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NOVEMBER 2022

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Unfair advantage for banks in loan sector

Finance providers operating in the automotive market fear lending regulations may end up being anti-competitive

An organisation representing dozens of companies in the finance sector is urging the government to ensure changes to controversial legislation avoid giving an unequitable edge to banks.

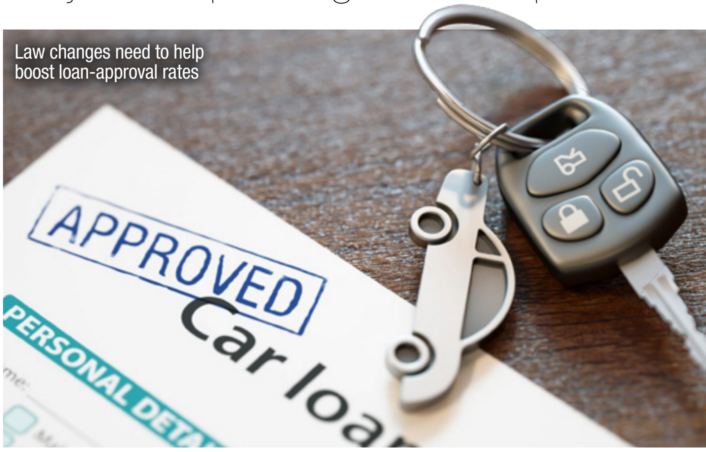
The Financial Services Federation (FSF) has responded to the latest – and what should be final – tranche of draft rules for assessing borrowers' expenses.

It's this area that has created mayhem in the consumer credit and car industries since major amendments to legislation came in late last year.

Since then, loan-approval rates have nosedived with sales of vehicles also being hit.

The government's consultation period for what's hoped are its last exposure drafts on the Credit Contracts and Consumer Finance Act (CCCFA) closed on October 20.

The new regulations are expected to be rolled out by March 2023. Their aim is to tackle "the unintended consequences" of last year's overhaul of the act and the FSF, which has made a submission on behalf of all its members, is hoping this will be the case.



Law changes need to help boost loan-approval rates

One proposal the Ministry for Business, Innovation and Employment (MBIE) has sought feedback on is the approach on excluding some credit cards when calculating would-be borrowers' expenses.

The FSF has highlighted this new sub-clause under regulation 4AL(2) as being unfair to its members and their agents, who include car dealers, because the way it has been worded gives banks a "distinct advantage".

It backs the overall aim of this draft regulation, which is to avoid the double-counting of expenses of consumers who use credit cards for day-to-day purchases and pay them off without incurring interest.

However, "in reality" non-bank lenders will find it hard to have oversight of this without the borrower providing detailed bank transactional information to prove they use such facilities in this way.

"This provides banks with a distinct advantage given they have direct access to this information,"

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GUEST EDITORIAL

Seize the moment in shifting market

Andrew Brough on consumers' changing expectations


ANDREW BROUGH
Head of auto and consumer
Avanti Finance Group
(including BFS)

It's an understatement to say the finance industry has changed quite a bit over the past 20 years.

Back around the early 2000s, it was a manual application, a manual assessment and a "wet" signature on all finance agreements.

Each finance company was different, where you would have an Excel spreadsheet for a capacity assessment and some form of an Access database or another spreadsheet for profiling the applicant to make an informed lending decision. This process has become automated, with electronic signatures.

Dealers, brokers and finance companies must now have high-tech solutions and adapt to their customers' needs. More and more people – the next generation – are wanting to transact end-to-end online.

Lending teams are now assessing applications that are referred by scorecards and using a series of automated third-party checks, whereas lenders used to review every deal through manual processes.

The number of "fintechs" that are also operating in the automotive space, providing "pre-approved, pre-qualified" finance, is rising and adding competition to the dealer and broker traditional markets.

These companies have added smarter strategies to capture customer leads via Facebook and Instagram advertising, Google AdWords and pop-ups.

It means dealers are having to compete with brokers and fintechs, and have also had to look at how they can manage point-of-sale conversion to protect their database of repeat customers from these new direct-to-customer digital players.

Customer demand is creating more urgency around speed of transaction. In the early 2000s, we could take two to three hours to approve a finance application. For referred applications today, we've got about 20 minutes to half an hour before the dealer could lose their customer off the yard.

You've got to capture the customer while they're in the moment to stand a chance of securing an agreement. Seize the moment – if you will.

Autofile reports online the number of licensed dealers has dropped to around 3,000. We are also seeing a decline of the traditional smaller used dealers who haven't been able to adapt to stock supply challenges, technology and automation.

Fewer people are going for test drives. They are making their decisions based on their own online research and relying on the Consumer Guarantees Act, mechanical breakdown insurance or distributor warranties for protection should the vehicle have any issues.

If you want to look at ways to enhance your customer journey and provide a bit of automation and integration with your websites and CRM systems, have a chat with your BDMs from your finance and insurance provider. They can help with suggestions on how you can change the status quo.

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

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

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says Lyn McMorran, the FSF's executive director.

"Banks also actively discourage customers from sharing this information with non-bank lenders.

"What's also essential to avoid providing banks with an unfair competitive advantage is the immediate implementation of a consumer data right that provides customers access to their own data and the ability for them to choose with whom they share it. As the FSF has said repeatedly, this important step should have been taken before implementing the CCCFA regime of December 1, 2021, but this suggestion was ignored."

As for the bigger picture, the best solution for borrowers and lenders would be to repeal the "excessively prescriptive" affordability regulations and return to the principles-based approach previously in place, but that appears to be off the government's agenda.

"Principal seven of the lender responsibility principles allowed lenders to rely on information

provided by borrowers unless it was obvious that wasn't reliable," says McMorran. "In the absence of this common-sense approach – and given punitive penalties will still exist for directors and senior managers of consumer credit providers – the easiest answer to an application is often to decline."

CHANGES TO CONTRACTS

The draft CCCFA regulations include an expanded exception when it comes to varying and replacing existing credit contracts.

MBIE has tabled two options in this area, with the FSF supporting the first because the second will unnecessarily complicate matters.

The first option outlines that total monthly repayments under new credit contracts will have to be equal to or lower than those for existing loans, so consumers consolidate debt to "make it more manageable".

"Removing the requirement that limits using this exception to improve ease of access to safe credit with the potential to benefit consumers is sensible," says McMorran.

"It seems incredible that change to the regulations should have to be made to allow this when it should have always been the case.

"However, lenders will still be cautious about extending credit to a borrower experiencing repayment difficulties with their existing lender, given significant penalties could apply if the new lender is seen to be extending financial hardship."

Another FSF concern is that banks could use this exception to take business from other lenders without having to apply the same scrutiny on affordability as the original finance provider.

It points out that banks can use the exception because they can offer lower repayments because of their lower cost of funds.

OUTGOINGS & EXPENSES

Controversy has engulfed what outgoings and expenses lenders must consider when assessing affordability during the application process.

The law has become more complicated since amendments to the CCCFA came in last year,

Impact on industry

The FSF has warned the government that lenders' processes will require an overhaul because of the latest changes to the CCCFA.

This follows on from the "enormous" amount of work costing millions of dollars that was needed for regime changes that came on December 1, 2021.

The federation raised concerns with respect to the timeframe for industry to initially implement such significant amendments to a regime reviewed only a few years previously.

Receiving finalised guidance on the responsible lending code in February 2021 and having an initial implementation date of October 1 last year – moved out to December 1 due to the second Covid-19 lockdown – was always going to be difficult to achieve without enormous pressure being applied to affected businesses.

"In the event, FSF members reported costs of more than $1 million each for our larger members through to tens and hundreds of thousands of dollars for smaller members," says executive director Lyn McMorran.

"Perhaps even more concerning has been the personal stress and pressure put on people involved in each organisation."

The latest regulations are expected to be formalised by February 2023 for them to come in the following month.

This will involve changes to finance providers' documentation including the application process to capture information, and training staff and car dealers to allow them more discretion with borrowers.

While it's easier to unwind

resulting in approval rates tanking since then.

MBIE's draft regulations amend the definitions of relevant expenses and listed outgoings, so what changes are now being proposed?

Listed outgoings are currently defined as, "recurring outgoings other than savings and investments – for example, gym memberships, entertainment costs or tithing – material to the estimate of relevant expenses that the borrower is unable or unwilling to cease after the agreement is entered into or materially changed".

The draft change instead states, "any regular or frequently recurring outgoings – for example, tithings or remittances – material to the estimate of relevant expenses, excluding savings and investments".

As for relevant expenses, these "may exclude discretionary expenditure that a responsible lender would reasonably expect the borrower to cease if at risk of substantial hardship".

MBIE says the aim with this is to create an objective test based on what a responsible lender would expect the borrower to cease in such cases.

"We propose to amend listed outgoings to remove 'gym memberships' and 'entertainment costs', as well as the reference to 'expenses the borrower is unwilling or unable to cease after the agreement is entered into or materially changed'.

"Gym memberships and entertainment costs will largely be discretionary and are, therefore, not appropriate to include as examples of listed outgoings."

Any expense the borrower is willing and able to cease after the agreement is entered into will also be discretionary.

The FSF describes these changes as making the situation better, "but still not great".

As for guidance in the responsible lending code on how lenders may exclude discretionary spending in relation to relevant expenses, the federation prefers MBIE's second option because it "appears to allow the greatest amount of discretion to borrowers and lenders". It also puts some of the power back into the hands of consumers to make their own decisions.

The new code sets out categories of non-discretionary expenditure, says MBIE. For example, these include fixed financial commitments, such as expenses with contractual requirements or significant break-fees associated – examples being some television subscriptions, gym memberships and bundled phone plans.

This may allow lenders to make more positive decisions than they can currently, says McMorran.

"However, it still requires providers to make extensive enquiries of borrowers and record how they concluded what was a discretionary expense and what wasn't.

"Lenders are still uncomfortable any presumption that all expenses other than those defined are discretionary could be used against them.

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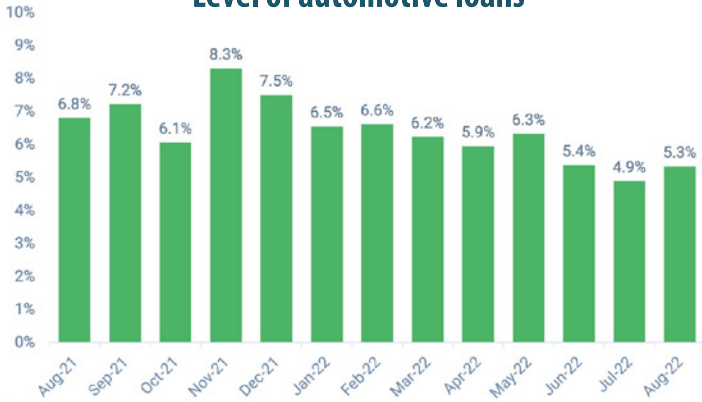
Level of automotive loans



There are nearly 300,000 active vehicle loans in New Zealand, averaging at $21,000. The total has been growing by about six per cent per annum. *Source: Centrix, as of September 30*

prescription than implement it, companies will need to expend time and financial resources.

The FSF adds the sooner certainty on the proposals can be provided, the better for all concerned.

"This will allow lenders to be ready to offer the benefits these changes can offer consumers from the time they come into force," says McMorran.

"We strongly suggest that, in respect to this latest consultation, the views of industry are taken into consideration."

She adds the FSF has provided feedback on unintended consequences the regime's prescriptive nature would have since the consultation process on the CCCFA review was first announced in 2018.

"It has always been the FSF's view that changes to the CCCFA were largely unnecessary. Changes that introduced the definition of high-cost lending, and placed parameters around the interest and fees that could be charged, were all that was required. The reforms should have stopped at that point."

The FSF believes the principles-based approach to responsible lending introduced in 2015's CCCFA reforms through the lender responsibility principles and guidance was all that was required to ensure consumer credit is provided responsibly.

This included the reinstatement of principle seven, which allowed finance companies to rely on information provided by borrowers unless it was obvious that wasn't reliable.

The federation notes if anything was missing from the CCCFA, then it was sufficient swift and effective enforcement of the law. It's keen to ensure this latest review is the final one for some time to come.

Focus on sustainable future

In-service emissions of New Zealand's existing fleet and the safety of vehicles on our roads need to be considered as the industry shifts to greener times ahead.

Those were among the messages from the president of the Motor Trade Association (MTA) at its national conference last month.

Bob Boniface told delegates the MTA has just finished the country's "first empirical data-point collection" after emissions testing about 300 vehicles aged eight years and over on arrival for service and post-service.

"We are currently commencing analysis and will engage with the government and Ministry of Transport [MoT] when we have a conclusion and recommendation," he said. "Early data suggests significant improvement in HC [high hydrocarbon] levels from servicing and we're keen to engage in more conversation around the benefits to New Zealand's footprint of in-service testing to underpin regular servicing."

Boniface also flagged the review of warrant of fitness (WOF) frequency implemented in 2014 was never contemplated as being "set in stone" for one-year inspections for post-2000 vehicles.

"We now have cars 22 years old only being inspected annually. During the period from 2013-19 and based on latest data, the

Bob Boniface delivering his speech at the MTA's conference at the Hilton, Auckland, on October 14

percentage of deaths caused by mechanical malfunction has risen from five to 11 per cent. Stricter maintenance of the older fleet must be addressed."

In a wider context, the MTA views it as essential for all participants in the automotive industry to be moving in a sustainable direction.

Boniface said the association defines sustainability as "improving the business efficiency and financial performance of our member businesses, while also improving their real carbon footprints, environmental reputation, compliance and ethical performance".

"Sustainable practices, in the environmental sense, are good for our planet and families. This is the right thing for us to do and offers opportunities for everyone.

"However, we aren't of a mind to measure our members' footprints, and plant trees and veggies to cover them.

"The MTA's goal in this space is to further develop resources, materials, referrals, case studies and sector expertise to assist and encourage members to make decisions that result in improvements to our industry's footprint while increasing the viability of businesses."

The association has initially established an internal cross-functional team to put this strategy into operation and is seeking a lead specialist to join it by early 2023.

Boniface sees the MTA's wider membership as a team with common goals, and many of its larger member groups are "active locally and cascading down practices and ideas from their parent groups".

"There will be many other issues to face as decarbonisation progresses, new types of members and the need for agility, but also the need to be here to profitably service the four million-plus internal combustion engines on the road, many of which will still be here for the next generation."

TACKLING FLEET ISSUES

Michael Wood, the Minister of Transport, is keen to speed up the removal of vehicles with one and two-star safety ratings from the fleet to reduce the number of fatalities and injuries on our roads.

Wood, who officially opened the MTA's conference at the Hilton, Auckland, on October 14, spoke about the government's vision for a "sustainable and technology-driven transport sector".

He said work on safer vehicles was progressing, with raising standards at entry considered to be one of the most important levers for managing our fleet.

Wood acknowledged looking at imports was only part of the solution to improving safety and said the MoT was also keen to tackle those already on our roads.

"We have identified several modern safety technologies that are expected to have significant safety benefits and we're examining options to increase the uptake of these technologies in our fleet," Wood told the conference.

"Because New Zealand is

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"They will probably choose to continue to make borrowers undergo intensive questioning with respect to their expenditure to protect themselves."

LAST-MINUTE U-TURN

The buy-now, pay-later (BNPL) market has expanded considerably since last year's CCCFA amendments.

In its latest draft regulations on the act, the government wanted to exclude this sector in its entirety for lenders needing to take into account existing consumer debts.

"We wonder whether the regulation of BNPL should be considered first before their exclusion from affordability requirements," says McMorran in the FSF's submission of October 20, the deadline for comments.

However, the government made a u-turn on November 2 when David Clark, Minister of Commerce and Consumer Affairs, announced its intention to apply the CCCFA to BNPL.

This will mean people using it will get similar protections to borrowers in other credit contracts, such as credit cards and personal loans.

Clark says the proposal will ensure people are protected from potential financial harm while enabling continued access to low-cost credit.

Obligations are intended to be applied proportionately based on the nature of BNPL – and the absence of interest and credit fees – to allow the benefits of this type of finance to continue.

When it comes to protections, key CCCFA requirements will apply. For example, when loans are above a threshold, which is proposed to be set at $600, BNPL lenders will have to assess affordability.

MBIE aims to undertake consultation later this year on what Clark has tabled. This will include the form of assessments and the draft regulations more generally with changes to come into effect next year.

Visit www.autofile.co.nz for a full story on the BNPL proposals.

[continued from page 6]

a small market with limited influence over manufacturers, we need to be keeping up with international standards to ensure our new vehicles are the highest quality we can afford.

"However, the ministry knows looking at the vehicles coming in is only part of the issue. If we really want to see enduring safety improvements, we also need to investigate options to accelerate the exit of one and two-star safety-rated vehicles from the existing fleet.

"We will also work to improve current WOF and certificate of fitness testing procedures so we can be assured vehicles currently on the road are and remain roadworthy."

Wood also spoke to MTA members about the government's clean-car programme, immigration, skills shortages and climate change.

He said: "Urgent action is required to address the climate crisis, and shift our fleet from being one of the oldest and dirtiest in the world."

Wood added the clean car discount scheme was introduced by the government to encourage demand for low-emitting vehicles. He noted this had led to a surge in sales of such vehicles.

"Record numbers of hybrids and EVs are now being bought in New Zealand due to the rebates provided. The discount is proving an overwhelming success and is turning New Zealand into a global leader in the uptake of zero-emissions vehicles. More than $33 million has been paid in rebates and over $24m has been collected in fees."

Michael Wood, Minister of Transport, fourth from left, at the MTA's conference with association board members

The discount was introduced solely for BEVs and plug-in hybrids in July 2021. It was expanded into a feebate scheme in April this year to cover all newly registered light vehicles and to make it more expensive to buy high-emissions models.

"This is intended to make people think harder about their choices and encourage people to move to a more environmentally friendly option," said Wood.

"This is working. EV purchase rates have risen and, in the used-import market, hybrid sales have grown to be roughly neck-and-neck with petrol-car sales for the first time ever.

