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Officials insist clean car data ‘works well’

Rebates and charges under feebate scheme to be reviewed later this year before test regime changes

The government says the way emissions rates for its clean car policies are calculated is the best method for New Zealand to accept vehicles tested under different procedures.

The Ministry of Transport (MoT) admits there is “uncertainty” over some emissions data used by the feebate system and for the upcoming clean car standard but it says the conversions from other testing protocols “work well on average”.

However, it adds, this approach is set to change in 2024-25 when all vehicles will have to comply with a new global test procedure that will eliminate the need for conversions on new imports and, eventually, for used ones.

A MoT spokesperson told Autofile the rebates and fees for the clean car discount are also set to be reviewed later this year “once the effects of the new policy can begin to be assessed”.

Government officials use

A car being tested under the WLTP-3 regime, which the MoT uses for its clean-vehicle ratings

WLTP-3, which is class three of the World Harmonised Light-Duty Vehicles Test Procedure, for its clean-vehicle ratings.

However, Autofile reported in its May issue that errors have occurred when emissions levels are converted to this system from other testing procedures, such as the New European Driving Cycle (NEDC).

Members of the automotive industry – including the Motor Trade Association, Imported Motor Vehicle Industry Association and Motor Industry Association – warned the government before the launch of the clean car programme that its online ratings system was likely to produce inaccurate results.

International experts also told the MoT there was a risk of potential inaccuracies when converting carbon dioxide (CO_2) emissions between different protocols.

Dealers have reported a plethora of problems with the data on the Rightcar website since the feebate scheme began on April 1,

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GUEST EDITORIAL

Innovation required to embrace change

Malcolm Yorston looks at what's changed in our industry and where it's heading next


MALCOLM YORSTON
Technical support, VIA

Since 2020, we've seen quantum changes in how we do things as an industry. The impact of Covid-19 was just the start.

The pandemic has caused major disruptions to the supply chain and continues to do so. This was especially the case when the Chinese government recently closed Shanghai Port for the length of time it did, tying up vessels and pushing shipping rates up.

Here, we've had the government's clean car discount. Come the new year, we will see the clean car standard introduced as the second part of a double-whammy to hit the industry.

We've all seen the shift in supply of used cars from models with high carbon dioxide (CO_2) emissions to lighter vehicles with lower carbon footprints after the discount was introduced and we'll see that trend continue with the standard.

Since the conflict started in Ukraine, there have been massive increases in fuel prices, not only at the pump for everyday motorists but also in bunker fuel for shipping, which has added to supply-chain costs.

Next year will also see the International Maritime Organisation introducing new regulations called IMO 2023. These are designed to reduce emissions from ships and will likely impact costs.

Looking further ahead, the drop in new-car production due to the semi-conductor shortage will affect what we pay in source markets for imports because local market prices are likely to strengthen due to demand.

Then there's vehicle safety with the government implementing its Road To Zero strategy. This aims to introduce more standards, but it fails to address inequity in the mass of the existing fleet. In a nutshell, smaller vehicles that emit less CO_2 than larger SUVs and utes, which dominate our fleet, are deemed less safe due to their difference in mass.

The government is also planning to introduce the requirement for Euro 5 emissions for used imports followed soon after with a change to Euro 6.

Stock availability will be impacted because the triple-digit emissions code for used Japanese vehicles is expected to move from the Japan 2005 requirement that starts Axx to Dxx, which is likely to be deemed Euro 5 equivalent.

This will penalise earlier-model electric cars not certified under the Euro 5 equivalent, and the Japanese emissions code for Euro 6 equivalent has yet to be decided on by officials.

The recently released HAPINZ 3.0 report looks at emissions from motor vehicles that harm our health as well as the environment, so are we going to see a bigger push towards electrification of the fleet by the government in the immediate future?

Changes will keep coming and the used-imports industry will stay light on its feet to adapt.

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with many traders and consumers facing higher penalties or lower rebates than expected at the time of first registration.

Autofile posed a series of questions to the MoT about the emissions ratings and an admission from the International Council for Clean Transportation (ICCT) in a report for the department that conversions to WLTP-3 have margins of error.

The MoT has defended the government's chosen method and says "there are not errors per se" in converting from regional emissions test procedures to modern global procedures such as WLTP-3.

"Rather it is accepted these conversions work well on average and are superior to the alternative – prohibiting vehicles or requiring new testing," it says.

"It is the optimal choice for New Zealand to accept vehicles tested to different procedures and some sort of conversion of CO_2 values must be done.

"Uncertainty is inherently associated with any form of conversion and New Zealand has to accept a certain level of uncertainty for such conversions.

"The Land Transport Rule: Vehicle Efficiency and Emissions Data 2022 prescribes a detailed conversion methodology, which enables a vehicle to obtain a good CO_2 value on WLTP-3."

> **"These conversions work well on average and are superior to the alternative – prohibiting vehicles or requiring new testing"** – MoT spokesperson

The MoT says the alternative to applying the current conversion formula was to pick one acceptable test procedure and prohibit importing vehicles tested to anything else.

"This is unworkable because the market is split 50-50 between new and used imports, which are tested to different procedures."

The spokesperson adds requiring all vehicles to be on one protocol would prohibit a large proportion of vehicles entering New Zealand and forcing them to be tested to a different procedure would be cost-prohibitive.

Before the clean car discount was introduced, the MoT and industry discussed and agreed conversions were superior to banning or retesting vehicles.

"That said, standardisation is a mid-term goal and is possible because of harmonisation occurring in the global auto market."

The government has agreed vehicles manufactured from a given date in the future, "likely 2024-25", must be tested to the new global test procedure.

"Europe and Japan have recently moved to the global procedure," says the MoT. "New Zealand doing likewise will remove the need for conversions on new vehicles soon and for used vehicles over time.

"The vehicle-supply industry supports moving to a standardised test procedure in the long term and using conversions in the short term rather than prohibiting supply of vehicles or requiring vehicle retesting."

The MoT says the ICCT report, called "Methods for converting type-approval fuel economy and CO_2 emissions values of light vehicles – an analysis for New Zealand", was fundamental to the formula being used to convert between different test procedures and to enable a standardised treatment across all vehicles.

However, it adds the ICCT document was not specifically important to the assignment of different rebates and fees to emissions levels.

"New Zealand accepts vehicles tested to different test procedures because they come from different markets and many are used imports so are subject to domestic requirements, such as those in Japan," the spokesperson explains.

"These need to be normalised so vehicles get a fair rebate or charge irrespective of whether they were tested to Japanese, European, American or global standards. The ICCT emissions calculations enable this.

"The MoT and Michael Wood, Minister of Transport, say they are confident emissions figures and Rightcar ratings are accurate and believe the methodology is the best choice based on data availability and the practicality of policy implementation."

The spokesperson says two distinct areas have arisen over the emissions ratings.

One is that conversions from older regional emission test procedures, such as those in Japan, Europe and the US, to WLTP are working as intended.

Meanwhile, obtaining the correct CO_2 values for Japanese used imports is "working very well for the vast majority of imports", and the government and industry are working on improving data quality and processes "relating to a small proportion of vehicles".

'LIMITED ISSUES'

The MoT says it and Wood have received a small number of requests to investigate or resolve issues that used importers have had with the CO_2 values of vehicles they're selling. Industry organisations have also asked officials to look into such problems raised by traders.

"There have been limited issues with vehicles displaying incorrect CO_2 emissions data and, therefore, the wrong fee or rebate," notes the spokesperson. "While this has been only for a small percentage, we know this has caused some frustration for dealers and consumers. This is mostly related to a small number of used-import models."

The MoT explains Waka Kotahi NZ Transport Agency will continue to provide updated information on how dealers can check the CO2 ratings for vehicles and raise any issues early.

The agency currently responds to individual enquiries to correct CO2 data as they are received and the MoT says it is continuing to educate the industry on how CO2 ratings are calculated.

"Waka Kotahi continuously updates data held on our systems as more information and details on vehicles emissions comes through," says the MoT.

"We run updates regularly, which enhances the data held on our systems. Waka Kotahi continues to work on ensuring that CO2 values, tare weights and other vehicle data is accurate and applied correctly to the benefit of both the clean car discount and clean car standard moving forward.

"We're very keen to work with the industry to make sure vehicles display the correct rebates and fees. We can only do this with the help of the industry as it is responsible for the data.

"We're asking that dealers check vehicles have correct CO2 emissions data and, if they are unsure, to contact us as soon as possible."

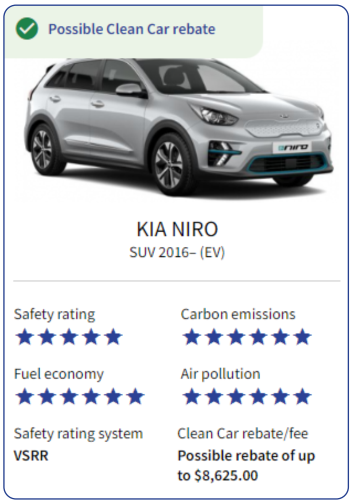
Despite scores of anomalies with the Rightcar data having been highlighted since April, which have often been discovered at registration, the MoT adds it does not feel the need to create a specific mechanism to handle such disputes.

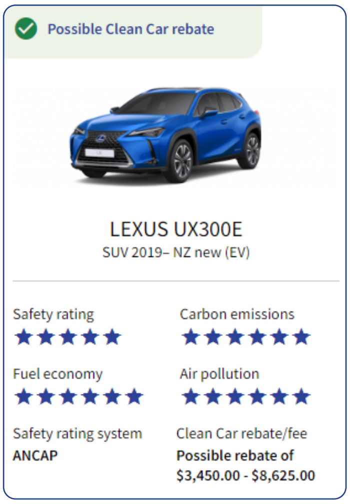
"Waka Kotahi already provides a standard operating procedure to handle the entry certification process and deal with issues that arise."

Overall, the MoT is "very satisfied" with the level of uptake of zero and low-emissions vehicles under the clean car discount, which is stronger than modelled. It adds New Zealand is catching up with other countries that have regulated vehicle emissions reductions for a longer period.

In coming months, a timetable for when vehicles must be tested to WLTP will be finalised and it is likely to require vehicles manufactured in around two years' time to be tested to that procedure.

A review of rebate and charge levels is also scheduled for late 2022. "The policy needs to be self-financing so regular reviews of their levels are justified," says the MoT. "As the market moves to cleaner cars, the pivot point between rebate and charge bands will need to be adjusted over time."





Model data from the Rightcar website

CHALLENGE FOR ALL

Besides encountering issues with emissions conversions, industry figures have also raised concerns about the weight formula used in the clean-car policies and how it impacts on smaller models.

The MoT responds that all vehicles must rapidly reduce CO2 emissions to meet the climate challenge, especially as New Zealand has among the highest average emissions of vehicles in the developed world. Moving our fleet to small vehicles alone will be insufficient, it says.

In the European Union a "super-credits" system applies for passenger cars with emissions of less than 50gCO2/km on the NEDC, but the MoT opted against following suit because such credits "dilute or double-count emission reductions".

"For example, 'on cycle' credits are, in other markets, given to automatic stop-start idling technology and zero-emissions vehicles. However, as test procedures already take this into account, this is double counting," the spokesperson explains.

"Off-cycle credits could also be provided on non-engine emissions, such as running air-conditioning systems with lower emissions-intensity gases. New Zealand is separately regulating the reduction of such gases."

The Ministry for the Environment is leading work on the phasing out of fluorinated gases, which include hydrofluorocarbons used in the air-conditioning systems of vehicles.

'FAIR' SYSTEM

The next phase of the government's push to clean up the fleet will be the implementation of the clean car standard on January 1, 2023, which aims to influence what models are brought into the country.

It will set increasingly lower average emissions targets for cars brought in by importers over the coming years, with charges for those who fall short of the goals.

The MoT confirms some vehicles benefiting from rebates under the feebate scheme may conversely face charges under the clean car standard.

"It's accepted some vehicles meet the targets/benefits of one but not both policies. This happens, for example, when a vehicle has high emissions for its weight band.

"It is fair because both parties are being tasked with reducing emissions. Consumers are being encouraged to purchase lower-emission vehicles through rebates. Importers are being encouraged to supply lower-emission vehicles in all weight segments, not just low-emission vehicles that have a high unladen weight."

All change on company's board

A new board for NZ Automotive Investments (NZAI) has won the approval of shareholders and one of the company's co-founders, David Sena, has been appointed as interim chief operating officer.

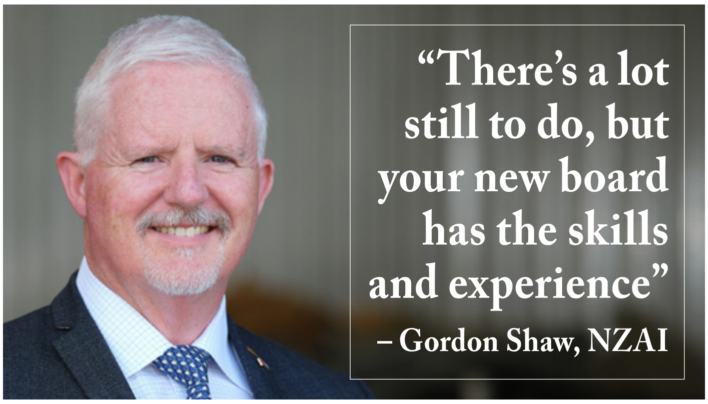
The parent company of 2 Cheap Cars has experienced turmoil in recent months with four directors, its chief executive and auditor resigning, and its bank saying it is unable to guarantee NZAI's motor and trade finance facilities in the long term.

Michael Stiassny, Gordon Shaw and Samantha Sharif were elected as directors of the board at NZAI's annual shareholders' meeting in Auckland on September 2, and say they aim to stabilise the company as quickly as possible.

They had been appointed after Charles Bolt, Tim Cook, Tracy Rowsell and co-founder Eugene Williams quit the board on July 19 after falling out with major shareholder Sena on how a publicly listed company should run.

The newcomers resigned their positions at the start of this month's meeting before being voted back in by shareholders. Shaw also took over as interim CEO last month.

Stiassny, a former chairman of Waka Kotahi NZ Transport Agency, is chairman of the board. He told shareholders the directors understood NZAI has underperformed and "this must be remedied for the benefit of all shareholders".



He added: "We are moving at pace. Gordon's immediate focus is on ensuring the fundamentals are right – low costs and high volumes that generate healthy margins are the drivers that made NZAI a successful business in the first place."

Shaw told the meeting that ensuring the company has a strong team is critical to future success, along with its operational strategy and delivery.

He explained Sena has been made chief operating officer for six months and will be "instrumental in reviewing supplier arrangements currently outsourced in order to drive performance, and reduce rework and consequent after-sale quality claims".

Shaw adds the board and management have identified measures to improve cost efficiencies, including reconfiguring the workflow in its vehicle-hub facility, further reducing outsourcing and expanding car preparation to make the hub a "one-stop-shop prior to sale".

The board will continue to review the direction of one of its other businesses, NZ Motor Finance, and is looking at its management and organisational structure.

Discussions have been held with a potential new auditor and Shaw expects an update for the market this month. In addition, the search for a permanent CEO has begun and the directors have had a "constructive" meeting with the company's bankers.

"There's a lot still to do, but your new board has the requisite skills and experience, and has hit the ground running," he told shareholders. "We're committed to repositioning the business for sustainable growth and turning the profitability tide in the shortest time frame possible."

Haydn Marks, NZAI's chief financial officer, presented the company's results for the 2022 financial year to the meeting along with an update on its performance since the start of April.

Revenue and income at $66 million dropped slightly against the previous financial year driven by inflationary factors and lower sales volumes. Underlying net profit after tax was $1.7m, down 55.7 per cent from $3.8m. The company sold 7,882 vehicles in 2021/22 – 325 fewer than the previous year.

Marks said NZAI's estimated market share of used-vehicle sales had increased to 7.4 per cent over the first four months of the current financial year, up from 6.9 per cent over the same period last year.

In a trading update issued last month, NZAI reported it retailed an average of 779 units from May to July. All up, it sold 3,028 cars from April 1 to July 1 – down slightly on last year's 3,164.

"The operating environment [year to date] has been challenging with inflationary pressure, economic uncertainty and rising interest rates," added Marks. "While revenue and income is up 10 per cent to $27.7m, this is largely on the back of inflationary price increases on vehicles."

Turbulent times

April 8, 2022: Chairman Karl Smith and director Michele Kernahan resign from NZAI board.

July 1: David Page resigns as chief executive officer with his last day to be September 30.

July 19: All three non-executive directors, Charles Bolt, Tim Cook and Tracy Rowsell, and executive director and co-founder Eugene Williams resign citing a breakdown in their relationship with major shareholder David Sena.

Sena nominates Julian Davidson, Gordon Shaw and Jason Lewthwaite to be appointed directors.

July 20: Lewthwaite withdraws consent to be nominated as a director.

August 4: Davidson withdraws consent to be nominated as a director.

NZAI announces Michael Stiassny, former chairman of Waka Kotahi NZ Transport Agency, will join its board, along with Shaw, from August 21.

August 5: NZ RegCo, the NZX's regulator, seeks assurances NZAI is complying with listing rules as it questions the independence of Stiassny and Shaw.

August 9: NZAI's bank says it is unable to provide assurance of support for the company's trade and motor finance facilities beyond their current expiry dates.

August 10: NZ RegCo says it is satisfied the board nominees qualify as independent directors.

August 17: NZAI's external auditor, Grant Thornton, resigns with immediate effect.

August 19: Trading notice reveals first four months of the financial year have been "challenging" but sales revenue was $24.9 million, up 13 per cent from the same period a year ago.

August 22: Shaw announced as interim chief executive, Stiassny as chairman and Samantha Sharif appointed to board as an independent director.

September 2: Shaw, Stiassny and Sharif retire, offer themselves for re-election to the board and are voted in as directors at NZAI's annual shareholders' meeting in Auckland.

Meeting told Sena has been appointed interim chief operating officer.

