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Consumer demand will dictate fleet's make-up

Industry association's chief executive believes the government 'couldn't resist interfering further by wanting to influence supply'

Importers are now having to embrace the clean car standard (CCS), the latest raft of legislation to disrupt the automotive industry in the government's push to clean up the fleet.

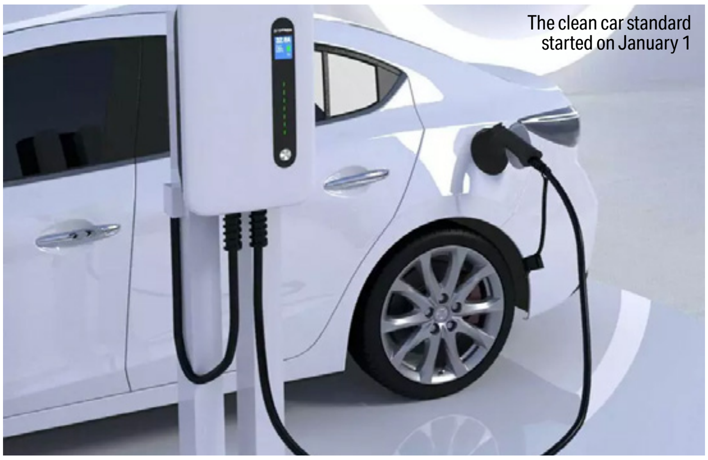
Challenges for officials to get everything in place for the scheme's roll-out at the start of this month means penalty payments for high emitters will not need to be made until June.

However, the Imported Motor Vehicle Industry Association (VIA) anticipates its members will still have plenty of questions as they get to grips with the system.

Chief executive David Vinsen urges anyone with queries about the CCS to contact the association or Waka Kotahi New Zealand Transport Agency.

Looking further ahead, he expects the fleet's make-up will be dictated more by consumer demand than any rules designed to influence what importers bring into the country.

"We've had a couple of phone calls from people asking about particular models and exemptions, but otherwise nothing else about the clean car standard at this stage," Vinsen told Autofile.



The clean car standard started on January 1

With the CCS becoming liable when imports are processed – unlike the clean car discount, which is imposed at first registration – he expects activity to pick up as the month progresses.

"We've tried to make people well-aware of the process but January 1 is a stupid time to start any new legislation, especially when IT systems are involved.

"It's a challenge, but VIA and Waka Kotahi are doing our best to make it work. If anyone has queries about the process they can contact us or the agency, which has a dedicated help desk, by phone or email.

"People at the NZTA have been in there from the start dealing with queries that may eventuate because they've been as concerned as we have about the CCS. No one knows quite how things will play out."

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GUEST EDITORIAL

Stay nimble to cope with winds of change

Whether new rules, technology or people's desires, the industry is constantly adapting

MATTHEW LOWE
Journalist, Autofile

As a parent of a teenage daughter I understand things can change quickly, be it moods, opinions, likes and dislikes, the list goes on.

These changes may occur over years, months, weeks, days and sometimes even minutes. It makes parenting a dynamic role and you have to be adaptable to ensure you can handle these shifts.

For example, there was a considerable time when eating meat was off the menu for my daughter. But suddenly, and without any warning to mum and dad, it is now very much in demand... until maybe it isn't again.

The idea that the only constant in life is change has been long known thanks to Greek philosophers, but at the same time many of us fear change.

The automotive industry has experienced plenty of change in recent times, whether as a result of the Covid-19 pandemic, new legislation or the shifting desires of consumers.

We all hope some normality is returning after the disruptions of coronavirus and its associated restrictions. However, Covid-19 is only one of the factors to have taxed the minds of people across the vehicle supply chain of late.

The government's clean car policies are forcing changes onto dealers and affecting consumer behaviour. Last year brought the roll-out of the feebate scheme and this month marks the start of the clean car standard.

With a general election set to take place this year, there is uncertainty around these rules. National is opposing the regulations and Act wants to ditch the discount.

This means adjustments businesses have made in recent months may need to be unwound in the near future.

When it comes to automotive finance there has been abundant change to the Credit Contracts and Consumer Finance Act of late and there's still more to be done. Unintended consequences of the legislation introduced in late 2021 have led to tweaks, consultations and amendments – with the industry hoping the latest round due to be introduced by March this year will be the last for some time.

As you will have read in these pages and on our website, not everyone is happy when changes happen or are about to take place. Reactions range from less should be done to more action is needed, and differing opinions are understandable because adapting to them often requires time and expense.

However, experience tells us things never remain the same, whether for better or worse, and that's certainly true in the automotive space where it feels like changes have been unrelenting recently. The key is to be nimble and adaptable, working to make those changes as painless as possible. ⊕

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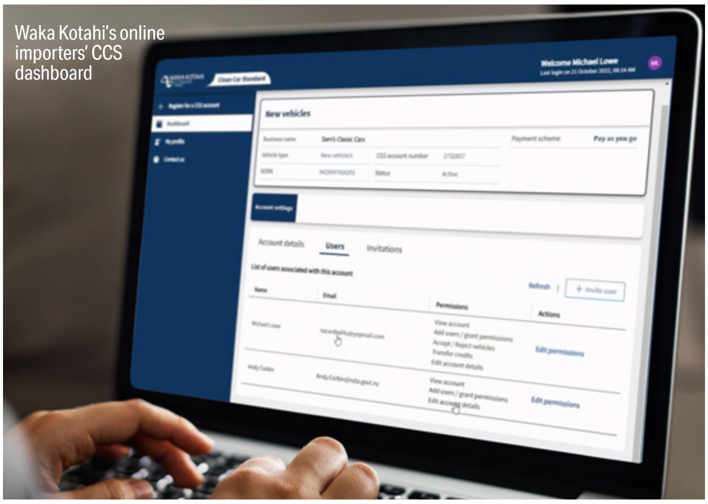
Vinsen notes that while the standard is aimed at influencing supply, he believes the biggest influence on what is imported will always be public demand.

"If there continues to be demand for vehicles of any sort, we will supply them. If we have to pay a penalty on the way through, then so be it because ultimately it will be another impost on the consumer.

"The government's rules are two-phased to influence supply with the CCS and demand with the discount. Of the two, the demand side is more important.

"We could bring in lots of cars with incentives and find no one wants them. Equally, we could bring in vehicles that have penalties and discover there's strong demand for them with people prepared to pay extra costs.

"The clean car discount influencing demand was always going to be the key determinant for the car industry, but the government could not resist interfering further by wanting to influence supply as well."



Waka Kotahi's online importers' CCS dashboard

VIA is warning dealers to keep a handle on their finances now the CCS has been launched.

Although the industry is pleased to have negotiated for the deferral of penalties under the scheme, used-vehicle importers are advised to keep track of what will be payable on June 1 by checking their Waka Kotahi carbon dioxide (CO_2) accounts.

"It's important dealers regularly manage their accounts so see how they're doing under the CCS and to ensure they don't get a nasty financial surprise come June," says Vinsen. "They should make provisions for any penalties accrued since January 1."

VIA has also been working on informing service providers about the standard's CO_2 charges being imposed on importers and credits awarded.

Another issue in the run-up to the scheme's launch was the transport agency's final decision that the law didn't allow for vehicles delayed by strike action overseas to secure dispensation from the CCS.

Last month, VIA decided against further legal action in its campaign to secure exemptions for imports destined for New Zealand that were held up in Australia.

It meant high-emitting vehicles that should have been processed before the CCS started being subject to relevant charges when they eventually crossed our border.

VIA opted to accept the agency's standpoint on the issue following a weekly meeting between officials and the industry-led clean-car working group on December 14.

"We pushed hard to get exemptions for these vehicles," says Vinsen. "This has been a genuine force majeure with importers having arranged to bring them into New Zealand for processing before January 1 in good faith.

"It was our case there needed to be some natural justice. There were also expectations for this to happen based on previous experiences with new legislation.

"However, the NZTA was firm these vehicles wouldn't be exempted on the basis the legislation doesn't provide for this to happen."

Vinsen adds the agency did calculations based on recent importation patterns. It said these showed it was highly likely based on total numbers of delayed

Issues with systems

A "real cost" is being carried by new-vehicle distributors and franchised networks because systems being developed to oversee the clean car standard (CCS) have not been completed on time.

Roll-out delays by Waka Kotahi's development team mean its online portal wasn't completely up and running in time for its launch on January 1.

The Motor Industry Association (MIA) says this has resulted in several implications for the new-car sector.

These include CO_2 charges or credits under the standard becoming liable or gained when new-vehicle imports are certified for entry into service here.

Chief executive David Crawford says: "From a systems' development point of view, the point of obligation for new vehicles is when the 'pre-delivery in' [PDI] section on the portal is completed and that completion date is entered into the motor-vehicle register.

"The CCS portal should automatically pick this up and apply it to the system for each vehicle identification number [VIN] when PDI-ed.

"The new-vehicle and used-car industries have different processes for entry certification.

"The used-car sector wants to be able to manually check each VIN certified before it's entered vehicles that, overall, the industry would be in credit.

However, that hasn't helped importers when it comes to lost opportunities to get high emitters on delayed vessels processed before the CCS launched.

After the meeting, VIA further discussed the matter and "decided to accept this decision as the reality of the situation".

"Our focus will be on continuing to work with the NZTA to ensure the implementation of the CCS is as smooth as possible," says Vinsen.

"VIA will also be looking to ensure future legislation does provide for exemptions in cases such as this when it comes to start dates and phased changes.

"The transport agency is pleased we have decided not to take this matter further. The process has been a good example, however, of a good level of communication between officials and the industry."

It has been estimated about 4,000 vehicles might unexpectedly end up copping costs under the CCS after being caught up in delays caused by the strike at Port of Brisbane.

Many models, including the new Subaru Outback XT Turbo, will cost thousands more when CCS charges are added to sticker prices

The industrial action means some imports due to arrive here at the start of December may not get here until mid-January.

SCHEME DEFENDED

Officials from the Ministry of Transport (MoT) have told MPs that the CCS is not a revenue gathering exercise.

Members of the transport and infrastructure select committee quizzed officials last month about the clean-car policies.

These include the full clean car discount scheme, which was launched in April 2022, as well as the standard.

Bryn Gandy, the MoT's acting chief executive and transport secretary, said the CCS wasn't about money.

"Obviously what we're not looking to do there is make money," he told MPs. "We are there to shift behaviour in terms of what's being brought into the country."

As for the government's engagement with the car industry, Gandy added "it was clear they were going to struggle to be in a position to deal with the administrative complexity of the programme" with it coming into effect on January 1.

He said the MoT was comfortable with staging the CCS' implementation. "We're preserving the relationship and the licence to operate with industry."

With the clean car discount's structure firmly in place and the sector aware of the CCS, Gandy added imports of cleaner cars had been increasing.

"Vehicles that are being imported would be at least broadly compliant already with the standard. At the moment, it does seem we're getting the result we wanted."

He said consumers were also looking at fully electric and plug-in hybrid alternatives in greater numbers, and much higher than forecast. "I recall a figure of about a 236 per cent increase in EV registrations since the clean car discount came into effect."