"The benefits of having more EVs and less high-emissions cars on our roads are huge. We will cut our emissions, helping to reduce the environmental damage that vehicles cause.

"We will be in safer cars that save money on fuel and vehicle maintenance. We will reduce our reliance on fossil fuels and global events that can impact our supply."

Wood also mentioned the looming clean car standard to "encourage a cleaner supply" of vehicles, but didn't address its implementation date.

The standard is slated to start on January 1, but the MTA and other industry organisations have long called on the government to delay its roll-out.

The minister said the carbon dioxide (CO_2) emissions standard on imports will be among the strongest targets currently regulated anywhere in the world by 2027.

"To help support consumers to make the right decision, we've introduced mandatory vehicle emissions and energy-economy labels on new and used vehicles.

"There's more going on and more to do. But with the progress we're making, we will no longer be a dumping ground for the vehicles the rest of the world doesn't want any more."

SHORTAGE OF TALENT

Wood acknowledged the automotive sector's concern about the future of its workforce.

"The skills required are changing as vehicles change, the workforce is changing and retiring in greater numbers, and many of you have been telling me you're struggling to attract and retain sufficiently skilled staff," he said.

"These kinds of challenges are being seen across skill levels and sectors. The New Zealand labour market remains tight with elevated demand for labour, particularly because of Covid-19.

"I expect pressures to ease as the country continues its recovery from Covid and its flow-on effects. As a nation, we did a remarkable job of keeping our people as safe as we could in the pandemic and I'm confident we can bounce back from the setbacks."

Wood said migrants had and always will play an important role in New Zealand's workforce and society, but immigration alone cannot solve labour shortages.

"Many employers and sectors

GVI Penrose claimed the used dealership title at the MTA's northern region awards

made great progress to hire, train and upskill more New Zealanders while the borders were closed and found other ways of doing things, including investing in productivity and capital.

"There is an opportunity to discuss workforce when considering vehicle-safety matters. I hope the MTA will continue to raise workforce concerns with my officials, so we can look for a solution that works for the short term and long term equally well."

Boniface described the issue of staff and skills as what keeps about 70 per cent of MTA members awake at night.

"There are lots of moving parts to the solution as we look to take a long view to make a permanent improvement," he said. "We are one industry of many in this boat."

He warned it might take 10 or more years to "radically improve" the issue around skills. "Our role will be to co-ordinate various streams of training and development, train when necessary or arrange training where we can access resources and help members access funding."

As for immigration, he said that between 2016 and 2020, the government's previous accredited-employer regime solved many skill-shortage issues.

However, the current accredited-employer settings "are proving slow and cumbersome. Continued advocacy around immigration will be a significant part of covering the interim skills gap".

Talks on car imports

Newly elected Mayor of Auckland, Wayne Brown, has written to Ports of Auckland Ltd (POAL) saying he no longer wants Bledisloe Wharf to be used for car imports.

Brown has sent a letter to chairwoman Jan Dawson giving the council-owned company less than six months to come up with a plan to free up land from the wharf to the ferry building.

"There's no one who voted for me who should have been unaware of my view that car importation and container services should cease at the current site," he says.

The mayor wants POAL to work with Ngati Whatua Orakei, and other community groups and businesses, on a plan and timeline to develop that part of the port. He has told them to report back to him by March 31, 2023.

"While a passenger terminal in the CBD and berth for coastal shipping will always be needed, our strategy must involve a plan for car importation and container operations to vacate their current location on a [future] fixed date," Brown adds in his letter.

Past studies have suggested shifting some of POAL's business to Northport or Manukau Harbour, but the automotive industry has voiced grave concerns about that because of adding costs and delays to vehicle deliveries.

Brown says he plans to work with the government, if necessary, to remove any legal or regulatory barriers to changes he wants.

Meanwhile, the mainstream media has been awash with rumours that DP World, a Dubai-based global port operator, is looking at taking over POAL's business with the council remaining as landlord – an idea Brown opposes. Visit www.autofile.co.nz for more on that.

Timetable to start standard issued

Importers have been advised to set up accounts to log their vehicles' carbon dioxide (CO2) emissions sooner rather than later as part of the clean car standard (CCS).

The scheme comes into effect in January with Waka Kotahi using December to iron out any issues in its lead-up.

The agency's CCS system was set to go live on November 7 and this was when importers could start registering. All CO2 accounts will initially be set up as pay as you go. Importers can then apply for fleet average.

The next date on the roll-out timetable is November 21. This is when used importers can use Fuelsaver to assign vehicles to their accounts, and get emissions and estimated dollar values.

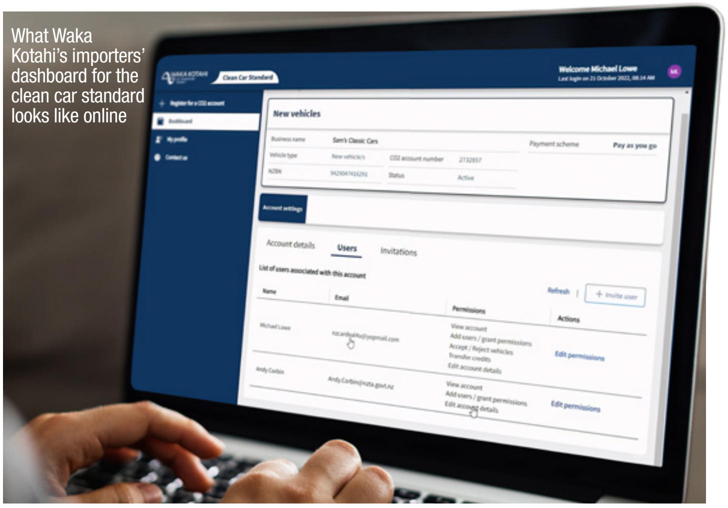
New importers can use MIAMI – the model information system run by the Motor Industry Association (MIA) – from the 21st to notify vehicle identification numbers with CCS account numbers attached.

A major target date is December 1. This is when all light-vehicle imports need to be visible in CO2 accounts showing emissions values. An account number must be entered against all vehicles to pass entry certification.

They will be automatically accepted into the system so importers can test the process for viewing them as they are certified. This will also allow importers to monitor those not certified before January 1. Excluded vehicles will show a "null" emissions value.

The CCS launches on new year's day. With pay-as-you-go accounts and once vehicles are accepted, dollar-value charges for imports with CO2 values above their weight-adjusted targets will be calculated. Those below their target will have their credits added to the importer's CO2 balance.

Importers will have the option to use available credits to offset charges when they are due. Importers on fleet average can track overall performances against targets during the year.



What Waka Kotahi's importers' dashboard for the clean car standard looks like online

Waka Kotahi says there will be processes in place to reject vehicles, correct values and locate vehicles in the system that aren't showing in accounts.

More processes and deadlines will follow post-January. It's anticipated anyone wanting to transfer or trade in CCS credits will need to complete an anti-money laundering verification with Waka Kotahi before the end of March.

In April, credits trading and some payment options should start, while invoicing of accrued charges is likely to get under way in 2023's second quarter.

The transport agency stresses importers will need to enter their CO2 account numbers against all vehicles. It warns: "Without this, vehicles will not be able to complete entry to New Zealand."

TYPES OF ACCOUNTS

The payment schemes for the CCS are pay as you go and fleet average. When importers register for a CO2 account, they will automatically be assigned to pay as you go and comply with targets on a per-unit basis.

A charge is levied if emissions exceed the individual target for that vehicle. Fees are paid per unit based on the annual rate, while credits can be banked or later transferred to offset fees.

The pay-as-you-go rates for 2023 are $36 per gram of CO2 for new vehicles and $18/gCO2 for used.

Joining on a fleet-average basis is by application with credits paid annually. A credit is applied if the actual average emissions across the importer's total fleet, during an obligation year, are less than the target. Credits can be saved or transferred.

Annual targets

A CO2 target under the CCS for all light vehicles will be set on an annual basis.

The emissions target for each specific vehicle is adjusted based on its weight. The thinking behind this is to "modify" impacts on larger vehicles.

Generally, a bigger vehicle usually pollutes more than a smaller one. Under the CCS, a formula is applied to "moderate" the final CO2 target to reflect a weight-adjustment allowance.

The formula for this is:

- Adjusted CO2 target = annual fleet CO2 target.
- Plus a fleet weight-adjustment factor.
- Then that's multiplied by the difference between the vehicle's actual tare weight and incoming fleet-average weight, which will be revised periodically to reflect the CCS' impact.

Credits and charges vary based on whether vehicles are imported new or used and if the importer is a pay as you go or fleet average. It is expected Waka Kotahi will release more information to explain the process soon.

If charges are due, these will be payable annually based on the annual rate. The fleet-average rates for 2023 are $45/gCO2 for new imports and $22.50/gCO2 for used.

To register for a pay-as-you-go account, a RealMe log-in is needed. This can be created during the registration process when Waka Kotahi will ask importers for information, such as whether importing new or used vehicles or both. A New Zealand Business Number (NZBN) will be required.

No approval is needed for pay as you go and this application process should take about five minutes.

Operators with a CO2 account can then apply for fleet average. They must be a Kiwi business that's been trading for five years or more and have a NZBN.

While Waka Kotahi is reviewing such applications, vehicles can still be managed through pay-as-you-go accounts.

DELAY? 'NO CHANCE'

The chief executive of the Imported Motor Vehicle Industry Association (VIA) says there's little chance of the CCS' launch date being delayed.

David Vinsen told Autofile on October 28 that VIA has been doing a lot of work on the scheme. "We've been flat out preparing for the standard and to ensure the smoothest possible implementation of it on January 1, or for it to be as least disruptive as possible."

He adds "there appears to be no chance of its roll-out being delayed" after meeting with Michael Wood, Minister of Transport, a few weeks ago.

However, there will be "some good news soon about invoicing" when it comes to the standard's implementation.

The MIA has described the release of regulations for the CCS on November 1 as "really tight but better late than never".

Chief executive David Crawford says: "Companies that make up the VIA and MIA working groups have been invited to set up accounts under pay as you go.

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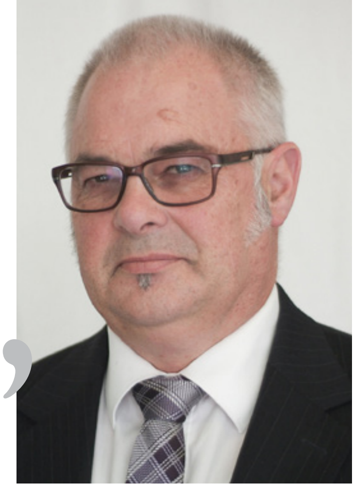
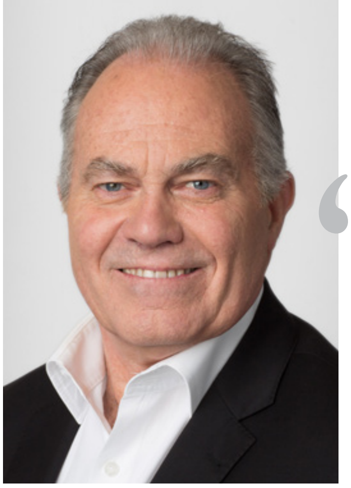
> “The timing is very tight, but the final regulations are out”
> David Crawford





“We obviously couldn’t submit the information to be fleet average until we saw the regulations, so they have cut it fine. Those setting up fleet-average accounts need the regulations to understand what information they need to support their applications.”

Crawford says MIA members needed the final details because discussions have to take place with parent offices around legal obligations including what brands may be grouped for the CCS.

“It also requires a brand’s head office to approve distribution arms in New Zealand setting up accounts. Those discussions usually take a couple of weeks.

“The timing now is very tight, but we’re pleased to see the final regulations are out. It means we can complete our business planning to meet the requirements of the CCS.”

Waka Kotahi still has some IT processes to roll out to ensure everything works properly once the system is fully operational. Some of the agency’s CCS processes are automated, other parts are manual.

“We prefer automated, but the agency has measures in place to manage the manual elements,” says Crawford. “While we’re not entirely happy, we are satisfied they’re doing as much as they can to make it easier for us.

“The regulations coming out so late has impacted on Waka Kotahi’s ability to have systems ready in time. The window for the agency and industry to prepare for the implementation of the standard has become compressed.”

However, there appears to be no “nasty surprises” in the regulations and Crawford is pleased two changes have been made following MIA lobbying.

The first is about information on the formulae for average tare weights and on the slope limit line, which will need to be amended occasionally as emissions targets and the make-up of the fleet changes.

“In the draft regulations, they said they would give us six months’ notice of any change. We lobbied for nine months because of how we order and confirm cars being brought in.

> “There appears to be no chance of its roll-out being delayed”
> David Vinsen

“They have given us eight months to provide more notice of changes, which isn’t as much as we wanted but is better than what was initially proposed.”

The other area that has been amended is on the confidentiality of plans submitted to government for fleet-average account holders.

Crawford says: “Under the draft, they were proposing to make a lot of the information publicly available, but knowledge of what vehicles are arriving and when is commercially sensitive.

“We asked that plans remain confidential and not publicly available because of this. They have now tightened up what cannot be disclosed to the public or competitors and we’re pleased to see that.”

In-line for takeover

New York-based Assurant is on the verge of taking over Protecta Insurance.

Assurant is the parent company of Protecta’s current underwriter Virginia Surety Company, which is a global provider of risk-management solutions, including vehicle and warranty insurances.

Correspondence sent on behalf of Protecta’s directors and shareholders to car dealers explains the Auckland-based insurance provider is “in the advanced stages of finalising a sale of its shareholding” to Assurant. It adds the sale will create opportunities for Protecta’s agents and staff.

The company is making new sub-agency agreements with traders and agents, which have not been reviewed for some years.

These changes are being made to incorporate existing regulatory obligations and “have no impact” on traders’ commercial arrangements with Protecta.

Assurant, which is listed on the New York Stock Exchange, is among the market leaders in extended service contracts, vehicle protection, funeral and home insurance, mortgage valuation, and mobile-device protection and related services.

It has a presence in more than 20 countries, has about 16,000 employees and protects around 40 million vehicles globally.

Founded in 1927, it is the principal property and casualty insurance company in the US and, along with its affiliates, is one of the largest underwriters of insured service plans and warranties worldwide.

Protecta was established in 1986 and started trading in 1987. It has specialist experience as an underwriting agency, and marketing insurance products through car dealers and finance companies and direct to consumers.

Clean car targets challenging

While Ford, which is one of the brands Colonial represents, has no plans as yet to import the F-150 Lightning here, the Mustang Mach-E should be on our shores next year followed by the E-Transit in 2024

Growing social awareness when it comes to climate change and global regulations on vehicles' emissions are influencing consumer choices.

Alex Gibbons, chief executive of Colonial Motor Company, describes these issues as "changing the game" in automotive.

He says consumers no longer need to trade off the desirable features of cars with internal combustion engines (ICEs) when buying those that are electrified, such as battery electric vehicles (BEVs), plug-in hybrids (PHEVs) and petrol hybrids.

"The government's clean-vehicle policies have incentivised local franchises to secure a supply of EVs from their international parents," says Gibbons.

"Unfortunately, they are in short supply globally and the aggressive nature of emissions targets appear to be adding to inflationary pressure in the market.

"While the execution of these policies still presents many unsolved challenges, the effects of climate change and global response to this are impacting everyone – and our industry is no exception."

He stresses Colonial is committed to "navigating" the risks, opportunities and obligations of the response to climate change to optimise sustainable, long-term value for shareholders.

"We remain in a mixed powertrain environment, allowing customers to choose a solution that best matches their needs," says Gibbons.

"The new passenger segment, for example, is the most advanced on the electrified journey and already EVs in this segment are approaching 50 per cent market share. The ever-increasing variety of EVs delivers considerable benefits, particularly in urban environments where range is less of a factor."

That said, Gibbons describes the light-commercial sector as a "different beast" with few electrified vehicles available and those that are remain in critically short supply.

"Operationally, light commercials often require a combination of off-road, payload, towing and extended range capability which, at this stage, remain a strength of current ICE vehicles," he notes.

On top of this, Colonial continues to invest in its electrified infrastructure to ensure dealerships and staff are equipped to support the increasing number of next-generation vehicles that will soon hit the market.

> "The clean-vehicle policies have incentivised local franchises to secure a supply of EVs"
> – Alex Gibbons

INTO THE FUTURE

Looking ahead, Gibbons says Colonial continues to witness external economic factors that, in normal circumstances, should see a greater softening in demand and eventually a correction taking place in the market.

"Despite considerable inflationary pressures across our operations and the wider economy, the future remains difficult to predict. But one could safely speculate that we, as a country and an industry, have yet to experience the full impacts.

"Fuel prices remain high, but seem to have dipped from their peak. Housing prices are falling, but that's against a 50 per cent rise in the past three years. Interest rates and the cost of living keep going up, but wage growth – driven by labour shortages – counteracts the impact."

Then there is what's happening around the world to consider as "the geopolitical situation remains precarious".

There have been the related impacts of the conflict and energy crisis in Europe, droughts and shutdowns in China, and floods in Japan challenging the ability of supply chains to get on top of demand.

"Directionally, the indicators suggest we are now in a softening market, but the unknown is whether we're flying towards a soft landing or a bumpy one," opines Gibbons.

"Our strategy is designed to adapt to whichever eventuality plays out.

"We are actively exploring new opportunities that utilise our core competencies. If they should materialise, they may require capital investment in property assets."

IN 'CATCH-UP MODE'

As for the company's past financial year, Gibbons says the perfect word to describe 2021/22 is "extraordinary".

"It's easy to dwell on the numerous challenges. We traded in an environment of multiple lockdowns and a traffic-lights system that appeared to be parked in red.

"It felt inevitable the majority of us would be exposed to Covid-19 with a resulting wave of staff sickness and isolation. This coincided with tight labour and capacity constraints across all operations. Service departments bore the brunt and many service hours were lost."

He adds supply chains remained unpredictable and "stuck in catch-up mode", which have been exacerbated by conflict in Ukraine, lockdowns and weather events.

"Monthly registration numbers were largely determined by shipping arrivals, making trends hard to identify on anything less than a quarterly basis," Gibbons reflects.