Fresh fixes for car finance

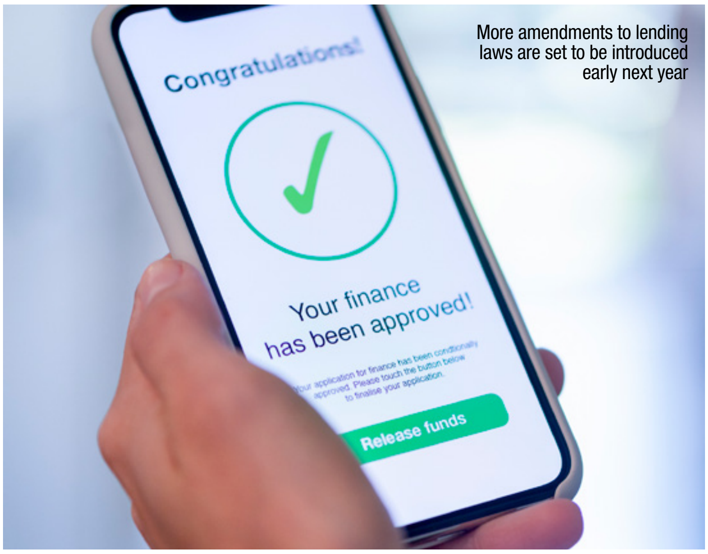
Dealers and finance companies are waiting to learn the finer details of the government's latest plans to adjust lending laws but remain frustrated that any changes will not come into force until March next year.

The Financial Services Federation (FSF) says it hopes the proposals, which are due to go out for consultation this month, will loosen the current restrictions facing consumers applying for loans to buy vehicles.

The suggested changes are expected to make a significant difference to decisions around expense calculations but the FSF is unhappy at how long it is taking to fix the problems that have arisen since the Credit Contracts and Consumer Finance Act (CCCFA) and responsible lending code were updated in December last year.

The government introduced an initial raft of tweaks in July to address the legislation's "unintended consequences" before putting forward further amendments last month after an investigation by officials.

Its latest proposals are to narrow the expenses considered by lenders, provide more flexibility for lenders about how certain repayments may be calculated, and to expand the exceptions from a full income and expense assessment for refinancing of existing credit contracts.



More amendments to lending laws are set to be introduced early next year

An exposure draft of the proposed changes will be released on September 22 for public consultation, which will run until October 20. The cabinet will make a final decision on the matter in early February next year, with any alterations to the laws expected to come into force by mid-March.

Lyn McMorran, executive director of the FSF, says the new measures to arrest a general drop in lending since December sound good but the "devil will be in the detail".

"What the minister has put forward sounds sensible but we have yet to see exactly what the regulations will say and how workable they are," she explains.

"The changes are also not going to be coming into effect until March. It's too far away for us to see any benefit for our members for some time yet and it prolongs the agony for people being turned down for credit under the existing regulations.

"We understand there's a statutory process the government has to go through to change regulations but why they couldn't have done these changes at the same time as the first lot of tweaks in July, I do not know."

Loan approvals tumbled in the wake of last year's shake-up of the CCCFA legislation, with finance companies, banks and consumers criticising the need to take a more forensic look at borrowers' ability to make payments.

As a result, David Clark, Minister of Commerce and Consumer Affairs, asked the Ministry of Business, Innovation and Employment (MBIE) and Council of Financial Regulators (CFR) to examine the implementation and impact of the December changes.

In March, he announced amendments to the CCCFA regulations and responsible lending code to curb any unintended consequences of the laws and to give more clarity and guidance to finance companies. Those measures were introduced in early July.

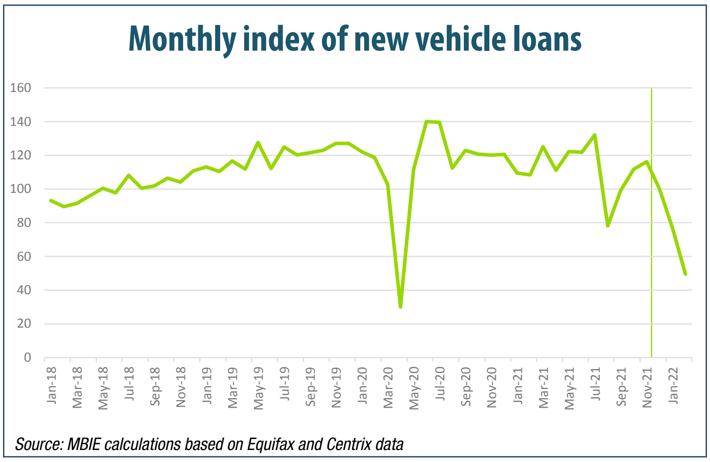
In August, he revealed his plans to make further adjustments to the rules, which were designed to tighten up on irresponsible lending, after considering the MBIE and CFR report. ▶

McMorran says the FSF supports any alterations that allow for more discretion in assessing a borrower's ability to repay a loan after the initial revamp "squeezed the credit market unnecessarily".

She notes lending to potential car buyers has suffered this year and she hopes the latest proposals, when they are finally enacted, will deliver a boost to dealers and vehicle-finance companies.

"Sales of vehicles are down and that's due to lots of things such as inflation, supply issues and people tightening their belts," she says.

"Access to credit through responsible lenders also remains an issue for potential motor-vehicle buyers. Hopefully what the minister has proposed will loosen up that access a bit and make it easier for consumers, but for now we have to continue waiting for those changes."



Source: MBIE calculations based on Equifax and Centrix data

LOANS IN 'DECLINE'

The investigation by MBIE and the CFR revealed the rollout of new credit laws in December last year led to a "marked decline in new vehicle loans".

It also found more borrowers across all lending types who should pass the affordability test are subject to refusals or reductions in credit amount.

It adds that since the regulations were introduced, borrowers have been subject to unnecessary or disproportionate inquiries that are perceived as intrusive.

In its look at non-bank lending institutions focused on motor-vehicle finance, the report highlights Reserve Bank of New Zealand data showing lending from this sector fell 0.5 per cent in the year to February 2022.

"The stock of vehicle consumer loans has been relatively flat for the past six months and increased by $4.6 million from December 2021 to reach $1,533.7m in February 2022," the report continues.

"In contrast to RBNZ data, credit reporting agency data shows a marked decline in new vehicle loans from December 2021. This may signal that the amount of outstanding vehicle loans will fall in the coming months."

MBIE and the CFR say it is hard to discern if CCCFA changes have had an impact on vehicle-finance loans at an aggregate level.

However, they add lending processes have "become more restrictive and onerous than was expected" since the regulations were first introduced.

The report blames this shift on the way a number of specific provisions in the regulations are designed and drafted. It adds lenders have also taken a "conservative approach to compliance" because of the CCCFA's strong liability regime.

Officials completed their investigation ahead of the government introducing its first series of changes to consumer finance laws and the responsible lending code in July.

Air-con units under spotlight

The government is aiming to roll out a mandatory product stewardship scheme for gases used in vehicles' air-conditioning units.

Hydrofluorocarbons (HFCs) are a subset of fluorinated gases, known as F-gases, and are also used as refrigerants in other heating and cooling appliances.

They can contribute significantly to climate change even when emitted in relatively low quantities.

Essentially, the global-warming potential (GWP) of F-gases can be thousands of times greater than carbon dioxide (CO2) pollution coming out of cars' tailpipes.

The irony is there will be a greater demand to regulate temperatures in the future by using HFCs, which account for 95 per cent of New Zealand's fluorinated gas emissions. In turn, that could further impact on climate change, according to the government's emissions reduction plan (ERP).

A vehicle's air-conditioning unit contains HFCs

Emissions from refrigerants do not occur as part of the day-to-day running of products because they are usually safely sealed inside products, such as air-conditioning units.

Instead, they typically result from leakage or improper disposal at a product's end of life, so stewardship of refrigerants is important because it will target the points in the lifecycle when F-gases are released into the environment.

The government describes such an end-of-life scheme as a key action in the ERP to limit F-gas emissions to 6.8 megatonnes of CO2-equivalent from 2022-25.

"A stewardship scheme will be developed to reduce environmental harm when they reach end of life," states the ERP.

"The government will develop a mandatory scheme in collaboration with the synthetic greenhouse gas regulated product stewardship working group. This will enable all refrigerant gases to be safely collected and disposed of.

"It will also contribute to the training and qualification development for all refrigerant handlers."

Other proposals are to build capability to shift to low-emissions refrigerants, ban the import of pre-charged equipment and investigate prohibiting F-gases with high GWP.

Currently, products containing high-GWP F-gases can be imported and sold in New Zealand. But the government says alternatives are available in many cases.

To tackle this, it proposes to prohibit pre-charged equipment containing high-GWP F-gases in

Economy-wide action

The government says the ERP will prepare New Zealand for the future, ensuring the country is on-track to meet its first emissions budget, securing jobs and unlocking investment.

Its key strands include supporting more Kiwis to buy battery EVs so zero-emissions vehicles make up at least 30 per cent of the light fleet by 2035.

Easier, cleaner, cheaper public transport is on the agenda, including infrastructure projects in Auckland, Wellington and Christchurch and nationally integrated ticketing.

Only zero-emissions buses will enter the fleet from 2025 with the entire public-transport fleet being decarbonised by 2035.

Low-emissions trucks to transport food and other products will be needed to cut freight emissions by 35 per cent by 2035.

Every sector will need to play its part across transport, waste, food production, manufacturing, building and construction.

Less waste will go to landfills and there will be investment so most houses have kerbside food-waste collections by 2030.

The government wants more big businesses to be powered by clean, renewable energy generated here, not overseas.

There will be an end to our reliance on coal with a ban on new low to medium-temperature coal boilers and a phase-out of existing ones by 2037, and support for native wildlife and forests.

And the new Centre for Climate Action on Agricultural Emissions will aim to accelerate delivery of pollution-reduction tools and technologies, with an emissions-pricing mechanism for farming in place by January 2025.

cases when alternatives can be used.

For example, natural refrigerants are non-synthetic and have considerably lower GWPs.

Of those available, hydrocarbon-based refrigerants are the most viable alternative for use in air conditioning and can be produced from commonly used gases, such as propane and butane.

A number of actions are already under way to limit the climate-change impact of F-gases.

New Zealand has signed up to the Kigali Amendment to the Montreal Protocol. By 2036, the global use of HFCs will have been reduced by 81 per cent below average consumption between 2011 and 2015.

Then there's emissions pricing. Manufacturers and importers of bulk HFCs have obligations under the emissions trading scheme.

Importers of pre-charged products, such as air-conditioning units in vehicles filled with HFCs overseas, are subject to the synthetic greenhouse gas levy.

Alternative fuel vehicles, such as Fuso's eCanter light truck, are crucial to reducing emissions from our freight fleet

TARGETS FOR FREIGHT

The government says it will start work now on decarbonising heavy transport and freight.

An aim is to reduce emissions from the sector by 35 per cent by 2035, which will be critical to achieving a 41 per cent cut in overall transport pollution by 2035.

Heavy vehicles, most of which are used for freight, emit almost one-quarter of our total transport emissions.

Another target in the ERP is to bring down the emissions intensity of transport fuel by 10 per cent by 2035.

"Aotearoa needs to reduce emissions from fuels used for transport," states the plan.

"Low-carbon liquid fuels, such as biofuels, will play a role alongside electrification, hydrogen and other technologies.

"They are one of the best options for vehicles already in use and for hard-to-decarbonise sectors, such as aviation and coastal shipping.

"Decarbonising freight will be challenging and require consideration of the entire supply chain."

A main initiative is developing a long-term national freight and supply-chain strategy with industry. It will identify how to best get to a net-zero system by 2050, while improving supply-chain efficiency and competitiveness.

Funding will support the industry to buy zero and low-emissions trucks and options will be evaluated to improve heavy vehicles' efficiency.

Imports are likely to be regulated to reduce their emissions, there will be support for infrastructure to develop green fuels and fast-charging, and cutting emissions from heavy vehicles operated or procured by the government will be examined.

The implementation of timing Euro 6 for heavy vehicles is on the agenda as is overhauling road-user charges. Options for the latter include extending the exemption for heavy EVs and setting rates by fuel type or emissions.

The roll-out of a national rail plan will continue, there will be support for coastal shipping, and a freight decarbonisation unit will tackle regulation and investment.

SHIPPING & BIOFUELS

The ERP outlines action that can be taken to bring about the

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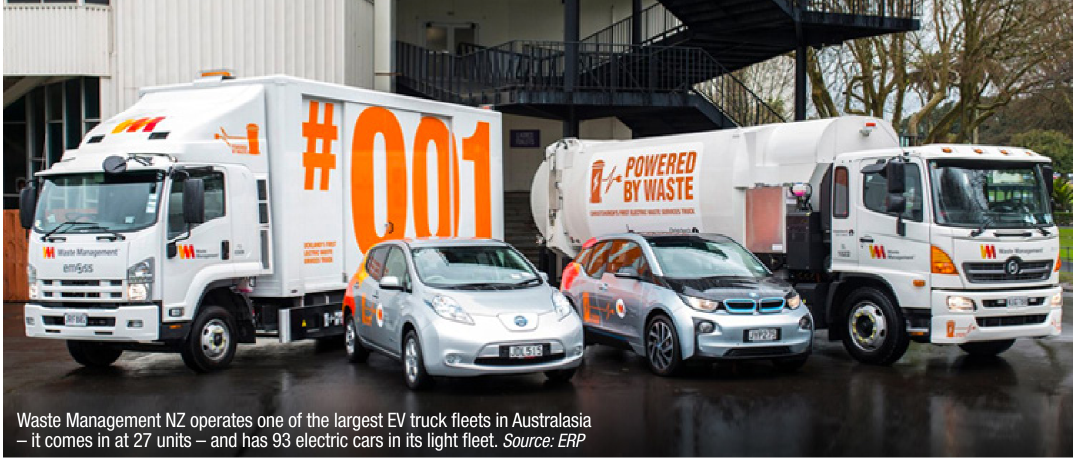
decarbonisation of maritime transport and how progress can be made by increasing the use of biofuels.

When it comes to shipping, the government has acceded to Annex VI of the International Convention for the Prevention of Pollution from Ships.



Waste Management NZ operates one of the largest EV truck fleets in Australasia – it comes in at 27 units – and has 93 electric cars in its light fleet. *Source: ERP*

This is a worldwide agreement to address climate change impacts from shipping. It commits this country to implementing future greenhouse gas measures agreed by the International Maritime Organisation (IMO) for New Zealand-flagged vessels and those from operating in our waters.

Key initiatives in the ERP include developing a national action plan to reduce commercial and recreational maritime emissions.

In addition, targets will be set to support the uptake of zero-emissions small passenger, coastal fishing and recreational vessels, and all new large passenger, cargo and offshore fishing vessels will have to meet highest carbon-intensity reduction as set by the IMO by 2035.

The government will also carry out research into advancing the development and uptake of alternative and zero-carbon fuels for shipping and developing safety and environmental standards for their use.

Another policy is to work "with other like-minded countries" to put in place conditions to allow low or zero-carbon shipping on key trade routes by 2035.

In addition, the ERP reaffirms that New Zealand's sustainable biofuels obligation, which was introduced by the government in 2021, will help overcome the cost and risk barriers to uptake.

Sustainable biofuels are a renewable, low-emissions fuel source that can be used immediately to reduce our transport emissions.

The obligation requires liable suppliers to reduce the total emissions of fuels they supply by a set percentage each year through the deployment of biofuels in blended or neat form.

It applies to all liquid fossil fuel for transport refined in or imported into New Zealand, excluding aviation fuel, and aims to accelerate the supply and uptake of the country's bioenergy market.

USE OF ENERGY

When it comes to industry and energy use, a key action is to reduce New Zealand's reliance on fossil fuels and exposure to volatile global fuel markets, and support the switch to low-emissions fuels.

To achieve this, the government wants to set a pathway to reduce reliance on fossil gas through a gas transition plan, increasing access to low-emissions fuels and developing a hydrogen roadmap.

Flowing on from this is reducing emissions and energy use by supporting industry to improve efficiency, reduce costs and switch from fossil fuels to low-emissions alternatives.

It is hoped to achieve this policy strand through the Government Investment in Decarbonising Industry Fund, the Energy Efficiency and Conservation Authority's business programmes, and banning new low and medium-temperature coal boilers while phasing out existing ones by 2037.

The country's energy system is highly renewable by international standards. Just over 40 per cent of our total primary energy supply and nearly 28 per cent of our total final energy consumption comes from renewable energy sources.

In 2019, emissions from the energy and industry sectors made up 27 per cent of New Zealand's total gross emissions.

The overall aim of an energy strategy and targets is to set pathways through to 2050 shifting away from fossil fuels and for 50 per cent of total final energy consumption to come from renewable sources by 2035.

'Dream come true'

There is plenty of innovation going on around New Zealand when it comes to cutting emissions from shipping.

For example, Sparky recently arrived in the Waitematā Harbour escorted by a fleet of tugs and pilot boats.

So, what's special about her? Well, Sparky is the first fully electric tug in the world that can handle full-sized ships.

"It is the first e-tug of its type and was a truly innovative project for us," says Roger Gray, chief executive officer of Ports of Auckland Ltd (POAL).

"Her arrival marks a big step towards our decarbonisation of operations and towards our long-term emissions reduction goals."

Allan D'Souza, general manager of marine and multi-cargo operations, adds: "Back in 2016, when we first pitched the idea for a fully electric tug, we were told we were dreaming. To see Sparky in real life like this is that dream coming true.

"Due to the pandemic, we were unable to travel so we watched the build, launch and initial sea trials online.

"You can spot Sparky on the water as her superstructure is painted bright green, unlike our diesel tugs. What you won't notice is noise or smoke. Being electric, she's a lot quieter and cleaner than our current tugs."

Sparky, Ports of Auckland's e-tug

Sparky is the first Damen RSD-E Tug 2513. She has a six-metre draft, is 24.73m long land has two azimuth thrusters with three-metre diameter propellers.

She has a 70-tonne bollard pull, which is the same as the POAL's strongest diesel tug, the Hauraki. There are 80 battery racks holding 2,240 batteries, totalling 2,784kWh of power.

Sparky is expected to complete up to four shipping moves on one charge and her recharge time is about two hours.

To ensure absolute safety, there are two 1,000kW back-up generator sets on-board, which will only be used in cases of emergency or some fault that's not part of business as usual. These are expected to be used once or twice a year at most.

The e-tug is anticipated to save about 465 tonnes of CO_2 in diesel emissions a year with annual operating costs of less than one-third of a diesel sibling.

Pushback over emissions

> "We can't get ahead of Australia without significant disruption of supply of new vehicles to the New Zealand market"
> – David Crawford, MIA

The Motor Industry Association (MIA) is warning the government to stagger the shift to tougher vehicle-exhaust emissions standards for new light-vehicle imports or risk causing major disruption to the supply of cars to the market.

Officials are preparing a draft rule, which is expected to be released for consultation by the end of the year, to shift the assessment of new cars coming into New Zealand from Euro 5 to Euro 6 on the New European Driving Cycle (NEDC).