Michael Wood, Minister of Transport, has reiterated that the CCS will help combat CO2 emissions, and improve people's overall health and well-being.

"The standard will encourage importers to bring in vehicles with lower emissions that burn less fuel and will stop New Zealand being the dumping ground for the dirtiest vehicles in the world."

into the system for the CCS.

"We wanted and need it to be automatic. So, come January 1, the NZTA had designed the system for manual checking, which will continue until late January or early February. Until the portal is next updated, it can't perform both manual and automatic options at the same time."

This has resulted in issues for the MIA and its members. All CO2 account holders have needed to have an extra resource in place to manually check PDIs as they are entered to get them into the transport agency's portal. Once in that system, vehicles can then be issued with warrants of fitness (WOFs).

Crawford says: "It has created delays from PDI to WOF, which are usually done at the same time.

"This has forced a change of processes until the automation feature is enabled by Waka Kotahi, which has come at a real cost to distributors and their franchised networks. In our view, this could and should have been avoided."

Overall, while MIA members experienced "pockets of frustration" in the run-up to the CCS' launch, the bigger picture has been "mostly okay" when it comes to other matters connected to the standard.

"The only other factor that had to be managed was getting vehicles that would incur fees in 2023, landed, through Customs and then entry certified before January 1," adds Crawford.

"Late shipments due to a range of reasons have been creating the same pressures for the new-vehicle industry as they have for the used-imports sector."

Challenges across supply chain

Less supply and more demand for vehicles at auctions in Japan is driving up the price of most used cars, but a logistics boss says the economic situation at home should be of greater concern to the automotive industry.

Ken Quigley, managing director of Jacanna Customs & Freight, warns rising interest rates in New Zealand and the threat of recession look set to dampen the used-vehicle market.

He explains this is likely to lead to Kiwi consumers delaying plans to buy cars, which will in turn impact supply-chain businesses.

"The biggest concern for everybody right now has got to be interest rates, especially after the official cash rate [OCR] went up another 75 basis points on November 23 and is likely to do so again in February," he says.

"The general economic situation and low consumer confidence here is more worrying than what's happening in the car supply chain.

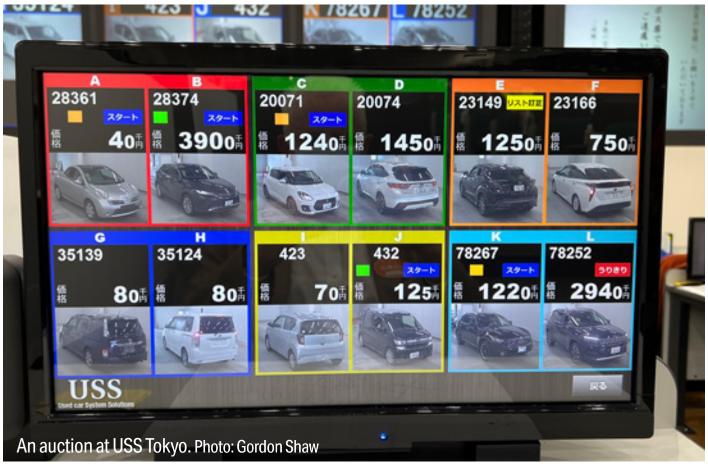
"Forget the clean car discount and standard. Everyone works around those kinds of issues. We're a robust industry and create our own opportunities. But we can't create those if we don't have people to sell vehicles to."

Quigley predicts all businesses are in for a tough 2023 and 2024 because if interest rates continue to rise, that will put pressure on people's mortgage payments and reduce disposable incomes.

This also poses a threat to people looking to buy new or used cars on finance. He notes some Kiwis may find affordability criteria under the Credit Contracts and Consumer Finance Act get tougher because of higher interest rates, putting vehicles they want beyond their reach.

The pandemic possibly staved off a recession in New Zealand, but the Reserve Bank now predicts the economy will contract through next year and into 2024, adds Quigley.

"Leading into Covid-19, New Zealand was heading towards recession. We fixed this with a band



An auction at USS Tokyo. Photo: Gordon Shaw

aid and money has been thrown out like a lolly scramble, but the band aid is now coming off.

"We can be worried about supply and demand, but a bigger problem for the automotive industry may be where are the customers if people can't get credit because of the rising OCR."

Quigley says the state of our economy is compounding other problems for businesses in the used-imports supply chain, such as widespread port congestion, shipping lines being tight on space, new-car volumes rising and industrial action in Australia delaying vessels.

Ken Quigley, of Jacanna

"The issue of a lack of space will ultimately correct itself when fewer people are buying cars. This year has been the lowest number of imports as far as I can remember. I imagine it will be lower still in 2023."

The number of second-hand cars available at Japanese auctions is down and, with fewer people buying high emitters, competition for low-emissions vehicles is stronger. For example, Quigley says prices for models such as the Toyota Aqua have almost doubled over the past 12 months.

"It's getting harder because everyone's competing for the same product. That only ever equals one thing, higher prices.

"Russia is also causing some major competition and pushing prices up. It appears the Russians are keen to get money out of their country and have assets, such as cars, rather than holding onto their currency."

Last year's roll-out of the feebate scheme is another factor in changing what importers are bringing into New Zealand. While the government says it's targeted at influencing consumers to choose less-polluting models, it still falls on dealers to try to sell those types of cars.

"The clean car discount appears to be just as much about changing the habits of dealers because they're not going to buy something like a used Mitsubishi Outlander with a $3,000 fee on it," says Quigley.

"Instead, they will choose an Aqua, which has a rebate, because they don't see the value of trying to sell an Outlander with a fee when they're competing with those already in the fleet."

He adds that he doesn't expect importers' buying patterns and model choices to shift now the clean car standard (CCS) has been introduced because its credits and charges are based on weighted averages.

THE BIGGER PICTURE

Much lower interest rates in Japan – along with other currencies being more attractive to investors than the yen, especially the US dollar – are impacting on New Zealand's used-imports industry.

The yen's collapse in its cross-rate with the kiwi corresponds with Japanese interest rates not increasing at similar levels as in western markets.

Nigel Grindall, owner of Moana Blue and Automotive Technologies Ltd, says: "Interest rates in Japan have been at a near-zero level and are now starting to get back to minimal. However, in the US they are starting from 1.5 to two per cent and then going up by 50 to 75 basis points a pop. This is attracting people to invest in the American dollar, not the yen."

The downstream effects of this include other jurisdictions now competing for Japan's used wholesale stock with about 15 to 20 per cent going overseas.

"What was US$12,000 four months ago is now still probably worth US$12,000 to them now, which is offsetting price increases in Japan for them," explains Grindall. "But when it comes to New Zealand, we're converting from the yen. This means other countries are getting more cover."

In addition to what's happening with the yen, used cars typically sold in Japan for export are now being repurposed for that country's domestic market. They aren't even making their way to auctions and coming up for export.

While the cost of living in Japan is increasing, salaries and wages there have stagnated for two decades. The country is also a big importer, so the cost of a lot of those goods are rising.

"Although the cost of living is going up there, employment rates are high and that's coming through when trying to recruit. It must be said though, the economic pain the Japanese may be feeling isn't on the scale we have here."

Demand for second-hand stock in Japan has increased with extended waiting times for new-vehicle deliveries a major reason for this. In turn, wholesale prices for

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used cars, which tend to be model-specific, have escalated.

Grindall cites Mazda's Axela as an example. "When we convert their values, they are costing perhaps 100,000 yen – or about 75 per cent more – than they used to, while prices for some other models have decreased.

"Wholesale prices in Japan have mainly gone up because the production and supply of new vehicles for its domestic market have gone down due to the semi-conductor crisis, shortage of other componentry and Covid-19 shutdowns.

"What's happening in Japan is similar to New Zealand. People are asking why they should wait so long for new cars to be delivered.

"Meanwhile, Russia isn't selling as many new vehicles because of the war in Ukraine, but used exports are still going there on Russian-flagged vessels.

"These are mostly ferries from Japan to Vladivostok in Russia's far east – a sailing time of about two to three days. Volumes to Russia have increased in recent months from 10,000 to 15,000 units. Those used vehicles are similar to what dealers in New Zealand want, so that's pushing up prices.

"I recently met up with a good friend in Japan who is an automotive journalist. I asked him when he thought prices there would start coming back down for new and wholesale used.

"He expects the pressure in the market created by the semi-conductor crisis to ease back around the third quarter of 2023 or early 2024. When new-vehicle supply gets back on-track, price rises we've seen could start to return to more normal levels."

As for shipping, a lot of used stock has been exported out of Japan. "Globally, ships are tight for every market except New Zealand, which has experienced hardly any constraints for space," says Grindall.

He notes the market for used imports in New Zealand has shrunk in the past few months – and if anything's impacting the industry here, then that is.

Nigel Grindall, of Moana Blue and Automotive Technologies Ltd

"When you stop getting 12,000 cars per month and instead have an average of, for example, 7,000 monthly, it affects our sector, which is based on high volumes and low margins.

"However, we don't foresee any major increases in supply-chain costs in the near future except for bunker-adjustment factors on shipping fuel.

"I don't know if or when New Zealand will run out of used-imported stock. It may be that we had too much stock here in the first place. You can source stock locally here, but many of those second-hand cars aren't of the same quality as what can be imported.

"The used-imports sector is driven by volume. Everyone's keen to see that pick up again, which will have a flow-on effect on everything. Three months ago, a dealer told me business was dead. We aren't hearing that so much now. People are much more positive."

AUCTION COMPETITION

Dealers and importers from New Zealand are facing extra competition at used-car auctions in Japan as other export markets step up interest in those vehicles.

This is driving up prices and the number of vehicles on offer has dropped at the same time, says Gordon Shaw, of NZ Automotive Investments (NZAI).

His comments come after he visited Japan in November to meet with buyers for NZAI's subsidiary company, 2 Cheap Cars. While there, Shaw attended a USS Tokyo vehicle auction.

"Prices are relatively high and the number of vehicles coming through to auctions isn't as big as it used to be because in Japan people are holding onto them for longer," he told Autofile.

"The average time for owning a vehicle there is creeping up to eight years when it used to be about six.

"At an auction I attended in Tokyo, there were still 16,000 cars up for grabs, so numbers are still huge. But there's lots of competition from different export markets and now there's more competition domestically."

Shaw notes the shortage of components for new vehicles, such as microchips and precious metals, means the volume of cars being made by Japanese marques has dropped. With waiting lists growing, franchised dealers there are looking to the second-hand market and auctions more than previously to bolster their stock. Russia has recently "been buying everything that moves in Japan".

Shaw says the current situation means New Zealand importers need to ensure they put in extra effort to identify and secure what they want.

"Some dealers will say it's too hard, others may feel doing business is of medium difficulty. However, from what we've seen, the cars are there. You've just got to do a lot more work to find the quality.

"You need to select vehicles meeting your requirements and look at them. Their condition is


Wholesale cars for auction in Japan. Photo: Gordon Shaw

mostly good, but in New Zealand there's now a focus at entry certification on anything with rust or repairs in general, so we want our buyers to look at things more critically to avoid anything that may delay importing.