"Materials and manufacturing capacity for EV and microprocessors were – and remain – in critically short supply globally.

"For New Zealand, exceptional supply and demand conditions were complicated by targeted intervention via the clean car rebate/tax and impending clean car standard.

"Despite disruption and uncertainty, the first three-quarters of the financial year saw the favourable trading conditions of last year continue. Most new vehicles arriving were pre-sold and the order bank remained healthy. Sales disrupted in one month were merely deferred."

On the flipside, Colonial's car dealerships generally experienced another strong year assisted by higher-than-normal levels of discretionary income, consumers' appetite to spend and "desirable" product. "Rarely have conditions aligned in such a way and the industry benefitted."

The upshot was that the company's revenue in 2021/22 exceeded $1 billion for the first time. A record trading profit after tax of $33.3 million resulted in total dividends of 62 cents per share, which was also a record.

No date to complete liquidation

The affairs of Autoterminal NZ Ltd are still being investigated as attempts continue to secure books and records held by parties located overseas.

The company's liquidators have revealed various legal matters are still on-foot for which they are unable to provide comment due to their "commercial sensitively".

However, they have been engaging with an overseas-based debtor to collect outstanding money owed and "a substantial repayment plan is being worked on".

Between March 11 and September 10, 2022, covered by the liquidators' third report, a voidable transaction claim has been dealt with.

Also in liquidation, 224647 Ltd, which was previously called Nigel Thompson Motor Company, had lodged a $2,903,045 claim seeking to set aside payments it made to Autoterminal. The matter was down for a hearing in September, but the parties have reached a commercial settlement.

The report by Autoterminal's joint liquidators – Steven Khov and Kieran Jones of Khov Jones, and Thomas Rodewald, of Rodewald Consulting – states it's not practicable to estimate the date of completion of its liquidation or if there will be any distribution at this stage.

However, creditors or shareholders wishing to assist by providing funding for recovery action, or who have additional information that would assist, are urged to get in touch.

Steve Khov told Autofile: "We are continuing to investigate the affairs of the company and realistically have not estimated on the timeframe."

He describes Autoterminal as being a "complex business". It had "relatively large amounts and numbers of transactions that will take time to navigate, not to mention interaction with parties in multiple overseas jurisdictions".

Since their second report, the

The Autoterminal site in Manukau, south Auckland

liquidators have continued to receipt debtor payments and review and analyse company records, and have taken steps to secure records held by third parties overseas.

They have also instructed legal counsel on matters relating to the investigation of company affairs and continued to liaise with the company's director.

When it comes to preferential creditor claims, Autoterminal's liquidators have paid $491,9789 to Inland Revenue, $219,534 to NZ Customs and $153,498 to employees, while Jacanna Holdings has received $21,988 as a secured creditor. These distributions represent 100 cents in the dollar.

As for unsecured creditors, unsecured claims of $39,003,416 have been received and, "significantly", a claim of $38,728,906 by IBC is included in that total.

"As part of the terms of the sale of the business to IBC's subsidiary company, IBC elected to subordinate its unsecured claim to enable third-party trade creditors who had claimed prior to a certain date to receive a full distribution towards their claims," states the liquidators' report."

On that basis, the liquidators have made distributions totalling $356,877 towards those creditors' claims.

As part of the sale of Autoterminal and some vehicles subsequently sold to IBC's subsidiary, IBC has received a distribution towards its total claim offset against its liquidation claim of $19,680,297, adjusted by $20,299 for a debtor deemed to be unassignable. Further distributions of $2,129,100 have also been made towards IBC's claim.

As for the statement of Autoterminal's affairs, its book-value deficit, before the costs of liquidation, was $7,155,619 and its actual deficit comes in at $4,773,762. Variances between these values reflect the company's accounting records not being up to date at the date of liquidation, states the report.

Khov told Autofile the value of the actual deficit amount is estimated and "simply identifies the updated position of the company".

Autoterminal's total assets stand at $35,255,63. This consists of $3,322,15 in cash, a third-party loan of $5,653,608, trade debtors of $23,243,992 and $900,000 of vehicle inventory.

Its estimated deficit before unsecured creditors is $34,368,63 with total unsecured creditors amounting to $39,142,394.

Autoterminal started trading in April 2000 as importer, inspection and complier and wholesaler of Japanese vehicles to New Zealand.

The decision to liquidate was made by its shareholder in September 2021. This came after a high-court judgement in July last year in favour of IBC Japan for about $38.65m.

Autoterminal was then bought by a wholly owned subsidiary of IBC called ATNZ 2000 Ltd last October after being put on the market by the liquidators.

Industry movers

DAN WILKINSON has been appointed by MTF Finance as chief technology officer as the company looks to upgrade its systems.

His career has been focused on leading customer-led and technology-driven transformations across a range of industries here and in the UK.

Wilkinson has 13 years' experience in executive leadership in the New Zealand's financial-services sector with AA Insurance, Suncorp and Fidelity Life.

MATTHEW DOWNING has become chief executive officer at Cooke Howlison Toyota in Dunedin following Adrienne Ensor's retirement.

He takes on the job after being based at Toyota NZ's headquarters in Palmerston North for the past three years as national new-vehicle manager for retail sales and operations.

Before that, Downing was sales director and general manager at Miles Toyota in Christchurch from 2013-19. He previously held roles at Hawke's Bay Toyota and King Toyota, Lower Hutt.

GREG BASTION has been appointed general manager of Armstrong's Subaru Lower Hutt.

Bastion was previously used-vehicle manager at Johnston Ebbett in Porirua for nearly three years. He has more than 30 years' experience in the automotive industry in the Lower Hutt and Wellington region.

POLL OOSTHUIZEN is now managing director of Ebbett Hamilton, overseeing marques including BYD, Seat, Cupra, Isuzu and GMSV.

Oosthuizen was previously dealer principal of Ebbett Volkswagen for nearly four years. Before joining the group in August 2015, he spent five years with Continental Cars.

MICHAEL VAN DEN ENGEL has become dealer principal at Ebbett Volkswagen from leading Ebbett Skoda in Hamilton East. He joined the group as an apprentice mechanic in 2007.

ANDREW UNTERNAHRER, who has been in the industry for 20 years, has replaced Van Den Engel at Ebbett Skoda and will combine that role with the same position at Ebbett Audi.

MATTHEW NEWMAN has retired as a director of Colonial Motor Company after nine years.

He was also chief executive of South Auckland Motors, the NZX-listed company's largest car dealership.

Newman, pictured, started there in 1986, became dealer principal in 1991 and was its chief executive since 2014. He was elected to Colonial's board in 2013.

John Hutchinson, chief executive of Hutchinson Motors in Christchurch, is filling the board vacancy until the company's annual meeting when he will have to be voted in.

KIRSTIE GARDENER is the new chief executive officer of Lyttelton Port Company after being in the role in an acting capacity since December 2021.

She joined the port about four years ago, and was general manager of people and safety before taking on the top job when Roger Gray moved to Ports of Auckland.

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

Turners' new site in Rotorua

Company expands dealership network

Turners Cars has broadened its reach with dealerships in Nelson and Rotorua being officially opened.

Back in 2015, the company had 10 branches. That number has now grown to 20 and there are plans under way for another one in Timaru in 2023 with more to come "in the near future".

Greg Hedgepeth, chief executive officer, says: "We've learnt a lot about what works for us on a site.

"The huge effort that's gone into the construction at both sites has delivered outstanding-looking branches, which I have no doubt will serve us well in coming years."

Mark Bower, general manager of Turners Cars North, adds: "The Rotorua team has worked hard over the past year to deliver a great service to customers under challenging circumstances while construction work went on.

"Now the site is finished, we're looking forward to seeing what a great team can do without any shackles."

The staff in Rotorua worked out of temporary buildings while the new facility was built and the yard brought up to specification.

Representatives of Ngati Whakaue performed a blessing and powhiri on-site and Steve Chadwick, Mayor of Rotorua, cut the ribbon.

Chadwick has welcomed Turners to the city, commenting it's the first major business to open there since the start of the Covid-19 pandemic.

Meanwhile, the Nelson branch has taken just over two years to develop.

Brad Lucas, general manager of Turners Cars South, says: "All team members have come from the local region and have adopted our culture extremely well.

"It's early days, but from what I'm seeing I'm confident this team will excel over the next year."

The Nelson branch's opening was supported by Ngati Koata with city councillor Tim Skinner officiating.

Greg Hedgepeth, left, and Tim Skinner with a Tina from Turners cut-out at the opening in Nelson

Customer portals to steer shake-up

At the risk of sounding like a broken record, the pandemic has changed consumer purchasing habits and, as a result, dealers need to adapt.

Pre-Covid, only 32 per cent of customers were willing to buy cars online. Today, more than 60 per cent are keen to purchase through a dealership website.

For this reason, it's time for New Zealand's automotive industry to gear itself up for a significant shake-up and embrace the world of e-commerce.

By adapting to consumer demand and adopting the right processes and systems, dealers will be able to deliver flexible and effective experiences to customers throughout the purchasing journey and beyond, while also consolidating and more efficiently managing their own back-end data.

When it comes to purchasing journeys, no two are the same. Up to 80 per cent of customers have a trade-in, but some don't. Most want to finance, but a handful prefer paying cash. Some want to add accessories, others don't. And some want to transact completely online, while others feel more comfortable face-to-face.

Regardless of the path consumers take, it's important they can do so in a seamless and straightforward manner with the ability, when necessary, to transact both online and offline.

TODD FULLER
General manager, New Zealand
AdTorque Edge

For example, a customer may obtain a trade-in valuation through your website, but then want to come into the dealership to test drive a new car. They may wish to arrange finance online, but want to sign contracts in the showroom.

The dealer needs to be able to accommodate clients' preferences without making them move across different websites and platforms to complete various steps of the process.

> "The portal will give customers easy access to all vehicle-purchase information while consolidating data so dealers can maintain relationships beyond sale"

Similarly, from the trader's perspective, as first-party data becomes more important with the phasing-out of cookies, it's vital to have processes in place for managing client data.

Instead of logging into multiple platforms to locate a buyer's information and documents, dealers should be running a single technology solution that can integrate with their providers' platforms.

This then allows for the consolidation of all of a customer's data collected during the lifecycle of their relationship. This data can in turn be referred to later if needed, but also utilised for trend analysis and marketing.

As we see it, the future of automotive customer management and retention is the inclusion of online customer portals on dealership websites.

Such portals allow customers to log in to access and manage all information related to their purchase, including their trade-in, finance, contracts and delivery. Post-sale, it can facilitate service bookings, valuations and equity calculations. From the customer's perspective, they will have all the information about their vehicle conveniently accessible in one place, whether or not they transacted online or off.

For the dealership, an online portal not only allows for the consolidation of client data in one platform, it can also act as a non-invasive – but effective – means of maintaining a relationship beyond a vehicle sale.

Once buyers drive off the lot, instead of pausing all communication for three years and then scattergun-blasting them with advertising material about upgrading, traders can utilise the portal for ongoing communication.

They can deliver service reminders and periodically update them on the value of their vehicles. They can also use the data they have to run targeted retention campaigns based on a car's equity.

An online customer portal is the future of e-commerce in the car industry. It's not a pipe dream based on what's being delivered overseas. Instead, it's an innovative technology that's about to hit the New Zealand market and change the way Kiwi traders operate.

The month that was... November

November 1, 1999

Bubble pops for used-import sales

If the sales bubble for used-imported cars hadn't popped, it was beginning to shrink as the market boom of the previous 12 months began to gasp for breath amid price rises and a stuttering New Zealand dollar.

Baycorp reported that requests for credit checks on individuals waiting to buy vehicles went into decline around June, with an especially sharp fall in September when credit inquiries plunged by 20 per cent.

In July, 12,274 used-imported cars were sold. In August, sales dropped by 6.4 per cent to 11,487 and in September they declined by 4.5 per cent to 10,966. Between July and September, the drop equated to 10.5 per cent.

To emphasise that point, arrivals were in steady decline, reflecting the situation with car sales. In July, arrivals numbered 12,723, in August 10,405 and in September 9,282 – a drop in new arrivals of 3,441 between July's total and that of September.

Although in decline, the figures remained higher than 1998 when 9,472 units were sold in July, 9,562 in August and 9,606 in September.

November 23, 2007

'Crazy car' campaign launched

The Independent Motor Vehicle Dealers' Association (IMVDA), which had been lobbying the government to reduce air pollution by introducing tough new emissions testing on the fleet, launched a campaign to raise awareness of the issue.

An advert to introduce the campaign was called "introducing Labour's crazy car policy".

It highlighted work by the NZ Institute of Economic Research that found the Beehive's proposed rules "will most likely have the opposite result to what is intended".

Chief executive David Vinsen said the IMVDA was appalled that ministers were planning to go ahead with a scheme they knew would have the opposite effect to what was intended.

"We have urged the government to develop and implement a proper strategy to manage the fleet," he said. "This would involve encouraging scrapping older, grossly polluting and less-safe vehicles currently in the fleet, including some of the more than 750,000 vehicles older than 15 years.

"We've recommended a mixture of carrots and sticks with economic incentives to help people scrap polluting cars backed up by regulations banning them from our roads.

"We've been told by officials that the government's political advisers are concerned it would cost Labour votes in some parts of the country."

November 17, 2006

Wholesalers suffer losses

Milano International (NZ) Ltd was restructuring after a long period of alleged theft and fraud.

Owner Sumnesh Kumar had hired a private detective to handle the case and he was expected to release his findings soon.

Kumar said about 40 newly imported cars and 30 trade-ins had gone, but money hadn't come back to the company. He had since recovered from the losses and his business had been recapitalised.

"I am making sure there's no danger to the company and have paid all of our bills," he added. "If any bills remain unpaid at this moment, they will be paid very soon.

"I'm proud to say my company is stronger now than it was two months ago. We are now only selling vehicles on a cash basis to good, trustworthy dealers. I have 1,000 cars in stock in Auckland, Wellington and Christchurch. My company is the safest in New Zealand."

Kumar also mentioned he would be seeking to reclaim costs from dealers who, he alleged, owed him money from the period up to until 1999 when many vehicles that were imported from his business in Japan were not paid for.

Steve Ward had been appointed general manager to help restructure the business. He said: "We are making big improvements at the moment."

November 13, 2009

Is it time to move?

As more car yards remained empty in prime locations across New Zealand, many dealers were considering if it was financially viable to move premises.

Some newcomers to the industry perceived there were deals to be had on long-term empty yards, while established dealerships saw the recession as a chance to move into high-profile premises.

For some traders, the economic downturn had been fruitful and they had relocated into yards with lower rents. But a commercial real-estate expert warned that most in the business shouldn't expect bargain leases or cheap yards for sale.

Senior broker Mike Adams, who had been a car dealer for 20 years, said Bayley had "lots of yards for lease or sale" in many prime locations, such as Greenlane, North Shore and Takanini.

However, he warned some owners had expectations of previous prices yards sold for a few years ago.

Drastic change needed for net zero

We hear a lot about how we need to become carbon neutral – or net zero – but little about what this really means.

Because of this, I think many people, including those promoting change, underestimate or downplay the size of change that carbon neutrality demands.

It means all sources of greenhouse gases (GHGs) will need to be offset. Offsets might be natural processes or the result of human-forced sequestration. To date, we have no high-yield sequestration technologies.

It's flawed to think about trees and soil as possible offsets. Even were we to reforest Earth entirely, all that would do is offset the GHGs emitted when we destroyed virgin forests that originally covered the planet.

The story is similar with soil. The best we can hope for by rejuvenating the soil, as would be required for it to act as a carbon sink, is to return it to how we found it.

Both solutions would hugely impact our lifestyles, especially food production. Forests require the same land needed for agriculture and housing. Soil rejuvenation requires us to change, if not stop, our use of pesticides and fertilisers.

Even those drastic changes will only have a limited effect. For example, reforesting the entire planet would do nothing to capture the billions of tonnes of GHGs we've emitted every year for the past century.

In addition, the concept of carbon neutral is based on two false assumptions. The first is that GHGs already in the atmosphere have a cap on the amount of energy they absorb. The second is that removing GHGs from the atmosphere is equivalent to not emitting them.

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

GHGs aren't the real issue when it comes to climate change. The real problem is these gases absorb energy and store it in the atmosphere. Even if the GHG is later sequestered, this doesn't necessarily remove the stored energy.

Sequestering the GHG does prevent it from absorbing more energy, but the only way to avoid aggregating the problem is to avoid emitting them.

Until sequestration is a proven solution, we cannot not assume it will be. It might be a dream that for whatever reason never becomes feasible.

We should expect some drastic changes in converting to a net-zero economy. For one, the cost of energy-intense activities will rise. This will include transport, both personal and freight.

This cost increase will lead to decreased use, which in turn will lead to reduced spending on roads, and more spending on public transport and centralised freight. This is how the government can be confident we will all ride our bikes by 2050 – it will be the most obvious option for "personal transport".

Manufacturing costs will also increase. Some can potentially be mitigated by an increase in remanufacturing, embracing a circular economy and reducing the need for fresh resource extraction.

Costs will go up for all goods that require significant energy to get them to market. This will lead to the centralisation of resources. The obvious case already mentioned is public transport, but consider the efficiencies that could be found in introducing those same ideals into other segments.

We will see increased geographic centralisation of intensive resources, such as manufacturing and even academics. Much of this will be planned to reduce costs and share resources. But once it begins, it will create a self-reinforcing trajectory.

This concentration of resources will be accompanied by an increase in self-sustainability in areas outside those concentration areas. This will be an organic consequence of distributed resource generation, such as food and electricity production.

Starting at a national level and becoming increasingly geographically narrow over time, we'll see a reversal of globalisation. The costs of travel and other energy-intense activities will see regions being increasingly isolated with cities, towns and potentially even neighbourhoods becoming almost completely self-sufficient.

Of course, this will likely be coupled with improved communications and perhaps even virtual-reality technologies that will, at least to some degree, aim to fill the void left by our drop in travel options.

The only strategy we could aim for today that will allow us to maintain something that looks like our current lifestyle is to make electricity abundant, affordable, and reliable.