They are also planning to lock in a date to raise the bar further and adopt the Euro 6d standard, which is covered by the Worldwide Harmonised Light-Duty Vehicles Test Procedure (WLTP).

However, the MIA cautions a timely transition to changing the regulations is needed and it has pushed back against the government's initial proposals for how the new measures will be rolled out.

David Crawford, chief executive, says a timeline put forward by the Ministry of Transport for moving to higher emissions-testing standards does not have a split date between new and existing models.

"When you bring in a land transport rule, normally you have an introduction date for new vehicles complied for the first time in New Zealand and then 12-24 months later existing models must be able to meet the requirements," he explains. "But at this stage officials have been proposing to have the same date.

"The discussion we're also having with transport officials is that we have a difficulty in getting too far ahead of Australia because most of our new vehicles are designed for the Australasian market.

"Most of our members can go to Euro 6 and could then revisit the situation for going to Euro 6d once Australia's timeline has been confirmed. We can't get ahead of Australia without significant disruption of supply of new vehicles, including some low-emissions models, to the New Zealand market.

"We're now waiting to see if the Minister [of Transport] has listened to us. He's heard what we've got to say and we pushed back very hard on some comments made by officials at a meeting but we do not know where the minister is going to land with his decisions."

Crawford points out New Zealand is not big enough to have marques build vehicles specifically for our market, while Australia faces fuel quality challenges and is unlikely to move to Euro 6d until it can improve that situation.

He says the MIA supports efforts to reduce emissions from light vehicles but it recommends tougher rules for used imports, which must currently meet Euro 4 standards. It is also calling for a greater focus on the uptake of electric and low-emissions cars as people replace older internal combustion engine vehicles.

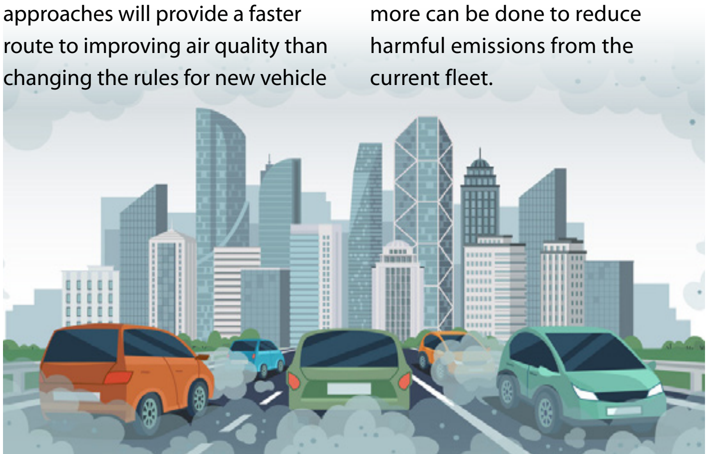
Crawford explains those approaches will provide a faster route to improving air quality than changing the rules for new vehicle imports because the difference between the Euro 5 and Euro 6 standards provides no additional protection from nitrogen dioxide (NO2) produced by petrol vehicles.

He notes while there is an improvement in air quality when moving from Euro 5 to Euro 6 for new diesel vehicles, more than 60 per cent of new light vehicles sold in New Zealand have petrol engines.

"We need to improve vehicle-exhaust emissions standards and take the used sector from Euro 4 to Euro 5 straight away, and then to Euro 6 in a reasonable timeframe. Meanwhile, the new-vehicle market should move to Euro 6 in a reasonable timeframe and then to Euro 6d when Australia does.

"We have said to the minister that we need to concentrate on encouraging the rapid uptake of low-emissions vehicles. That is the quickest way for new vehicles to reach better emissions outcomes."

MIA's comments follow the release of the updated Health and Air Pollution in New Zealand (HAPINZ) report, which shows more can be done to reduce harmful emissions from the current fleet.



Since the previous HAPINZ report in 2012, the vehicle fleet has grown by nearly one million units, up from around 720 per 1,000 people in 2012 to more than 800 per 1,000 today.

Crawford notes the third report, which was released in July, is the first to have considered nitrous oxide vehicle exhaust emissions. The main problem is caused by emissions from existing older vehicles , he adds.

Mark Stockdale, the MIA's principal technical adviser, says in the past decade more than 1.2 million used vehicles have been imported and these only needed to meet an equivalent Euro 4 emissions standard compared to Euro 5 for new cars.

"Unlike transitioning from Euro 5 to 6, there's an improvement in air quality by moving from Euro 4 to 5 so it would make sense to update the emissions standards to Euro 5 or equivalent for used imports.

"In 2021, there was a 94 per cent increase in the number of new vehicles sold with some form of electrification, totalling over 25,000.

"The MIA believes the continued prioritisation of the uptake of new electric and hybrid vehicles will provide the biggest gains in reducing harmful emissions from transport."

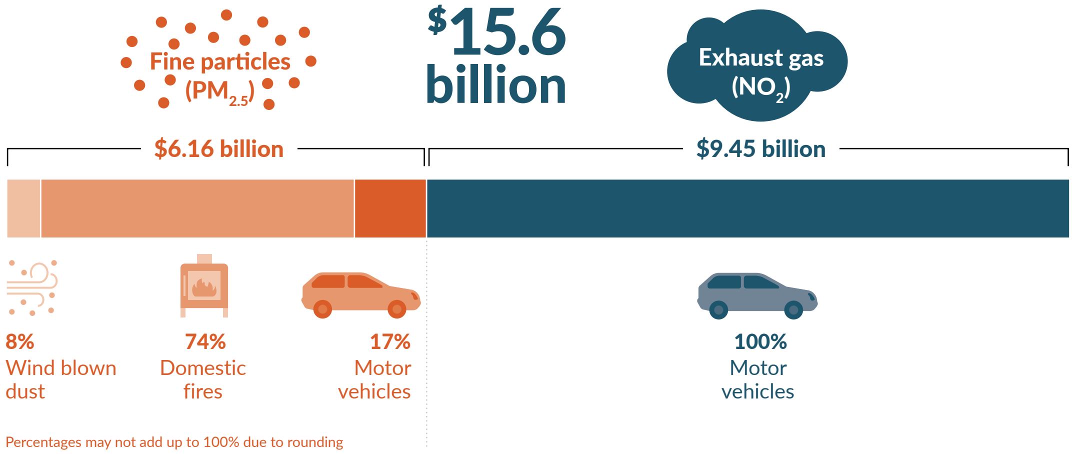
POLLUTION SOURCES

The HAPINZ study shows the government can help save lives by focusing on reducing emissions, which it says contributes to the premature deaths of more than 3,300 Kiwis every year and to about 13,000 cases of childhood asthma.

Phil Twyford, Associate Environment Minister, says motor vehicles and domestic fires cause most of the social costs from air pollution, which amounts to $15.6 billion a year.

He adds the report "provides further evidence of why we need policies like the clean car discount, which has just recently seen a record amount of electric vehicles and hybrids registered in its first year".

Social costs of health impacts from human-made air pollution (2016)



The latest Health and Air Pollution in New Zealand report shows how motor vehicles contribute to the social costs from air pollution.
Source: Ministry for the Environment

The HAPINZ 3.0 report was funded by Waka Kotahi NZ Transport Agency and the environment, transport and health ministries. It states dominant sources for anthropogenic social costs – those originating from human activity – depend on the pollutant.

Fires used for home heating in winter dominate New Zealand's anthropogenic PM2.5 pollution costs at 74 per cent. Next are motor vehicles on 17 per cent and windblown dust with eight per cent.

PM2.5 is an air pollutant that is a concern for people's health when its levels are high. PM2.5 – or particulate matter – are tiny particles that reduce visibility and cause the air to appear hazy when levels are elevated.

Motor vehicles dominate, exclusively, anthropogenic NO2 pollution costs at 100 per cent.

Other anthropogenic sources will contribute to NO2 exposure but due to limited information on them, the HAPINZ report has been defaulted to assigning all effects of NO2 to only on-road vehicles.

Nonetheless, it considers this "reasonable given motor vehicles are likely to be responsible for nearly 90 per cent of all NO2 exposure in urban areas".

The combined social costs associated with PM2.5 and NO2 anthropogenic air pollution are dominated by motor vehicles on 67 per cent. Next up are domestic fires on 29 per cent, windblown dust with three per cent and the balance from industry.

"The contribution of motor vehicles to overall anthropogenic air-pollution health impacts in HAPINZ 3.0 is considerably greater than that reported in HAPINZ 2.0, [published in 2012]," the report says.

"This is because HAPINZ 2.0 used PM10 as a proxy for all air pollution and assigned effects to individual sources based on their estimated contribution to PM10 concentrations, which are generally dominated by domestic fires.

"Motor vehicles are the dominant source of NO2 in urban areas but this was not factored into the HAPINZ 2.0 source allocations because the NO2 impacts were not expected to be so significant."

Top awards delight dealers

A number of Ford dealerships across the country are riding high after picking up prestigious awards for their efforts over the past year and seeing new models starting to arrive in their showrooms.

Six businesses received the Ford president's award 2022 for "exceeding customer expectations every day" and collected their gongs at a black-tie celebration in Havelock North.

Ford New Zealand handed out the honours to Fairview Motors in Hamilton, Team Hutchinson Ford in Christchurch, Energy City Ford in New Plymouth, Wanganui Motors Ford, McKendry Motors in Blenheim, and KB Ford in Dannevirke.

The marque says the Ford President's Award is given to dealers who provide the highest level of customer service, customer satisfaction and overall customer experience every day.

Mark Quirk, left, of Wanganui Motors, John Hutchinson from Team Hutchinson Ford, Russell Dempster of Energy City Ford, Simon Rutherford, Ford NZ's managing director, Andrew Collett from Fairview Motors, and Paul McKendry of McKendry Motors

John Hutchinson, dealer principal of Team Hutchinson Ford, says: "To win the president's award is a major achievement and one all our staff have played a part in.

"We have a remodelled dealership, the next-generation Ranger has just arrived and now a president's award too – it doesn't get much better than this."

Fairview Motors posted on its Facebook page that it was "stoked" to receive its award, while Mark Quirk, dealer principal at Wanganui Motors, says collecting the trophy on behalf of his team at the ceremony was a "pleasure and an honour".

"As to be expected, these dealer awards are not given out lightly and rightfully so," adds Quirk. "I was hugely delighted as we are aware that Wanganui Motors' service team do pride themselves on customer care, as does Murray O'Hara steering the sales team to a high standard of new vehicle deliveries, all of which collectively ends with happy customers.

"And what could be better for us than the next-gen Ranger and Everest being here, new EV product not far away and Ford Performance Vehicles' Mustang and the Raptor becoming available shortly. It's all good news at Wanganui Motors." ⊕

Tyres scheme intrigues

The roll-out of a product stewardship scheme for recycling end-of-life tyres (ELTs) is drawing attention from across the ditch as officials prepare for it to start operating next year.

A four-month trial of the programme, known as Tyrewise, is currently taking place in Hawke's Bay to ensure the scheme operated by Auto Stewardship New Zealand Ltd makes a smooth start when it is officially launched.

Adele Rose

Adele Rose, chief executive of 3R Group and Tyrewise's implementation project manager, says a webinar last month examining trends in tyre stewardship was a chance to share knowledge with counterparts in Australia.

Representatives of Tyre Stewardship Australia spoke about its voluntary scheme introduced in 2014 but were also keen to hear about the progress of New Zealand's approach to managing ELTs.

"Australia has started on a voluntary basis and at this stage is primarily invested in research and development for new uses for end-of-life tyres. We've started with a regulated system first and will then look at tackling R&D," explains Rose.

"They are very keen to learn from us on the road to regulation and, likewise, everyone here is very keen to learn from them and the success of their projects."

Once the government has enacted regulations under the Waste Minimisation Act 2008 for the full Tyrewise scheme to go ahead, which is expected to happen late this year, there will be a six-month period to notify affected parties before advance disposal fees can be collected on imported tyres. ⊕

Cut guesswork from ad spend

In New Zealand, the median cost of a digital lead in the automotive industry is $60. If asked, however, how many dealers could actually tell you how they fare against this average?

It is fair to say few dealers know and understand the true value of their advertising spend. They don't have visibility on what the return on investment is on their campaigns, nor how many vehicle sales they can attribute to them.

Most traders tend to go on gut feel when it comes to their advertising results and make decisions about their budgets based on what they believe has or hasn't worked for them in the past. This, however, is far from an exact science and is not the most effective way to run a business.

Our industry experience has shown dealers who introduce leads matching – that is, analysing campaign lead data against test drive and sales data – are better able to understand which parts of their advertising are driving conversions. These insights empower them to make more informed decisions about how they allocate their budgets for future campaigns, particularly during high spend periods such as the end of the financial year.

AUDITING CAMPAIGNS

One of our metro dealership clients was spending $2,000 per month on search engine marketing (SEM), however, the business didn't feel it was delivering the return it should. Although its reporting showed the campaign was receiving a good rate of clicks and phone calls, the gut feel was these weren't turning into vehicle sales.

Our team undertook a full audit of the campaign, confirming that all its enquiries were correctly feeding into its marketing platform. We also ensured the system was identifying the source of each of the enquiries and, where relevant, attributing them to the SEM campaign.

The final stage of our audit involved implementing an automatic feed of the client's sold vehicle data into its marketing platform. This allowed the dealership to match up, in real time, each lead, the advertising channel it had originated from, and whether it had resulted in a sale.

TODD FULLER
General manager, New Zealand
AdTorque Edge

> "Get familiar with your data and metrics, so you can make decisions based on facts"

What the business discovered was that contrary to the "gut feel", it was in fact receiving eight to 15 vehicle sales from its SEM campaign each month at a cost of $133-$250 per vehicle sold. These figures didn't even account for walk-ins that had not enquired prior to visiting the showroom but may have seen the campaign.

So, instead of cancelling its SEM, this dealership decided to significantly increase its AdWords spend for the coming months.

Leads matching is fast becoming an "industry essential" as dealers become more savvy about the way they spend their advertising budgets. The technology around it is quickly developing, with some marketing platforms now automatically integrating with other dealership data systems, allowing users to see in real time how many test drives and sales their campaigns are generating. This information gives dealers the ability mid-campaign to reallocate budgets toward advertising that is driving better results and to avoid unnecessary wastage.

With a downturn in sales and competition for market share at an all-time high, our advice to dealers – regardless of the type of campaigns you are running – is to get familiar with your data and metrics, so you can make decisions based on facts and not guesswork.

Furthermore, don't wait until next month to find out whether your advertising investment has provided the desired results. Instead, work with a marketing partner who can deliver tools and reporting that show you, in real time, exactly how your advertising is performing.

This will enable you to make adjustments throughout the campaign and maximise your chances of success to get the biggest bang for your advertising buck.

Industry movers

TONY GIBSON has been appointed as CEO and managing director of Vehicle Inspection NZ.

He previously spent 10 years as chief executive of Ports of Auckland Ltd and has more than 30 years' experience in shipping and logistics and has worked in various senior roles in Africa, Asia and Europe.

KATH WOOLLARD has been appointed as the AA's general manager of channel strategy and delivery.

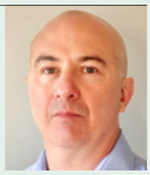
Woollard has spent the past three years with Fidelity Life as chief insurance officer. She was previously executive general manager of claims at Gallagher Bassett and held senior operations management roles with Sovereign.

NIALL BRADY has been appointed dealer principal at Continental Cars Audi in Auckland after being promoted from sales manager at Continental Cars Porsche.

He has been with the Sime Darby Motors NZ retail group, owner of the Continental Cars brand, for 14 years.

EMIEL FONG has been promoted from sales manager at Continental Cars BMW and Mini Wellington to lead the team as the new dealer principal.

He joined Continental Cars, part of the Sime Darby Motors NZ retail group, in September 2021 after eight years with the Armstrong Motor Group.



STEVE HENDERSON has joined Protecta Insurance as South Island business development manager.

After the past two years as wholesale finance specialist with Blackbird Finance, Henderson is relocating from Auckland to Christchurch. He has more than 20 years of finance industry experience, predominantly within the motor industry.

His previous roles have included being relationship manager at CFS Finance as well as working at Bank of New Zealand, Avanti Finance, ASB Bank, Heartland Bank and Dorchester Finance.

JAMES HENDRY has been promoted to national account director at AdTorque Edge NZ. He is responsible for the technology and development of automotive digital solutions in the New Zealand market.

Hendry joined the digital automotive agency in February 2018 as national dealer consultant. Before that, he worked for ReachLocal Australia & New Zealand and Fairfax Media.

ANDREW FLAVELL, pictured, has joined the board at Ports of Auckland Ltd to replace Pat Snedden, who has retired after 10 years.

Flavell is an independent director of Steel and Tube Ltd. He has extensive skills and experience in information technology having worked with Nike and Microsoft Studios in Japan and the US.

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

From left, Sean Butcher, Turners Cars' regional manager, Bobby Chardon, Palmerston North branch manager, Greg Hedgepeth, Turners Cars' chief executive officer, Leanne Ranson, Palmerston North branch's office manager, and Brad Lucas, general manager of Turners Cars – South

Branch doubles up on success

The Palmerston North branch of Turners Cars has secured the company's supreme award for the second year in a row – a feat never accomplished before.

The team from Manawatū-Whanganui also came first for finance and insurance at the black-tie ceremony held at Church Road Winery, Napier.

Other winners included Whangarei for buying and Napier for branch sales, while Christchurch came top for commercial vehicles.

The awards evening rounded off Turners' 80-strong leadership team from 30 branches around New Zealand coming together for three days.

Greg Hedgepeth, chief executive officer of Turners Cars, says the Palmerston North branch "lives and breathes Turners".

Performance for the awards is measured across financial metrics versus budget. That's then compared to the previous financial year taking into account branch employees. Customer service and staff engagement weigh heavily in the scoring.

"Our Palmerston North branch has continued to push itself higher again and again to results many thought were impossible," says Hedgepeth.

"Its financial results were well-above budget and staff-engagement levels were very high, all while maintaining an exceptional customer experience above the industry benchmark. Going back-to-back is an incredible achievement."

Rebates top $100m

The government has paid out more than $100 million in rebates under its clean car discount scheme, according to figures about the programme that aims to encourage consumers to opt for low-emissions vehicles.

Official information released by Waka Kotahi NZ Transport Agency also shows more than $14m in penalties has been collected from those buying high-emitters since the feebate system was introduced at the start of April 2022.

The scheme provides a discount of up to $8,625 for certain imported light vehicles when they are first registered in New Zealand, or a fee up to $5,175, depending on their emissions output.