"There's some good quality out there and some not so. It's a matter of getting the buying right because our supply chain is about high turnover and high volume. If we get the right stock, it speeds up getting it onto yards.

"We've got to have the cars being bought, cars on the water, cars being processed and cars being sold. Sales across our 13 dealerships are solid. We would like to sell more, but we're doing okay."

What's being bought at auctions has changed with the feebate scheme shifting the attention of New Zealand importers towards low and zero-emissions vehicles.

Shaw predicts the CCS will potentially change what dealers buy from Japan in the medium term. However, the government's ambitions don't match what will be available over coming years from Japan, where marques put a greater emphasis on hybrids rather than electric vehicles (EVs).

"NZTA officials have been in Japan recently and hopefully now realise the current minister's suggestion there will be a crescendo of EVs coming is incorrect," says Shaw. "I was recently in Japan and only saw one Nissan Leaf on the road.

"Japan has focused on hybrids being a stepping-stone to an electric future. But if officials here think EVs are readily available, they're dreaming. People in Japan are holding onto vehicles longer, which means an EV on the road there today won't be in an auction for eight to 10 years."


Gordon Shaw, of NZAI

Shaw says there are good-quality hybrids available that meet price-points suitable for 2 Cheap Cars. Popular models here, such as the Toyota Aqua, different models in the Prius range, the Honda Fit, Subarus and Nissans "are all there".

He predicts Kiwis will continue buying petrol models that don't attract CCS charges. "For example, Mazda's CX-5 is a big seller as is the Outlander PHEV. There will always be petrol cars purchased here. Our job is to ensure they are cost-neutral from a penalty perspective."

Other challenges Shaw has noticed in the current climate are constraints on shipping schedules, with the significant volumes of used cars going to other export countries also creating capacity constraints. Supply-chain companies are also conscious of geopolitical situations, including Russia's invasion of Ukraine and North Korea's missile testing.

"Ultimately, we're affected by how markets react to these things. Right now, it's business as usual under the new construct.

"All retailers are focused on having adequate stock and turnover, but some will be feeling the pinch on that front. I don't think we're going to run out anytime soon and we never did during the pressure of Covid-19."

Dealer appeals for exemptions

A dealer is calling for disability vehicles to be made exempt from the clean car standard (CCS).

If they are not, he fears people will have to resort to buying older and higher-emitting models.

Rod Milner, managing director of Milner Mobility in Auckland, says new and used mobility vehicles for wheelchair users have previously been spared from most charges incurred through government legislation, including the feebate scheme.

However, this isn't the case with the CCS, so he is lobbying politicians and industry officials to get this changed.

His business will have to pick up penalties for such vehicles ordered months before the scheme's January 1 roll-out that are only arriving in New Zealand this year. This is because consumers signed contracts for them before the fees were announced.

Rod Milner, left, and his son Darren, who run Milner Mobility, are unhappy the CCS applies to disability vehicles

"Every time regulations come along, disability vehicles have always had exemptions," Milner told Autofile. "That's gratefully received because having them doesn't make a business any richer, but it helps people who need them.

"We don't deal in big volumes. But penalties will soon start adding up when 100 per cent of our vehicles are specialised mobility models and 95 per cent will attract CCS charges."

Because Milner's business specialises in vehicles for disabled people, it can't import many models that will attract credits and offset penalties accrued under the standard.

He notes one of the few suitable late-model hybrids available for his customers, the Nissan Serena, costs about $75,000, which is unaffordable for most of them.

"A lot of disabled people get grants from Lotteries and ACC, but most lottery grants are limited to $40,000 so it makes it limited in what we can supply.

"A Toyota Hiace will attract a substantial penalty under the standard and we can't suddenly charge that to customers because a lot of our contracts are already written.

"We weren't told what the amounts would be by the government until November. We have a three-to-five-month waiting list before delivery after purchase, so we can't go back and ask those people for more."

If the government sticks with its current approach, it means dealers will have to put people into older vehicles to find ones at prices they can afford.

Milner Mobility usually buys models up to about 2018 or 2019 for those who have secured Lotto grants, but if overall costs of those vehicles increase because of the CCS it will have to look at purchasing older stock instead.

"We may have to bring in those built in 2010 or 2012. These people will be going into older vehicles, which isn't what the government wants.

"The emissions under the CCS are also a moving target so if we don't get an exemption from the penalties, then it's only going to get harder for us year on year."

Milner has written about the issue to Michael Wood, Minister of Transport, Poto Williams, Minister for Disability Issues, and politicians from the National, Act and Green parties. He has also been in touch with the Imported Motor Vehicle Industry Association and Ministry of Transport (MoT).

"We will keep putting our case and hope we can secure some change," he adds.

"We were interested to note that specialist vehicles 20 years and older are exempt from the clean car standard as are motorsport and military vehicles. We just want to be treated the same, as a specialised importer."

Autofile asked the MoT why disability vehicles are not exempt from the CCS and if that position will be reviewed.

The ministry's reply fails to directly address specific issues. Instead, it highlights how importers of high emitters can reduce total fees payable.

"CCS charges and credits are charged to the importer," it states. "The importer can make the decision to import low-emissions vehicles to offset the charge for any high-emissions vehicles they import, or they can pay the charge."

The MoT adds the regulations also allow for credits to be traded, so those importing high-emitting models can work with importers of low emitters to offset their charges.

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Clean car challenges roll on

The feebate scheme and changes to credit laws were among government policies that frustrated vehicle dealers in 2022

An official database showing the emissions and likely costs for vehicles under the clean car discount caused plenty of confusion last year, and the industry predicted more woes ahead with the clean car standard (CCS).

Also making the headlines in 2022 were the impact of changes to the Credit Contracts and Consumer Finance Act (CCCFA), vehicle-supply problems, plans for a scrappage scheme and key industry figures announcing plans to move on.

JANUARY

CLEAN CAR CONCERNS

A number of new-vehicle distributors called on the government to urgently rethink its clean car policies with two warning their business models in New Zealand might be affected. In its submission, Suzuki NZ stated the proposals could "dramatically reduce" the range of models it was able to import if the CCS went ahead as outlined in the Land Transport (Clean Vehicles) Amendment Bill. Isuzu Utes warned it could exit the market unless the government revised its carbon dioxide (CO_2) targets for the standard. The companies were among 11 marques to make written submissions to the transport and infrastructure select committee considering the bill.

Many car finance companies' books dropped during 2020/21 despite vehicle prices increasing. KPMG's annual survey of non-bank financial institutions suggested more people had used savings to make purchases instead of taking out loans. The survey of 26 businesses revealed the non-banking sector saw less than one per cent growth compared to 2019/20. BMW and Mercedes-Benz recorded loan-book drops of 19 and 15.8 per cent respectively when compared to the 2020 financial year. In contrast, Avanti's jumped by 26.7 per cent to more than $1.5 billion.

The chief executive officer of the Motor Trade Association (MTA) announced he was moving on after eight years with the organisation. Craig Pomare joined the MTA in 2014 as general manager of membership services and was promoted into the top job two years later. He left to become CEO of the Police Credit Union.

Twenty-four of the 30 finalists vying for the AA Driven New Zealand Car of the Year 2021 title had some form of electrified powertrain, Autofile reported in January. But it was a petrol-powered performance model – the GR Yaris – that took out the top gong as Toyota NZ secured six of the 13 awards.

More than four decades of motoring history ended in March last year with the final print edition of Auto Trader, which is now solely digital

FEBRUARY

VEHICLE LOANS FALL

Finance and motor-industry representatives called for strict criteria on assessing loan affordability to be scrapped after approvals for potential car buyers nosedived over the previous two months. The lobbying came amid reports of dealerships rejecting up to 90 per cent of applications. The Financial Services Federation (FSF) wrote to the government outlining problems linked to changes in the CCCFA that came into effect on December 1, 2021.

The MTA urged the government for the implementation of the CCS to be put back. It joined other industry associations in predicting the supply of electric vehicles (EVs) wasn't there for New Zealand to hit the targets being proposed. This meant consumers looking to replace vehicles with fresh imports in the future would have to turn to those with internal combustion engines (ICEs), the association warned. It raised its concerns in a submission about the emissions reduction plan (ERP) being compiled for the Ministry for the Environment.

Lower road-user charges (RUC) for vehicles using cleaner fuels or powered by some form of electrification – along with getting rid of paper licence labels – were among ideas being considered by the government. Officials sought feedback on suggestions in a discussion document to improve how the RUC system works and to support the uptake of low-carbon vehicles.

MARCH

DATABASE PROBLEMS

The Imported Motor Vehicle Industry Association (VIA) warned "huge gaps" in a database needed to be addressed before the full clean car discount scheme swung into operation on April 1. It was working with Waka Kotahi NZ Transport Agency to help the latter improve the information available online for dealers, importers and consumers looking to find out what penalties or rebates models would attract under the new laws. A number of dealers had raised concerns with VIA after searches on the Rightcar website had produced a range of different results.

A car dealer who ripped off customers while he was banned from trading avoided being put behind bars. Instead, Antony Solen Basturkmen was given 12 months' home detention and ordered to complete 200 hours of community service. His company had to pay $175,000. Basturkmen, also known as Brent Smith, appeared at Auckland District Court having previously admitted eight charges of obtaining by deception and one of using a document for pecuniary advantage. His crimes related to selling seven vehicles between 2018 and 2019, and conning would-be buyers out of $42,798.

A vessel destined for New Zealand offloaded contaminated vehicles after 170 live brown marmorated stink bugs (BMSBs) were found on-board. It was on its way to Auckland when crew members found the insects. Steve Gilbert, Biosecurity NZ's central-south commissioner, said: "The crew detected BMSBs in a vehicle carrier from the US during routine checks. The operator decided to discharge the contaminated vehicles in Jamaica for return to the US to undergo treatment for potential reshipment. The operator notified Biosecurity NZ about the event in December."

APRIL

FRESH FINANCE WOES

Finance providers and car dealers faced having to wait until at least June for the government to tackle the "unintended consequences" caused by its amendments to legislation. Measures to fix the CCCFA were unveiled by David Clark, the Minister of Commerce and Consumer Affairs, in March. It meant lenders and their agents had to continue navigating the credit crunch created by the new laws for the next few months. The FSF said it welcomed any improvements to the CCCFA, but dubbed Clark's cabinet papers as "literally as clear as mud".

Waka Kotahi started consultation on a proposed overhaul of regulatory fees and charges to plug a $100 million shortfall in funds. The news was announced at an industry forum attended by about 80 representatives from the transport industry. Kane Patena, director of land transport, told the meeting it was the first time since 2008 that charges for the agency's services, such as warrants and certificates of fitness, entry certification, and vehicle and driver licensing had been reviewed.

David Crawford announced he would be stepping down as chief executive of the Motor Industry Association (MIA). He gave 12 months' notice of his intention to retire on March 31, 2023, although there was provision for a three-month handover to his replacement after that. Crawford, who has worked in the transport sector since 1996, was appointed by the association in September 2012 before starting in February of the following year. "I've really enjoyed my time working for the MIA and in the industry," he told Autofile.