This would require drastically increasing electricity production with exclusively carbon-free generation, which means any source that doesn't emit additional GHGs by generating it because "sustainable" doesn't mean carbon-free.

Returning to the first false assumption regarding carbon neutral, at this point – and even if we stopped emitting GHGs – gases already in the atmosphere will continue to absorb energy and exacerbate global warming.

The concentration of GHG is tied to the rate of energy absorption, not a specific temperature. If we level off the concentration, all we're doing is levelling off the rate of increase.

Net zero is a flawed premise and is designed to allow for the status quo, not fix the harm we have caused or even prevent environmental devastation although it may delay it. Even achieving net zero would require dramatic lifestyle sacrifices.

As for how to draw down GHGs without sequestering technologies, which is necessary to actually reduce the impacts of climate change, it would require a collective return to subsistence living.

Acid-wash alert on imports

Used imports that have been acid-washed in Japan are being sent to repair certifiers under a new rule.

The extra check is part of an amendment by Waka Kotahi to its vehicle-inspection requirements manual for border inspections.

From October 1, a used import had to be reported if signs of fresh repair, rust prevention, acid wash or undersealing to any part of its structure are evident.

"Vehicles that have had acid-wash treatment are to be sent to repair certifiers for assessment," it adds. "This change will stop potentially weakened structures from being passed into service without proper assessment."

Waka Kotahi's technical bulletin on acid wash notes such methods are used to treat corrosion, particularly in the underbody structure and components.

The transport agency adds steps should be followed to ensure an acceptable end result through this process.

These include the area to be treated being cleaned as much as possible back to bare metal and the acid-wash mixture worked in without drying. The area then needs to be thoroughly washed, rinsed off and allowed to dry. Corrosion inhibitor and other topcoats then need to be applied.

The agency warns visible signs of a process that hasn't been completed correctly include white residue in joints and seams, and it coming through underseal or topcoats.

"An area of metal that has not been acid-washed correctly will continue to degrade in a short time and can be detrimental to the structure," the bulletin says.


An example of visible signs of acid-wash repair. Photo: Waka Kotahi

"When visible signs of acid-washing are observed at entry compliance, the vehicle must be failed and referred to a repair certifier.

"The certifier will decide if it requires remedial work and a light-vehicle repair record of certification issued. If the repair is acceptable, a no-repair certification required declaration is issued."

Daniel Wise, of used-vehicle exporter Nikkyo NZ in Japan, alerted car dealers here to the changing requirements via a Facebook post and says up until now the use of acid wash hasn't been an issue for Waka Kotahi.

He recommends importers contact their suppliers in Japan to ensure correct procedures are followed to avoid vehicles receiving repair certifications.

"Suppliers in Japan regularly use acid wash to remove traces of rust before exporting vehicles due to New Zealand's strict stance on underbody rust," adds Wise.

"A lot of suppliers provide this service without informing dealers, so it could affect you without your knowledge."

Company sets record

MTF Finance has notched up a record year by writing about $606 million in loans.

That was up by 10 per cent year on year and its receivables climbed by 12 per cent to $761m for its fiscal year ending on September 30.

Chris Lamers, chief executive officer, says the company saw its personal lending grow by 23 per cent month on month in the June to September quarter.

"At the same time, the team has started working more closely with vehicle dealers and, as a result, we saw a 58 per cent increase in the number of dealer sales in September – 3.2 per cent growth over the year," he adds.

"How vehicles are sold is fundamentally changing as are the type of vehicles being purchased, and we're partnering to lead the way on getting New Zealanders into the right cars for them."


Chris Lamers

Lamers says the business is in a strong position to continue growing after increased investment in technology, marketing and new products.

"The renewed focus on working with dealers, alongside the launch of new products and increased investment in technology, has set the business up for continued growth."

He believes MTF Finance continues to buck the trend by investing more in people to lift personal service for all its customers, rather than forcing people to self-serve, by offering different levels of service for different clients.

The company has opened new offices in Kerikeri and Kumeu, and plans to open in Taupo before Christmas.

New rules for accessing register

Most dealers look up private owners' names and addresses via the motor vehicle register (MVR) when assessing potential trade-ins.

That can be many times a day for larger businesses and traders, and they do so for obvious reasons. It's prudent to check if the person presenting a used vehicle is its "registered party".

Being the registered party doesn't confirm ownership, but it's a useful indicator of a connection to the car, while your vehicle offer and sale agreement should include a statement that the person trading it in has authority to sell it.

Many dealers have faced practical issues if trade-ins are later found to be caught up in marital separations, for example. In short, it pays to check as on-selling a "stolen" car is problematic.

The industry fought hard to retain access to private owners' names and addresses held on the MVR in 2017. It was thankfully granted under section 241 of the Land Transport Act, but only for five years.

That period expired on October 31 and traders have had to reapply individually or gain access as members of approved organisations, such as the MTA.

If you haven't secured ongoing access through either pathway, you will no longer see names and addresses in your usual vehicle-detail reports from intermediary suppliers.

Regardless of your access, the five-year period from November 1 comes with new obligations. Visit gazette.govt.nz/notice/id/2022-au4073 to find out. We suggest you review them and set required measures in place. You may wish to nominate someone to be responsible for compliance as privacy officer.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

For the purposes of this article, the following is an abbreviated overview of the new section 241's standard terms and conditions.

1 **You need to display** a prescribed general-access statement to inform consumers. It must be accessible via your website or signs at your place of business.

It must include names and addresses may be accessed via the MVR by the dealer, refer to the relevant gazette notice, the circumstances in which access may occur, what the information will be used for, and that people can notify the registrar if they don't want their personal details made available under an authorisation.

2 **Dealers must only access** private owners' information for one of three specified purposes.

The first is to confirm the customer as the "registered person" of a vehicle the trader is proposing to buy. The second is to verify a change of ownership has been completed correctly and the third is for wholesalers to conduct safety recalls.

No other purposes qualify for access. You cannot randomly check the MVR to see who owns a cool car you saw and your service team can't use it confirm ownership when booking it in. Remember every inquiry made is traceable and you will need to provide evidence if audited.

3 **All users at your business** who access names and addresses must have unique log-in details. That means no sharing. You may wish to limit the number of people who have section 241 access.

4 **If unauthorised access** to the MVR occurs or is suspected, you must notify Waka Kotahi.

5 **All staff granted access** must have completed training in accessing the register. This includes when they access private details, how records will be kept, how such information will be protected, when and how to destroy it, Privacy Act obligations and prescribed learning modules. Refresher training must be undertaken every six to 12 months, and evidence kept to that effect.

6 **The trader must keep** a log of every time the MVR is accessed via section 241 and retain the record for at least 18 months. This must include inquiry date, plate number, log-in used, the reason – such as trade-in evaluation, change of owner verification or recall – and replication of the general-access statement.

You can set up and maintain your own access record or perhaps check with intermediary suppliers to see if they can manage this.

Names and addresses obtained must not be retained longer than required to achieve the specified purpose. In other words, the actual MVR report showing the registered party's details must be disposed of after use, but the record of inquiry must be retained for at least 18 months.

7 **A report must be submitted** to the transport agency every 12 months. This needs to include a copy of your inquiry records, evidence of staff training and summary of actions taken in respect of unauthorised access, suspected or actual.

Personal privacy is sensitive across all spheres. If you breach section 241, you risk a substantial backlash, such as potential loss of future access to the MVR.

Spacious and flexible electric mobility

The New Zealand roll-out of Mercedes-EQ's electric vehicles (EVs) is continuing with the EQB, which the marque describes as "cleverly packaged".

The two-variant range joins the compact and medium-sized EQA and EQC SUVs in the brand's all-electric line-up alongside the EQS luxury sedan.

The EQB's lithium-ion battery serves as the central energy-storage unit for its electric-drive system with its high-energy density providing 66.5kWh.

Weighing just 469kg, the unit is divided into several modules distributed under the floor to create a favourable centre of gravity.

The range starts with the EQB 250, which has high charging speeds with up to 11kW of output through the AC charging system or up to 100kW via DC.

Utilising a single e-motor driving power directly to the front wheels, its drivetrain generates 140kW of power and 385Nm of torque. It can achieve a 371km range based on the WLTP test standard.

The SUV is packaged as standard with five seats and a third row that extends seating to seven is optional.

The 250's cabin incorporates spiral-look trim elements and a widescreen display with two 10.25-inch high-resolution screens.

The instrument panel can be customised with pre-loaded themes, while the central screen acts as the portal to access the MBUX infotainment system. This includes audio, telephony and navigation controls and some vehicle settings.

The Mercedes-Benz EQB 250

A leather multi-function steering wheel puts key features at the driver's fingertips, while the centre console includes a wireless charging mat for smart devices.

Dual-zone climate control, DAB+ digital radio, Apple and Android smartphone integration, an advanced sound system and ambient lighting with a choice of 64 colours come as standard.

The driver-assistance package features active safety and convenience systems led by active cruise control with active speed-limit assist, plus active steering, brake, lane keeping and blind-spot assist, and route-based speed adaptation.

The standard package includes a parking assistant and 360-degree camera, while the keyless-go comfort package boasts an electric tailgate with hands-free access.

As with other models in Mercedes-EQ's passenger vehicle line-up, the EQB 250 includes acoustic ambient protection. This mitigates risks posed to pedestrians and cyclists by the SUV's silent drivetrain by giving an audible warning at speeds below 20kph, plus a reversing tone.

Other key features include adjustable damping suspension with multi-link rear suspension and LED high-performance headlights with adaptive high-beam assist.

EQ-specific elements include rain-sensing windscreen wipers, while the "progressive exterior" package features chrome and aluminium trims.

Both models in the EQB range incorporate a type-two CCS charging socket capable of accepting up to 11kW AC and 100kW DC, while cables for use with New Zealand domestic sockets and public-charging stations are supplied.

Meanwhile, the EQB 350 4MATIC has a sportier driving experience. Dual e-motors, one on each axle, enable power to be sent variably where it's most needed.

Output from its two motors comes in at 215kW and 520Nm, the latter fully available from any speed or standstill.

All this provides the SUV with acceleration of 0-100kph in as little as 6.2 seconds and sports car-like responsiveness. Its range is 360km.

Available solely in five-seat configuration, the 350 has extra features to bolster its sporty nature.

These include sports seats with adjustable head restraints and microfibre inserts, multi-function sports steering wheel with a flattened bottom section, backlit spiral-look trim elements, AMG floor mats and illuminated door sills.

Exterior features include an electrically controlled panoramic glass sunroof, AMG-specific body styling, a diffuser look for the rear apron and 20-inch AMG multi-spoke alloys.

The EQB 250 is priced at $99,900 in standard five-seat configuration, with a third row of seats adding $2,900. The 350 4MATIC is priced from $109,900. Both are covered by five-year unlimited kilometre and eight-year battery warranties.


The EQB 350 4MATIC variant

Electric GT ‘game-changer’

Building on the EV6’s success, its GT variant will deliver “previously unheard of” levels of power with 430kW and 740Nm of torque when it launches here next year.

Kia’s EV6 GT has more torque than a Lamborghini Aventador

“The GT promises to reshape perceptions of what a fully electric vehicle [EV] can offer,” says Todd McDonald, managing director of Kia NZ.

“It’s not just a game-changer, it’s an entirely new proposition. Acceleration is immediate and continuous. It’s comfortable, has unheralded levels of power and combines 424km of range with 800-volt ultra-fast charging technology.

“Kia has taken the best attributes of the EV6, dialled them up and combined them with more technologies. The GT is the new benchmark when it comes to all-round touring potential.

“With unique suspension, steering, electric motors, chassis, braking system and interior elements, a lot of the GT is unique to the model.”

The EV6 GT has a 0-100kph time of 3.5 seconds. It’s capable of rapid charging, whereby the battery can be replenished from 10-80 per cent in 18 minutes.

Its exterior design features extra sporting touches and aesthetics that hint at the car’s performance attributes. These include 21-inch alloys, green GT brake calipers, and bumper and diffuser extensions for added high-speed stability.

Based on the marque’s advanced electric-global modular platform, performance has increased over the standard all-wheel-drive and dual-motor EV6 thanks to a new high-output rear motor. This delivers a 63 per cent jump in overall power compared to what standard model has.

Performance brakes, optimised steering and reworked suspension increase control and confidence, while an updated drive-select system with a GT mode allows owners to customise their experiences.

The variant has benefited from a local ride and handling programme. This has been conducted in Australia and incorporated into vehicles to complement suspension settings derived from European tests.

Kia’s EV6 GT is available to order from $139,990, which includes GST and on-road costs.

It’s getting personal

Enhancements and updates are available on GMSV’s right-hand-drive (RHD) C8 Corvette.

“Response to the C8 has been unheralded, not just in New Zealand and Australia but around the world,” says Joanne Stogiannis, director of GMSV. “It’s a dramatic car, full of character and personality.

“This demand, along with it being the first factory-manufactured RHD model, meant we needed to pre-set our launch allocation.”

“An improved level of personalisation has been a key focus, as well providing smaller and more frequent dealer allocations. This means greater visibility on production timing.”

New content for the 2023 models includes three options for its wheels, black exhaust tips and a blackout interior trim. An “adrenaline red” full-dipped interior is also available.

Choices for buyers also include exterior paint, decals, brake-calliper colour, exhaust-tip option, and interior trim and seat-belt colour.

The C8 Corvette’s all-new 6.2-litre LTS V8 mid-mounted engine is visible through a rear hatch window.

And its performance data recorder assesses acceleration speed, braking, gear choice, sound and more “to help make you at one with the car”. Away from the track, it can act as a dashcam with auto-record for daily drives.

Driving for global coverage

Organisers are hoping the first post-pandemic international Castrol Toyota Racing Series (TRS) and the Toyota 86 Championship will reach more viewers worldwide than ever before.

Next year's TRS, which is already attracting top names in junior formulae motorsport globally, begins its five-round championship in January.

It will be the first full international series since 2020 and should be viewable by fans in more countries.

From the start of the first season with new motorsport promoter NZ Motorsport Group, action from the TRS and Toyota 86 on Saturdays will be broadcast live on Sky Sport and on leading streaming service Motorsport.tv.

This set-up continues on Sundays in addition to the afternoon feature race being aired live on TV3's CRC Motorsport, which is still the most popular and longest-running show of its kind in New Zealand.

Nicolas Caillol, motorsport manager at Toyota Gazoo Racing NZ, says: "The combination of the live Sky coverage, free to air on TV3 and streaming by Motorsport.tv gives us potentially our widest audience ever.

"This is great as we return to the international motorsport scene after the Covid-19 pandemic, while Motorsport.tv is an ideal support to build a worldwide audience for the well-known TRS."

In addition to what's already in place for the 2023 championship series, expanded television coverage in Australia and North

The 2023 edition of the Castrol TRS Championship will reach a global audience. Photo: Bruce Jenkins

America is being investigated.

"These are obviously key markets for us," says Caillol. "We would love to be going live there as well and we're very optimistic we will soon have that in place.

"The enhanced coverage is also great news for domestic drivers competing in the Toyota 86 championship.

"We want the coverage drivers' can achieve for their sponsors to be better than ever across platforms, such as television, streaming and social media, and in print and online media."

FRESH FACES FOR 2023

Ryan Shehan, multiple US Formula Four race winner and championship contender, is the latest high-quality rising star to be confirmed for the TRS, and he's eager to show what he is capable of on New Zealand's challenging circuits.

"Ever since making the move from karts to cars, the TRS programme is something I've wanted to compete in and I've made it a goal to do so," says the 17-year-old from Austin, Texas.

"It has produced multiple F1 drivers, and it's a breeding ground for success. While I hope I can come over and win, my goal will be to continue to build my experience and knowledge to climb the ladder."

Crosslink Kiwi Motorsport (CKM) bosses Garry Orton and Teena Larsen, who run a TRS team, have opted to place Shehan with Stephen Giles' team for the campaign.

Orton says: "CKM and Giles Motorsport have worked closely with one another sharing personnel and engineering, and Stephen has engineered for Ryan.

"To keep him on the upward trend, we believe keeping them together for the TRS is best for all involved and could provide for some more race-winning results. It will really set him up for the 2023 US season.

"The FT-60 is very different from what Ryan has driven, but he will adapt quickly and I know he will learn a lot in New Zealand.

"Racing with Stephen and Giles Motorsport will extend the efforts we've done with Ryan in 2022 as he progresses towards his 2023 programme."

Larsen adds: "Having Ryan come to New Zealand is super-cool. We just love to show our drivers the country and culture, as well as watch them gain valuable experience that will help them when they return to the US."

Also participating in the TRS will be Australian Ryder Quinn. He's the son of GT driver Klark Quinn, and the grandson of business and motorsport magnate Tony Quinn.

Texan Ryan Shehan, fresh from the US Formula Four series, will contend the TRS this season

Ryder Quinn, grandson of Tony Quinn, will drive for M2 Competition in 2023

He has already tested Toyota's FT-50 at Hampton Downs NZ Racing Academy as part of the preparation and build-up to what will be his first championship in an FIA category junior single-seater with a full international field.

Although it will be his debut series in this type of vehicle, Quinn has been gaining plenty of experience across the Tasman over the past few seasons with dual campaigns in Formula Ford and Aussie Racing Cars.

He recently secured a podium finish and pole position in the Australian Formula Ford Championship. Last year, he had four podiums in the Queensland FF1600 series.

Quinn will run with the successful M2 Competition squad in 2023's TRS and the young gun says there's much to look forward to.

"The season is jam-packed with five rounds, all back-to-back weekends," he adds. "It demands the best out of you and the category is renowned worldwide for its tough competition.

"I'm excited to see where I stand against the international drivers and will be coming up against some of the fastest young drivers in the world.

"As a racer, you always strive to win and constantly improve. I understand, however, that I'm lacking experience in Formula Cars."

Quinn's main goal is to win. But his objectives for this season are to gain as much experience in the car as possible, develop and improve his skills, achieve a couple of top-10 results early on, and then be fighting for podiums and wins towards season's end.

He adds: "The category has seen the likes of Lando Norris, Yuki Tsunoda, Liam Lawson and so many more using it as a stepping stone in their careers. I plan to do the same."

