geneva, reported a four per cent increase in pre-tax profit to \$1.5m.

Stellar Collections, including the debt-litigation business, bore the brunt of coronavirus.

Its \$200,000 profit was \$160,000 lower than the previous year, but it's starting to rebound in normal trading conditions.

Geneva Capital, responsible for invoice factoring, had a \$200,000 loss – down \$300,000 year on year.

Geneva's after-tax unaudited financial result for 2021/22 was a profit of \$5.9m, down 10 per cent, due to an increased tax charge.

O'Connell says Covid-19 impacted, "first through lower-than-budgeted lending, insurance and debt-litigation volumes, and in operational areas – court closures – and, to a lesser extent, receivables arrears".

There was an increase in hardship requests. He adds: "They were well-managed and, relative to our client base, the impact wasn't significant." ☺

Daily sales decrease

There were 8,710 used cars imported in June for a decrease of 25.9 per cent from 11,749 units in the same month of 2021.

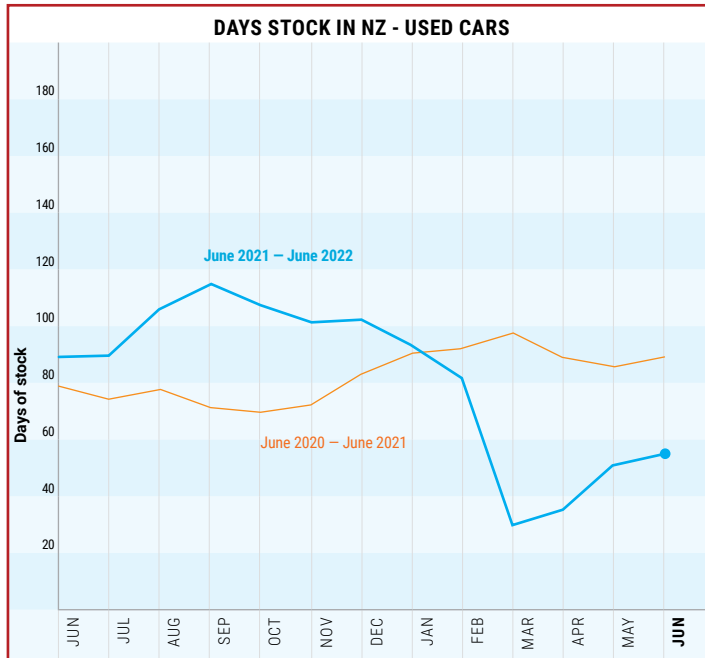
The monthly figure also represented a drop of 27.7 per cent from 12,047 vehicles in May.

A total of 7,417 units were registered during June.

This was down by 34.1 per cent from 11,252 registrations during the same month of 2021 but up by 7.8 per cent on May's 6,882 units.

With 1,293 more used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, up to 19,106 units. This was up 7.3 per cent from May's total of 17,813.

Average daily registrations fell to 344 and there was 55 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES				DAILY SALES	
	IMPORTED	REGISTERED	VARIANCE	STOCK	- 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	7,890	24,343	-16,453	11,136	377	30
Apr '22	8,018	6,506	1,512	12,648	367	34
May '22	12,047	6,882	5,165	17,813	355	50
Jun '22	8,710	7,417	1,293	19,106	344	55
Year to date	50,747	65,980	(15,233)			
Change on last month	-27.7%	7.8%		7.3%		
Change on Jun 2021	-25.9%	-34.1%		-36.6%		
	LESS IMPORTED	LESS SOLD		LESS STOCK		

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