MAY

EMISSIONS CALCULATIONS

The car industry's fears were coming to fruition after warning the government before

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the launch of the clean car discount that an online ratings system was likely to produce inaccurate results. On top of that advice, international experts advised the Ministry of Transport (MoT) of potential inaccuracies when converting CO2 emissions between different testing protocols.

Many issues had come down to how emissions were being calculated for the Rightcar database and then what penalties or incentives vehicles attracted when registered. The MoT opted to use WLTP-3, which is class three of the World Harmonised Light-Duty Vehicles Test Procedure, for its ratings. However, errors were thrown up when emissions levels were converted to that system from other testing protocols, such as the New European Driving Cycle (NEDC).

Dealers were fuming at having to invest time and money to check that Rightcar figures matched their own expectations when vehicles were registered for the first time.

The MTA called for the "scrap and replace" scheme, which was unveiled by the government in its emission reduction plan in May 2022, to target a broader range of people and vehicles

If the numbers didn't match, which often led to higher penalties than anticipated, dealers had to challenge the data and possibly fork out hundreds of dollars to get it corrected. More than 100 mistakes were identified in the week following the clean car discount's launch on April 1.

Millions of dollars remained outstanding to unsecured creditors following the liquidation of Autoterminal NZ Ltd. The decision to liquidate on September 11, 2021, by its shareholder came after a high-court judgement two months earlier in favour of IBC Japan for about $38.65m. Autoterminal was then bought by a wholly owned subsidiary of IBC called ATNZ 2000 Ltd in October 2021 after being put up for sale.

In their second report, published on April 8 last year for the six months to March 10, 2022, the joint liquidators said they had received an unsecured claim of $2,903,045 from the liquidators of Nigel Thompson Motor Company (NTMC). Autoterminal's liquidators agreed to suspend considering the claim pending the outcome of the NTMC action in regard to set-aside payments to the company.

Ute tops ladder

Ford's Ranger was the top-selling new vehicle of 2022 after shifting 11,574 units and accounting for nearly one-quarter of the market for new light commercials.

Mitsubishi's Outlander was the leading new passenger vehicle on 9,105 units and Toyota's Aqua had 12,959 registrations to top the table for used-imported cars.

Last year was a record-breaking one for new passenger vehicles with 116,370 sold, up by 3.9 per cent from the previous high of 112,014 set in 2021.

The Outlander accounted for 7.8 per cent of the market, according to Waka Kotahi statistics. It was followed by Toyota's RAV4 with 5,863 and Tesla's Model Y on 4,226, with market shares of five and 3.6 per cent respectively.

While passenger vehicles climbed, sales of new commercials came in at 48,468 – down by 8.9 per cent from 53,216 in 2021.

The Ranger secured a 23.9 per cent market share. Toyota's Hilux was next on 9,787 units and 20.2 per cent, followed by Mitsubishi's Triton with 6,137 and 12.7 per cent.

In the used-imported market, car sales dropped by 10 per cent to 110,862 last year compared with 123,134 in 2021.

The Aqua accounted for 11.7 per cent. It was followed by Toyota's Prius on 5.6 per cent and 6,227 units, and Mazda's Axela with 4,942 units and 4.5 per cent.

As for used-imported commercials, sales rose by nine per cent from 6,974 in 2021 to 7,600 last year. The best-selling model was Toyota's Hiace with 1,950 units and a market share of 25.7 per cent.

JUNE

SCRAPPAGE PLANS

An industry organisation called for the government's upcoming trial of a "scrap and replace" scheme to target a broader range of people and vehicles to help create a safer and cleaner fleet. The MTA welcomed the clean car upgrade, which was part of the ERP, but said it appeared too narrowly focused on EVs rather than lower-emissions models as well. Michael Wood, Minister of Transport, announced the equity-orientated scheme would be launched in 2023 with a trial of up to 2,500 units.

Any decision on banning vehicles with ICEs from being imported into New Zealand was not directly addressed in the government's ERP. This was despite the Climate Change Commission previously calling for a time limit to be set on light vehicles with ICEs being imported or built here. The commission had suggested a ban by no later than 2035.

Turners Automotive Group reported record earnings for 2021/22 despite disruptions from Covid-19 lockdowns, and the impact of the omicron outbreak on consumer demand and operations. Key financial highlights for the 12 months to March 31 last year included revenue climbing by 15 per cent to $342m and an 11 per cent increase in earnings before interest and tax. Meanwhile, the parent company of 2 Cheap Cars revealed a drop in revenue and profits after a "difficult" year to the end of last March. NZ Automotive Investments (NZAI) announced its revenue and income of $66m for 2021/22 was down by $100,000 from the previous year.

JULY

ASSOCIATION CHANGE

David Vinsen started his transition to retiring as chief executive of VIA after being in the role for 19 years. He went part-time and said he would reduce his hours later in the 2022/23 financial year as the board of directors investigated options on how the association would be led in the future. The announcement was made ahead of its 35th annual general meeting in Auckland. "I've now cut back my full-time role, but will still be what they term VIA's face and voice," said Vinsen.

Experts warned car dealers and

finance companies were likely to face more hard times ahead with conversion rates for automotive loans remaining lower since the CCCFA was amended. Little more than one-third of applications for finance to purchase vehicles had gained approval since the laws were updated on December 1, 2021. About 35 per cent of such loans were going through compared with 42 per cent in November before the act was revamped, according to credit bureau Centrix.

Greig Epps announced he was leaving his role as advocacy and strategy manager at the MTA to join the Insurance Council of NZ as its regulatory affairs manager. He spent eight years with the association, having initially joined as industry relationship manager in July 2014.

David Vinsen, pictured above in 2003, started his transition to retiring as VIA's chief executive in June last year by going part-time

Last March, David Crawford, pictured below in 2012, announced his intention to retire as chief executive of the MIA on March 31, 2023

AUGUST

DELIVERY DELAYS

Marques predicted substantial wait times for new vehicles would remain the norm for at least the next year as production woes meant many manufacturers were failing to keep up with demand from Kiwi consumers. A number of brands reported a lack of available stock and challenges around getting consistent supplies into New Zealand. For example, Ford had stopped orders on the Transit Custom diesel until it cleared its year-long customer backlog.

A global shortage of semi-conductors, the coronavirus pandemic, shipping delays and the government's push to cut emissions had all contributed to hold-ups in delivering stock to buyers.

The government ordered an investigation into concerns that led to VIA pulling the plug on its support for the clean car programme. Michael Wood, Minister of Transport, said: "I have asked senior officials at Waka Kotahi to commence an assessment of the concerns they have raised to determine if we can iron out any remaining obstacles [with the clean car discount]." It followed VIA's announcement on July 27 that it was withdrawing its support because of what it called "ongoing failures" in the implementation of the feebate system.

Fresh faces were hoping to join the board of NZAI after four of its directors resigned following a fall-out with David Sena, the remaining director and major shareholder. Non-executive directors Charles Bolt, Tim Cook and Tracy Rowsell, as well as executive director and co-founder Eugene Williams, said they were quitting the board of 2 Cheap Cars' parent company over a breakdown in their relationship with Sena. Michael Stiassny and Gordon Shaw were set to stand for election to the board at its shareholders' meeting.

SEPTEMBER

CONVERSIONS 'WORKING'

The government said how emissions rates for its clean car policies were calculated was the best method for New Zealand to accept vehicles tested under different procedures. The MoT admitted there was "uncertainty" over some emissions data used for the feebate scheme and the upcoming CCS, but said the conversions from other testing protocols "work well on average". However, it added the approach was set to change in 2024-25 when all vehicles would have to comply with a new global test procedure that would eliminate the need for conversions on new imports and, eventually, for used ones.

A new board for NZAI won the approval of shareholders and one of the company's co-founders, David Sena, was appointed as interim chief operating officer. The company had experienced turmoil in recent months with four directors, its CEO and auditor resigning, and its bank saying it was unable to guarantee NZAI's motor and trade finance facilities in the long term. Stiassny and Shaw were re-elected as directors of the board on September 2, and Samantha Sharif was reappointed as an independent director. However, Shaw's spot on the board was put on-hold after he was named interim chief executive with plans for him to return as an independent director once a new CEO was found.

The MIA warned the government to stagger the shift to tougher exhaust emissions standards for new light-vehicle imports or risk causing major disruption to the supply of cars. Officials were preparing a draft rule for consultation to shift the assessment of new cars coming into New Zealand from Euro 5 to Euro 6 on the NEDC. They were also planning to lock in a date to raise the bar further and adopt the Euro 6d standard, which is covered by the WLTP.

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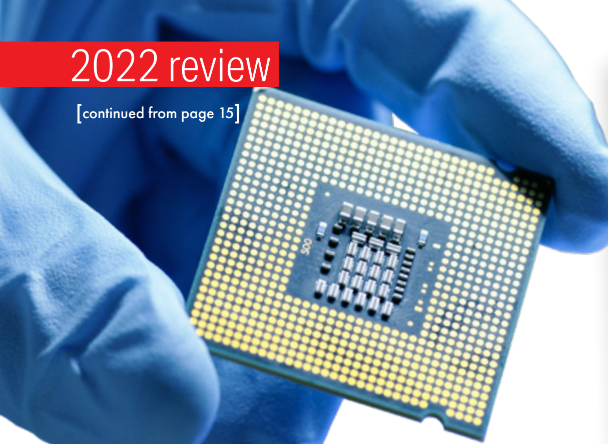

The shortage of semi-conductors impacted on the global car industry throughout 2022

The government had paid out more than $100m in rebates under the clean car discount. Official information released by Waka Kotahi showed more than $14m in penalties had also been collected from those buying high-emitters since the feebate system was introduced at the start of April 2022.

OCTOBER

FEEBATE COMPLAINTS

More than 300 complaints had been lodged with Waka Kotahi about incorrect CO2 data since the launch of the full feebate scheme in April. The transport agency had been required to review the fuel-economy figures of 100 different models to see if rebates or charges applied to them, with the vast majority on the buying lists of used-car importers. The model that attracted the most complaints was the Toyota Aqua, which had numerous variants, according to data obtained by Autofile through an Official Information Act request.

The new-vehicle sector was urging the government to finalise regulations sooner than later ahead of the clean car standard's proposed launch in January. The MIA continued to impress on the Minister of Transport and his officials of the importance of getting this done so its members had enough time to roll out the systems needed. Crawford said: "If we don't have certainty by the end of October, then the government is asking us to carry on business with both hands tied up behind our backs."

Biosecurity NZ officers were back on the ground in Japan conducting in-person checks of border-inspection organisations for the first time since the start of the Covid-19 pandemic. Officials visited approved facilities in September after having performed the auditing process virtually from this country over the past two years. Biosecurity NZ recalled staff from Japan in March 2020, which meant the verification of used-imported vehicles had to be conducted onshore here.

Michael Wood, Minister of Transport, fourth from the left, at the MTA's national conference in Auckland on October 14, 2022. He's flanked by board members of the association

Mercedes-Benz launched an agency model in New Zealand, which meant franchises receiving a set fee for each vehicle sold. The company dropped its dealership model in favour of the fixed-price system whereby the distributor sets the retail price of cars and retains ownership of stock. The German brand joined Honda and Toyota as marques operating under an agency model in this country.