Mark Pilcher, M2 principal, says: "I've been working with the Quinn family for many years in racing and I'm very happy to welcome Ryder on-board to our exciting line-up."

The TRS' timing at the start of the year means it attracts a diverse range of high-quality competitors with track records from numerous single-seater championships.

It races over five weekends and includes the NZ Grand Prix on its calendar, one of only two grand-prix events outside of F1 that are recognised by FIA. A full grid is expected for this year's championship.

The TRS and Toyota 86 series kick off at Highlands Motorsport Park, Cromwell, from January 13-15.

Talks under way for rally's return

The organisers of this year's Repco Rally New Zealand are keen to press claims for the event to have a regular place on Auckland's calendar.

Chairman Peter "PJ" Johnston has confirmed it will not be held next year, but talks are under way with WRC Promoter and stakeholders for it to return in 2024.

"We believe the future is strong for this event in New Zealand," he says. "The WRC [World Rally Championship] has deep roots here and fan interest shows how special it is for our country."


Kalle Rovanperä on his way to victory at Rally New Zealand

This year's rally was FIA's first world championship event in this country to feature hybrid electric vehicles and fully sustainable fuel, which Johnston believes "represents a new age of motorsport".

He describes the WRC's global calendar as "extremely competitive". While it's not practicable for Rally NZ to be held annually, every two to three years is doable.

Jona Siebel, managing director of WRC Promoter, says: "With the work PJ and his team have done – along with the support of Tataki Auckland Unlimited [TAU] and other sponsors and partners – we want to find a way to ensure this effort can be capitalised on with a strategy for a future return.

"This will require a clear commitment from central government as well as TAU.

"We're in the mix with these negotiations now. Rally NZ has a great heritage in the WRC. As we've seen with the return of Safari Rally Kenya and Acropolis Rally Greece, it's a key ambition to maintain such events when possible."

TAU, a council-controlled organisation, is the Auckland region's economic and cultural agency.

Chris Simpson, its head of major events, says: "It's fantastic to see the way the WRC has embraced the need for motorsport to evolve. The Rally NZ leg was ground-breaking for environmental developments."

Aged 22, Kalle Rovanperä, became the youngest driver to clinch the WRC on October 2 with two events in-hand.

The Finn was fastest in two stages on Rally NZ's final day and second in the other two.

His Toyota Gazoo Racing WRT team then secured the manufacturers' title in Spain at the end of last month for what was the second consecutive year.

Buyer refunded after finding out battery's state of health was lower than advertised


A 2015 Nissan e-NV200

The case: The consumer wanted to reject his Nissan because its battery's state of health was lower than what the trader advertised. He claimed the electric vehicle (EV) didn't comply with its description at the time of sale. The dealer said its representation of the battery was accurate and the buyer's Leaf Spy tests were unreliable.

The decision: The tribunal upheld the purchaser's right to reject the car and ordered the trader to refund him $24,045.

At: The Motor Vehicles Disputes Tribunal, via video link.

Background

Peter Bulmer purchased a 2015 Nissan e-NV200 G for $27,495 from Hamilton Electric Vehicles Ltd on October 19, 2021.

He wanted to reject it soon after purchase claiming it didn't fit its description. Bulmer said the battery's state of health (SoH) was lower than the 82 per cent on its Trade Me listing. He was also told he would receive a $4,000 clean car rebate, but got $3,450.

In addition, Bulmer was told the Nissan had a five-year warranty with no exclusions or excess. However, it was for three years, had "numerous" exemptions and a $250 excess.

Finally, he was informed the EVSE charging cable was compatible with 15-amp caravan outlets when it wasn't.

The trader denied liability, saying its representations about the battery were accurate and Bulmer's Leaf Spy evidence wasn't reliable.

It added he received the equivalent of a $4,000 rebate – $3,450 from the government and a $550 charging cable that appeared to have gone missing when the EV was transported or while in the buyer's possession.

The case

The Nissan's battery-capacity indicator had 12 bars. If all were illuminated, its capacity exceeded 85 per cent that of a new battery.

However, it didn't provide a precise SoH reading. Consequently, many Nissan EV owners use the Leaf Spy app to obtain more precise figures.

Bulmer bought the Nissan because the trader's website and Trade Me listing stated the SoH was 82 per cent.

On the Trade Me question-and-answer section, the dealer stated the battery had 11 bars, or 82 per cent, "and it only went from 12 to 11 during the last Covid lockdown". Therefore, Bulmer believed the SoH was 82 per cent and had only recently dropped below 85 per cent.

He claimed pre-purchase representations were misleading post-supply because he tested the SoH using Leaf Spy and it was 79.26 per cent.

The trader's spokesman, Nicolas Down, stated it was 82 per cent when last tested. He added it performed a Leaf Spy test on the first day of every month and updated the pre-delivery check list in the vehicle's window.

The dealer didn't keep this report. It instead used the EV's pre-delivery sheet as evidence. This showed the SoH at 82 per cent.

In the Trade Me listing, it was stated the clean car rebate was $4,000, but Bulmer only received $3,450 from the government.

The dealer argued it supplied an EVSE cable free of charge, which should be considered in combination with the rebate, effectively giving Bulmer a "rebate" of $4,000 in total.

At the hearing, Down said the trader would honour the five-year bumper-to-bumper warranty. He added a 16-amp EVSE charger was left in the EV when it was sent to Bulmer, but the latter said it wasn't in the car when it was delivered.

The trader was adamant the battery was at 82 per cent when last tested, but the tribunal wasn't satisfied the pre-delivery sheet was a reliable record of its actual SoH.

Bulmer's Leaf Spy test results showed it was much lower when the EV was delivered to him. The trader submitted they were unreliable indicators and not recognised by Nissan NZ.

The tribunal's assessor said the Leaf Spy app reported on data directly from the EV's computers and readings would only vary slightly on any given day due to various factors.

Therefore, the adjudicator accepted Bulmer's test results as valid evidence and found the trader significantly overstated the SoH when it advertised the EV. That was misleading conduct and breached section nine of Fair Trading Act (FTA).

Both parties agreed the difference was the equivalent of at least one year's usual use of the Nissan.

The trader also engaged in misleading conduct by telling Bulmer he would receive a $4,000 clean vehicle rebate.

The trader submitted the EVSE charger cable should be considered as part of the rebate. This had to fail for two reasons, said the adjudicator.

Firstly, it was ruled it wasn't supplied with the Nissan. Even if it had been, a reasonable consumer would have understood he or she were to receive a $4,000 rebate.

Secondly, the trader engaged in misleading conduct by representing that the EV came with a 16-amp charger cable when it didn't.

A prerequisite to an order under section 43 of the FTA is a finding that loss or damage has occurred. The tribunal decided Bulmer suffered loss due to the absence of the cable and rebate shortfall.

However, it wasn't so clear cut about the battery's SoH because Bulmer failed to prove he paid more for the Nissan than it was worth.

The trader produced a valuation of $29,999 for the vehicle from Bruce Stewart, of Coventry Cars, that sold EVs and hybrids.

The tribunal accepted that as the best evidence of the car's market value and concluded Bulmer had suffered no loss because its value exceeded what he paid for it.

Consequently, under the FTA, the only remedy Bulmer was entitled to was compensation for the unpaid balance of the rebate and an order that the trader supply a EVSE charger cable.

That said, the tribunal declined to make those orders because – under the Consumer Guarantees Act – Bulmer was entitled to a full refund of the purchase price including the unpaid portion of the rebate because the EV didn't comply with its description.

It also ruled there was a failure of substantial character because the battery's SoH wasn't 82 per cent as advertised.

Orders

The buyer was entitled receive a refund of the purchase price, minus the $3,450 rebate. The trader had to pay $24,045 and uplift the EV.

Dealer ordered to remedy poor paint job on car as consumer loses rejection bid

The case: Post-purchase, the buyer discovered her 2008 Toyota Vitz had been repainted but the finish was sub-standard. She wanted to reject it, but the trader was prepared to fix the paintwork to bring the vehicle up to an acceptable standard under the Consumer Guarantees Act (CGA).

The decision: The tribunal ruled the bodywork wasn't of an acceptable standard but that didn't impact on the Vitz' safety or performance. It ordered the trader to repaint the car.

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

Background

Sandeep Kaur was unhappy with the paintwork on a red 2008 Toyota Vitz she bought for $6,800 from Autopride Cars Ltd. She alleged the dealer misled her by failing to disclose it had been repainted.

Kaur wanted to reject the vehicle, get a refund, compensation for stress and inconvenience, and to recover the cost of having the Vitz assessed by AA Motoring.

Autopride Cars was prepared to perform whatever work was necessary to bring the car up to an acceptable standard.

The case

The vehicle was repainted by Autopride Cars after being imported.

Monika Panesar, of Autopride Cars, said the Vitz's bodywork was scratched and blemished. It was repainted because it was difficult to blend freshly painted red panels with older painted areas.

Kaur claimed the dealer engaged in misleading conduct by failing to tell her the vehicle had been repainted.

That allegation required the tribunal to consider the extent to which non-disclosure or silence can be a breach of the Fair Trading Act (FTA) and, if so, whether section nine was breached on the facts of this case.

Under the common-law principle of caveat emptor – let the buyer beware – a claimant needs to show the other party has made a positive representation before it can succeed in any claim. Silence or the failure to disclose a material fact cannot give rise to a claim.

That principle of caveat emptor has since been displaced by the FTA. Under that legislation, silence or the failure to disclose a material fact can constitute misleading or deceptive conduct when taking account what a reasonable consumer would expect to be disclosed.

A motor-vehicle trader doesn't have a general obligation to advise a would-be purchaser that a car has been repainted.

A dealer certainly has an obligation not to make any positive representation that may mislead a consumer about a car's appearance or finish, or about the reasons for repainting it, but there's no law that imposes a general obligation to disclose it has been repainted.

Also, this case's circumstances were not such that Autopride Cars had an obligation to disclose the vehicle had been repainted.

Kaur never asked if that had been the case and there was nothing else in the dealings between the parties to give rise to any obligation to disclose that fact.

Therefore, the tribunal was satisfied Autopride Cars hadn't engaged in misleading conduct by failing to disclose the Vitz had been repainted.

Kaur paid $6,800 for a 13-year-old car with an odometer reading of about 48,000km. The purchaser of a vehicle of that price and age should understand its appearance and finish will not be perfect. Nonetheless, the Vitz's paintwork was poor, noted the adjudicator.

In evidence, Kaur provided photos taken by AA Motoring and Mills Collision Repair Centre.

These showed that areas beneath the vehicle's badges weren't repainted and were a different colour, paint was flaking in various areas, the old paint was showing through on the roof, the fresh paint had run in various places and there was overspray on some rubber seals.

The tribunal was satisfied the Vitz hadn't been of acceptable quality for the purposes of section six of the CGA because its appearance and finish were not to the standard a reasonable person would consider acceptable in a car of that price, age and mileage.

The meaning of acceptable quality also covers goods being fit for purpose, free from minor defects, safe and durable. When determining this, the nature of the goods, price, statements and representations made about them, the nature of the supplier and other relevant circumstances need to be considered.

Although the paintwork wasn't of acceptable quality, the tribunal wasn't satisfied that a reasonable consumer fully acquainted with the poor quality of the paintwork would have decided not to purchase this Vitz.

In addition, this issue didn't affect the car's performance, it could be easily fixed and the problems didn't make the vehicle unfit for purpose or unsafe.

Therefore, the tribunal ruled the sub-standard paintwork wasn't a substantial failure so Kaur wasn't permitted to reject the Vitz.

Instead, under section 18 of the CGA, she was entitled to have the paintwork remedied within a reasonable time. She was also entitled to recover the $169 cost of an inspection report, which was completed by AA Motoring.

Kaur sought compensation for the "time, harassment and mental stress" she said she had endured because of the defects and her dealings with Autopride Cars. Compensatory damages for stress and inconvenience were reserved for exceptional cases, the adjudicator noted.

Claims involving defective cars, such as this Vitz, are inherently stressful and time-consuming, and the circumstances of this case were similar to many others.

The tribunal wasn't satisfied this matter was an exceptional case justifying an award of compensatory damages.

Kaur also sought to recover the $50 fee for filing her claim.

Under the terms of the Motor Vehicle Sales Act, the tribunal can award costs against a party when the matter ought to have been settled before a hearing, but that party failed to participate in pre-hearing settlement discussions or when the other party failed to attend without reasonable cause.

Autopride Cars had successfully defended Kaur's application to reject the car, so the adjudicator wasn't satisfied that this was a claim that ought reasonably to have been settled before the hearing. The dealer also attended the hearing, so the buyer wasn't entitled to recover costs on that basis.

A 2008 Toyota Vitz

Orders

The application to reject the vehicle was dismissed, but the trader was ordered to repaint it to an acceptable standard.

Armacup (NZ)

LATEST SCHEDULE

	Port Calls	Paglia v2220	Paganella v2222
JAPAN	Moji	—	—
	Osaka	1 Nov	11 Nov
	Nagoya	2 Nov	12 Nov
	Yokohama	3 Nov	13 Nov
	Hitachinaka	—	—
NEW ZEALAND	Auckland	17 Nov	27 Nov
	Lyttelton	22 Nov	2 Dec
	Wellington	24 Nov	3 Dec
	Nelson	22 Nov	5 Dec

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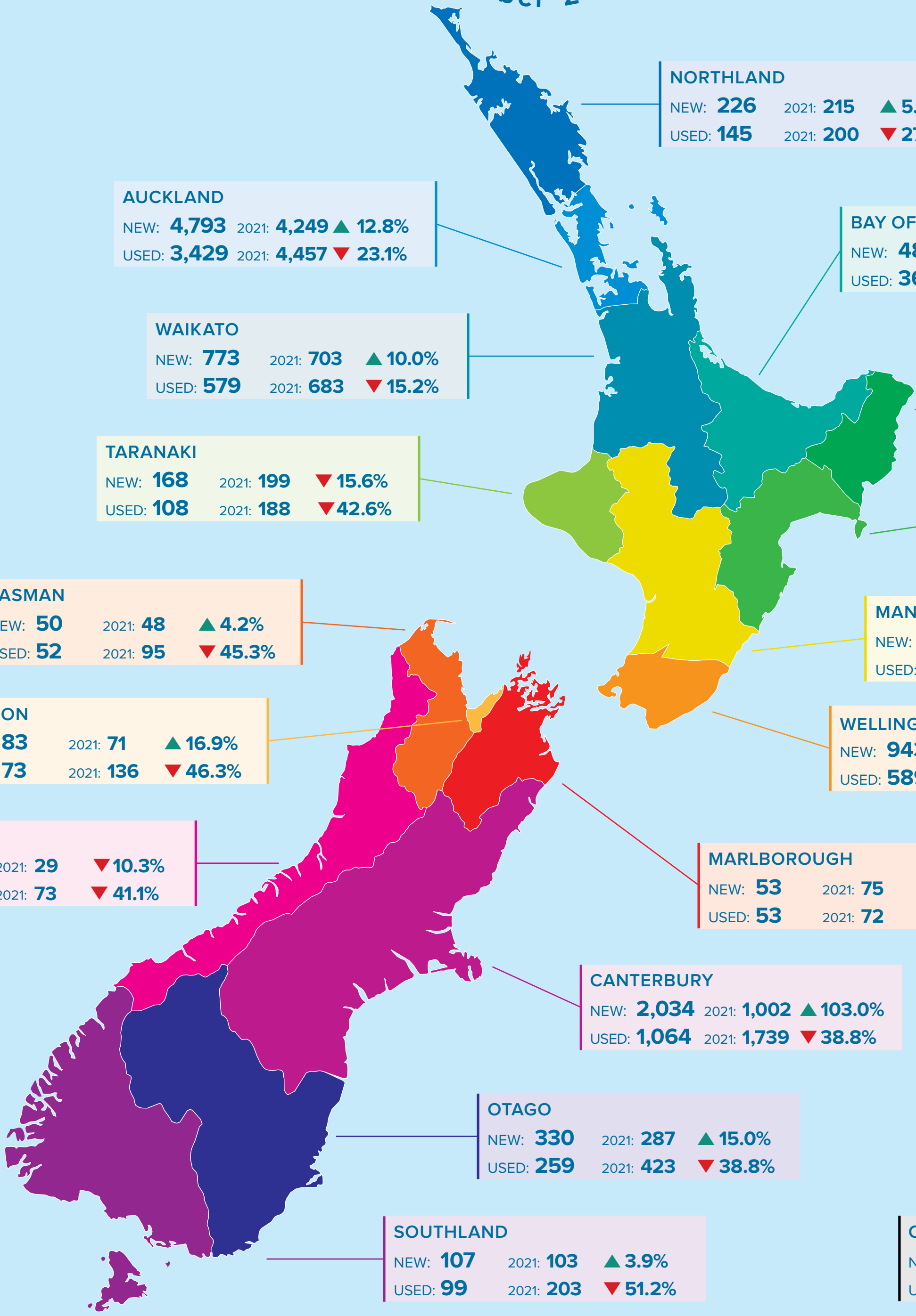
Shipping to cure kids

Around the Country

October 2022

Total new cars
10,772
2021: 9,246 ▲ 16.5%

Total imported used cars
7,240
2021: 10,627 ▼ 31.9%



			2021	
NORTHLAND	NEW:	226	215	▲ 5.1%
	USED:	145	200	▼ 27.5%
AUCKLAND	NEW:	4,793	4,249	▲ 12.8%
	USED:	3,429	4,457	▼ 23.1%
WAIKATO	NEW:	773	703	▲ 10.0%
	USED:	579	683	▼ 15.2%
BAY OF PLENTY	NEW:	484	497	▼ 2.6%
	USED:	364	621	▼ 41.4%
GISBORNE	NEW:	44	47	▼ 6.4%
	USED:	48	88	▼ 45.5%
TARANAKI	NEW:	168	199	▼ 15.6%
	USED:	108	188	▼ 42.6%
HAWKE'S BAY	NEW:	259	243	▲ 6.6%
	USED:	122	239	▼ 49.0%
TASMAN	NEW:	50	48	▲ 4.2%
	USED:	52	95	▼ 45.3%
MANAWATU-WHANGANUI	NEW:	370	424	▼ 12.7%
	USED:	191	418	▼ 54.3%
NELSON	NEW:	83	71	▲ 16.9%
	USED:	73	136	▼ 46.3%
WELLINGTON	NEW:	943	1,034	▼ 8.8%
	USED:	589	954	▼ 38.3%
WEST COAST	NEW:	26	29	▼ 10.3%
	USED:	43	73	▼ 41.1%
MARLBOROUGH	NEW:	53	75	▼ 29.3%
	USED:	53	72	▼ 26.4%
CANTERBURY	NEW:	2,034	1,002	▲ 103.0%
	USED:	1,064	1,739	▼ 38.8%
OTAGO	NEW:	330	287	▲ 15.0%
	USED:	259	423	▼ 38.8%
SOUTHLAND	NEW:	107	103	▲ 3.9%
	USED:	99	203	▼ 51.2%
OTHERS (Chatham Islands, overseas, unknown)	NEW:	29	20	▲ 45.0%
	USED:	22	38	▼ 42.1%