Following a surge in electric-vehicle sales after the launch of the clean car discount in July last year, the transport agency approved 19,662 clean car rebates in the year to May 31.

This has resulted in it paying $101,770,725 in rebates to buyers and Waka Kotahi has also netted 7,162 fees totalling $14,351,037.

The government last year budgeted $301.8m to cover establishing the scheme and to fund the initial rebates for battery electric vehicles and plug-in hybrids. The money is due to be repaid through fees over time.

Rate cars based on social harm

The HAPINZ 3.0 report was released at the beginning of July. It explored the impact of noxious emissions from all sources, including transport.

The focus was on quantifying these emissions that create health harm as opposed to carbon dioxide (CO2) emissions.

According to the report, noxious emissions cause 3,300 premature deaths annually with an estimated social harm of $15.6 billion – again, annually.

The report also showed the health burden from emissions is increasing overall. There has been a 10.2 per cent rise from 2006-16 even though we saw a 10 per cent decrease in fine particulate matter (PM) during that period. This increase was due to a 53 per cent jump in nitrogen oxide (NOx).

Noxious emissions from transport exclusively accounted for an estimated $10.5b in harm, some two-thirds of total harm. Of that, 17 per cent of PM – $1.05b cost – and 100 per cent of NOx, costing $9.45b, is attributed to transport.

To put this into comparison, using 2018's numbers, which are almost identical to 2008 for a like comparison over a decade, there were 378 deaths (366 in 2008) and 14,698 injuries (15,368 in 2008).

Providing the official social-impact estimates of $4.916 million per fatal crash, $923,000 per reported serious accident and $104,000 per minor crash, this leads to total social harm from accidents of $4.94b – just under one-third of the total harm from emissions in general and half the total harm of transport's.

This comparison is interesting because our current view of transport safety focuses exclusively on a vehicle's crashworthiness. For instance, the government is proposing to spend about $1b annually to fund Road To Zero initiatives, which are focused exclusively on reducing harm from accidents.

KIT WILKERSON
Head of policy and strategy
kit@via.org.nz

Additionally, the clean car programme applies crashworthiness ratings in a way that disincentivises some of the lightest and least-emitting options New Zealanders have access to because they are light and will not fare well in a collision with a ute.

So, crashworthiness is irrationally trumping noxious emissions in government consideration of harm from our transport system even though emissions are creating significantly more harm.

Why do we rate safety in this way? This is only my opinion, but I think it's because safety has become a way to market more profitable vehicles and the government has deferred to the expertise of original equipment manufacturers (OEMs).

Additionally, there are responsibility and liability benefits to framing the safety problem as an engineering challenge that can be addressed by adding 50kg of mass.

If the cost of emissions had been part of the equation for the past decade or two, OEMs would have been dealing with the same challenges they're now facing as we look to decarbonise. Hard problems with hard solutions, such as moving away from internal combustion engines, the waste of significant amounts of investment on the part of the OEMs.

Instead, I think the decision was taken that it's more profitable to utilise old technology for as long as possible. They accomplished this not by hiding harm caused by emissions, but by simply being silent about it while publicly focusing the definition of safety on crashworthiness, the easier problem.

To be fair, OEMs have succeeded in this aim. Cars have generally become more crashworthy over time. Unfortunately, they have also tended to become bigger and more massive, which has turned crashworthiness into a zero-sum solution.

It is an irrefutable mathematic certainty that more massive vehicles do keep occupants protected in a collision, but they do so while also increasing the likelihood of harm to other road users – and while requiring more fuel, increasing emissions that create more harm from the transport system in general.

What to do? Well, this is really a two-part question. What will the government do in response to the HAPINZ 3.0 report and what should we actually do?

The government will immediately propose moving to Euro 5 and Euro 6 even though this will have little impact. The vast majority of current imports already meet these standards and the step from Euro 6, at least for petrol vehicles, is incremental and will result in little reduction in emissions.

We've also already seen the proposal to reduce the number of cars on our roads and or vehicle kilometres travelled to reduce CO2 emissions. This will impact on emissions, but would need to be paired with serious investment in EU or Japan-style public transport nationwide.

We have also seen the government propose a scrappage scheme. Unfortunately, this is more focused on addressing equity caused by decarbonisation efforts rather than targeting gross-emitters.

My recommendation would be for the government to shift incentives away from crashworthiness criteria and adopt a social harm-based rating system. Contrary to what we have now, this would see lighter and more efficient vehicles, those that cause the least social harm, have the highest ratings.

Incentivising these new criteria would result, over time, in a fleet composed of lighter, more efficient vehicles – less fuel or energy consumed and emissions, less road wear and even less kinetic energy involved in crashes reducing the chance of harm occurring.

Coupled with improved infrastructure, such as road barriers, this would be a true systems-based approach to safety in-line with Vision Zero.

The month that was... September

September 16, 2005

National creeping ahead

The general election was finally upon us. And if the latest polls were anything to go by, dealers were quietly confident in their perceived champion, National leader Don Brash.

In July, Autofile's survey of car traders showed 92.9 per cent of respondents supported National with just a couple backing Act and one the Libertarians.

Public polls had swung throughout the campaign. But with just one day to go, a rolling poll compiled by nzvoters.org, which combined the latest three of six major polls, showed National creeping ahead to 42.5 per cent.

Labour had dipped to 38 per cent, while the Greens and New Zealand First were on about six per cent, which was just ahead of the five per cent threshold required to secure seats in parliament.

United Future was on three per cent, while Act, the Maori Party and the Progressive Coalition were all on one per cent.

The question, however, was which parties would go with which. Labour and the Greens had confirmed a willingness to work together, while NZ First had promised not to enter a coalition but support in principle the party that won the most votes.

September 29, 2006

Vehicle Testing Group IPO postponed

The Motor Trade Association (MTA) opted to delay floating part of Vehicle Testing Group (VTG), its subsidiary that owned the VTNZ and On Road chains.

The association's commercial arm, MTA Group Investments Ltd (MGIL) announced the initial public offering for VTG was to be put on hold.

The board blamed a slowdown in the market and uncertainty over costs involved in implementing new brake-testing regulations for heavy vehicles. MGIL had announced in July 2006 of its intention to list VTG in the fourth quarter of 2006.

"The board reconsidered its intention to offer shares in VTG due to market uncertainty brought about by the proposed changes in the heavy brake rule," said MGIL chairman John Knowles.

"These changes may require significant capital investment in new testing equipment. Until the regime is confirmed by Land Transport NZ, we won't have a clear view of what that means for the business.

"We are mindful the recent decline in the numbers of used cars being imported also affects VTG's business."

September 21, 2007

Senate and GE Money team up

Senate Finance, owned and operated by financial-solutions provider Dorchester Pacific, had that week announced a funding partnership with GE Money that would see the US giant financing Senate's vehicle-lending operation.

GE Money had set up a broker-financier partnership with Senate whereby loans introduced through the existing Senate dealer distribution channel were primarily financed through GE Money New Zealand. There would be no impact on existing arrangements with customers.

Andrew Walker, chief executive of Dorchester Pacific, was pleased with GE Money arrangement, which was in-line with strategic direction signalled in 2006 and confirmed at a recent annual meeting.

"We are aiming to streamline our business and move away from consumer-related finance," said Walker.

"This partnership allows Senate to earn brokerage revenue by building on the excellent service and relationships it has established with its dealer network and customers over many years.

"The financing risk will be carried by third parties including GE Money, one of New Zealand's leading consumer-lending finance companies."

September 11, 2009

Murph: Driving force of change

He had won Bathurst four times and was one of our most famous racing-car drivers, but Greg Murphy is equally passionate about the standard of our performance on our roads as winning on-track.

Murphy had been outspoken on numerous occasions about raising the driving age and lowering the engine size for New Zealand's young motorists.

But he wasn't just targeting the boy-racer crowd. He was equally despondent at the driving of seemingly more experienced road-users – 40-somethings who had been on the road since their parents gave them their final lesson aged 15 and sent them down to the local cop shop to pass their tests.

For Murphy, no matter what our age, Kiwis needed to become better behind the wheel. He hadn't heard about the AA's proposal to the government to raise the legal driving age to 17, but was delighted with the suggestion. "I'm shocked by the AA's stance because it has been against it for years, but it's good that it is proposing this," he told Autofile. "We can't allow kids so young to obtain licences."

Murphy had been pushing to increase the driving age for years, plus lowering the engine size of what teenagers could use to a maximum of one to 1.3 litres and not the powerful cars they could purchase.

Fee change 'missed opportunity'

You should by now be aware of a change in your annual trader registration fee. The fee was the subject of a review earlier this year and after government deliberation the new rates came into effect on August 1.

If you haven't kept your eye on the ball, you might not be aware the fee consists of two elements – an amount to fund the registration process and a levy to help fund the Motor Vehicle Disputes Tribunal (MVDT).

The collective amount was previously a flat annual fee of $595.98, including GST, for everyone. However, the new rates vary between an individual or company registration, and whether it is an initial application or a renewal. On that basis, the fee now ranges from $702.65 to $1,233.95. A visit to the traders' website – motortraders.tradingstandards.govt.nz – provides the details.

A good amount of time has passed since 2003 when the fees were first set under the Motor Vehicle Sales Act so it was not unexpected an increase would eventually arise.

That said, it seems an opportunity was missed to have a closer look at the functioning of the act and even the related tribunal. The government's discussion document didn't call for any feedback in that respect but the MTA took the opportunity anyway to toss a few ideas into the mix.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

These included suggesting wider consultation with the industry leading up to the review would have been more helpful and may have allowed a first principles rethink of the levy structure, including assessing the use of fixed/variable mixes of levy and/or assessing levy payments based on the size of turnover or frequency of MVDT appearances.

We would like to see the government undertake a fee and levy review every five years to prevent businesses from being stung by such a significant increase in costs and provide them with certainty and predictability. The tribunal levy is almost double the previous amount, going from $113 to $210 plus GST. Maybe not a lot in isolation, but in these inflationary times, they all add up.

Perhaps the consumer fee for filing an MVDT case should increase from $50 to $90. This aligns with the ordinary Disputes Tribunal fee for claims between $2,000 and $5,000, whereas the MVDT complaint limit is much higher.

Our review of recent cases suggests about half the consumers succeed in their claims. One inference from this is the costs for entry is so low that consumers with a thin basis for complaint feel they can "have a go", incurring significant cost on the trader and the MVDT for a failed complaint.

> "There should be a mechanism to disincentivise traders from appearing too often before the tribunal"

Most motor vehicle dealers never end up before a tribunal and effectively subsidise the cost of a dispute function they seldom use. Conversely, there are some who are "frequent flyers".

The MTA believes there should be a mechanism to disincentivise traders from appearing too often before the tribunal. For example, perhaps dealers get to defend two cases in any calendar year and after that they are charged a "hearing fee" for every additional case in which the complainant's claim is upheld and where the order is significantly better than any settlement offer previously made by the dealer.

Obviously outside the scope of the fee's consultation, the MTA suggested further work should be undertaken to review the scope of the MVDT's jurisdiction and its remit widened to cover all motor vehicle-related disputes, including those about repairs.

At present, it is concerned only with disputes arising from vehicle sales. A core benefit of the MVDT is its access to technical assessors who can assist adjudicators with arguments concerning technical issues. Often, disputes relating to repairs are over similar problems but the Disputes Tribunal system does not have regular access to technical advice.

The MTA is aware of many Disputes Tribunal cases that have been delayed because technical evidence was needed and then debated, with only one side – the repairer – having clear expertise.

Details such as how repairers would contribute to the system, for example "at the door" or through an annual levy, would need to be ironed out but it seems a sensible approach.

Living up to 'legend' status

Greater handling precision, extra power and a restyling of the exterior feature in Subaru's fifth-generation WRX.

It boasts two body styles – the 2.4T sedan and GT wagon, with Premium and tS variants for each.

The GT wagon is being described as a model "in its own right", with it and the 2.4T sedan featuring specifications for their respective audiences.

For the first time, the WRX uses Subaru's new global platform. This has been designed to enhance responsiveness by enabling sharper handling and adds comfort by reducing road vibrations.

It features full inner-frame construction for high body and chassis rigidity. It gives the all-new model about 14 per cent more front-lateral flexing rigidity and 28 per cent more torsional stiffness than its predecessor.

A more powerful direct-injection, turbocharged 2.4-litre, horizontally opposed four-cylinder Boxer delivers 202kW of power at 5,600rpm and 350Nm of torque from 2,000-5,200rpm.

Power is up by five kilowatts on the outgoing model. While torque output is the same, it's produced lower in the rev range to generate high torque from low engine speeds.


Inside the Subaru WRX 2.4T sedan

There are two transmission choices – a precision six-speed and, exclusive to the 2.4T, a close-ratio manual or Subaru's performance transmission with sports-shift control for rapid-response gear changes for automatic models.

The tS variants have drive-mode select. This allows owners to change the car's on-road characteristics to suit their preferences, with "individual" mode allowing full driver customisation.

Electronically controlled dampers make their debut on the WRX's tS models to enhance sporty handling while refining ride quality. A new dual-pinion electronic steering system reduces resistance for a linear response.

The all-new WRX's impressive ride and handling qualities are managed by an independent suspension layout featuring MacPherson-style struts at the front and double-rear wishbones.

Braking is handled by large, power-assisted ventilated front and rear discs. Low-profile Dunlop SP Sport Maxx tyres on 18-inch alloys are standard across the range.

The 2.4T sedan has performance-inspired exterior design cues, such as air outlets on the trailing edges of the front-wheel openings, side skirts and a lip-style boot spoiler.

Inside, the cabin features black upholstery with red stitching and a leather-wrapped steering wheel.

The new cockpit design features an intuitive layout with highly visible and readily accessible instruments and controls.

The instrument layout features prominent tachometer and speedometer displays, with engine temperature and fuel gauges integrated into their faces. A high-resolution, multi-information display is located between the two main dials.

The tablet-like 11.6-inch infotainment touchscreen makes for easy operation of key systems. These include Apple CarPlay and Android Auto connectivity, satellite navigation, vehicle settings and air conditioning.

All grades of the WRX's standard kit includes an 11.6-inch central information display, eight airbags, vision assist with blind-spot monitor, lane-change assist and rear cross-traffic alert, and dual-zone air-conditioning with climate control.

"The last time we launched a new-generation WRX was 2014," says Wallis Dumper, Subaru of NZ's managing director.

He adds the decision to bring the wagon variant to market was made because the GT wagon and 2.4T sedan, which are priced from $59,990, have been designed as distinct vehicles for different buyer groups.

"The sedan is built by enthusiasts for enthusiasts. It's a performance car with aggressive styling that carries the WRX heritage, while the wagon offers subtle, sophisticated styling and utility without compromising its performance credentials."

The WRX GT wagon

Driving into the future of mobility

The Niro Plus is the first "purpose-built vehicle" (PBV) revealed by Kia in its expanded scope as a "sustainable mobility solutions provider".

The marque is exploring ways to help people and business owners move beyond "traditional automotive" and predicts its PBVs will be an important part of the future.

It will be deployed as a general model and zero-emissions taxi in South Korea, with the company modifying its first-generation Niro electric vehicle (EV) to make it suitable for car-hailing.

Kia is aiming to become a leader in the PBV market by 2030, and is developing a dedicated platform on which vehicles of different shapes and sizes can sit.

The company is planning a general version of the Niro Plus for private owners, which can also be used for business and recreational purposes.

The taxi and general variants of the Niro Plus

It envisages scenarios like a small business owner using it for work during the week before making the most of its versatility for weekend leisure activities.

Kia says demand for delivery and logistics services has increased following the acceleration in e-commerce during the Covid-19 pandemic.

And as the PBV market grows, the marque will expand its range from micro to large models that can potentially offer an alternative to public transport or even be used as mobile offices.

The plan is for the Niro Plus to be available in select overseas markets later this year. In addition to the fully electric variant, it will be available as a plug-in hybrid and petrol hybrid.

Kia has made enhancements to its taxi model. Its length and height have been increased by 10mm and 80mm respectively when compared to the first-generation Niro without a roof rack.

Slimmed-down structures have contributed to greater cabin space with it featuring thinner seats and door trims compared to the original Niro EV.

An integrated all-in-one display improves convenience and safety for the driver by removing the need for multiple devices and screens.

The system will include data on relevant points of interest and locations of nearby EV charging stations, and Kia is looking to partner with local and national businesses to offer over-the-air updates and services.

Adventure 'sanctuary'

The next-generation Everest is going on sale in this country with prices starting from $71,990.

Ford NZ says the range has been "engineered to excite" and "premium levels of craftsmanship have created a quiet and refined sanctuary" for up to seven people.

Online reservations for the new Everest and Ranger opened in mid-May to supplement the marque's offline order bank and give would-be buyers the ability to shop at their leisure.

Simon Rutherford, managing director of Ford NZ, says: "Online reservations reflect our ongoing efforts to meet what customers want from their buying experiences."

The Kiwi range's top-of-the-line model is the Platinum, which features a flagship interior.

It's powered by a new three-litre V6 turbo-diesel backed with a 10-speed automatic transmission and permanent four-wheel drive. The same engine is also available on the Sport.

Prices for the Everest start at $71,990 for the Trend with its two-litre bi-turbo diesel 10AT. The Sport costs from $79,490 and the Platinum is priced from $84,990.

The Everest Platinum

Teen's career in fast forward

Bree Morris has some good advice for young drivers contemplating moving up to single-seater racing and entering New Zealand's Formula Ford scene.

The 18-year-old is the first female Formula Ford champion in the 50-year history of the competition in the country. She won the 2021-22 North Island series and finished second by the narrowest of margins in the southern series. Alex Crombie was the overall New Zealand champion.

Having moved through kartsport and Formula First, the Aucklander spent two seasons competing in both the South and North Island series, as well as the NZ Formula Ford championship.

She says racers on the way up should pay close attention when they arrive in Formula Ford, and get as much race time in the most competitive car and team as possible.

"I learnt a valuable lesson in Formula First and luckily it didn't cost a lot," she told Autofile. "You definitely need a good car and a good team."

Bree Morris in New Zealand's Formula Ford championship

Bree's karting career saw her race in Australia and Italy

Battling in the Formula First championship at Pukekohe in 2019

Having started off in karting at the age of 10, Morris then moved up to single-seater racing in Formula First.

"Dad and I did that by ourselves and it didn't go very well," she recalls. "We really didn't know what we were doing.

"Personally, I think you don't have time to muck around so you need to do it properly.

"Experience-wise, you probably only have two years so you might as well do it properly. It's much better to do it with people who know what they're doing."