NOVEMBER

IN-FLEET TESTING

The president of the MTA told members that 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. Addressing its annual conference, Bob Boniface said the MTA had completed the country's "first empirical datapoint collection" after emissions testing about 300 vehicles aged eight years and over on arrival for service and post-service. "Early data suggests significant improvement in 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."

The FSF was urging the government to ensure changes to controversial legislation avoided giving an unequitable edge to banks. Its comments came in response to what it hoped were the last exposure drafts on the CCCFA, with the new regulations expected to be rolled out by March 2023. In its submission, the FSF highlighted a new sub-clause that would exclude some credit cards when calculating would-be borrowers' expenses. It said this would be unfair to its members and their agents because the wording gave banks a "distinct advantage".

Newly elected Mayor of Auckland, Wayne Brown, wrote to Ports of Auckland Ltd saying he no longer wants Bledisloe Wharf to be used for car imports. He gave the council-owned company until the end of March 2023 to produce a plan to free up land from the wharf to the ferry building.

DECEMBER

'TURBULENT' TIMES

Rising competition and prices for wholesale stock in Japan were among some of the challenges creating concerns for businesses across the used-imports sector. Simon Beirne, managing director of SBL International Vehicle Brokering, said: "Japanese new-car franchises feed auction houses their excess stock, but in the current climate it simply doesn't exist. We now find more Japanese consumers are turning to second-hand vehicles, which in turn is impacting on availability and prices when accessing them for New Zealand."

New York-based Assurant announced it had completed its acquisition of Protecta Insurance as part of its global growth strategy. Assurant, through wholly owned subsidiary Virginia Surety Company, had worked with Protecta since 2018 as the underwriter for its policies. It said dealers would not notice an immediate difference in how Protecta operated, but the long-term plan was to introduce new products and draw on Assurant's international knowledge and resources.

The phased roll-out of the CCS got under way and importers were able to see the emissions of light vehicles they brought into the country in their CO2 accounts. Charges and credits would start to be applied from January 1, but the government announced that the payment of any fees would be deferred until June 1 following talks with industry. The MTA had previously asked for the scheme to be delayed until April 2023 at the earliest. Tony Everett, sector manager – dealers, said: "While not what we asked for, this decision [on deferring the payment of fees] is a win for our industry."

Ford's Ranger was unveiled as the 2022 AA Driven New Zealand Car of the Year after it won best in class for light commercials. BYD's Atto 3 and the Mitsubishi Outlander were also named in the overall top three. Simon Rutherford, Ford NZ's managing director, described the win as "fantastic recognition" for the ute.

Top marketing trends for 2023

Happy new year. To kick off 2023, I've had a chat to our company's technical specialists and found out what some of the big advertising trends will be over the next 12 months.

That's right, you're reading it here first. These are the key elements that the industry's most successful marketers will be including in this year's strategy to stay ahead of their competitors.

ARTIFICIAL INTELLIGENCE

In this modern world, artificial intelligence (AI) powers all forms of marketing. One of the quiet trends over recent years has been the integration of AI into most digital advertising channels by way of algorithms.

Algorithms determine the social-media posts you see, search results you are presented and online advertisements you are shown. AI makes marketing smarter, connecting consumers to the right products and messages.

One of the most recent forms of advertising to hit the market is Google PMAX, the tech giant's new automated AI-driven campaigns.

PMAX allows advertisers to access all of Google's ad channels at once with a single campaign, driving performance based on specified conversion goals. Google says that with the use of its automation technologies across a variety of areas, these campaigns can deliver more conversions and value for money.

Similarly, digital audio advertising campaigns are utilising AI through predictive audiences. This targeting allows advertisers to specify groups based on their location, behaviours and interests.

You can narrow down on specific desired audiences, identify relevant podcasts they would listen to and then deliver your ad during their listening time. All of this is powered by AI.

SHORT VIDEOS

TikTok and Instagram Reels are taking over social-media feeds, and consumer attention. And this format will only continue to grow in 2023.

For businesses to stay relevant, they need to appear in the channels and formats where customers are. The good news for businesses is that short video formats are making their way into social-media management tools and schedulers, so it will become easier to plan and post content in advance.

TODD FULLER
General manager, New Zealand
AdTorque Edge

If you are yet to try out short video, now is the time to consider it. Our advice is to start familiarising yourself with Reels and TikTok content to gain an understanding of these formats and their appeal.

We recommend you then experiment with short video for your business. Test and learn your way to success on these platforms that are earning so much time and attention.

OFF-SCREEN TIME

With lockdowns and full-time working from home now hopefully behind us, consumer mobility means less screen time.

Our marketing efforts over the past few years have heavily focused on those micro-moments engaged on devices or desktop. Now, however, we need to consider how we reach consumers off-screen or away from their personal devices.

Two big channels will likely increase in popularity this year. One is digital audio advertising, such as music and live radio-streaming podcasts, and in-app gaming audio.

The other is digital out-of-home (DOOH) advertising – the likes of billboards, street furniture, small format ads at train stations, shopping centres and service stations.

Changes to technology and consumer habits mean that both digital audio and DOOH are easier to arrange and more cost-effective than ever. Being able to drill down on specific audiences and locations means advertisers can reach customers when they are on-the-go without worrying about large media wastage.

FOCUS ON FOUNDATIONS

While it's easy to get distracted by the metaverse, non-fungible tokens (NFTs) and AI, the reality of digital marketing is that the foundations are still what will drive results for most businesses.

Trusted marketing staples – such as your website, SEO, email, social media, community and reputation management and digital ads – will continue to bring in the bulk of your leads.

While encouraging you to be open to new ad types and techniques as they hit the market, and to regularly re-evaluate your strategy, we also recommend staying true to what is working for your business.

The month that was... January

January 26, 1998

Rebel waves olive branch

Morrison Motors, the company behind 1997's used-imports clocking controversy, wanted an end to the matter to avoid a court hearing that could have generated widespread media coverage, causing further damage to an already beleaguered automotive sales industry.

Director Daniel Urlich said he had written to both the Motor Vehicle Dealers' Institute and the Customs Service, extending an "olive branch" by offering to withdraw legal action against them.

He told Autofile that for either side to win "would result in what remains of the industry losing its market while equity would be decimated".

Before Christmas 1997, Urlich wrote to the Customs requesting it enter into mediation because he felt they had gone as far as was necessary, with the two sides in a state of antithesis.

"I feel stronger than ever that a public brawl isn't necessary when our differences can be settled in a controlled and private environment under the Queensbury Rules whereby nobody gets hurt, excepting at the worst a bruised ego," he said.

The Motor Industry Association welcomed the move to end the threat of court action and said any resolution would be a logical course to take.

January 24, 2000

Big cars bounce back

For some time, industry pundits had been predicting the demise of the traditional "big" passenger car.

Rising petrol prices, medium-sized family models and well-appointed smaller cars were being touted as reasons larger vehicles would lose sales.

However, the release of new-car sales figures for 1999 showed the top two models were still Ford's Falcon and Holden's Commodore.

The Toyota Camry – a fairly large vehicle – came in fourth and the Corolla, the previous model leader for a number of years, was third.

What was more, Toyota had announced its intention to introduce its Avalon model that year to compete in the large segment, something the market leader would do only if it was sure of good additional sales.

Industry analyst Bob Bilton believed the resurgence of interest in larger cars came mainly from improvements in the products.

"The Commodore and Falcon are fresh models, and are very well built, appointed and priced compared to some of the top two-litre models. With their modern curvaceous styling, they also don't look so large."

January 26, 2007

PPSR search issues arise

A misunderstanding of search criteria on the Personal Properties Security Register (PPSR) had arisen, posing a problem that could potentially cost importers money if left unchecked.

Importers could register security on cars in the system using Japanese domestic chassis numbers because vehicle identification numbers (VINs) were only allocated at entry certification.

Once a VIN had been applied and the car released for retail sale, there was no cross-referencing service within the PPSR that would present both the chassis and VIN information.

If a retailer then searched the register for securities against a vehicle and only entered the VIN, the registration number or both, it might not always be clear if a security was lodged on it via the chassis number.

If a security was registered against the chassis, but a certification given with VIN search results, a consumer could be sold a vehicle with the guarantee of clear title when it didn't or the importer would be unable to register a security over a car once retailed as it would be too late.

January 20, 2009

Hyundai sales on the move

Hyundai saw its global registrations rise by 6.8 per cent year on year to 2,796,370 spurred by new products, and diversifying sales outside of North America and the EU.

That growth was mirrored here with Hyundai Motors NZ posting a 5.5 per cent increase with 4,724 sales in 2008. This defied a five per cent drop in the total Kiwi market.

Despite a slowing global economy in 2008's second half, Hyundai saw annual sales revenue rise by 5.1 per cent to $46 billion helped by a richer product mix and the South Korean won's depreciation against major currencies – by 19.1 per cent against the greenback and 25.7 per cent against the euro.

However, profitability came under increasing pressure and declined by 13.9 per cent to $2.13b from a year earlier. Operating profit dropped by 3.5 per cent to about $2.7b due to higher marketing, dealer and brand development costs needed to secure future competitiveness.

In New Zealand, Hyundai continued its dominance of the diesel passenger-vehicle market for the third year running as top-selling model and brand thanks to its Santa Fe.

Safety metric under development

One aspect of the clean-car programme that's getting little attention is the effect of safety or, to be more precise, the effect of safety ratings. I draw that distinction because they are arguably not the same thing.

Vehicle-safety ratings are a confusing hodgepodge of ratings from various sources. For instance, New Zealand's new vehicles get ANCAP ratings for the first six years.

If there are no such ratings, then they are assigned a vehicle safety-risk rating (VSRR), which is established from the average rating of similar vehicles.

Used imports, on the other hand, are given a used-car safety rating (UCSR), which is calculated by Monash University in Australia.

Waka Kotahi conveniently ignores the fact that ANCAP and UCSR ratings measure different things in different ways. It ignores the effect this has on safety and competition even though we are one competitive car market and vehicle importers should, hypothetically, be treated equally.

To set the stage, vehicles that are two-star rated or below are excluded from feebates for the clean car discount.

ANCAP is the Australasian arm of the NCAP programme, a largely public-funded entity that tests the crashworthiness of vehicles as they come to market.

In the case of ANCAP, it tests models coming onto the Australian market and original equipment manufacturers consider New Zealand to be an extension of the Australian market.

These tests, in general, evaluate the results of a vehicle crashing into one of identical mass and how well it meets a specific set of "safety" criteria, including the fitment of such equipment.

KIT WILKERSON
Head of policy and strategy
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The fact models are crash-tested against themselves means ratings cannot be meaningfully compared across the range of vehicle masses, while the safety-feature requirements changing annually means ratings cannot be meaningfully compared across years.

The UCSR produced by Monash University are based on real-world crash data, and the impact of collisions on the drivers of vehicles as reported by hospitals in New Zealand and Australia.