Imported Passenger Vehicle Sales by Make - October 2022

MAKE	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,712	2,946	-7.9	37.5%	31,086	32.1%
Mazda	1,092	1,384	-21.1	15.1%	12,574	13.0%
Nissan	897	1,434	-37.4	12.4%	13,663	14.1%
Honda	468	727	-35.6	6.5%	6,759	7.0%
Subaru	464	906	-48.8	6.4%	7,319	7.6%
Volkswagen	317	492	-35.6	4.4%	3,743	3.9%
Mitsubishi	268	402	-33.3	3.7%	3,809	3.9%
BMW	231	658	-64.9	3.2%	4,520	4.7%
Suzuki	160	250	-36.0	2.2%	1,823	1.9%
Audi	157	389	-59.6	2.2%	2,818	2.9%
Mercedes-Benz	117	239	-51.0	1.6%	2,182	2.3%
Lexus	98	231	-57.6	1.4%	1,929	2.0%
Ford	46	66	-30.3	0.6%	625	0.6%
Chevrolet	24	31	-22.6	0.3%	282	0.3%
Volvo	20	73	-72.6	0.3%	650	0.7%
Land Rover	18	65	-72.3	0.2%	410	0.4%
Jaguar	16	31	-48.4	0.2%	320	0.3%
Mini	15	28	-46.4	0.2%	192	0.2%
Hyundai	13	18	-27.8	0.2%	158	0.2%
Porsche	13	36	-63.9	0.2%	243	0.3%
Dodge	12	25	-52.0	0.2%	201	0.2%
Holden	9	13	-30.8	0.1%	146	0.2%
Jeep	8	33	-75.8	0.1%	233	0.2%
Chrysler	6	39	-84.6	0.1%	255	0.3%
Kia	5	7	-28.6	0.1%	63	0.1%
Aston Martin	4	3	33.3	0.1%	14	0.0%
MG	4	6	-33.3	0.1%	22	0.0%
Peugeot	4	11	-63.6	0.1%	74	0.1%
Buick	3	2	50.0	0.0%	15	0.0%
Infiniti	3	3	0.0	0.0%	11	0.0%
Opel	3	0	300.0	0.0%	6	0.0%
Renault	3	3	0.0	0.0%	49	0.1%
Bentley	2	2	0.0	0.0%	23	0.0%
BYD	2	0	200.0	0.0%	6	0.0%
Factory-built	2	0	200.0	0.0%	3	0.0%
Others	24	75	-68.0	0.3%	511	0.5%
Total	**7,240**	**10,628**	**-31.9**	**100.0%**	**96,737**	**100.0%**

Imported Passenger Vehicle Sales by Model - October 2022

MAKE	MODEL	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Aqua	1,119	777	44.0	15.5%	10,829	11.2%
Toyota	Prius	584	382	52.9	8.1%	5,052	5.2%
Mazda	Axela	372	460	-19.1	5.1%	4,165	4.3%
Toyota	Corolla	277	154	79.9	3.8%	2,469	2.6%
Mazda	Demio	261	175	49.1	3.6%	2,098	2.2%
Honda	Fit	235	252	-6.7	3.2%	2,495	2.6%
Subaru	Impreza	214	290	-26.2	3.0%	2,251	2.3%
Volkswagen	Golf	211	301	-29.9	2.9%	2,363	2.4%
Mazda	CX-5	206	289	-28.7	2.8%	2,195	2.3%
Nissan	Leaf	197	206	-4.4	2.7%	3,213	3.3%
Mitsubishi	Outlander	190	241	-21.2	2.6%	2,528	2.6%
Nissan	Note	182	103	76.7	2.5%	1,629	1.7%
Nissan	X-Trail	171	377	-54.6	2.4%	2,593	2.7%
Suzuki	Swift	125	183	-31.7	1.7%	1,341	1.4%
Toyota	C-HR	118	61	93.4	1.6%	1,389	1.4%
Subaru	XV	112	76	47.4	1.5%	853	0.9%
Mazda	Atenza	107	203	-47.3	1.5%	1,664	1.7%
Nissan	Serena	106	112	-5.4	1.5%	1,130	1.2%
Toyota	Vitz	78	65	20.0	1.1%	721	0.7%
Toyota	Camry	73	74	-1.4	1.0%	607	0.6%
Mazda	Premacy	72	96	-25.0	1.0%	1,057	1.1%
Toyota	Sai	63	55	14.5	0.9%	566	0.6%
Toyota	Wish	56	137	-59.1	0.8%	842	0.9%
Volkswagen	Polo	56	88	-36.4	0.8%	622	0.6%
Audi	A3	53	80	-33.8	0.7%	643	0.7%
Honda	Vezel	51	35	45.7	0.7%	582	0.6%
Nissan	Juke	49	60	-18.3	0.7%	623	0.6%
Subaru	Legacy	49	240	-79.6	0.7%	1,837	1.9%
Toyota	Auris	47	56	-16.1	0.6%	543	0.6%
BMW	116i	40	89	-55.1	0.6%	632	0.7%
BMW	320i	40	98	-59.2	0.6%	745	0.8%
Subaru	Forester	35	119	-70.6	0.5%	892	0.9%
Honda	Grace	33	7	371.4	0.5%	260	0.3%
Mercedes-Benz	A180	31	29	6.9	0.4%	341	0.4%
Toyota	Spade	30	10	200.0	0.4%	225	0.2%
Others		1,597	4,648	-65.6	22.1%	34,742	35.9%
Total		**7,240**	**10,628**	**-31.9**	**100.0%**	**96,737**	**100.0%**

Spending on vehicles climbs

Retail-card expenditure on cars in New Zealand during September came in at $199 million.

The total was up by $48m – or 38.9 per cent – when compared to $151m in the same month of last year after being adjusted for seasonal effects.

That said, card spending on vehicles dropped by $2m in September, or by 0.9 per cent, when compared with August. This meant it was the first month consumers spent less than $200m on vehicles since $189m in October 2021.

On a quarterly basis, the seasonally adjusted amount spent on cars with cards came to $604m in the three months to the end of September.

This represents a 0.8 per cent drop from this year's second quarter when the total reached $609m, but it was 24.5 per cent higher than the $485m spent in 2021's third quarter.

Vehicles and durables were the only retail categories to record month-on-month declines between August and September as overall card spending rose by 1.4 per cent. Fuel increased by $11m or by two per cent to reach $600m.

The largest dollar increase was with consumables, such as groceries and liquor, which was up $20m or by 0.8 per cent.

In actual terms, year-on-year total card spending topped out at $8.6 billion, up 32.9 per cent from September 2021.

The fuel sector had one of the biggest increases as spending jumped by $291m, or 16.4 per cent, to just under $2b during the September quarter when compared to the previous quarter.

Meanwhile, the government will "consider" extending its fuel-excise tax and road-user charges (RUC) cuts beyond January 2023 if global factors change and pump prices start to soar.

Michael Wood, Minister of Transport, said in September that this relief would be reintroduced at the start of 2023, but he's now taking a softer stance.

He notes the reduction in fuel excise by 25 cents a litre along with a similar RUC reduction, which were brought in earlier this year, cannot continue indefinitely.

"We have put $1b of support in over the past year to reduce fuel duty and RUC," says Wood.

"That comes off in January. If we get into next year and there are new circumstances, we will consider those."

Regardless of any excise changes in New Zealand, an agreement by the Organisation of the Petroleum Exporting Countries to cut output is expected to force prices up.

Terry Collins, the AA's principal adviser for motoring policy, adds EU sanctions due to be applied in December against companies insuring the transport of Russian oil will also have an impact on prices.

He says: "I do see a slow, upward pressure on oil prices and the only thing that would perhaps stop that is the threatening recession."

Collins warns pump prices for petrol could rise to "well over" $3 per litre early in 2023 and move closer to $4 for higher-octane fuels.

BEWARE OF SCAMMERS

The Financial Services Federation (FSF) is urging Kiwis to be vigilant if contacted by anyone claiming to be from the organisation asking for money.

The FSF has been made aware of its name and or logo being fraudulently used in attempts to obtain money and other private or financial information. Under no circumstances does the organisation ask the public for money.

Executive director Lyn McMorran says: "We want to do what we can to help prevent people from being sucked in by these revolting individuals.

"We all know scammers can pose as government and bank representatives. This is a stark reminder that any organisation, especially in the financial services sector, is a target for their names and logos to be used to prey on people.

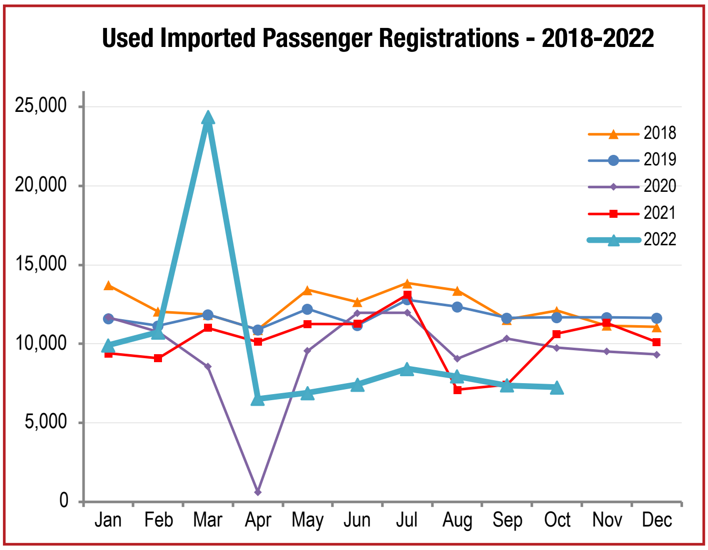
"We have referred the matter to police and have placed an alert banner on our website to warn anyone who might be contacted.

"We urge people to be wary of all unsolicited contact from any organisation asking for money or information and to contact their bank as soon as possible if they suspect they've been scammed."

Double-digit decline

There were 7,240 used-imported cars registered during October. That was down by 31.9 per cent compared to 10,628 in the same month of 2021 and took the year-to-date total to 96,737.

The Toyota Aqua topped the models' table with a 15.5 per cent share of the market and 1,119 units. Next up were Toyota's Prius and Mazda's Axela on 584 and 372 respectively. The top five was completed by the Toyota Corolla with 277 and Mazda Demio on 261.



Action needed on fleet emissions

The government has reiterated its aim to increase the number of zero-emissions vehicles (ZEVs) being imported into New Zealand.

Michael Wood, Minister of Transport, says its policies will help combat climate change, which he describes as one of the biggest threats the country faces.

"Transport is our second-largest source of greenhouse gas emissions [GHGs]," he told delegates at the Motor Trade Association's national conference in Auckland last month.

"Action is needed now to start reversing the trend in this sector, which has seen bigger emissions rises than any other part of our economy.

"The emissions reduction plan [ERP] released this year contains targets and actions to achieve a 41 per cent reduction in transport emissions by 2035."

Wood notes transport is one of our largest sources of GHGs, and suggests decarbonising our transport system rapidly will require big changes to the way we travel and move freight.

He has reiterated the four transport targets in the ERP to support the government's emissions reduction goal include cutting total kilometres travelled by the light fleet by 20 per cent by 2035.

In addition, it wants to boost ZEVs to 30 per cent of the light-vehicle fleet and reduce freight emissions by 35 per cent by 2035, and cut the emissions intensity of transport fuel by 10 per cent.

Road safety is another priority. On average, one person is killed and another six seriously injured daily. The government's Road To Zero strategy sets an initial target to reduce these figures by 40 per cent by 2030.

"The government has committed around $2.7 billion between 2021 and 2024. It isn't about any single initiative but how we develop a safe system that includes safe vehicles, safe speeds, safe road use and safe roads."

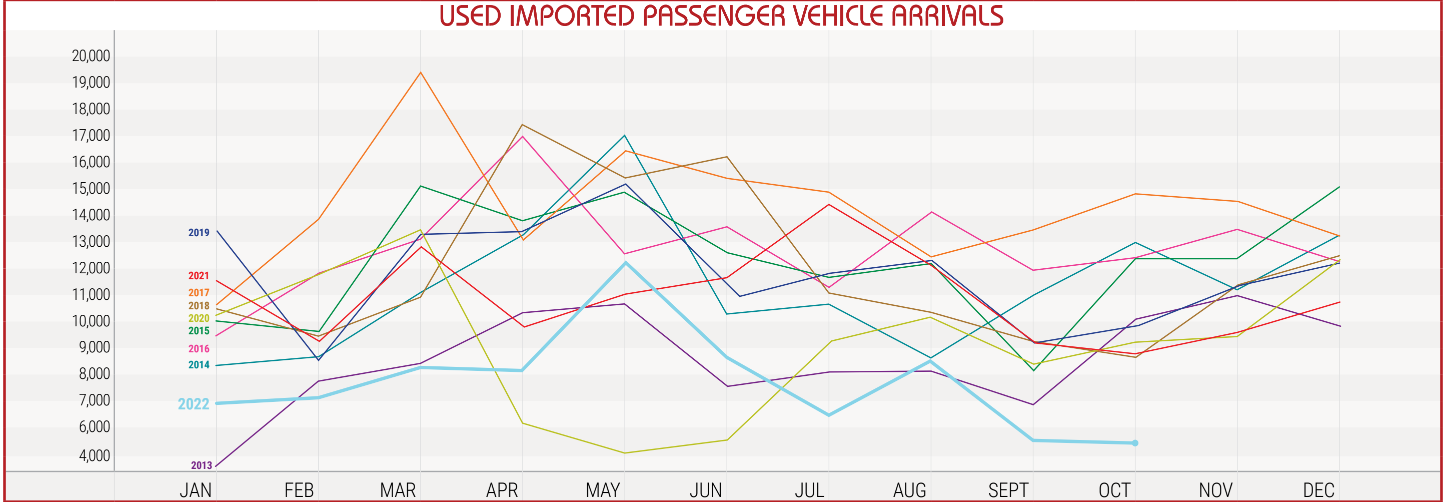
CROSSING THE BORDER

There were 5,062 used cars imported last month with Japan accounting for 4,827, which was 95.4 per cent of the overall total.

Next up were Australia with 152 and three per cent, the UK with 36, the US on 28 and Singapore with 11.

The year-to-date total now stands at 75,742, which is down by 31 per cent from 109,780 by this time in 2021.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	JAN '22	FEB '22	MAR '22	APR '22	MAY '22	JUN '22	JUL '22	AUG '22	SEPT '22	OCT '22	OCT SHARE %	2022 TOTAL	2021 TOTAL	MRKT SHARE	2020 TOTAL	MRKT SHARE
	2022												2021		2020	
Australia	262	235	226	233	172	234	187	186	204	152	3.0%	**2,091**	3,072	2.4%	4,185	3.9%
Great Britain	60	41	59	35	55	70	23	27	22	36	0.7%	**428**	1,259	1.0%	690	0.6%
Japan	6,490	6,751	7,477	7,636	11,497	8,254	6,206	8,295	4,829	4,827	95.4%	**72,262**	123,508	94.8%	100,994	92.9%
Singapore	46	69	33	47	33	38	24	24	32	11	0.2%	**357**	1,378	1.1%	1,846	1.7%
USA	44	20	75	33	59	30	41	44	16	28	0.6%	**390**	697	0.5%	480	0.4%
Other countries	31	33	20	15	17	23	17	35	15	8	0.2%	**214**	403	0.3%	468	0.4%
Total	**6,933**	**7,149**	**7,890**	**7,999**	**11,833**	**8,649**	**6,498**	**8,611**	**5,118**	**5,062**	**100.0%**	**75,742**	**130,317**	**100.0%**	**108,663**	**100.0%**

‘Headwinds’ to impact trade

The current financial year has seen factors that affected business in 2021/22 continue “with some headwinds added”.

Dealer-to-public sales are down by about 12 per cent on last year, says managing director David O’Connell, manager director of Geneva Finance.

He adds that inflation and increased mortgage rates are impacting on household affordability, while corporate interest rates have increased.

As a result, the company is expecting its first-half result to be in-line with or above last year.

Despite trading interruptions caused by the Covid-19 pandemic, it delivered a record profit of $8.2 million in 2021/22, up by 22 per cent on the year prior.

“The insurance operation continues to deliver revenue and profit growth, and receivables ledgers are well-provisioned,” says O’Connell.

“Demand for lending was impacted by lockdowns and regulatory changes, the impact of which have continued into the current year.

“The current year also brings challenges with the drop in consumer confidence, inflation and increased interest rates – both consumer and corporate.

“Nevertheless, the company is in a position to weather these challenges, and remains committed to maintaining profit growth and a strong balance sheet. The board is looking forward to taking advantage of opportunities the market will offer.”

O’Connell also provided an update on the company’s share price at its annual general meeting. It moved from 73 cents in September 2021 to 53c as of September 7 this year. For the two months prior, it had been trading between 51c and 53c.

“Market price is affected by current economic environment,” he says in his forecast for the first half of 2022/23.

“Our focus is to continue to grow profitability and returns to shareholders.”

MIXED RESULTS

Dealers sold 15,546 second-hand cars to the public last month. That was down from 14,974 units, or by 3.8 per cent, when compared to October 2021.