The purchase of the ex-Josh Bethune-winning Ray GR17 was the first step towards competing in Formula Ford.

The vehicle was the first new Ray chassis imported into New Zealand at a time when the car to beat was the Mygale. In addition,

Paddon bumped up rally podium

It wasn't how Hayden Paddon wanted to do it but the "Finnish Grand Prix" delivered him a Rally2 class podium finish.

Recovering from Covid, Paddon was sixth in class after the first day before fighting his way to fourth at the end of the World Rally Championship (WRC) Rally Finland.

Cromwell-based Paddon is New Zealand's only winner of a WRC event having won the Rally Argentina while driving for the Hyundai works team.

He labelled his initial placings of fourth and 12 overall in Finland "a great result". He and co-driver John Kennard were pleased with that outcome but then a post-rally inspection revealed the class

Hayden Paddon was third in the Rally2 class at Rally Finland

winner, Teemu Suninen, had been using a lightweight bumper.

The front bumpers of two other Hyundai i20 N Rally2 cars involved in Secto Rally Finland were checked and found to weigh 5.09kg and 5kg respectively.

These were original Hyundai Motorsport supplied parts, while Suninen's was a 4.5kg prototype.

The Finnish driver's team afterward claimed the bumper, which also had greater cooling capability than the stock part, was fitted by mistake. It meant he was disqualified and Emil Lindholm awarded the class victory, with Paddon promoted into third place.

"This is a great result considering where we started with the car in Latvia a month ago and we have much more to still come," Paddon said on social media.

"It's hard to describe how much of an effort it is to do this programme with a tiny team from the opposite side of the world but now that we have dipped our toes in the water, we all want more."

Paddon's car will next be in action at the WRC Rally New Zealand from September 29 until October 2.

several new Spectrums were also being imported from Australia.

The car the family chose came with an agreement to run with the team at Motorsport Solutions, which had worked with Bethune.

In her first season, Morris was an unexpected entry in two rounds of the 2020/21 South Island Formula 1600 Championship at Teretonga Park in Invercargill and Timaru International Raceway.

That was a surprise because few North Island drivers ventured south to compete and this turned out to be one of the keys to her eventual success in the category. Southern grids are better populated and more hotly contested than northern ones.

Morris acquitted herself well. She always finished in the top 10 across six races against some top competition, including eventual series winner and national champion James Penrose. Meanwhile, in the North Island Series she finished third overall in her rookie season.

"We did both the South Island and national rounds with Motorsport Solutions and learnt a lot of the basics. This enabled Dad and I to run the car by ourselves in the North Island Series."

In her second season, she returned south for rounds in Christchurch and Timaru as well as contesting the North Island Series, eventually winning the 2021/22 title.

"We missed the first round and I never thought that we would be in with a chance until the penultimate race."

The key to Morris winning the title wasn't just her new ability to win but also to continue winning

Bree Morris is Formula Ford's first female champion in New Zealand

> **"You don't have time to muck around so you need to do it properly"**

races. Her only "did not finish" came after she ran out of fuel. She then went on to win the next three on the trot, part of a total of five victories across nine podiums from 12 starts.

"Formula Ford has been a good stepping stone. It has been really important and winning certainly looks good on the CV."

So, what's next for Bree Morris?

Winning the North Island Formula Ford Series earned her a free test in a FT50, the chassis that was used in the Castrol Toyota Racing Series prior to the current FT60.

"We are doing some 'wings and slicks' testing with the goal to get into both the Toyota Racing and the W Series," she says.

"I absolutely love it. It's such a stiff chassis with no leeway for mistakes. It reminded me of driving a kart when smoothness is required, whereas the Formula Ford is more forgiving.

"The hard thing is to gauge how it went. It was a wet test and going out in the wet is not the best confidence booster. It wasn't scary, just nerve-racking."

NZ Formula Ford national champions

1971-72	David Oxton	Elfin 600
1972-73	Dave McMillan	Opert Titan Mk6
1973-74	Peter Hughes	Bowin P6
1974-75	Grant Walker	Elfin Superford
1975-76	Dave McMillan	Lola T342
1976-77	Eric Morgan	Lola T342
1977-78	Grant Campbell	Titan Mk9c
1978-79	Mike Finch	Cuda II
1979-80	Mike King	Titan Mk9C
1980-81	Jeff Pascoe	Swift LM1
1981-82	Mike King	Crossle 25F
1982-83	Kevin Ingram	Keram
1983-84	Steven Richards	Titan Mk6
1984-85	John Crawford	Reynard FF84
1985-86	Craig Coleman	Van Diemen RF85
1986-87	Shane Higgins	Van Diemen RF86
1987-88	Craig Baird	Van Diemen RF86
1988-89	Grant Campbell	Swift FB4
1989-90	Paul Larsen	Swift FB89
1990-91	Andy McElrea	Van Diemen RF88
1991-92	Gary Croft	–
1992-93	Ashley Stichbury	Van Diemen RF84?
1993-94	Ashley Stichbury	Van Diemen RF84?
1994-95	Shane Drake	–
1995-96	Greg Tullett	Van Diemen
1996-97	Scott Dixon	Swift
1997-98	Greg Tullett	Van Diemen
1998-99	LeRoy Stevenson	Van Diemen
1999-00	Phil Hellebrekers	Spectrum 07
2000-01	James Cressey	Van Diemen RF94
2001-02	Fabian Coulthard	Stealth Van Diemen RF94
2002-03	Jonny Reid	Stealth Van Diemen RF94
2003-04	Tim Edgell	Van Diemen RF03
2004-05	Shannon O'Brien	Van Diemen RF03
2005-06	Shane van Gisbergen	Stealth Evo 2
2006-07	Sam MacNeill	Van Diemen
2007-08	John Whelan	Stealth Van Diemen
2008-09	Richie Stanaway	Mygale SJ08A
2009-10	Martin Short	Mygale SJ07A
2010-11	Andre Heimgartner	Mygale SJ10
2011-12	Andre Heimgartner	Mygale SJ10
2012-13	James Munro	Mygale SJ08A
2013-14	Jamie Conroy	Mygale SJ07A
2014-15	Taylor Cockerton	Mygale SJ08A
2015-16	Michael Scott	Mygale SJ08A
2016-17	Liam Lawson	Mygale SJ08A
2017-18	Callum Hedge	Mygale SJ08A
2018-19	Jordan Michels	Mygale SJ13
2019-20	Billy Frazer	Spectrum 015
2020-21	James Penrose	Van Diemen Stealth
2022	Alex Crosbie	Ray GR21

Evidence shows buyer was aware vehicle might need repairs when he purchased it

The case: The buyer wanted the trader to pay for extra engine repairs on his Dodge Ram. Both parties had agreed the ute had serious mechanical issues soon after purchase, but the purchaser had refused the dealer's offer to refund its sticker price. Instead, the trader remedied the engine, but the buyer was unhappy with that work.

The decision: The consumer's claim was denied because there was no evidence the repairs were unsuccessful.

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

Background

William Cunniffe purchased a 1999 Dodge Ram for $27,000 from Vehicle Import Specialists Ltd on May 27, 2021.

However, for a significant time post-supply, the vehicle had major engine repairs arranged for by the trader.

The buyer was unhappy with the time taken and quality of repairs. He claimed the Ram needed a full engine rebuild. He wanted to recover this cost, damages for lost income and other costs.

There was no dispute the Ram had serious faults. These amounted to a breach of acceptable quality in the Consumer Guarantees Act (CGA) and the problems were substantial.

The trader said it had fixed the engine satisfactorily and the ute didn't have any ongoing faults. Moreover, it was prepared to refund Cunniffe the purchase price, plus three months' registration and insurance costs.

The dealer added it was unwilling to do more work on the Ram because it was concerned Cunniffe would find more problems with it.

After the hearing, the trader said if the engine was faulty due to a parts failure or labour during its reconditioning, it would redo that work at its cost within 60 days.

The case

The primary issue was whether the dealer had failed to fix the engine within a reasonable time. If the buyer could establish that was the case, the tribunal had to consider what remedy he was entitled to.

Soon after purchase, Cunniffe, who lived on the West Coast, texted the trader about warning lights and was told to return it when next in Christchurch.

About two weeks post-supply, he took the ute in. Initially, he said it seemed the dealer didn't accept anything was wrong with it.

The trader's administrator, Martin Patterson, explained that despite having imported about 50 of these vehicles, it hadn't previously had to rebuild a Ram engine.

Patterson drove home to test it. He found the vehicle used a significant quantity of engine oil – two litres each way. He accepted it needed significant repairs and offered Cunniffe a refund, but he wanted to keep the ute and asked for the engine to be rebuilt.

Cunniffe specified he didn't want one technician to work on it. The trader said that caused delays, which were exacerbated by coronavirus-related supply issues and staff sickness. Those delays meant the repairs took between three and four months.

The Ram was collected by Cunniffe in December last year. He said the engine rebuild work wasn't well-documented.

Patterson explained the job was co-ordinated in-house. The motor was dismantled by Ricky Torkington, of STR8UP Automotive, who had 40 years' experience. Engine reconditioner Peter Bell machined the motor. Parfitt Motors Ltd was engaged to reinstall the motor but the technician responsible was unwell, which contributed to the delay.

The trader paid $7,856 for the remedial work but Automotive Brands' invoice didn't list the individual repairers, which troubled Cunniffe. He criticised the rebuild and said it wasn't up to standard and the Ram had developed a front-sump oil leak.

He produced a report dated January 25, 2022, from Oldschool Garage. It reported the spark plugs had oil residue on them. After they were removed, it carried out a compression test, but Cunniffe claimed the results were unhelpful because they were reported in blocks of four cylinders rather than for individual cylinders.

At the hearing, he gave individual ratings for each cylinder, but failed to produce evidence of that.

Oldschool Garage also questioned whether the engine had been removed from the vehicle during repairs. It also pointed to oil weeping from between the block and cylinder, and the front sump's leak. It suggested a further engine rebuild costing about $8,625.

Patterson denied the work the dealer arranged was inadequate or that the engine hadn't been removed from the ute when it was being remedied.

He said Cunniffe hadn't returned the Ram for its 500-mile check after the rebuild. That would have been an opportunity to see if it was a success.

Patterson added the front-seal oil leak would be easily fixed, and the trader wasn't liable for Cunniffe's claim for lost income and costs.

The finding

Under the CGA, if the Ram's repairs were successful, even if somewhat slow, they didn't necessary lead to a remedy.

If Cunniffe could have established its repairs were unsuccessful, he would've been entitled to have it fixed elsewhere and recover costs from the trader.

But on the evidence presented to the tribunal, it wasn't possible to assess whether the remedies were successful. That was due to the absence of reliable compression results and a reliable oil-consumption test.

Moreover, in light of evidence of an oil leak, there was an issue as to whether the Ram was consuming oil or if it was leaking oil. In addition, the trader should have had an opportunity to inspect the vehicle because it could have been easily repaired.

For those reasons, the tribunal didn't accept Cunniffe had established the repairs were unsuccessful.

Also, the tribunal didn't accept he had established any basis for ordering the dealer to pay him damages in respect of alleged lost income, window repairs, registration costs for the time the vehicle was under repair, and extra oil to cover leaking after the rebuild.

Those claims were poorly substantiated with no receipts provided.

Generally, the tribunal doesn't award parties damages for lost income associated with a dispute or for the time taken to arrange repairs.

The adjudicator added it was clear from Cunniffe's evidence that he was aware when he purchased the Ram that it might need repairs.

Finally, the trader was willing to make a contribution to registration costs if he returned the ute for a refund.

Order

The application was dismissed.

A 1999 Dodge Ram

Owners told their claim of items taken from car would be for the police to investigate

The case: The buyers of a 2010 BMW X5 wanted the trader to fix its faults, and compensate them for damage to its bumper and for items they claimed were taken from it when it was being repaired. The trader said it had remedied the car's problems.

The decision: The dealer was ordered to repair an ongoing undiagnosed voltage-supply fault with the vehicle. The couple weren't entitled to compensation because they hadn't proven property had been removed from their car.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Mohamed Zeid and Dalal Omar bought a 2010 BMW X5 for $29,540 from CNB 1 Ltd in November 2020 and then discovered it had mechanical issues. The trader repaired some defects, but others remained outstanding.

The couple wanted the dealer to rectify the outstanding faults. They also sought compensation for alleged damage to the car, property they claimed went missing from it and fuel used while it was being fixed.

The trader said it had rectified the pre-existing faults, so the buyers weren't entitled to further remedies.

The case

Soon after purchase, Zeid noticed problems with the BMW's tyres, engine, lights, a door handle, the dashboard, window frames and gearbox. He contacted the trader's director Christopher Broadhurst, who advised him to return it.

The dealer had the BMW for about two weeks. It provided invoices to show it had replaced a tensioner assembly and mechanical belt tensioner.

Zeid had the car returned for use over the Christmas holidays with the proviso he returned it to the trader for repairs to be completed.

But he was unable to take it back to the dealer's usual mechanic because he went to Singapore, so it wasn't returned to the trader until February 2021.

Zeid was told the repairs would take about two weeks, but the car wasn't returned to him until March.

Penrose Motors Ltd found faults with the right headlight, worn lower suspension-arm brushes and a knocking noise from the front-right sway bar. It replaced these parts.

Zeid said the defects were rectified except problems with the lights and gearbox. He also claimed some belongings, including a wireless cellphone charger and sunshade, were missing, and the vehicle had suffered impact damage on its rear bumper while being repaired.

He contacted Broadhurst about those issues, but he declined to provide any assistance. Zeid then applied to the tribunal seeking orders for the trader to fix the outstanding defects, return his "missing" belongings and repair the car's rear.

The tribunal first heard this matter on February 8, 2022, when the buyers alleged the vehicle had two problems the trader had refused to rectify – a gearbox fault causing it to shudder at low speeds, and an undiagnosed issue with the lights, which caused a warning message to appear. That hearing was adjourned to have the defects diagnosed.

The BMW was assessed by Europa Auto Service Ltd on February 19 and it reported a voltage-supply problem.

It considered this might be causing the symptoms experienced because the all-wheel-drive distribution system wouldn't work correctly if the voltage was too low. It noted a foot-control module for the car's lights needed investigating.

Zeid also provided photos of damage to the vehicle's rear and a warning light he said had been illuminating for some time.

The finding

Zeid said the BMW had a gearbox fault since purchase, but the tribunal wasn't satisfied those issues initially complained of were the same as those presented a year later. That was because Penrose Motors thoroughly assessed the vehicle in February 2021.

However, evidence showed the symptoms later complained of were present shortly after repairs in February last year.

In that regard, the tribunal accepted Zeid complained of ongoing performance issues, which he thought were caused by a faulty gearbox, shortly after the BMW was returned to him in March 2021.

The cause of the symptoms he raised remained undiagnosed, but the tribunal accepted Europa Auto Service's view they were most likely caused by a voltage-supply problem or a fault with the earthing system, which caused voltage fluctuations that affected the car's operation.

Therefore, considering the BMW's price, age and mileage, the tribunal was satisfied the undiagnosed voltage-supply problem meant it wasn't of acceptable quality for the purposes of the Consumer Guarantees Act (CGA).

However, the buyers hadn't proven the car had any separate ongoing faults with its lights or foot module in breach of the same guarantee.

The lights were assessed by Penrose Motors in February 2021. It replaced the headlights at that time and there was no evidence of an ongoing fault with them or any other lights.

Zeid provided photos of a warning message relating to the side daytime lights, but the evidence showed that they were working, Also, the vehicle had passed a warrant of fitness inspection on December 22, which it would have failed if any lights weren't operating.

The tribunal accepted advice from its assessor that it was more likely the daytime lights warning was caused by the undiagnosed voltage-supply fault than by any separate issue with the car's lights.

Likewise, it was more likely any issue affecting the foot module was related to the voltage fault and would probably be rectified when that was fixed.

Finally, the tribunal found the buyers weren't entitled to further remedy because they hadn't proved the trader, or any of its agents or employees, took property from the vehicle.

There was no evidence, other than Zeid's unsupported assertions, of what property was in the car when it was delivered to the dealer. Given the absence of that, the tribunal considered it was a police matter.

The adjudicator agreed the BMW had received damage to its rear, but the cause was unclear. Broadhurst's submission that there was a real possibility it might well have been caused elsewhere was accepted.

The trader, or its agents, used fuel in diagnosing and rectifying the defects and, in the absence of evidence that quantified the buyers' alleged loss, the tribunal could make no award in their favour.

Order

The dealer had to fix the BMW's ongoing and undiagnosed voltage-supply fault.