These ratings are focused exclusively on harm to the driver and overlook variants in favour of a single rating for each model. This is likely for the purpose of avoiding classification errors, but ignores the advantage for variants that have advanced safety features or significantly different characteristics.

A car being crash-tested

Different things are measured in different ways under ANCAP and UCSR. In fact, the methodology document that describes how the UCSR is calculated specifically explains this.

It also makes the point that Monash doesn't report ratings for models less than six years old because that's the stated lifespan of NCAP ratings and it's concerned the ratings will be significantly different, leading to confusion.

Yet, the government in New Zealand has decided to base access to subsidies on a system in which it applies one metric to some imports and another to others.

This methodology advantages the new-car sector over used-car importers. For instance, since NCAP ratings are mostly based on a vehicle's crashworthiness when it's in collision with one of similar mass, it only rates how well a small or light vehicle performs when crashing into another small vehicle.

The USCR, on the other hand, rates how well a specific model performs in real-world accidents, including against significantly larger and more massive vehicles.

Since vehicles are becoming more massive, the crashworthiness of smaller cars will tend to decrease over time.

The UCSR system is also based on data compiled from Australia and New Zealand, even though the fleet across the Tasman is significantly heavier on average than the Kiwi fleet, which likely makes small cars look even less safe even in our country where they are not so small – relatively speaking.

Since they measure different things, there's potentially a large jump in rating at that six-year mark when ANCAP ratings expire. This does occur and is one of the reasons why ACC scrapped this as a valid safety-rating system.

To make the issue worse, the ratings will be updated each year at the start of December when Monash releases its annual changes. Currently, there's no plan to provide a buffer period, so any alterations will be implemented immediately and without meaningful warning.

Any vehicles being imported during the previous month that are expected to receive subsidies under the clean car discount are at risk of not receiving them if the vehicle-safety rating decreases to two stars or below that level.

Problems, unfairness and logical inconsistencies aside, the system described above is the best solution currently available. As you can probably tell from my commentary, I'm very critical of it, but even I must admit there isn't a better option – yet.

VIA is currently working on developing a new safety metric that encompasses all harm caused by the transport system, not just crashworthiness.

I expect when all harms are added in, the results will demonstrate that smaller cars, not larger vehicles, are the better solution for Vision Zero.

And a better solution that will mean less harm inflicted when crashes do occur, less harm from fewer noxious emissions and less violability of safety ratings leading to a more stable and less risky market.

Industry movers

AARON UNDERDOWN has been appointed to the newly created role of head of risk and assurance at Geneva Finance.

Underdown, previously head of credit inspection at the Bank of South Pacific, has more than 20 years' experience working in banking and financial services.

This has included a range of executive, credit and operational risk roles here and overseas.

The focus of his new job will be on regulatory and statutory compliance, and managing the development and strengthening of the company's internal audit function.

Underdown's other past jobs include head of asset management at Heartland Bank, and acting managing director and chief risk officer at the National Development Bank in Papua New Guinea. He also worked for ANZ for more than 14 years.


Stu Myles

STU MYLES has been appointed as deputy chairman of MTF Finance.

Myles, who took on the role on December 17, is the owner-operator of MTF Finance Carlton Corner in Christchurch and has been a shareholder representative on the board of directors since 2020.

He has more than 30 years' experience in the financial industry and is a chartered member of the Institute of Directors.


Noel Johnston

NOEL JOHNSTON has been reappointed as a shareholder director of the company by majority vote after offering himself for re-election.

SHARLENE VAN DIJK has taken on the role of chief executive officer Lexus of Auckland City after serving as its general manager since August.

She joined the business, which is located on Great North Road, Grey Lynn, after two years as assistant sales manager at Giltrap Kia and prior to that she was sales manager at Giltrap Holden North Shore.

Van Dijk previously spent more than 14 years in sales and dealer-principal roles in South Africa. She also has experience in finance and insurance.

PAUL MILLWARD has joined NZ Automotive Investments (NZAI) as its new chief executive officer.

Millward, pictured, joins the company after spending 12 years with DB Breweries (Heineken NZ) where he was New Zealand sales director since 2017.

Previously, he gained experience in sales and finance roles in fast-moving consumer goods, retail and medical businesses in this country, the UK and US, and Denmark.

Millward joined NZAI on January 9.

Following a handover, interim chief executive Gordon Shaw is rejoining the board as an independent director.

BRODIE STEVENS has been appointed as a director at the Port of Tauranga after leaving Swire Shipping, where he was country manager. He trained as a lawyer before joining Freightways Group as a management trainee in 1982.

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

Helping Kiwis make shift into clean cars

The AA is aiming to help New Zealanders make informed decisions around what their next vehicles will be as the country's fleet gets greener.

Jonathan Sergel has stepped into the newly created position of chief mobility officer after spending the previous three years as the organisation's general manager of motoring services.

One of his first priorities in what he describes as a "ground-breaking role for the AA" will be around "new technology" cars.


Jonathan Sergel

"As the numbers of hybrids, electric vehicles [EVs] and clean-car options increase, we will start to see more used options flowing through to the market at more relatable prices for families.

"We'll work on new technology vehicles and allowing our members and wider New Zealand to make good, informed decisions on their next cars.

"This will include how they can measure their current vehicle's emissions profile and what that would look like if they got another one.

"Not everyone can move from a 1996 Mazda Familia to a 100 per cent battery EV, so I see this role as being able to pass information on so people can make better choices.

"We want people to feel confident when they buy sustainable so they know what they're getting and it's right for their situations.

"For many households, that will mean the journey may see them transitioning from high-emissions models to low-emissions solutions, and then hopefully to a no-emissions vehicle."

By continuing to develop the AA's core vehicle, driving and mobility-related services and extending into sustainable mobility options, Sergel sees his new role as overseeing the increasing use of those latter solutions by members.

"Kiwis already see us as a place for trusted information on motoring," he told Autofile. "We want to keep building on that relationship and extend this into mobility.

"Mobility today – and in the space of a few months, a year or even in five years – will be a different environment. It's only going to evolve more and more rapidly.

"My role will be to ensure all New Zealanders are able to keep pace with change by having all the information needed at their fingertips."

In addition to general motoring, Sergel's job will involve integrated public transport, and helping members find solutions to the "first and last kilometre" of journeys.

Despite an increased push into sustainable mobility, the AA's main focus will remain on services when things go wrong for motorists on the road.

"We've had almost 120 years of being an automobile association. Motoring and the car will continue to play a big part of what we do. We also need to keep modernising our roadside services and products.

"The motoring aspect to mobility will be a key issue we're focused on. This includes ensuring we keep our members going when they break down, and them having access to servicing, warrants of fitness and driver licensing. We also believe the time is right to broaden that out to wider aspects of transport."

Sergel will be supported in his work by Roger Venn, general manager of the AA's driving school and government contracts, Bashir Khan, general manager of roadside solutions, and Kyle Lincoln, acting general manager of motoring services.

Playing field will be less level

It looks like 2023 is going to be a tough year. In the cycle of life, perhaps we were due a correction for no other reason than good times don't last forever.

Looking back to Covid-19, the automotive industry experienced a boom in some ways.

Travel was off the agenda for obvious reasons, so those with adequate funds looked for relief through other means. For many, that included buying a new or replacement car, motorbike, boat or campervan.

And, as luck would have it, the accompanying supply shortages helped ensure great margins and trade-in prices increased. Overall volumes might have been constrained due to supply, but that was offset by the reality of robust demand. The net effect of that coupled with rising margins meant business profitability was fantastic.

However, peering into the unknowns of a new year and trying to read the tea leaves, 2023 isn't looking so good. It's a bit like the proverbial morning after the night before, if you get my drift.

Among the obvious influences, inflation will play its role. Property values, some say the lifeblood of our economy, have slumped and may go down further depending on which economist we listen to.

Overall, people don't feel so wealthy, confidence may be waning and some may be inclined to leave their wallets in back pockets. Mortgage rates will reset upwards and that will significantly contribute to declining household budgets along with general cost-of-living increases.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

Our industry faces additional pressures in the form of the clean car standard (CCS), which is part two of the wider clean-vehicle policies originally devised in different economic times.

Part one was the clean car discount (CCD), which partially landed in July 2021 before fully taking off in April 2022 amid great fanfare from the government. "Naughty" models – that's to say, high carbon-dioxide (CO2) emitters – are pinged with charges while "clean" cars attract incentives under this feebate scheme.

> "EV, PHEV and, to a lesser extent, hybrid alternatives are already in short supply"

Some of the initial impact on the "naughty" segments was deflected for some months on the back of substantial advance registrations just before the scheme started. It took time for those units to be cleared before the policy's true impacts became evident in the latter months of last year.

Yes, the CCD did succeed in shifting the market. A comparison of average monthly sales between 2021 and the last month of 2022 across the combined new and used-import markets shows internal combustion engine (ICE) volumes reduced by nine per cent. Electric vehicles (EVs) and petrol hybrids were both up by 30 per cent, while plug-in hybrids (PHEVs) climbed by 87 per cent. So, in that sense, the policy has so far had its intended effect.

The CCS took effect this month and – broadly speaking – serves to double-down the monetary impacts of the CCD with credits for clean cars and fees for those that don't meet defined CO2 targets, which reduce from this year forward.

Will the CCS have a similar impact on the market? I suspect not given that EV, PHEV and, to a lesser extent, hybrid alternatives are already in short supply.

And there lies the problem. Financial incentives to buy an "electrified" car will increase, but the ability to take advantage of those incentives isn't expected to change markedly in the short term.

On the other hand, it will cost more to buy many ICE alternatives, which are the only products available in volume. That's perfect in these inflationary times, excuse my cynicism.

If that isn't enough, the used-import market will face additional disruption. Up until now, all buyers have operated in the same market, a level playing field if you like.

The CCS will serve to change that. Retail prices will turn on the importer's product mix, which will be the net credits and fees.

So rather than leaving EVs for specialist dealers, more importers will now be clambering to buy such stock to claim some much-needed credits to offset the impacts of new charges on so-called "dirty cars".

Those credits will enable those successful importers to position their vehicles at a different price-point, so the playing field may well become a bit less level.

As for the EVs they purchase, some importers may simply choose to cash them up and disrupt the local market with the end result being that such used imports could become a very slim market opportunity.

It's hard to see a lot of positives ahead in 2023, but time will tell.

Marques boldly go into future

Autofile looks back on some of the concept vehicles unveiled during 2022


MG's Cyberster

A Chinese brand is promising some bold design features when its Cyberster hits the market, with the vehicle an all-electric take on the drop-top, two-door and two-seat sports car.

MG has been drip-feeding details about the model, which is tipped to hit markets in 2024 and likely to be pitched as a rival to the Mazda MX-5, with key information so far including it will have a steering yoke instead of a steering wheel and scissor doors instead of traditional front or rear-hinged apertures.

Whether a yoke-based steering system similar to those found in an aircraft will comply with Australian Design Rules will have to be determined before the innovation gets the full go-ahead for here.

To facilitate yoke steering, which essentially pivots through possibly 200 degrees of rotation, variable ratio steering needs to allow the car to turn sharply for parking and tight manoeuvres at full lock.