There were 12,081 trade-ins during October, a decrease of 6.9 per cent from 12,978 in the same month of 2021.

SECONDHAND CAR SALES - October 2022

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	OCT'22	OCT'21	+/- %	MARKET SHARE	OCT'22	OCT'21	+/- %	OCT'22	OCT'21	+/- %
Northland	523	433	20.8	3.36	1,805	1,648	9.5	185	171	8.2
Auckland	5,349	4,410	21.3	34.41	12,520	11,657	7.4	5,411	4,945	9.4
Waikato	1,665	1,307	27.4	10.71	3,898	3,795	2.7	1,030	945	9.0
Bay of Plenty	1,075	1,122	-4.2	6.91	2,808	2,908	-3.4	644	692	-6.9
Gisborne	153	164	-6.7	0.98	361	374	-3.5	44	47	-6.4
Hawke's Bay	554	677	-18.2	3.56	1,335	1,420	-6.0	359	450	-20.2
Taranaki	364	394	-7.6	2.34	1,079	1,087	-0.7	201	244	-17.6
Manawatu-Whanganui	829	910	-8.9	5.33	1,967	2,302	-14.6	677	1,034	-34.5
Wellington	1,452	1,751	-17.1	9.34	3,002	3,503	-14.3	1,036	1,065	-2.7
Tasman	137	136	0.7	0.88	410	498	-17.7	22	32	-31.3
Nelson	156	158	-1.3	1.00	400	507	-21.1	154	117	31.6
Marlborough	123	160	-23.1	0.79	370	397	-6.8	47	119	-60.5
West Coast	99	106	-6.6	0.64	299	299	0.0	40	42	-4.8
Canterbury	1,981	2,129	-7.0	12.74	4,903	5,353	-8.4	1,695	2,052	-17.4
Otago	715	735	-2.7	4.60	1,853	1,964	-5.7	389	508	-23.4
Southland	311	332	-6.3	2.00	889	977	-9.0	147	228	-35.5
Other	60	50	20.0	0.39	183	132	38.6	0	287	-100.0
NZ Total	**15,546**	**14,974**	**3.8**	**100.00**	**38,082**	**38,821**	**-1.9**	**12,081**	**12,978**	**-6.9**

New Passenger Vehicle Sales by Make - October 2022

MAKE	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,226	2,339	-4.8	20.7%	14,163	14.6%
Mitsubishi	1,767	976	81.0	16.4%	14,971	15.5%
Kia	1,003	442	126.9	9.3%	10,181	10.5%
Suzuki	787	580	35.7	7.3%	6,808	7.0%
Hyundai	567	643	-11.8	5.3%	6,589	6.8%
MG	499	398	25.4	4.6%	4,385	4.5%
Ford	431	323	33.4	4.0%	2,335	2.4%
Mazda	352	468	-24.8	3.3%	4,653	4.8%
Honda	351	346	1.4	3.3%	3,280	3.4%
Volkswagen	340	262	29.8	3.2%	2,426	2.5%
Haval	256	202	26.7	2.4%	1,970	2.0%
BYD	206	0	20,600.0	1.9%	894	0.9%
Skoda	200	144	38.9	1.9%	1,746	1.8%
Subaru	183	239	-23.4	1.7%	2,065	2.1%
Mercedes-Benz	178	132	34.8	1.7%	1,808	1.9%
Nissan	175	491	-64.4	1.6%	1,743	1.8%
Peugeot	171	118	44.9	1.6%	1,356	1.4%
Tesla	168	97	73.2	1.6%	4,361	4.5%
BMW	141	101	39.6	1.3%	1,416	1.5%
Audi	112	158	-29.1	1.0%	1,361	1.4%
Lexus	90	100	-10.0	0.8%	928	1.0%
Mini	81	69	17.4	0.8%	727	0.8%
Polestar	79	2	3,850.0	0.7%	688	0.7%
Land Rover	63	88	-28.4	0.6%	1,259	1.3%
SsangYong	46	72	-36.1	0.4%	597	0.6%
Volvo	43	88	-51.1	0.4%	666	0.7%
Cupra	37	25	48.0	0.3%	270	0.3%
Jaguar	34	15	126.7	0.3%	384	0.4%
Opel	29	0	2,900.0	0.3%	29	0.0%
Seat	28	16	75.0	0.3%	114	0.1%
Porsche	23	55	-58.2	0.2%	535	0.6%
Isuzu	21	28	-25.0	0.2%	250	0.3%
Jeep	15	89	-83.1	0.1%	414	0.4%
Fiat	12	14	-14.3	0.1%	173	0.2%
Citroen	11	15	-26.7	0.1%	264	0.3%
Renault	8	17	-52.9	0.1%	219	0.2%
LDV	7	36	-80.6	0.1%	146	0.2%
Can-Am	5	6	-16.7	0.0%	57	0.1%
Chevrolet	5	1	400.0	0.0%	26	0.0%
Bentley	4	2	100.0	0.0%	43	0.0%
Lamborghini	3	2	50.0	0.0%	26	0.0%
Yamaha	3	3	0.0	0.0%	49	0.1%
Alfa Romeo	2	10	-80.0	0.0%	83	0.1%
Aston Martin	2	14	-85.7	0.0%	54	0.1%
Others	8	20	-60.0	0.1%	224	0.2%
Total	**10,772**	**9,246**	**16.5**	**100.0%**	**96,736**	**100.0%**

New Passenger Vehicle Sales by Model - October 2022

MAKE	MODEL	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Mitsubishi	Outlander	1,030	702	46.7	9.6%	8,170	8.4%
Toyota	RAV4	746	867	-14.0	6.9%	5,026	5.2%
Toyota	Corolla	478	743	-35.7	4.4%	2,268	2.3%
Mitsubishi	Eclipse Cross	453	130	248.5	4.2%	3,157	3.3%
Suzuki	Swift	408	156	161.5	3.8%	3,128	3.2%
Toyota	Yaris Cross	353	77	358.4	3.3%	1,555	1.6%
MG	ZS	323	266	21.4	3.0%	2,622	2.7%
Kia	Sportage	301	78	285.9	2.8%	2,738	2.8%
Honda	Jazz	267	119	124.4	2.5%	2,038	2.1%
Mitsubishi	ASX	265	54	390.7	2.5%	2,645	2.7%
Ford	Everest	217	204	6.4	2.0%	902	0.9%
BYD	Atto 3	206	0	20,600.0	1.9%	894	0.9%
Haval	H6	178	81	119.8	1.7%	1,076	1.1%
Hyundai	Kona	177	238	-25.6	1.6%	2,231	2.3%
Hyundai	Tucson	174	152	14.5	1.6%	1,112	1.1%
Tesla	Model Y	167	0	16,700.0	1.6%	2,259	2.3%
Kia	Sorento	165	24	587.5	1.5%	1,063	1.1%
Mazda	CX-5	162	211	-23.2	1.5%	2,017	2.1%
Nissan	X-Trail	151	347	-56.5	1.4%	1,191	1.2%
Toyota	Corolla Cross	151	0	15,100.0	1.4%	205	0.2%
Kia	Stonic	144	18	700.0	1.3%	1,954	2.0%
Suzuki	Vitara	141	136	3.7	1.3%	971	1.0%
Suzuki	Jimny	134	127	5.5	1.2%	1,210	1.3%
Ford	Puma	127	30	323.3	1.2%	426	0.4%
Toyota	Yaris	127	92	38.0	1.2%	1,237	1.3%
Volkswagen	T-Roc	120	41	192.7	1.1%	411	0.4%
Kia	Niro	117	92	27.2	1.1%	986	1.0%
Toyota	C-HR	116	50	132.0	1.1%	657	0.7%
Kia	Seltos	108	123	-12.2	1.0%	1,532	1.6%
Kia	Carnival	102	16	537.5	0.9%	403	0.4%
MG	HS	102	80	27.5	0.9%	986	1.0%
Hyundai	Santa Fe	97	49	98.0	0.9%	887	0.9%
Subaru	Outback	92	113	-18.6	0.9%	881	0.9%
Peugeot	208	88	16	450.0	0.8%	452	0.5%
Polestar	Polestar 2	79	0	7,900.0	0.7%	688	0.7%
Haval	Jolion	78	117	-33.3	0.7%	894	0.9%
Skoda	Kodiaq	78	30	160.0	0.7%	497	0.5%
Volkswagen	Tiguan	77	94	-18.1	0.7%	691	0.7%
MG	3	74	51	45.1	0.7%	773	0.8%
Toyota	Highlander	71	171	-58.5	0.7%	1,486	1.5%
Toyota	Land Cruiser Prado	70	30	133.3	0.6%	522	0.5%
Suzuki	Ignis	66	76	-13.2	0.6%	612	0.6%
Hyundai	Ioniq	65	36	80.6	0.6%	1,333	1.4%
Skoda	Superb	65	57	14.0	0.6%	608	0.6%
Honda	CR-V	64	90	-28.9	0.6%	879	0.9%
Others		1,998	3,062	-34.7	18.5%	28,463	29.4%
Total		**10,772**	**9,246**	**16.5**	**100.0%**	**96,736**	**100.0%**

Feebate scheme boosts car sales

Suzuki NZ has seen its new-vehicle sales climb since the introduction of the government's clean car discount programme.

A number of its models receive rebates under the feebate scheme, which came into force at the start of April, while none attract penalties.

Gary Collins, general manager of motor vehicle, says: "With buoyant sales of all our models and the new stylish S-Cross SUV just coming on stream, our product line-up is in good shape to meet the demands of customers in the current economic climate.

"We are constantly improving the technology, safety, comfort and fuel efficiency in our vehicles, while still making it easy to own an affordable and reliable car."

Meanwhile, Winger Suzuki Greenlane has opened new premises after moving a short distance along a dealership strip in Auckland.

The location at 265 Great South Road puts the business next to Winger Subaru Greenlane, with the site previously used by the latter as a parking area. Its former home was 257 Great South Road.

The Winger Group, which is based in Hamilton, operates dealerships and service centres in the Waikato and Auckland.

MOBILITY MATTERS

Toyota NZ has launched its Let's Go Places narrative to reflect transitioning to a mobility company.

Chief executive officer, Neeraj Lala, explains it's all about addressing where the company is heading over the next 10 years.

"We have a duty to inspire our customers to move forward together with optimism and confidence into the future of 'mobility for all'. We have the capability to help drive positive change."

While New Zealanders will see branding changes, including a refresh at its 64 stores nationwide and marketing campaigns, Lala says it's all "fundamentally driven by a desire to create further positive change".

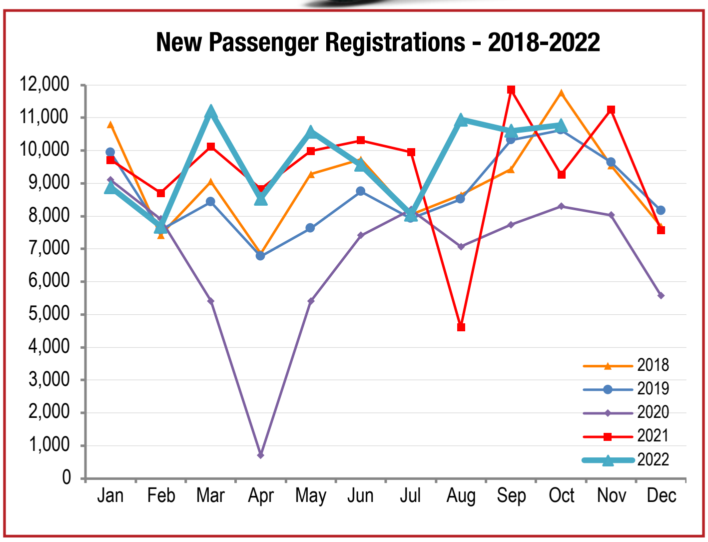
"Let's Go Places is about how we're changing as a country and how Toyota is changing alongside that.

"Mobility is about ensuring no customer is left behind, and that solutions are affordable, accessible and safe.

"This could be a future when private car ownership is no longer the norm and people rely on usage solutions, such as mobility-as-a-service, or personal micro-mobility solutions, or providing consumers with greater flexibility while reducing inner-city congestion and carbon emissions.

"It even extends to human-mobility solutions, such as the C+walk, Toyota's three-wheeled standing-type battery electric vehicle [EV]."

The three-wheeled Toyota C+walk



Boom in registrations

There were 10,772 new cars registered last month. That was up by 16.5 per cent from 9,246 when compared to October last year.

The Mitsubishi Outlander was the top model on 1,030 units. Toyota's RAV4 was second with 746 and its Corolla third on 478.

October's best-selling marque was Toyota with 2,226 registrations. Next up were Mitsubishi on 1,767 and Kia with 1,003.

FLEET GETS CLEANER

Mark Gilbert, Drive Electric's chairman, says New Zealand is now one of the leading markets globally for EVs after Europe's Nordic countries and China.

BEV registrations in this country have jumped more than 50 per cent this year compared to 2021 and "as we move to EVs, our fleet is getting cleaner", he says.

Gilbert is pleased to see BYD now retailing in New Zealand.

More BYD stores opened during September in Tauranga, Dunedin and Botany, east Auckland. Already operating before that were those in Wellington, Hamilton, Christchurch and Newmarket, Auckland.

New Zealand has also seen the launch if its first electric ute, which is being offered by LDV, "and more will come", Gilbert notes.

That said, Ford NZ, as yet, has no plans to import the all-electric F-150 Lightning.

Another entrant to the Kiwi market will soon be Mahindra's XUV 400 EV. The compact crossover is expected to arrive onshore next year.

The company may also launch its new BE sub-brand electric line-up here.

It revealed a fleet of five concepts in August. Two continue its XUV range and three are part of the sub-brand.

The XUV.e8 and XUV.e9 are expected to launch overseas in late 2024 and early 2025. The BE line-up is slated to get under way from late 2025.

TAKEOVER COMPLETED

An Australian company has acquired 100 per cent of the shares of Auckland City BMW Ltd and has taken charge of the business' three dealerships.

The NZ$70 million deal means Autosports Group now owns Auckland City BMW and Rolls-Royce Motor Cars Auckland, Auckland Mini Garage, and East Auckland BMW and Mini.

Ian Gibson, managing director of Auckland City BMW, has remained with the company following the deal.

Nick Pagent, chief executive of Autosports, says: "We are very excited to enter the New Zealand market with a well-established luxury business providing immediate scale and geographic diversity for our group.

"Completion of this international acquisition marks an important milestone in our growth strategy and reinforces the positive business relationship we have built with BMW Group over the past five years."

Massive investment in market

About $40 million is being invested by Jucy in campervans to ease the shortage of rentals.

The investment will provide about 1,000 new vehicles and help the business open new locations on both sides of the Tasman.

Before the announcement, Jucy had about 1,500 units in New Zealand and 1,000 in Australia.

Dan Alpe, chief executive, says the first tranche of new campervans for this country are set to be on the road for this summer, but the numbers are short of what's needed to meet demand.

"What we can see from our forward bookings is that the New Zealand tourism market is responding much faster than expected and we're now looking at accelerating our growth strategy to meet demand in the self-drive visitor segment," he says.

"The rebound in tourism numbers is being driven by thousands of visitors from Europe and we expect to be completely sold out across summer.

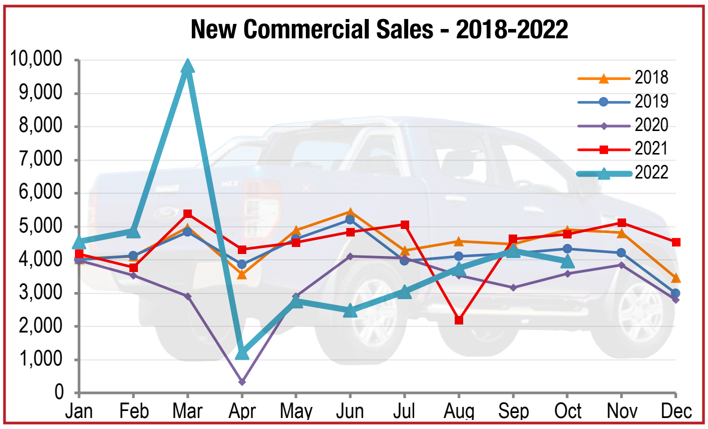
"This means the New Zealand market will likely face a supply shortfall in excess of what we have seen previously."

Funding has been sourced through Jucy's local bank partner and Australian private-equity firm Next Capital, which takes a majority position in Jucy with Polar Capital retaining a minority stake.

A large chunk of New Zealand's rental fleet was depleted because of the Covid-19 pandemic with thousands of vehicles sold by operators to cover overheads.

With borders now reopened and international tourists returning, global vehicle shortages and shipping delays have impacted the industry's ability to rapidly rebuild stock levels.