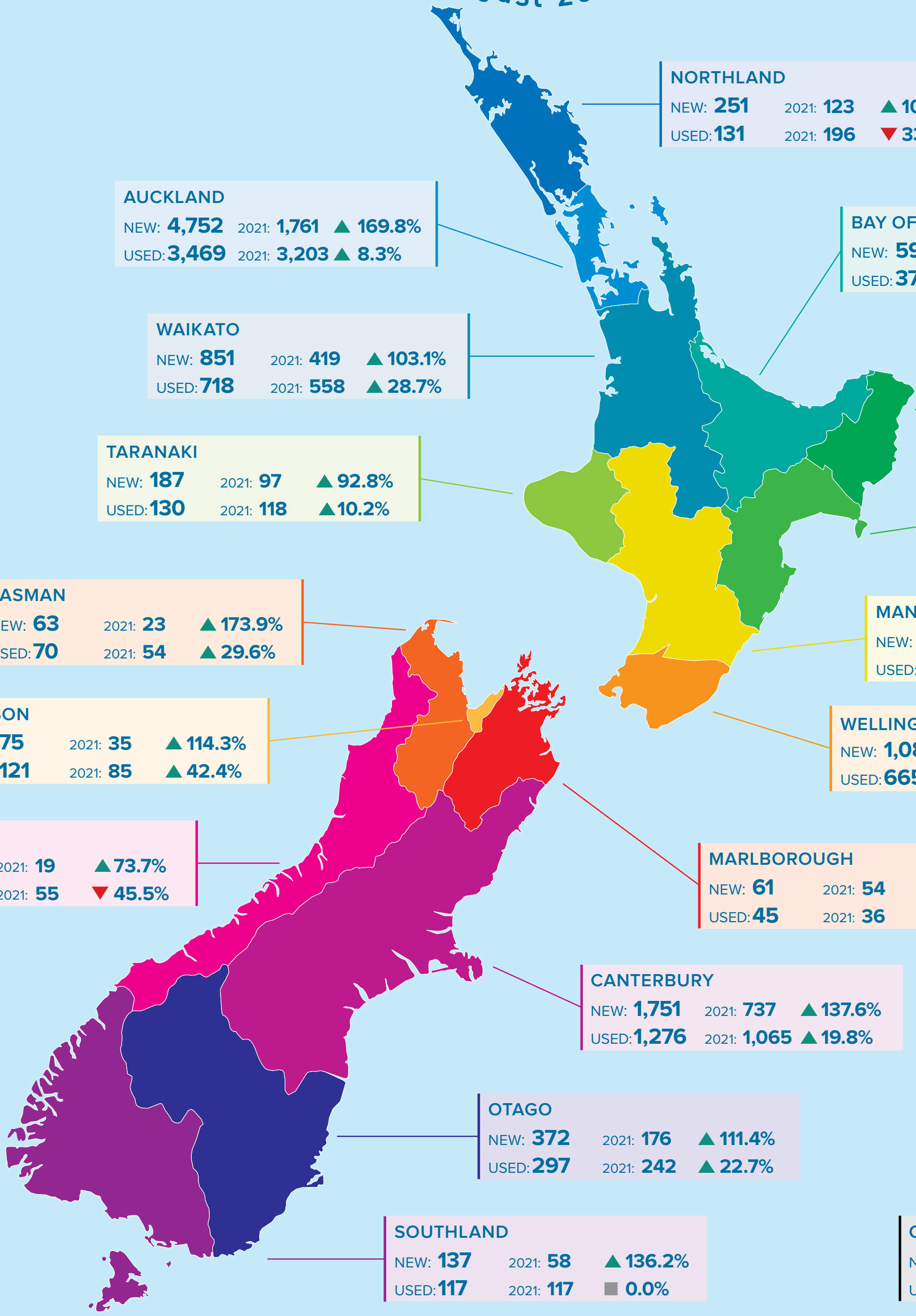
A 2010 BMW X5

AROUND THE COUNTRY

August 2022

Total new cars
10,940
2021: 4,609 ▲ 137.4%

Total imported used cars
7,939
2021: 7,096 ▲ 11.9%



			2021	
NORTHLAND	NEW	251	123	▲ 104.1%
	USED	131	196	▼ 33.2%
AUCKLAND	NEW	4,752	1,761	▲ 169.8%
	USED	3,469	3,203	▲ 8.3%
BAY OF PLENTY	NEW	595	293	▲ 103.1%
	USED	379	380	▼ 0.3%
WAIKATO	NEW	851	419	▲ 103.1%
	USED	718	558	▲ 28.7%
GISBORNE	NEW	40	23	▲ 73.9%
	USED	57	55	▲ 3.6%
TARANAKI	NEW	187	97	▲ 92.8%
	USED	130	118	▲ 10.2%
HAWKE'S BAY	NEW	294	129	▲ 127.9%
	USED	176	172	▲ 2.3%
TASMAN	NEW	63	23	▲ 173.9%
	USED	70	54	▲ 29.6%
MANAWATU-WHANGANUI	NEW	365	180	▲ 102.8%
	USED	228	222	▲ 2.7%
NELSON	NEW	75	35	▲ 114.3%
	USED	121	85	▲ 42.4%
WELLINGTON	NEW	1,080	465	▲ 132.3%
	USED	665	518	▲ 28.4%
WEST COAST	NEW	33	19	▲ 73.7%
	USED	30	55	▼ 45.5%
MARLBOROUGH	NEW	61	54	▲ 13.0%
	USED	45	36	▲ 25.0%
CANTERBURY	NEW	1,751	737	▲ 137.6%
	USED	1,276	1,065	▲ 19.8%
OTAGO	NEW	372	176	▲ 111.4%
	USED	297	242	▲ 22.7%
SOUTHLAND	NEW	137	58	▲ 136.2%
	USED	117	117	■ 0.0%
OTHERS (Chatham Islands, overseas, unknown)	NEW	33	17	▲ 94.1%
	USED	30	20	▲ 50.0%

Imported Passenger Vehicle Sales by Make - August 2022

MAKE	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,919	2,053	42.2	36.8%	25,656	31.2%
Mazda	1,244	974	27.7	15.7%	10,336	12.6%
Nissan	1,007	931	8.2	12.7%	11,845	14.4%
Honda	522	589	-11.4	6.6%	5,862	7.1%
Subaru	472	546	-13.6	5.9%	6,382	7.8%
Volkswagen	309	323	-4.3	3.9%	3,107	3.8%
BMW	277	367	-24.5	3.5%	4,021	4.9%
Mitsubishi	255	320	-20.3	3.2%	3,288	4.0%
Audi	196	222	-11.7	2.5%	2,495	3.0%
Suzuki	195	147	32.7	2.5%	1,510	1.8%
Mercedes-Benz	145	130	11.5	1.8%	1,930	2.3%
Lexus	121	151	-19.9	1.5%	1,744	2.1%
Ford	57	37	54.1	0.7%	525	0.6%
Volvo	35	46	-23.9	0.4%	598	0.7%
Chevrolet	26	19	36.8	0.3%	234	0.3%
Land Rover	26	50	-48.0	0.3%	372	0.5%
Porsche	16	16	0.0	0.2%	211	0.3%
Dodge	11	13	-15.4	0.1%	178	0.2%
Hyundai	11	11	0.0	0.1%	127	0.2%
Jaguar	9	28	-67.9	0.1%	290	0.4%
Mini	9	11	-18.2	0.1%	168	0.2%
Fiat	8	1	700.0	0.1%	25	0.0%
Chrysler	6	19	-68.4	0.1%	246	0.3%
Peugeot	6	5	20.0	0.1%	64	0.1%
Buick	5	0	500.0	0.1%	12	0.0%
Holden	5	13	-61.5	0.1%	124	0.2%
Kia	5	7	-28.6	0.1%	54	0.1%
Jeep	4	23	-82.6	0.1%	215	0.3%
MG	4	4	0.0	0.1%	15	0.0%
Smart	4	5	-20.0	0.1%	25	0.0%
Mercury	3	0	300.0	0.0%	12	0.0%
Renault	3	6	-50.0	0.0%	42	0.1%
Rover	3	1	200.0	0.0%	16	0.0%
Alfa Romeo	2	2	0.0	0.0%	27	0.0%
Cadillac	2	0	200.0	0.0%	39	0.0%
Others	17	25	-32.0	0.2%	346	0.4%
Total	**7,939**	**7,095**	**11.9**	**100.0%**	**82,141**	**100.0%**

Imported Passenger Vehicle Sales by Model - August 2022

MAKE	MODEL	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Aqua	1,104	598	84.6	13.9%	8,662	10.5%
Toyota	Prius	628	278	125.9	7.9%	3,941	4.8%
Mazda	Axela	460	335	37.3	5.8%	3,358	4.1%
Nissan	Leaf	301	148	103.4	3.8%	2,799	3.4%
Toyota	Corolla	262	108	142.6	3.3%	1,915	2.3%
Mazda	Demio	254	119	113.4	3.2%	1,599	1.9%
Honda	Fit	244	201	21.4	3.1%	2,063	2.5%
Mazda	CX-5	233	196	18.9	2.9%	1,784	2.2%
Subaru	Impreza	224	180	24.4	2.8%	1,830	2.2%
Toyota	C-HR	205	14	1,364.3	2.6%	1,081	1.3%
Volkswagen	Golf	200	204	-2.0	2.5%	1,943	2.4%
Mitsubishi	Outlander	187	203	-7.9	2.4%	2,169	2.6%
Nissan	Note	180	52	246.2	2.3%	1,260	1.5%
Nissan	X-Trail	170	252	-32.5	2.1%	2,283	2.8%
Suzuki	Swift	145	118	22.9	1.8%	1,097	1.3%
Mazda	Atenza	110	125	-12.0	1.4%	1,452	1.8%
Mazda	Premacy	105	74	41.9	1.3%	902	1.1%
Nissan	Serena	102	57	78.9	1.3%	907	1.1%
Subaru	XV	96	44	118.2	1.2%	644	0.8%
Toyota	Wish	88	101	-12.9	1.1%	723	0.9%
Honda	Vezel	86	38	126.3	1.1%	481	0.6%
Toyota	Vitz	81	52	55.8	1.0%	579	0.7%
Toyota	Sai	78	38	105.3	1.0%	428	0.5%
Toyota	Auris	71	40	77.5	0.9%	436	0.5%
Audi	A3	63	44	43.2	0.8%	536	0.7%
Toyota	Camry	60	42	42.9	0.8%	460	0.6%
Volkswagen	Polo	56	68	-17.6	0.7%	507	0.6%
Nissan	Juke	49	38	28.9	0.6%	527	0.6%
Subaru	Forester	47	75	-37.3	0.6%	813	1.0%
BMW	116i	46	72	-36.1	0.6%	543	0.7%
Austin	Mini	39	33	18.2	0.5%	389	0.5%
Subaru	Legacy	39	143	-72.7	0.5%	1,738	2.1%
BMW	320i	37	65	-43.1	0.5%	658	0.8%
Lexus	CT 200h	36	15	140.0	0.5%	185	0.2%
Mazda	CX-3	33	19	73.7	0.4%	167	0.2%
Others		1,820	2,906	-37.4	22.9%	31,282	38.1%
Total		**7,939**	**7,095**	**11.9**	**100.0%**	**82,141**	**100.0%**

‘Promising’ results for company

The first half of the 2022 financial year has been described as “promising” by MTF Finance as New Zealand learns to live with coronavirus, and adapts to a strategy shift “from elimination to minimisation and protection”.

Chris Lamers, chief executive officer, says: “Our business is no different with Covid-19 now forming part of our business-as-usual approach.

“Disruption caused by lockdowns creating sales volatility is not currently a threat, although further strains are possible. The current economic climate with cost escalations and logistical delays is creating pressures on the business.”

Coupled with the start of core technology investment, operational spend has increased as signalled. This has impacted profit after tax. It decreased by 2.5 per cent to $4.3m during the half-year from the same period in 2021.

“This short-term impact was planned for as part of the longer-term transformation of the business commenced by the board last year,” says Lamers.

Underlying profit after tax fell by 28 per cent to $2.87m when compared to $3.98m by March 31, 2021. That said, MTF issued new loans during the past half-year totalling $297m – the second best in its history.

Lamers says: “The growth in sales is pleasing as it comes at a time when credit demand is contracting. The drop in profit is in-line with expectations and earlier signalling as MTF Finance continues to reinvest to deliver strategic intent.

“We will continue to invest in our brand, product development and addressing legacy technology systems in the medium term, ensuring the company is well set up to deliver on growth targets to provide increased and sustained returns to shareholders.”

Total amounts paid to shareholder originators, including commission, fees and payment waivers, decreased by 3.9 per cent to $34.7m. Commission paid to shareholder originators fell by 1.1 per cent to $22.2m.

The first half also saw the company pilot and or launch new products with the aim of providing franchises with additional unsecured product and rejuvenating the “declining” dealer market.

Expenses increased by 25.2 per cent primarily due to factors aligning to the business’ strategy and reinvestment for future growth.

Lamers says: “The year-on-year increase is inflated due to the business taking proactive measures to reduce spend in prior periods to get through the initial shock Covid-19 sent through the economy with the pre-pandemic increase representing 12.7 per cent.

“Our market share has seen positive gains in the first half of the year since the [amended] Credit Contracts and Consumer Finance Act came into force [in December] as other finance companies have struggled to a greater degree to implement timely compliance changes.

“Having the decision-maker in front of the customer continues to be a competitive advantage. Our turnaround times have not been as significantly impacted as other providers.”

During the changing credit environment, MTF Finance has focused on customer quality. While this has resulted in a small dip in client numbers, the company is confident this is the right approach in the current market. As an indicator, its average credit score has increased to 660, up from 630 two years ago.

“The pandemic did not strain our business in the manner originally provided for,” says Lamers. “The timing is right for us to progress our strategic intent while remaining cognisant of our shareholder originators’ need for cashflow certainty.

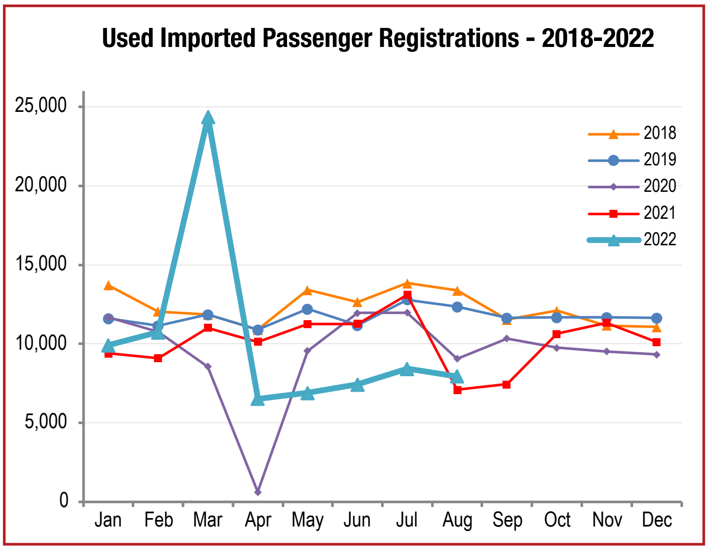
“We have set some bold goals and the team has laid a great platform from which to achieve these. It’s an exciting time for MTF Finance as we continue to push into new channels and look to generate improved returns for all our stakeholders, and ultimately become New Zealand’s preferred finance company.

“Overall, the company is in a very good position from a performance, capital and funding position to weather any forecast economic downturn, and to continue to push forward with our product and technology initiatives.”

Sales edge up

There were 7,939 used-imported cars registered in August, which was up by 11.9 per cent compared with 7,095 in the same month of 2021. It brought the year-to-date total to 82,141, down 1.8 per cent on the 83,668 units for the first eight months of 2021.

Toyota took out the top two spots on the models’ ladder with the Aqua on 1,104 units and Prius with 628 for a combined market share of 21.8 per cent.



Warning on labels and ratings

Dealers need to ensure the correct labels are displayed on stock in case their premises or online listings are inspected by the Energy Efficiency and Conservation Authority (EECA).

Some traders have been using old vehicle fuel economy labels (VEEELs) introduced as part of the full clean car discount scheme.

"All traders must display the VEEEL on vehicles offered for sale because it is a breach of regulations to display the old VFEL," warns Malcolm Yorston, technical manager of the Imported Motor Vehicle Industry Association (VIA).

"It's also a good time to check your online listings to make sure they are all displaying the new information required, which must include whether a vehicle attracts a rebate or fee under the clean car discount."

Visit www.eeca.govt.nz/VEEEL-information for more details on the requirements.

Used car dealers are also being reminded to ensure they use information from the appropriate safety-rating test programme when advertising vehicles, to avoid potentially misleading consumers.

Waka Kotahi says traders should quote the correct system for each specific vehicle, rather than refer to all ratings as ANCAP ratings.

Yorston says that if dealers inadvertently enter details from the wrong system, they could be supplying misleading information in their advertising. The correct safety ratings for vehicles can be found on the Rightcar website.

"When you search for your vehicle, the results will show the rating system used," he explains. "Use this information if you are writing details into your vehicle descriptions.

"The NZTA appreciates dealers promoting the safety message but would like them to quote the correct source of ratings used in advertising materials."

USED IMPORTS DOWN

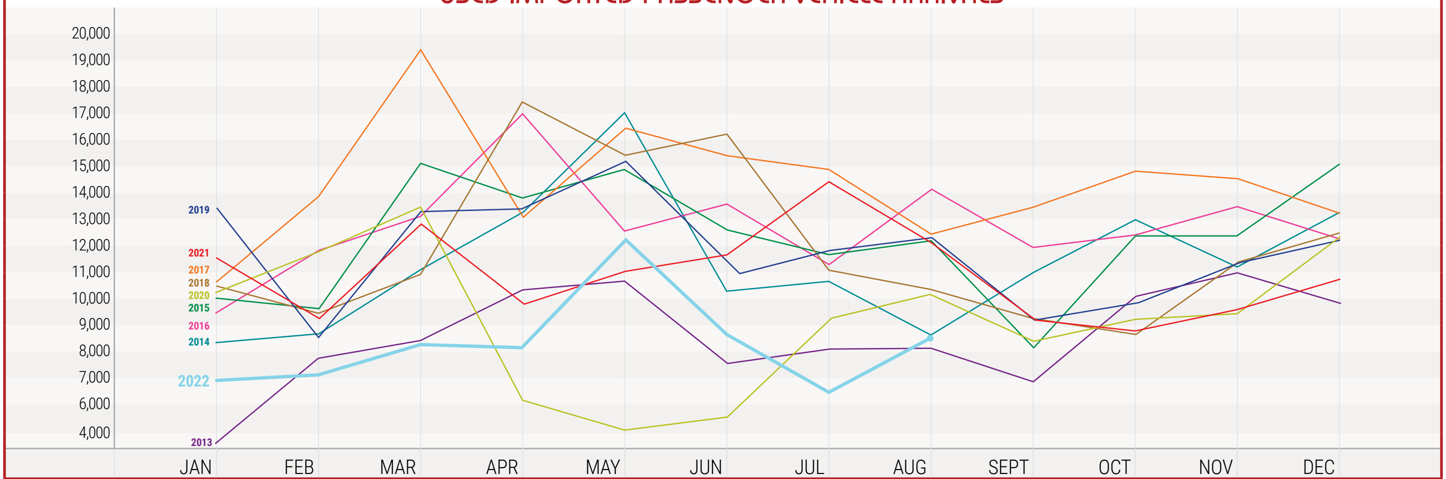
There were 8,611 used passenger vehicles imported last month.

The total for 2022 is now 65,631 – down from 91,945 and by 28.6 per cent compared to this time in 2021.

Last month, 8,295 units were imported from Japan for a 96.3 per cent share of the market and 186 came in from Australia.

Next up were the US on 44, the United Kingdom with 27 and Singapore on 24.

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	JUL '22	AUG '22	AUG SHARE %	2022 TOTAL	2021 TOTAL	MRKT SHARE	2020 TOTAL	MRKT SHARE
Australia	262	235	226	233	172	258	192	186	2.2%	**1,764**	3,072	2.4%	4,185	3.9%
Great Britain	60	41	59	35	55	71	23	27	0.3%	**371**	1,259	1.0%	690	0.6%
Japan	6,490	6,751	7,477	7,636	11,497	8,289	6,206	8,295	96.3%	**62,641**	123,508	94.8%	100,994	92.9%
Singapore	46	69	33	47	33	39	24	24	0.3%	**315**	1,378	1.1%	1,846	1.7%
USA	44	20	75	33	59	30	42	44	0.5%	**347**	697	0.5%	480	0.4%
Other countries	31	33	20	15	17	23	19	35	0.4%	**193**	403	0.3%	468	0.4%
Total	**6,933**	**7,149**	**7,890**	**7,999**	**11,833**	**8,710**	**6,506**	**8,611**	**100.0%**	**65,631**	**130,317**	**100.0%**	**108,663**	**100.0%**

Insurance business to grow

Geneva Finance describes its 22 per cent increase in net profit before tax (NPBT) for the past financial year as "pleasing".