The Cyberster will be the first sports car in MG's line-up since 2016 when the MG-F ceased production. It is expected to use a battery-electric powertrain based on the forthcoming MG4 EV and deliver a range of about 400km.

MG is keeping a lid on many of its specifications, but styling details revealed so far include "magic eye" headlights that open when turned on, a laser belt line of LEDs along the side and a squared-off tail.

Inside, drivers will find a completely digital dash with an interactive gaming-style cockpit and 5G connectivity.

Whatever the final Cyberster looks like, there's already plenty of demand for the diminutive sports car with about 5,000 potential buyers putting down deposits on the car after a teaser prototype was unveiled in April 2022. The interest means MG has brought forward plans for its production.

LIGHT APPROACH

An EV concept from Citroen, which it describes as a "laboratory on wheels", puts the focus squarely on cutting weight and reducing the purchase price.

Called the Oli, the quasi-ute concept follows the trail blazed by the marque's Ami decades ago, and is designed to "move the needle" for family mobility by bucking industry trends for heavier, more complex and expensive electric cars.

The concept boasts a range of ideas focused on reducing weight and complexity to maximise efficiency, versatility and accessibility.

Should it ever make it into full production, consumers can expect to see many of the concepts and innovations showcased in the Oli flowing through to Citroen's future EVs.

The French marque says a typical mid-1970s family car weighed around 800kg and was 3,700mm long and 1,600mm wide. Today's equivalents have grown to more than 1,200kg, and measure at least 4,300mm long and 1,800mm wide.

Vincent Cobee, chief executive officer, adds: "We believe electrification shouldn't mean extortion and being eco-conscious shouldn't be punitive by restricting our mobility or making vehicles less rewarding to live with.

"We need to reverse the trends by making them lighter and less expensive, and find inventive ways to maximise usage and refurbish for subsequent owners.

"Otherwise, families won't be able to afford the freedom of


Citroen's Oli EV concept


The Genesis X Speedium Grand Tourer

mobility when all-electric vehicles become the only option available."

With the Oli, Citroen is striving to reduce resources and materials to make pleasing family vehicles that are easier to use, understand and afford, with appropriate driving range and enhanced versatility.

The target weight for the Oli is about 1,000kg and the prototype's credentials include seats made of recycled materials and constructed using 80 per cent fewer parts than a traditional seat.

Helping it to achieve its weight goals, the vehicle is largely made from recycled corrugated cardboard formed into a honeycomb sandwich structure between fibreglass reinforcing panels.

Being lighter, its all-electric powertrain also needs only a 40kWh battery to deliver a range of up to 400km.

Citroen has limited its top speed to 110kph to maximise efficiency, consumption of 10kWh/100km is considered realistic, and recharging from 20 per cent to 80 per cent takes 23 minutes.

RACING INTO VIEW

Cadillac is roaring back to endurance racing after unveiling its Project GTP Hypercar, which the US brand says is a preview of its third-generation prototype racer.

The move comes as the marque prepares to battle it out in the IMSA WeatherTech SportsCar Championship and FIA's world endurance series in 2023, as well as returning to the 24 Hours of Le Mans race for the first time since 2002.

Developed by Cadillac Design, Cadillac Racing and Dallara, the hypercar incorporates what the marque says are key design characteristics familiar to the brand's heritage, including vertical lighting sets and floating blades.

Its styling also previews what's to come from Cadillac's production models – purposeful lines, sharp edges and extensive carbon-fibre panelling.

The racer will be powered by a new 5.5-litre V8 and its powerplant is likely to be based on the LT6.R found in the Corvette C8.R, which will drive the rear wheels via a hybridised transaxle.

Laura Wontrop-Klauser, GM's sports-car racing programme manager, says track testing of the GTP began in the middle of 2022 and the vehicle was set to make its competition debut in the Rolex 24 at Daytona this month.


The Cadillac Project GTP Hypercar

The event's regulations state vehicles are allowed a maximum of 470kW to be drawn from the combustion engine with a standardised Bosch-sourced electric motor providing a further 50kW. Total system output is limited to 500kW, while total kerb weight is set at 1,030kg.

DETAIL ON DESIGN

Genesis has spent five years creating the interior of its X Speedium Grand Tourer concept, embracing the classic Korean design principal known as "the beauty of white space".

The cabin of the luxury carmaker's concept features an asymmetrical, driver-focused layout in which the curved OLED instrument panel and floating-style centre console wrap around the driver cockpit.

Genesis says the effect is further accentuated by the interior's contrasting colour palette, which "clearly distinguishes the driver's area from the passenger space".

A new sound architecture is described as blending "technology and art", and its strategically placed speakers "fill the interior with rich sound".

The upholstery of this concept vehicle utilises a mix of vegetable-tanned leather and a breathable grain leather, which Genesis says requires less water and lower chemical levels to produce, while the threads holding the leather together are made from repurposed plastic.

The steering wheel features leather cut-offs salvaged from repurposed car-seat materials and woven together.

Genesis says the X Speedium Coupe was conceived as an internal design exercise that it later decided to reveal publicly as it shifts towards becoming an all-electric brand.

Luc Donckerwolke, chief creative officer, adds: "It was nothing more than a hard model built on our athletic elegance design identity but given the positive reception it received at the original launch, we chose to complete the concept.

"The interior captures the brand's 'beauty of white space' design ethos, which suits various luxury lifestyles and adds to the appeal of the dynamic GT."

Kiwi drivers moving on from F2

The Dallara SF23, left, is an upgrade on the SF19 package used in the Japanese Super Formula Championship


Liam Lawson will race for Team Mugen alongside teammate Tomoki Nojiri

New Zealand's two racers in the 2022 Formula Two Championship are heading for fresh challenges in 2023.

Red Bull junior Liam Lawson will tackle the Japanese Super Formula Championship, while Marcus Armstrong will join Scott Dixon and Scott McLaughlin in the IndyCar Series.

For Lawson, this year's Super Formula season will see him take the controls of an updated vehicle with a revamped aerodynamic system with reigning champions Team Mugen.

The new single-seater is being dubbed the SF23. It's an upgrade on the current Dallara SF19 package, which was introduced three years ago.

Super Formula developed two prototypes called Red Tiger (Toyota) and White Tiger (Honda) for testing and development purposes.

The completed version of the SF23 includes upgraded front and rear wings, sidepods, engine cover and floor.

"For me, it's super-exciting," says Lawson. "It's a series that's not looked at as highly as it should be, or it can be forgotten about a little bit because it's not on the pathway in Europe, like F2 or Formula Three.

"But it's a really good championship. The cars are quick and quicker than F2, so for me the step up in performance is better for preparation for Formula One as well.

"Obviously, I've done one test and I really enjoyed it. I go into this knowing the team is capable of winning races and fighting for the championship."

The 20-year-old, who was born in Hastings and raised in Pukekohe, adds he has Super Formula's best driver as a team-mate with Tomoki Nojiri now having won the Japanese series twice.

"I have access to the quickest guy's data to look at and learn from. For me, it's going to be about learning as quickly as possible. We don't have much testing and it is so different that I need to get up to speed as quickly as possible."

The 2023 Super Formula season gets under way at the Fuji Speedway from April 7-9.

For Armstrong, the trans-Atlantic move is a bold switch that avoids the Road To Indy career process. He thus arrives "fully formed" in the premier category.

The switch places him in a strong team, potentially creating a two-Kiwi line-up alongside Scott Dixon at Chip Ganassi Racing. He will race the championship's non-oval rounds this year with the aim of then tackling the complete championship.

"I'm ecstatic to be a part of the IndyCar Series," enthuses Armstrong. "Chip Ganassi Racing is such an iconic and successful team.

"As a Kiwi, I've watched Scott Dixon succeed in the championship with this team, so on a personal level this is quite special for me."

Armstrong is highly rated by his new team, which describes him as a hard worker who looks to improve on a daily basis.

"With the knowledge and personnel that this team has, I'm very excited to take on this new challenge," adds the New Zealander.

Armstrong makes his North American professional debut after competing in the FIA F2 Championship from 2020-22 when he earned four wins and eight podiums.

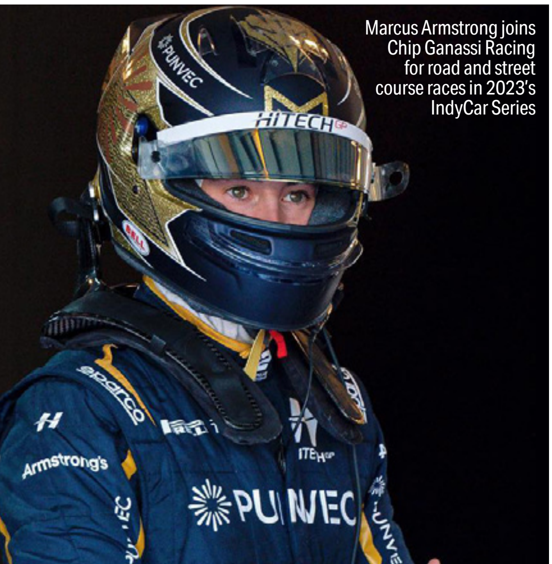
The 22-year-old scored his first F2 victory in 2021 at Jeddah Corniche Circuit in Saudi Arabia. He then registered three wins across the following year's campaign in Italy, Austria and the Netherlands. He also served as a development driver for the Scuderia Ferrari F1 team in 2021.

The Christchurch native launched his racing career in karting at the age of 10. He won five go-karting national championships in this country before moving to Europe in 2015 to compete on the world stage.

In 2017, Armstrong made the jump to Formula 4 where he won the Italian F4 championship in his first season competing in it.

He then competed in Formula Three across the 2018 and 2019 seasons when he tallied four wins, four pole positions and 16 podiums.

The 2023 IndyCar Series starts in Saint Petersburg, Florida, in March.


Marcus Armstrong joins Chip Ganassi Racing for road and street course races in 2023's IndyCar Series

Armstrong will be able to draw on the extensive knowledge of his multiple-champion teammate and fellow Kiwi, Scott Dixon

Sky snaps up Formula One


Action from last year's Australian Grand Prix

Sky has gained the rights to deliver Formula One to New Zealanders in a multi-year deal across Sky, its digital platforms and free-to-air television.

The agreement is for all F1 races to be shown on the broadcaster's platforms from the start of this year along with support content and analysis.

It means people signed up to Sky and Sky Sport Now will have access to all F1 races starting with the Bahrain Grand Prix in March.

In addition, Sky will deliver the much-anticipated Melbourne GP free to air to all Kiwis along with highlights of each F1 race on free to air.

"Formula 1 is spectacular to watch and we know from our research that many of our customers were keen for us to get this content back," says Sophie Moloney, Sky's chief executive.

"We also expect it to attract new customers, particularly to our streaming service Sky Sport Now.

"Our commitment to attracting new and diverse sports fans, and to delivering to all New Zealanders, is also clear in the free-to-air aspects of this deal.

"We make careful and strategic choices about the content we buy, and we're delighted to welcome F1 back."

Ian Holmes, director of media rights at F1, adds: "As our sport continues to grow and attract new fans around the world, we're delighted to reach this agreement with Sky NZ.