Alpe says the new-vehicle



New Commercial Sales by Make - October 2022

MAKE	OCT '22	OCT '21	+/- %	OCT '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	1,541	1,790	-13.9	38.9%	9,313	22.9%
Toyota	743	810	-8.3	18.7%	9,931	24.4%
Mitsubishi	252	133	89.5	6.4%	6,010	14.8%
Isuzu	170	266	-36.1	4.3%	2,603	6.4%
Fuso	138	76	81.6	3.5%	1,088	2.7%
Mercedes-Benz	133	68	95.6	3.4%	746	1.8%
LDV	100	250	-60.0	2.5%	1,915	4.7%
Hino	95	92	3.3	2.4%	799	2.0%
Nissan	90	386	-76.7	2.3%	1,743	4.3%
Volkswagen	83	127	-34.6	2.1%	739	1.8%
Fiat	71	105	-32.4	1.8%	538	1.3%
Iveco	57	28	103.6	1.4%	328	0.8%
Ram	57	36	58.3	1.4%	361	0.9%
Hyundai	50	41	22.0	1.3%	524	1.3%
Mazda	50	141	-64.5	1.3%	679	1.7%
Scania	44	41	7.3	1.1%	427	1.0%
Great Wall	40	141	-71.6	1.0%	536	1.3%
Renault	36	18	100.0	0.9%	270	0.7%
Kenworth	27	23	17.4	0.7%	206	0.5%
UD Trucks	27	23	17.4	0.7%	239	0.6%
Others	161	170	-5.3	4.1%	1,725	4.2%
Total	**3,965**	**4,765**	**-16.8**	**100.0%**	**40,720**	**100.0%**

New Commercial Sales by Model - October 2022

MAKE	MODEL	OCT '22	OCT '21	+/- %	OCT '22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	Ranger	1,491	1,626	-8.3	37.6%	8,938	21.9%
Toyota	Hilux	638	590	8.1	16.1%	8,256	20.3%
Mitsubishi	Triton	230	75	206.7	5.8%	5,547	13.6%
Isuzu	D-Max	97	177	-45.2	2.4%	1,660	4.1%
Mercedes-Benz	Sprinter	96	54	77.8	2.4%	620	1.5%
Nissan	Navara	90	386	-76.7	2.3%	1,742	4.3%
Toyota	Hiace	90	171	-47.4	2.3%	1,423	3.5%
Fiat	Ducato	71	104	-31.7	1.8%	537	1.3%
Hino	500	60	41	46.3	1.5%	392	1.0%
Mazda	BT-50	50	141	-64.5	1.3%	679	1.7%
Ford	Transit	49	162	-69.8	1.2%	371	0.9%
Ram	1500	49	36	36.1	1.2%	322	0.8%
Iveco	Daily	48	17	182.4	1.2%	217	0.5%
Hyundai	Staria Load	43	20	115.0	1.1%	463	1.1%
Great Wall	GWM Cannon	40	140	-71.4	1.0%	536	1.3%
Volkswagen	Amarok	37	60	-38.3	0.9%	261	0.6%
Isuzu	N Series	30	44	-31.8	0.8%	388	1.0%
Fuso	Canter 616 City	28	4	600.0	0.7%	136	0.3%
Volkswagen	Crafter	26	23	13.0	0.7%	156	0.4%
LDV	T60	25	52	-51.9	0.6%	561	1.4%
Others		677	842	-19.6	17.1%	7,515	18.5%
Total		**3,965**	**4,765**	**-16.8**	**100.0%**	**40,720**	**100.0%**

market remains tight, which is resulting in longer than normal lead times.

He adds: "With the support of Next Capital, Jucy will be able to expand more rapidly in the Australasian market as it enters a period of high demand."

Meanwhile, Tourism Holdings Ltd has updated its forecast net profit after tax for the 2023 financial year to be in the region of $30.2m on the back of visitor numbers increasing and more certainty on forward rental revenue.

Demand and rental yields for the summer season here and in Australia are above prior expectations.

The company reports its vehicle sales continue to perform well from a margin perspective in both countries and the US, in-line with what was achieved in the 2022 financial year although volumes are down slightly.

MARQUES TEAM UP

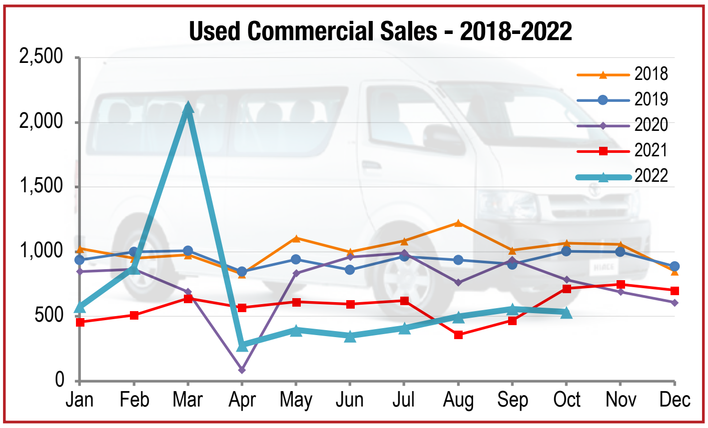
Stellantis and Toyota are jointly developing a large, fully electric commercial van.

According to media reports, it will be sold in Europe with the Japanese marque's badge, and made by Stellantis in Italy and Poland. The latter says: "Planned for mid-2024, it completes our light commercial line-up."

Meanwhile, Toyota NZ has yet to decide on importing right-hand-drive variants of the US-built Tundra.

Chief executive Neeraj Lala says there could be potential for the ute to become available here, but there are concerns about the model's impact on the company's overall performance on carbon-dioxide emissions.

About 300 Tundras are slated to be available across the Tasman in next year's fourth quarter.



DROPS IN NEW & USED

There were 3,965 new commercial vehicles sold in October, which was down by 16.8 per cent when compared to 4,765 in the same month of 2021.

Ford's Ranger topped the ladder on 1,491 units. Next up were the Toyota Hilux on 638 and Mitsubishi Triton with 230.

There were 532 used-imported commercials registered last month compared to 714 in October last year for a 25.5 per cent decrease.

Used Commercial Sales by Make - October 2022

MAKE	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	219	270	-18.9	41.2%	2,384	36.2%
Nissan	115	133	-13.5	21.6%	1,664	25.2%
Hino	47	72	-34.7	8.8%	567	8.6%
Isuzu	41	69	-40.6	7.7%	474	7.2%
Ford	26	26	0.0	4.9%	243	3.7%
Mitsubishi	19	40	-52.5	3.6%	315	4.8%
Chevrolet	12	7	71.4	2.3%	86	1.3%
Mazda	7	12	-41.7	1.3%	104	1.6%
Volkswagen	7	6	16.7	1.3%	55	0.8%
Daihatsu	6	8	-25.0	1.1%	98	1.5%
Holden	6	15	-60.0	1.1%	137	2.1%
Dodge	2	5	-60.0	0.4%	34	0.5%
Fiat	2	0	200.0	0.4%	21	0.3%
Fuso	2	4	-50.0	0.4%	24	0.4%
Kenworth	2	3	-33.3	0.4%	25	0.4%
Mack	2	0	200.0	0.4%	5	0.1%
Mercedes-Benz	2	5	-60.0	0.4%	25	0.4%
Mitsubishi Fuso	2	1	100.0	0.4%	6	0.1%
Subaru	2	1	100.0	0.4%	16	0.2%
UD Trucks	2	2	0.0	0.4%	47	0.7%
Others	9	35	-74.3	1.7%	263	4.0%
Total	**532**	**714**	**-25.5**	**100.0%**	**6,593**	**100.0%**

Used Commercial Sales by Model - October 2022

MAKE	MODEL	OCT'22	OCT'21	+/- %	OCT'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hiace	149	184	-19.0	28.0%	1,707	25.9%
Nissan	NV350	77	75	2.7	14.5%	1,008	15.3%
Toyota	Dyna	30	34	-11.8	5.6%	285	4.3%
Hino	Dutro	28	51	-45.1	5.3%	386	5.9%
Isuzu	Elf	23	39	-41.0	4.3%	307	4.7%
Toyota	Toyoace	18	25	-28.0	3.4%	123	1.9%
Ford	Ranger	15	9	66.7	2.8%	121	1.8%
Hino	Ranger	15	18	-16.7	2.8%	147	2.2%
Toyota	Regius	15	11	36.4	2.8%	106	1.6%
Isuzu	Forward	13	20	-35.0	2.4%	118	1.8%
Nissan	Caravan	13	23	-43.5	2.4%	249	3.8%
Fuso	Canter	11	25	-56.0	2.1%	189	2.9%
Nissan	NV200	11	3	266.7	2.1%	145	2.2%
Daihatsu	Hijet	6	8	-25.0	1.1%	97	1.5%
Nissan	Atlas	6	15	-60.0	1.1%	109	1.7%
Chevrolet	C10	4	1	300.0	0.8%	29	0.4%
Mazda	Titan	4	6	-33.3	0.8%	29	0.4%
Toyota	Hilux	4	8	-50.0	0.8%	89	1.3%
Volkswagen	Amarok	4	3	33.3	0.8%	33	0.5%
Holden	Utility	3	1	200.0	0.6%	10	0.2%
Others		83	155	-46.5	15.6%	1,306	19.8%
Total		**532**	**714**	**-25.5**	**100.0%**	**6,593**	**100.0%**

Japanese market recovers

Improvements in sales of new vehicles in Japan may be impacted by a lack of parts forcing output to be scaled back.

Registrations of new cars there notched up their first year-on-year rise in 15 months when production picked up after a shortage caused by Shanghai's Covid-19 lockdown eased.

Sales climbed by 24.1 per cent in September when compared to the same month in 2021.

However, consumer activity remained at about 70 per cent of that in 2019, which suggests it could take more time to return to pre-pandemic levels with Toyota and Honda having output cuts in October.

New-car sales for September, excluding mini-vehicles, rose by 17.8 per cent to 242,042 units for the sector's first year-on-year rise in 13 months, reports the Japan Automobile Dealers' Association.

All major nine brands recorded monthly increases compared to a year ago. For example, registrations of Toyotas climbed by 26.3 per cent to 113,328 units and Mazda posted a 60.5 per cent jump to 13,202.

New mini-vehicle sales rose by 35.6 per cent to 153,121, according to the Japan Light Motor Vehicle and Motorcycle Association.

A spokesman says: "The negative effects from a chip shortage and supply bottleneck have been continuing, so it's hard to see when these factors will stop affecting sales."

For the six months ending September, Japan's new-car registrations – including mini-vehicles – fell by 6.2 per cent year on year to 1.92 million.

Back on these shores, Armstrong's says building work on the first of three new dealerships is due to get under way in the coming months.

The company has been selected to represent Mazda in Botany, east Auckland, from late 2023 and construction on a site in Ti Rakau Drive is part of its long-term growth plans for the city.

"This significant capital investment reflects almost five years' strategic property acquisitions and planning," says Mark Darrow, group chairman.

"In 2014, we launched into the Auckland market with Auckland City Toyota in Grey Lynn and Mount Wellington, followed by Greenlane. At this time, we identified east Auckland was under-serviced."

Darrow says adding further marques to Armstrong's operations in the area is "imminent".

Stock rises

Imports of new cars came in at 12,260 in October after increasing for the fourth consecutive month. This was 1.4 per cent higher than in the same month of 2021 and 7.3 per cent more than September's 11,422 units.

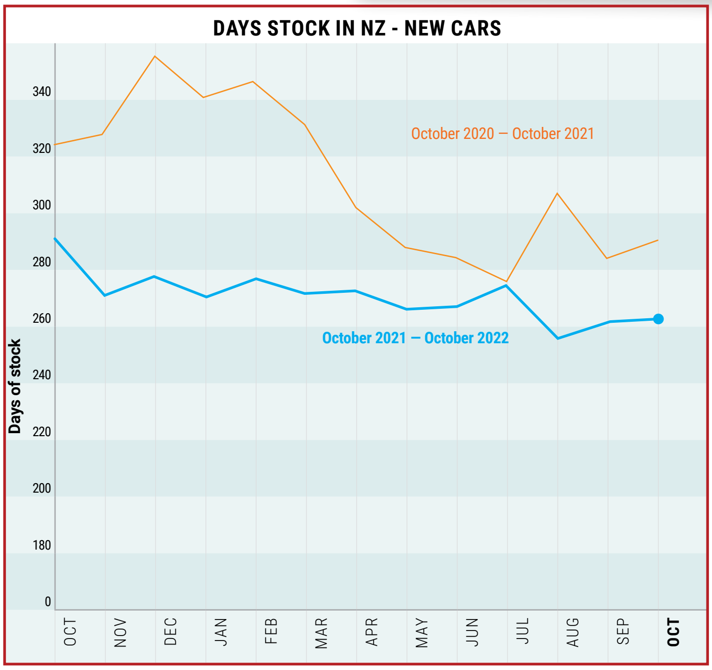
Registrations of new passenger vehicles totalled 10,772 last month, which was up 1.7 per cent from September and an increase of 16.5 per cent from October 2021.

The numbers have resulted in the stock of new cars still to be registered increasing by 1,488 to 82,926. Daily registrations, as averaged over the previous 12 months, stand at 317 units per day – up from 293 a year earlier.

October's results mean stock at-hand has increased to 262 days, or 8.6 months, if sales continue at the current rate. In the same month of 2021, stock at-hand was at 291 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
Oct '21	12,086	9,246	2,840	85,296	293	291
Nov '21	8,119	11,224	-3,105	82,191	301	273
Dec '21	10,322	7,570	2,752	84,943	307	277
Jan '22	6,367	8,940	-2,573	82,370	305	270
Feb '22	8,517	7,655	862	83,232	302	276
Mar '22	10,322	11,199	-877	82,355	305	270
Apr '22	8,555	8,523	32	82,387	304	271
May '22	8,488	10,555	-2,067	80,320	306	263
Jun '22	9,439	9,538	-99	80,221	304	264
Jul '22	9,368	8,037	1,331	81,552	298	273
Aug '22	9,981	10,925	-944	80,608	316	255
Sep '22	11,422	10,592	830	81,438	312	261
Oct '22	**12,260**	**10,772**	**1,488**	**82,926**	**317**	**262**
Year to date	**94,719**	**87,796**				
Change on last month	**7.3%**	**1.7%**		**1.8%**		
Change on Oct 2021	**1.4%** MORE IMPORTED	**16.5%** MORE SOLD		**-2.8%** LESS STOCK		



Policy's impact tipped to drop

The influence of the government's clean car discount scheme on consumers' decisions on what they buy will start to wane in coming months, predicts a south Auckland-based dealer.

The feebate system charges penalties or offers rebates on certain models when they are first registered in New Zealand. It's all based on carbon-dioxide emissions as officials seek to accelerate the uptake of electric vehicles.

It led to a rush on commercial vehicles, especially utes, ahead of its implementation on April 1 as buyers sought to avoid fees of up to $5,175 for the highest emitters. But sales of such vehicles have dropped since the scheme kicked in.

Gareth Karrasch, director of SCM Commercials in Drury, predicts the decline will soon end and buyers contemplating a new or used light commercial will disregard the impact of the clean car programme on sticker prices.

"Commercials buyers are resilient," he told Autofile. "I think they will just pay the money if it's something they particularly need or want and accept that unfortunately the extra money on prices simply gets passed on elsewhere.

"I believe that in a month or so, people won't think about the [clean car] tax. They will just look at the price on a vehicle and decide if they want it."

At the same time, Karrasch notes there are challenges for dealers in securing ample stock and warns the industry is "in for a long slog until the end of the year" on that front.

Nevertheless, he remains optimistic about the long-term prospects of the industry and doesn't expect next year's general election will have much of an effect on people's car-buying habits.

"People are still going to be going to work and they will need vehicles to get there or go about their jobs. Whatever the outcome of the election, it won't stop that.

"Also, the vans and trucks we're selling are mostly to companies and people from businesses coming to the yard when they need something.

"The odd ute we sell to private customers is usually on finance. They seem to have pretty good jobs and stable income.

"I can see where the industry may be tight in other areas, such as light vehicles, because of the rising costs of living but demand for commercials is holding up."

Imports sliding

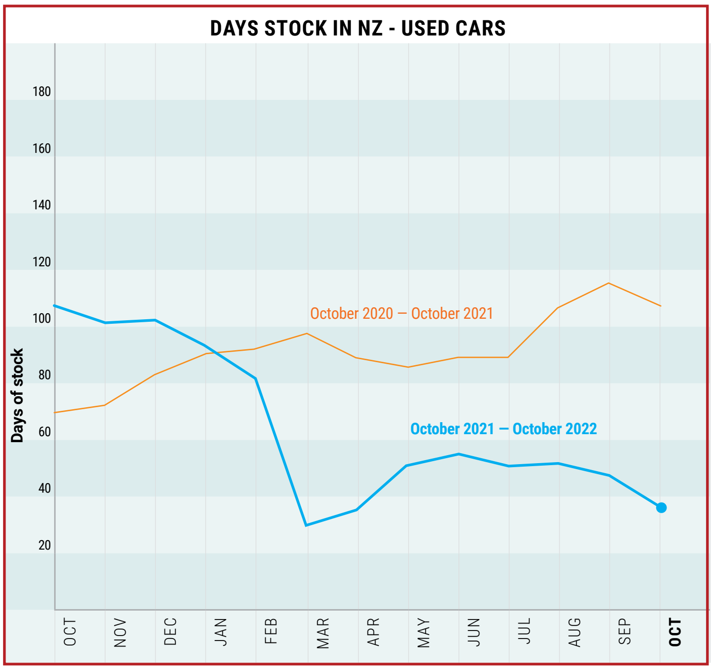
There were 5,062 used cars imported in October for a decrease of 41.7 per cent from 8,680 units in the same month of 2021.

The monthly figure set a new low for the year after slipping 1.1 per cent from the 5,118 vehicles imported in September.

A total of 7,240 were registered in October. This was 1.7 per cent lower than the 7,367 units during September this year and a drop of 31.9 per cent from the 10,627 registrations in October 2021.

With 2,178 fewer used cars imported than registered last month, it brought unregistered stock on dealers' yards or in compliance shops to 12,034. This was 64.6 per cent below the total of 34,033 at the end of October last year.

Average daily registrations dropped to 324 and there is 37 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Oct '21	8,680	10,627	-1,947	34,033	330	103
Nov '21	9,650	11,322	-1,672	32,361	335	97
Dec '21	10,766	10,098	668	33,029	337	98
Jan '22	6,933	10,105	-3,172	29,857	336	89
Feb '22	7,149	10,723	-3,574	26,283	340	77
Mar '22	7,890	24,343	-16,453	9,830	377	26
Apr '22	7,999	6,503	1,496	11,326	367	31
May '22	11,833	6,877	4,956	16,282	355	46
Jun '22	8,649	7,408	1,241	17,523	344	51
Jul '22	6,498	8,235	-1,737	15,786	331	48
Aug '22	8,611	7,936	675	16,461	333	49
Sep '22	5,118	7,367	-2,249	14,212	333	43
Oct '22	**5,062**	**7,240**	**-2,178**	**12,034**	**324**	**37**
Year to date	**75,742**	**96,737**				
Change on last month	**-1.1%**	**-1.7%**		**-15.3%**		
Change on Oct 2021	**-41.7%** LESS IMPORTED	**-31.9%** LESS SOLD		**-64.6%** LESS STOCK		