Chairman Robin King and David O'Connell, managing director, say the $1.5 million jump to $8.2m in NPBT is a record for the group.

They add the company has a solid balance for 2022/23, "including a well-performing and well-provisioned loan book".

"The group has sufficient funding to support its expected growth, and also expects the insurance business to continue its upward revenue and profit growth."

Total group assets increased by nine per cent to $156m and equity came in at $37.8m, up 10 per cent. The company's equity to total assets ratio for 2021/22 was 24.6 per cent compared to 24 per cent in 2020/21.

The after-tax audited financial result for the period was a profit of $5.9m, down by 10 per cent and $700,000 and revenue totalled $42.7m for an increase of $7.9m or 23 per cent.

Operating costs climbed by 17 per cent to $19.5m. "The increase primarily relates to increased commissions paid to introducers in their lending business as the company moved into a more competitive market, and to introducers from Quest's increased insurance premiums volumes," explain King and O'Connell.

About 90 per cent of Geneva's lending is to help individuals buy cars with 10 per cent being unsecured personal loans.

By the end of March, the New Zealand receivables ledger was $105.3m spread over 9,504 loans with an average loan size of $10,700.

The combined net book value, including the invoice factoring business, stood at $93.2m after provisions for deferred revenue and doubtful debts.

Geneva also provides car-insurance products irrespective of whether it has provided the finance with the largest by volume being comprehensive vehicle insurance and mechanical breakdown policies.

During the year, premiums written totalled $30.1m and by the end of 2021/22 there were some 70,900 active policies.

TRADING RISES

There were 16,347 second-hand cars sold to the public by traders in August. That was up from 9,841 units, or by 66.1 per cent, in the same month of 2021.

There were 12,498 trade-ins for an increase of 45.1 per cent.

SECONDHAND CAR SALES - August 2022

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	AUG'22	AUG'21	+/- %	MARKET SHARE	AUG'22	AUG'21	+/- %	AUG'22	AUG'21	+/- %
Northland	521	350	48.9	3.19	1,921	1,471	30.6	193	168	14.9
Auckland	5,517	3,276	68.4	33.75	12,291	9,100	35.1	5,440	3,718	46.3
Waikato	1,771	994	78.2	10.83	3,988	3,123	27.7	1,194	720	65.8
Bay of Plenty	1,085	700	55.0	6.64	2,709	2,131	27.1	621	471	31.8
Gisborne	117	95	23.2	0.72	326	302	7.9	31	27	14.8
Hawke's Bay	648	428	51.4	3.96	1,345	1,143	17.7	388	300	29.3
Taranaki	367	264	39.0	2.25	971	858	13.2	175	126	38.9
Manawatu-Whanganui	901	572	57.5	5.51	2,087	1,715	21.7	610	457	33.5
Wellington	1,446	907	59.4	8.85	3,090	2,542	21.6	1,008	647	55.8
Tasman	128	74	73.0	0.78	426	346	23.1	22	14	57.1
Nelson	158	85	85.9	0.97	403	336	19.9	161	92	75.0
Marlborough	149	94	58.5	0.91	377	308	22.4	75	71	5.6
West Coast	123	92	33.7	0.75	285	274	4.0	39	29	34.5
Canterbury	2,295	1,225	87.3	14.04	4,856	3,976	22.1	1,944	1,166	66.7
Otago	723	437	65.4	4.42	1,801	1,407	28.0	447	338	32.2
Southland	344	207	66.2	2.10	894	742	20.5	149	116	28.4
Other	54	41	31.7	0.33	169	117	44.4	1	156	-99.4
NZ Total	**16,347**	**9,841**	**66.1**	**100.00**	**37,939**	**29,891**	**26.9**	**12,498**	**8,616**	**45.1**

New Passenger Vehicle Sales by Make - August 2022

MAKE	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	1,630	1,120	45.5	14.9%	10,429	13.8%
Kia	1,574	170	825.9	14.4%	8,381	11.1%
Mitsubishi	1,365	518	163.5	12.5%	11,557	15.3%
Tesla	1,326	190	597.9	12.1%	2,639	3.5%
Suzuki	720	416	73.1	6.6%	5,272	7.0%
Hyundai	599	238	151.7	5.5%	5,452	7.2%
Mazda	461	367	25.6	4.2%	3,907	5.2%
BYD	448	0	44,800.0	4.1%	468	0.6%
MG	395	192	105.7	3.6%	3,454	4.6%
Honda	290	153	89.5	2.7%	2,728	3.6%
Subaru	231	84	175.0	2.1%	1,674	2.2%
Nissan	204	131	55.7	1.9%	1,492	2.0%
Volkswagen	191	165	15.8	1.7%	1,812	2.4%
Ford	184	88	109.1	1.7%	1,730	2.3%
Skoda	167	100	67.0	1.5%	1,362	1.8%
BMW	147	56	162.5	1.3%	1,159	1.5%
Peugeot	140	12	1,066.7	1.3%	1,088	1.4%
Haval	123	179	-31.3	1.1%	1,439	1.9%
Mercedes-Benz	105	89	18.0	1.0%	1,479	2.0%
Land Rover	104	17	511.8	1.0%	1,090	1.4%
Audi	88	51	72.5	0.8%	1,132	1.5%
Lexus	86	37	132.4	0.8%	766	1.0%
Volvo	53	41	29.3	0.5%	553	0.7%
SsangYong	39	33	18.2	0.4%	482	0.6%
Mini	37	26	42.3	0.3%	550	0.7%
Jaguar	36	7	414.3	0.3%	317	0.4%
Porsche	31	13	138.5	0.3%	461	0.6%
Isuzu	22	22	0.0	0.2%	212	0.3%
Cupra	21	2	950.0	0.2%	192	0.3%
Fiat	16	4	300.0	0.1%	136	0.2%
Jeep	16	38	-57.9	0.1%	374	0.5%
Renault	13	7	85.7	0.1%	191	0.3%
Alfa Romeo	12	9	33.3	0.1%	64	0.1%
Citroen	11	7	57.1	0.1%	237	0.3%
Aston Martin	10	1	900.0	0.1%	48	0.1%
Polestar	9	0	900.0	0.1%	506	0.7%
Yamaha	7	1	600.0	0.1%	45	0.1%
Genesis	5	0	500.0	0.0%	6	0.0%
Ferrari	4	0	400.0	0.0%	18	0.0%
Seat	4	4	0.0	0.0%	55	0.1%
Can-Am	3	0	300.0	0.0%	48	0.1%
Lamborghini	3	1	200.0	0.0%	21	0.0%
Maserati	3	1	200.0	0.0%	47	0.1%
Bentley	2	4	-50.0	0.0%	33	0.0%
Others	5	15	-66.7	0.0%	286	0.4%
Total	**10,940**	**4,609**	**137.4**	**100.0%**	**75,392**	**100.0%**

New Passenger Vehicle Sales by Model - August 2022

MAKE	MODEL	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Tesla	Model 3	745	190	292.1	6.8%	2,049	2.7%
Mitsubishi	Outlander	677	157	331.2	6.2%	6,273	8.3%
Tesla	Model Y	581	0	58,100.0	5.3%	590	0.8%
BYD	Atto 3	448	0	44,800.0	4.1%	468	0.6%
Toyota	RAV4	437	303	44.2	4.0%	3,964	5.3%
Kia	Sportage	374	15	2,393.3	3.4%	2,282	3.0%
Kia	EV6	354	0	35,400.0	3.2%	626	0.8%
Mitsubishi	Eclipse Cross	342	83	312.0	3.1%	2,442	3.2%
Mitsubishi	ASX	295	245	20.4	2.7%	1,971	2.6%
Suzuki	Swift	280	169	65.7	2.6%	2,385	3.2%
Toyota	Corolla	272	446	-39.0	2.5%	1,589	2.1%
Kia	Niro	256	21	1,119.0	2.3%	738	1.0%
Toyota	Yaris Cross	247	61	304.9	2.3%	875	1.2%
Kia	Seltos	238	69	244.9	2.2%	1,250	1.7%
Mazda	CX-5	233	182	28.0	2.1%	1,655	2.2%
Toyota	Highlander	208	77	170.1	1.9%	1,260	1.7%
MG	ZS	200	138	44.9	1.8%	1,978	2.6%
Hyundai	Ioniq	194	7	2,671.4	1.8%	1,033	1.4%
Nissan	X-Trail	182	22	727.3	1.7%	983	1.3%
Hyundai	Kona	174	112	55.4	1.6%	1,884	2.5%
Honda	Jazz	172	83	107.2	1.6%	1,681	2.2%
Suzuki	Jimny	149	55	170.9	1.4%	968	1.3%
Suzuki	Vitara	136	100	36.0	1.2%	657	0.9%
Kia	Stonic	131	33	297.0	1.2%	1,661	2.2%
Toyota	Yaris	123	41	200.0	1.1%	948	1.3%
MG	HS	117	29	303.4	1.1%	839	1.1%
Honda	CR-V	100	29	244.8	0.9%	719	1.0%
Toyota	C-HR	99	37	167.6	0.9%	469	0.6%
Subaru	Outback	90	18	400.0	0.8%	696	0.9%
Toyota	Land Cruiser Prado	80	18	344.4	0.7%	389	0.5%
Hyundai	Tucson	78	30	160.0	0.7%	868	1.2%
MG	3	78	22	254.5	0.7%	634	0.8%
Subaru	XV	76	36	111.1	0.7%	448	0.6%
Haval	H6	75	118	-36.4	0.7%	721	1.0%
Ford	Everest	74	37	100.0	0.7%	646	0.9%
Suzuki	Ignis	72	47	53.2	0.7%	504	0.7%
Hyundai	Santa Fe	71	51	39.2	0.6%	729	1.0%
Kia	Sorento	71	9	688.9	0.6%	838	1.1%
Kia	Carnival	69	7	885.7	0.6%	284	0.4%
Toyota	Fortuner	64	29	120.7	0.6%	381	0.5%
Skoda	Superb	59	30	96.7	0.5%	497	0.7%
Peugeot	3008	57	6	850.0	0.5%	336	0.4%
Toyota	Land Cruiser	52	0	5,200.0	0.5%	263	0.3%
Volkswagen	Tiguan	52	48	8.3	0.5%	519	0.7%
Haval	Jolion	48	60	-20.0	0.4%	718	1.0%
Others		2,010	1,339	50.1	18.4%	21,684	28.8%
Total		**10,940**	**4,609**	**137.4**	**100.0%**	**75,392**	**100.0%**

Delivery delays for marques

They may cater for different ends of the market but BMW Group NZ and Suzuki NZ have something in common as they are among the marques experiencing delays in delivering cars locally.

BMW Group reports the semi-conductor supply bottleneck has impacted on the availability of individual vehicle equipment options for certain BMW and Mini models.

"This issue has been compounded by the Russia-Ukraine crisis, which is restricting the supply of wiring harnesses produced in factories in Ukraine," a company spokesman told Autofile.

"We are working with our colleagues in Munich and local dealer partners to deliver vehicles to customers as soon as possible.

"At present, local delivery timing from order placement on a new BMW or Mini is between six and 12 months, depending on the model variant."

As reported in the August issue of Autofile magazine, marques are predicting substantial wait times for new vehicles will remain the norm for at least the coming year. Brands are being hit by a lack of available stock and challenges around securing consistent supplies into New Zealand.

Suzuki NZ says problems around the shortage of semi-conductors have been compounded by reduced allocations from its head factory in Japan and port congestion worldwide.

A spokesman told Autofile most of its models have been affected, including the Swift range, Ignis and Vitara, although it has managed to get a good initial supply of the new S-Cross.

"Jimny has the longest lead time due to production limitations, which are separate from component shortages, and its popularity," he says.

"Suzuki has a loyal customer following and many choose Suzuki every time. However, people are definitely shopping around to find the shortest wait time.

Ford is deleting the Fiesta ST from its New Zealand range

"Traditionally, people shopping in our price point are not used to waiting a couple of months for their new car to arrive. They are surprised to find out that if they buy it'll be a few months before they get it."

SALES SLOWING DOWN

Colonial Motor Company has reported its record year for profits ended with a downturn in sales following the introduction of the government's clean car discount scheme.

Chairman Ash Waugh says trading conditions over the first six months of the 2022 financial year were "very strong" but the final quarter was more challenging than the previous three, which was not unexpected.

He notes the feebate scheme created an incentive for customers to purchase before it was implemented on April 1 and this was particularly evident in the light commercial segment where most vehicles now incur a penalty.

The number of new vehicle registrations at Colonial dropped 20 per cent in the four months after March, when compared with a year ago, while used vehicles decreased 37 per cent.

"We anticipate the industry will recover to a degree but a softer trajectory will likely be maintained over the medium term," says Waugh.

"Supply, particularly for electric vehicles, remains constrained due to both global availability of raw materials and manufacturing capacity. This will mean an element of erratic local supply and continued longer than normal lead times for desirable product."

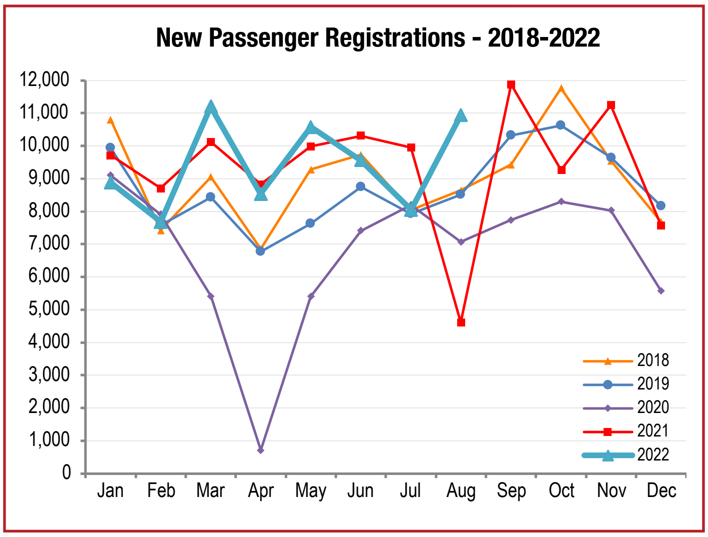
Colonial reported its trading profit after tax reached a record $33.35 million in the year to the end of June 30, 2022, which was up 19 per cent from its previous high of $27.92m a year earlier.

Tesla on top

There were 10,940 new cars registered in August, which was up by 137.4 per cent from 4,609 from the same month of last year.

Tesla's Model 3 was the leading model on 745 units for a market share of 6.8 per cent. The Mitsubishi Outlander was second on 677 with Tesla's Model Y third on 581. The top five was completed by the BYD Atto 3 with 448 and Toyota's RAV4 on 437.

Toyota topped the marques' ladder with 1,630 registrations.



FORD CANS HOT HATCH

Ford has announced the Fiesta ST will disappear from its New Zealand line-up by the end of the year as the company focuses on areas of growing customer demand such as SUVs, commercials and electrification, including the Mach-E arriving in 2023.

Simon Rutherford, managing director of Ford NZ, says: "With semi-conductor-related supply shortages, and our focus on emerging areas of growth, we've made the difficult decision to call time on the iconic hot hatch."

Existing customer orders for the Fiesta ST will be supported and Ford NZ says current owners will still be provided with access to spare parts and maintenance.

RECORD MONTH

The Motor Industry Association reports 14,690 sales of new vehicles last month made for the strongest August on record.

Chief executive David Crawford says this was "largely due to shipments arriving and allowing back orders to be filled".

He adds: "The month's tally bucks a softening market trend brought on by rising costs of living, high fuel prices, vehicle supply constraints and a weakening economy."

Large year-on-year increases in sales across the board last month were due to August 2021 being affected by Covid-19 lockdowns.

As for the battle of the marques, Toyota has regained the overall lead with a 17 per cent share of 2022's new-vehicle market thanks to 18,466 units. Mitsubishi is second on 16 per cent and 16,871, with Ford third on eight per cent and 8,443.

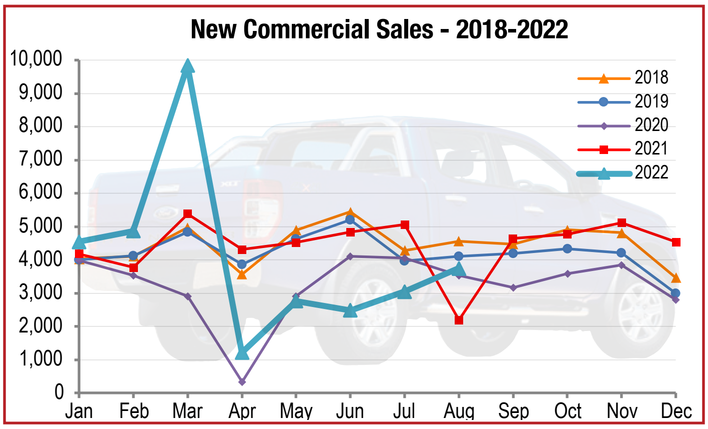
Electric boost with commercials

Great Lake Motor Distributors is reporting strong levels of inquiry into electric models of commercial vehicles and "enormous" sales of minibuses.

Andrew Bayliss, general manager of the company, which distributes LDV and SsangYong across New Zealand, says: "Demand for our minibuses is strong. There are a lot of companies – such as those supplying workers to the horticulture and wine industries, schools, retirement villages, and taxi and bus operations – wanting them.

"Our minibus sales have been enormous over the past nine months. We are still supplying 12 and 14-seaters, but the time to get them prepared is getting longer and longer as is the time to get them freighted within New Zealand.

"We have demand for electric minibuses and will be able to meet that in the coming months as well."



Bayliss adds demand for vans, from the likes of the courier industry, started ramping up last year. "That industry was on fire in 2021 and it remains the same. We are now seeing change in demand to EV vans. LDV's small eDeliver 3 vans are all presold and the bigger eDeliver 9 is also extremely popular. Vans will continue to be hot property this year."

The biggest level of inquiry LDV is currently receiving is for its EV T60 ute, which will be on the market later this year.

"We have a huge waiting list for the EV T60," Bayliss told Autofile. "It's not in production yet, but the number of deposits people have given us to get on the waiting list to be first in the queue to get their electric ute is unprecedented."

Dealers are getting all brands as trade-ins and many buyers are upgrading their vans. "The first LDV vans landed in New Zealand ▶

New Commercial Sales by Make - August 2022

MAKE	AUG '22	AUG '21	+/- %	AUG '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	1,048	458	128.8	28.0%	8,038	24.7%
Ford	945	738	28.0	25.2%	6,712	20.7%
Mitsubishi	332	161	106.2	8.9%	5,315	16.4%
Isuzu	236	81	191.4	6.3%	2,190	6.7%
LDV	202	79	155.7	5.4%	1,624	5.0%
Nissan	123	83	48.2	3.3%	1,455	4.5%
Fuso	114	39	192.3	3.0%	825	2.5%
Mercedes-Benz	85	22	286.4	2.3%	503	1.5%
Hino	77	49	57.1	2.1%	621	1.9%
Fiat	66	19	247.4	1.8%	423	1.3%
Mazda	61	77	-20.8	1.6%	570	1.8%
Scania	51	52	-1.9	1.4%	309	1.0%
Volkswagen	50	42	19.0	1.3%	579	1.8%
Chevrolet	41	11	272.7	1.1%	142	0.4%
Iveco	32	24	33.3	0.9%	238	0.7%
Ram	31	21	47.6	0.8%	269	0.8%
Volvo	27	5	440.0	0.7%	120	0.4%
Hyundai	25	40	-37.5	0.7%	437	1.3%
Renault	24	14	71.4	0.6%	195	0.6%
MAN	23	7	228.6	0.6%	126	0.4%
Others	156	166	-6.0	4.2%	1,804	5.6%
Total	**3,749**	**2,188**	**71.3**	**100.0%**	**32,495**	**100.0%**

New Commercial Sales by Model - August 2022

MAKE	MODEL	AUG '22	AUG '21	+/- %	AUG '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	Ranger	934	679	37.6	24.9%	6,407	19.7%
Toyota	Hilux	897	301	198.0	23.9%	6,635	20.4%
Mitsubishi	Triton	298	126	136.5	7.9%	4,939	15.2%
Toyota	Hiace	130	137	-5.1	3.5%	1,197	3.7%
Isuzu	D-Max	127	50	154.0	3.4%	1,479	4.6%
Nissan	Navara	123	83	48.2	3.3%	1,454	4.5%
LDV	T60	113	16	606.3	3.0%	497	1.5%
Mercedes-Benz	Sprinter	79	19	315.8	2.1%	425	1.3%
Fiat	Ducato	66	19	247.4	1.8%	422	1.3%
Mazda	BT-50	61	77	-20.8	1.6%	570	1.8%
Isuzu	N Series	52	13	300.0	1.4%	293	0.9%
Isuzu	F Series	49	14	250.0	1.3%	296	0.9%
Hino	300	35	19	84.2	0.9%	229	0.7%
Mitsubishi	Express	34	35	-2.9	0.9%	375	1.2%
Chevrolet	Silverado 1500	30	11	172.7	0.8%	96	0.3%
LDV	G10	29	24	20.8	0.8%	366	1.1%
Hino	500	27	23	17.4	0.7%	300	0.9%
Ram	1500	27	21	28.6	0.7%	243	0.7%
Fuso	Canter 616 City	27	0	2,700.0	0.7%	214	0.7%
LDV	eDeliver 3	24	0	2,400.0	0.6%	128	0.4%
Others		587	521	12.7	15.7%	5,930	18.2%
Total		**3,749**	**2,188**	**71.3**	**100.0%**	**32,495**	**100.0%**

in 2013, so it's an established brand. Many fleets are upgrading to newer models as they arrive in the country, and many buyers now want to transition to electric vans."

He says most LDV stock, particularly EVs, is presold before it arrives in New Zealand, and that the past year has had its "ups and downs" in terms of supply issues.

"Getting enough new stock to meet buyer demand has been an issue for every manufacturer and distributor," adds Bayliss.

"When looking back, we were probably quite lucky that from the beginning of 2020 right through 2021, we weren't really that hamstrung getting supply from either of our manufacturers.

"However, over the past nine months we've been hit the same as everyone else. Factory supply and shipping have been issues for us.

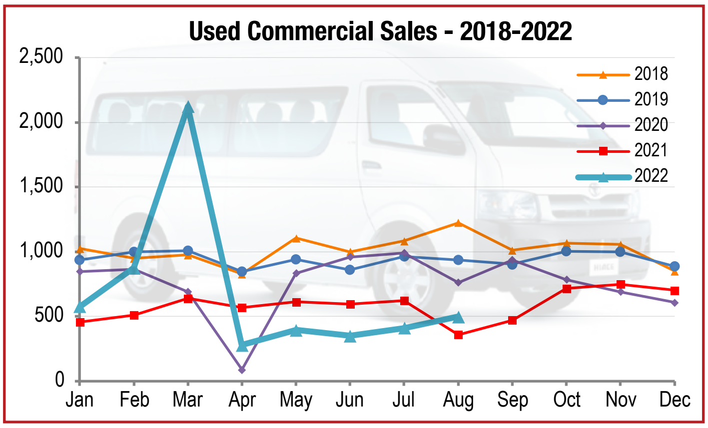
"We do have some product on the ground at the moment. Supply also depends on factory production runs. Sometimes a run will coincide with a shipping date so we can supply some product almost straight away."

As for the roll-out of the government's clean car discount scheme, Bayliss describes March, the month before it started, as "huge".

"Since then, the transition to EV inquiry and sales has been much faster than we anticipated. We knew there would be strong demand for electric vans and utes, but the high level of inquiry has really caught us by surprise."

As for SsangYong, that's going well. "We're selling all the stock we can land, but we have been more constrained with supply.

"We have a small backlog of orders for Rhino utes, but over the next couple of months we've been assured production will come back on-stream."



REGISTRATIONS SURGE

There were 3,749 new commercial vehicles sold in August, which was up by 71.3 per cent when compared to 2,188 in the same month of 2021.

The Ford Ranger was the top model with 934 sales. It was followed by Toyota's Hilux with 897 and Mitsubishi's Triton with 298.

As for used-imported commercials, there were 498 registered last month compared to 358 in August last year for an increase of 39.1 per cent.

Used Commercial Sales by Make - August 2022

MAKE	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	179	149	20.1	35.9%	1,956	35.5%
Nissan	84	65	29.2	16.9%	1,425	25.9%
Hino	52	26	100.0	10.4%	467	8.5%
Isuzu	45	31	45.2	9.0%	379	6.9%
Mitsubishi	36	19	89.5	7.2%	274	5.0%
Ford	18	16	12.5	3.6%	205	3.7%
Daihatsu	14	6	133.3	2.8%	85	1.5%
Chevrolet	10	5	100.0	2.0%	64	1.2%
Holden	9	9	0.0	1.8%	122	2.2%
UD Trucks	9	1	800.0	1.8%	40	0.7%
Mazda	5	9	-44.4	1.0%	88	1.6%
Volkswagen	5	3	66.7	1.0%	37	0.7%
Dodge	4	1	300.0	0.8%	31	0.6%
Mercedes-Benz	4	1	300.0	0.8%	20	0.4%
Fuso	2	5	-60.0	0.4%	21	0.4%
GMC	2	2	0.0	0.4%	27	0.5%
Hyundai	2	1	100.0	0.4%	13	0.2%
Iveco	2	0	200.0	0.4%	15	0.3%
Kenworth	2	0	200.0	0.4%	22	0.4%
MAN	2	1	100.0	0.4%	13	0.2%
Others	12	8	50.0	2.4%	201	3.7%
Total	**498**	**358**	**39.1**	**100.0%**	**5,505**	**100.0%**

Used Commercial Sales by Model - August 2022

MAKE	MODEL	AUG'22	AUG'21	+/- %	AUG'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hiace	125	102	22.5	25.1%	1,410	25.6%
Nissan	NV350	42	34	23.5	8.4%	861	15.6%
Hino	Dutro	38	16	137.5	7.6%	324	5.9%
Isuzu	Elf	27	20	35.0	5.4%	243	4.4%
Toyota	Dyna	26	20	30.0	5.2%	230	4.2%
Fuso	Canter	25	12	108.3	5.0%	163	3.0%
Daihatsu	Hijet	14	6	133.3	2.8%	84	1.5%
Nissan	Caravan	12	13	-7.7	2.4%	224	4.1%
Toyota	Hilux	11	4	175.0	2.2%	77	1.4%
Hino	Ranger	10	7	42.9	2.0%	118	2.1%
Isuzu	Forward	10	8	25.0	2.0%	94	1.7%
Nissan	NV200	9	2	350.0	1.8%	116	2.1%
Mitsubishi	Fuso	8	4	100.0	1.6%	38	0.7%
Ford	F-150	7	2	250.0	1.4%	40	0.7%
Ford	Ranger	7	10	-30.0	1.4%	101	1.8%
Nissan	Navara	7	3	133.3	1.4%	37	0.7%
Toyota	Toyoace	7	16	-56.3	1.4%	96	1.7%
UD Trucks	Quon	7	1	600.0	1.4%	25	0.5%
Chevrolet	Colorado	6	7	-14.3	1.2%	71	1.3%
Toyota	Regius	6	5	20.0	1.2%	81	1.5%
Others		94	66	42.4	18.9%	1,072	19.5%
Total		**498**	**358**	**39.1**	**100.0%**	**5,505**	**100.0%**

Company scoops top award

European Motor Distributors (EMD) has been unveiled as the Asia-Pacific team of the year in the global Adobe Experience Maker Awards.

The New Zealand company, which is part of the Giltrap Group, was a winner alongside two Australian businesses.

The awards celebrate brands worldwide using Adobe Experience Cloud "to reimagine customer experiences through innovative, bold and impactful outcomes".

"We're delighted three customers from Australia and New Zealand ranked among the best in the world," says Amy Robson, APAC senior manager at Adobe.

"Huge congratulations to Hesta, Transurban and EMD on high-impact ways they are transforming the digital economy."

EMD's award citation states it completely restructured its traditional digital and brand-marketing teams to create a customer-engagement team in an intensive six-month period.

It adds: "This change was a key part of a larger goal to connect data and insights across brands to build loyal, lifelong customers.

"The customer-engagement team took on a collaborative approach to strategy, content, persona-based nurture campaigns and customer lifecycle programmes, shifting EMD from a business-focused to customer-focused organisation.

"The team overhauled the Audi-lead journey to focus on relevant content for individual customers rather than vehicle features. It also built a complex 30-email end-to-end customer journey.

"The company's structural transformation and innovative approaches have led to significant business growth and opportunities. Using multiple solutions, the team more than tripled the top-of-funnel pipeline and increased lead-to-test-drive conversions by 30 per cent between June and December 2021."

The award winners from across the Tasman included Hesta, the largest pension fund for health and community service workers in Australia.

The other was Victoria Xiao, Transurban's digital optimisation capability lead. She headed the toll-road operator's initiative to switch customers from call centres to digital support channels.

The Giltrap Group has been on New Zealand's automotive scene since 1996. From one dealership, it now represents 18 car brands across 15 Auckland locations.

Stock levels fall

Imports of new cars came in at 9,981 in August. This was 8.6 per cent lower than in the same month of 2021 and only 6.2 per cent higher than July's 9,397 units.

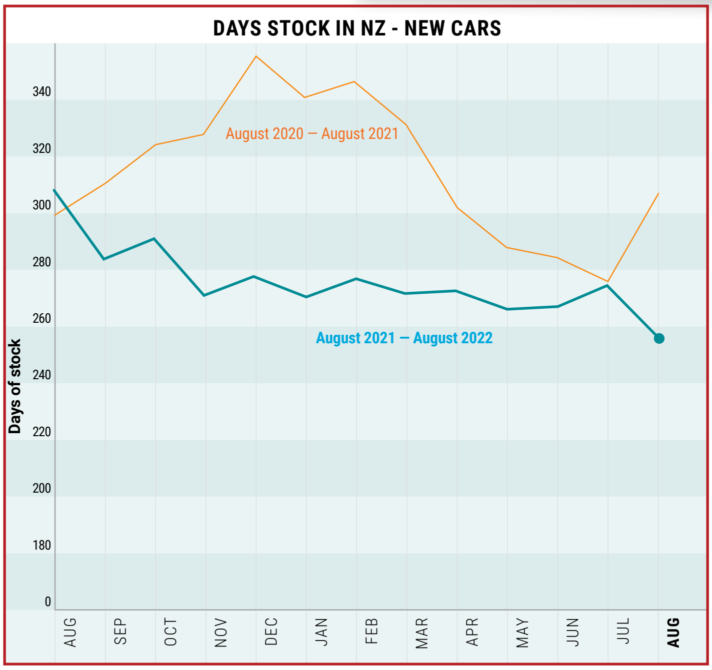
Registrations of new passenger vehicles totalled 10,940 last month, which was up by 36.1 per cent from July and 137.4 per cent higher than August 2021 when trade was hit by Covid lockdowns.

The numbers have resulted in the stock of new cars still to be registered falling by 959 to 80,633. Daily registrations, as averaged over the previous 12 months, stand at 316 units per day – up from 279 a year earlier.

August's results mean stock at-hand has fallen to 255 days, or 8.4 months, if sales continue at the current rate. In the same month of 2021, stock at-hand stood at 307 days.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
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	7,656	861	83,228	302	276
Mar '22	10,322	11,198	-876	82,352	305	270
Apr '22	8,555	8,524	31	82,383	304	271
May '22	8,488	10,555	-2,067	80,316	306	263
Jun '22	9,455	9,540	-85	80,231	304	264
Jul '22	9,397	8,036	1,361	81,592	298	273
Aug '22	**9,981**	**10,940**	**-959**	**80,633**	**316**	**255**
Year to date	**71,082**	**75,392**				
Change on last month	**6.2%**	**36.1%**		**-1.2%**		
Change on Aug 2021	**-8.6%** LESS IMPORTED	**137.4%** MORE SOLD		**-5.8%** LESS STOCK		



Group grows amid pandemic

Used car sales at Turners Automotive Group in the last financial year smashed pre-Covid levels and it is also celebrating an increase in its market share despite the pandemic creating challenges for the industry.

The company says it has made "great progress" after selling 22,170 used vehicles in the 2022 financial year, which was up from 16,179 units in the corresponding period for 2019.

Over the same timeframe, its market share has grown from 4.85 per cent to 6.55 per cent and its net profit before tax (NPBT) increased 48 per cent from $29 million to $43.1m.

Turners has updated its target for underlying NPBT for the 2025 financial year to $50m. It predicts growth will come from retail optimisation and branch expansion, vehicle purchasing decision-making, margin management and premium lending, and investment in digital distribution and omni-channel customer experience.

"There are clear NZ and global economic challenges over the next 12-24 months, but we still see opportunities in the markets we operate in and are well positioned to take advantage of these," the company says.

It says sales are up because it is selling more locally owned vehicles and buying fewer used imports, which enables a quicker turn-around in processing.

During a presentation to shareholders during the company's annual meeting last month, it noted sales in the overall used car market are down from previous years, with the exception of a spike in registrations in March 2022 ahead of the launch of the full clean car discount scheme.

Turners also predicts the number of dealers will drop from the current figure of about 3,000 because of supply challenges and legislation changes from government.

"[We're] still expecting a supply-constrained market for the next few years due to the impact of semi-conductors, disruption to material supply, and the impact of government regulation," it says.

The company adds used electric vehicles continue to be difficult to source but says there is plenty of resilience in the used car market.

It notes one benefit to its business during the Covid pandemic has been consumers moving to "high-trust brands" in times of uncertainty.

Daily sales climb

There were 8,611 used cars imported in August for a decrease of 27.8 per cent from 11,932 in the same month of 2021.

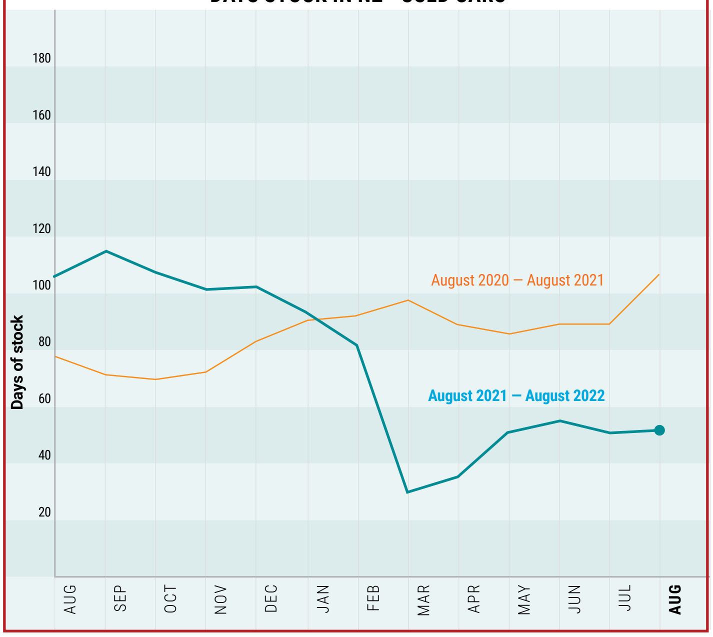
However, the monthly figure was a rise of 32.4 per cent from 6,506 vehicles in July and the third highest tally of the year so far.

A total of 7,939 units were registered during August. The number was 3.6 per cent lower than the 8,235 units in July, but 11.9 per cent higher than the 7,096 registrations during August 2021.

With 672 more used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, to 17,829. This was 49.9 per cent below the total of 35,588 at the end of August last year.

Average daily registrations rose to 333 and there was 53 days' stock remaining.

DAYS STOCK IN NZ - USED CARS



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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	10,726	-3,577	27,590	340	81
Mar '22	7,890	24,342	-16,452	11,138	377	30
Apr '22	7,999	6,507	1,492	12,630	367	34
May '22	11,833	6,878	4,955	17,585	355	50
Jun '22	8,710	7,409	1,301	18,886	344	55
Jul '22	6,506	8,235	-1,729	17,157	331	52
Aug '22	**8,611**	**7,939**	**672**	**17,829**	**333**	**53**
Year to date	**65,631**	**82,141**				
Change on last month	**32.4%**	**-3.6%**		**3.9%**		
Change on Aug 2021	**-27.8%** LESS IMPORTED	**11.9%** MORE SOLD		**-49.9%** LESS STOCK		

LEAF