"In 2022, we reached new heights in viewership across our television and digital platforms as well as in attendances at races – and 2023 will be bigger again.

"We are the only truly global championship in sport and are proud to bring our world-class coverage to every corner of the globe."

Spark Sport's F1 content rights for New Zealand ended on December 31.

Toyota Racing confirms route to IndyCar Series


Billy Frazer's career in the USF2000 series is a result of the Road To Indy programme

New Zealand's own Castrol Toyota Racing Series (TRS) has renewed its alliance with the American Road To Indy programme, which opens up new avenues for young racers.

The move helps rising Kiwi drivers gain valuable experience competing against top talent from the US and around the world.

Launched in 2010, Road To Indy is the official "career ladder" for those hoping to participate in the premier IndyCar Series.

Drivers who contest this year's TRS will automatically become eligible for a package that could result in them securing a full Road To Indy season.

It includes entry into either of two test weekends in the States and a free set of tyres for a season-test in USF Juniors, USF2000 or Indy Pro 2000.

In return, American drivers who have completed 75 per cent of those series in the US are offered free entry to the TRS.

This means an increased driver grid presence from that country for New Zealand's premier single-seater series.

The partnership between Road To Indy and the TRS is entering its third year. It has already helped Kiwis Billy Frazer and Peter Vodanovich establish themselves in the US.

Tribunal rules against consumer due to distance travelled in car post-purchase


A 2012 Mazda CX-5

The case: The buyer's vehicle suffered a blown head gasket and he wanted the trader to pay for the repairs. It appeared the dealer was no longer in business and didn't attend the hearing.

The decision: The tribunal ruled the car's damage didn't amount to a failure of the guarantee of acceptable quality under the Consumer Guarantees Act (CGA) because it had been driven 10,000km during the purchaser's year of ownership. The claim was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Benjamin Lowe bought a 2012 Mazda CX-5 with an odometer reading of 117,300km on February 20, 2021, from Motorco Ltd for $17,070.

The vehicle suffered a blown head gasket after clocking up 9,791km after it was purchased and he wanted the trader to pay for the repairs, which were estimated to come in at about $6,500.

The dealer failed to appear at the hearing. However, in earlier correspondence from the trader to Lowe, it claimed it didn't have liability for the repair work because the car had been driven about 10,000km since purchase.

It also claimed the mechanical failure could have been due to use of the vehicle for towing.

The case

Lowe drove the car without incident during 2021. On December 3 of that year, he arranged for a full service because he was relocating. The odometer reading was 123,933km and no issues were found with the head gasket.

Between February 4 and 8, 2022, he drove the vehicle from Auckland to Christchurch with various stops along the way.

There were no noticeable issues with the car on his journey. No warning lights came on and there were no signs of overheating.

Before that trip, the car was damaged after it was reversed into a letterbox on February 2. Lowe's evidence was that only the driver's side front-wheel panel was affected.

However, an AA insurance report, which included photos, showed there were significant repairs to the CX-5 costing $4,308.

During this remedial work, a leak in the radiator was discovered with green staining on the top of the engine. It was also discovered that the car had been in a prior accident with visible repairs to the bumper.

Subsequently, Lowe arranged for Hi-Tech Service Centre in Christchurch to carry out an engine pressure and die test. Its diagnosis was that the vehicle had either a blown head gasket or cracked head due to it getting too hot.

Lowe next took the CX-5 to Blackwells Mazda. It carried out a Tee-Kay test, which detected the presence of combustion gases, hydrocarbons, in the cooling system.

The car was diagnosed with a head gasket that was blown and Blackwells estimated it would cost $6,500 to repair. It stated the damage occurred due to a fault over a period of time.

Lowe emailed the trader on April 6 to say he was rejecting the vehicle because it wasn't of acceptable quality, not of acceptable durability, had a latent defect and the prior accident damage had then potentially led to the fault.

The dealership replied stating the car was well outside of its responsibility because it was bought 410 days earlier and had travelled nearly 10,000km.

It said the blown head gasket could have been from a simple mechanical failure and wasn't due to any accident, but rather due to wear and tear over a period of time. It added the excess heat could have resulted from towing, causing excess strain.

The buyer's application was lodged with the tribunal on May 10, 2022. But no documents were filed by the trader during the course of the proceedings and it didn't respond to attempts at contact. Calls placed to its phone number by the tribunal revealed it had been disconnected.

Lowe said his parents had visited the premises in Auckland, which appeared to be closed because there were no longer any vehicles on the yard and the gates were locked.

He initially wanted an order for rejection of the vehicle. But in view of the uncertain financial and trading position of the dealer at that time, he wanted an order from the tribunal for the trader to pay for the cost of the repairs.

The finding

The issue that required the tribunal's consideration in this case was whether the CX-5 was of acceptable quality at the time of sale for the purpose of section six of the CGA.

The legislation states: "Goods will not fail to comply with the guarantee of acceptable quality if the goods have been used in a manner – or to an extent inconsistent with the manner or extent of use – that a reasonable consumer would expect to obtain from the goods, and the goods would have complied with the guarantee of acceptable quality if they had not been used in that manner or to that extent."

References in two sub-sections to what a defect is means any failure of the goods to comply with the guarantee.

The tribunal was satisfied the CX-5 had serious engine damage. But the question to answer was whether the blown head gasket meant it wasn't of acceptable quality when sold to Lowe.

He had driven 10,000km in the car over a year and he submitted that was very low mileage on an annual basis. While that was correct, it was ruled the mileage was still substantial.

Lowe made the point that the problem with the head gasket could have been caused by damage sustained before he owned the CX-5, but the tribunal found there was no evidence of that connection.

Protections provided to consumers under the CGA aren't infinite. By a narrow margin and in the circumstances of this case, the tribunal found the gasket's condition wasn't a failure of the guarantee of acceptable quality.

A reasonable buyer of a vehicle that had travelled close to 120,000km at the time of purchase must expect some ongoing and potentially unexpected maintenance of occasionally substantial items, particularly after nearly 10,000km travel over the course of one year.

The tribunal decided the condition of the CX-5 was as durable as would be expected by a reasonable purchaser given its age, mileage and price.

Order

Lowe's claim was declined.

Illegal modifications to vehicle found by 'old hoon' soon after it was supplied

The case: The buyer wanted the trader to repair illegal modifications on his 2008 Ford FG XR6. The dealer said it would remedy the issues when the purchaser took it from Timaru to the business' depot in Christchurch.

The decision: The trader was ordered to fix the car, ensure all parts and repairs met the manufacturer's specifications, obtain a low-volume vehicle (LVV) certification for the wheel spacers and a warrant of fitness (WOF) for the XR6 from VTNZ or VINZ.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Jason Johnstone purchased a 2008 Ford FG XR6 for $11,500 from Manic Enterprises Ltd with a three-month mechanical warranty on November 25, 2021.

It came with after-market modifications, including the illegal heating and welding of the front and rear spring-suspension system. This meant the XR6 wasn't of WOF standard and was unsafe at the time it was sold.

Johnstone gave the trader a reasonable opportunity to fix the faults, which also included a cracked wheel rim and balding tyres. It failed to do so, so he wanted the vehicle repaired to WOF standards.

The dealer accepted the car had a number of faults, but said it was unaware of them when it was supplied to Johnstone. It had offered to repair the XR6 or refund him the purchase price.

However, it appeared from text messages between the parties that they had fallen out over how the Ford was to be repaired, by who and to what extent.

The case

Johnstone, a self-described "old hoon", said he was attracted to the vehicle because of its appearance.

Its Trade Me listing stated it was lowered on Monroe GT gas-reflex short shocks and springs, had 18-inch mag wheels with new tread on the tyres, a full three-inch exhaust and "a couple of nice mufflers".

It added the XR6 "sounds good" and had a remote-control "dump pipe that makes it very loud".

Johnstone had been so eager to buy it and return to Timaru from Christchurch that he undertook to carry out a wheel alignment that was due.

He had concerns about the car's handling when he got home. He said it bounced or shuddered around corners and didn't handle undulating road conditions well.

Johnstone took it to a Firestone workshop, which couldn't align the wheels because the XR6 had been lowered.

He then went to a local workshop, which specialised in such vehicles. It confirmed the modifications were illegal and estimated repairs at $1,768.

At the end of December 2021, Johnstone took the vehicle to Beaurepaires, which quoted him $480 to replace the cracked right-rear rim.

Beaurepaires provided an inspection report. It noted the rear tyres were worn out due to "too much camber and toe-in". It confirmed a wheel alignment was impossible until the springs were replaced. Dissatisfied, Johnstone asked the trader to fix the car.

The tribunal was provided with copies of the parties' text messaging. This reflected they agreed there were problems with the vehicle that needed fixing, but they couldn't agree on how to resolve them.

Their correspondence became argumentative and they compromised to let the tribunal decide the dispute for them.

Johnstone complained the trader's director, Tom Clark, "didn't know what he was doing" and "was trying to palm him off" with cheaper replacement parts for the repairs.

Clark said he was prepared to have the remedial work carried out, but Johnstone was being unreasonable.

Johnstone gave evidence that he had carried out some repairs himself.

These included fixing a headlight and front grille, and replacing two tyres and a door handle. He accepted he did this work without reference to the trader.

Clark disputed the tyre wear and said Johnstone was responsible for the balding of tyres due to use. He was prepared to repair the vehicle, but Johnstone wouldn't take it to Christchurch from where he lived for this to be done.

Instead, he offered to contribute $1,000 to Johnstone's repairs estimate. Clark outlined an agreement struck in March last year, which was never implemented, whereby he would provide two rear short shocks, two rear tyres, one mag wheel and four lowered springs.

Some of those items had been purchased, but the parties fell out about their suitability for the job.

Clark denied knowledge of the springs being "cut" and confirmed the wheels had "spacers", which he knew were illegal.

The finding

The adjudicator was satisfied the Ford had pre-existing faults that breached the acceptable quality guarantee in the Consumer Guarantees Act (CGA), which also made it unsafe.

In addition, it wasn't sold with a WOF that was less than one month old as required by law. In fact, it had been issued about five months before the XR6 was supplied.

Johnstone wanted to keep the car but couldn't afford to remedy it. He wanted the trader to repair it to WOF standards while ensuring its pre-purchase specifications remained unchanged, to the extent permissible by law, because its appearance was important to him.

He didn't know the CGA required him to give the trader the opportunity to repair the vehicle before he could have the work carried out elsewhere and then recover those costs from the dealer.

Clark said he would access appropriate businesses to do the work and secure trade rates.

The adjudicator decided Johnstone could achieve the outcome he wanted through orders issued to the dealer.

Orders

The trader had to uplift the car from the buyer, and use a vehicle transporter to take it to its repairer to fix the springs and lower the car to WOF-compliant standards.

The dealer was also ordered to replace the cracked wheel rim and have new tyres fitted, while all repairs and parts had to meet the manufacturer's specifications.

In addition, the trader was to obtain a LVV certificate for the wheel spacers, obtain a WOF from a VTNZ or VINZ inspection site and refund Johnstone the $60 cost of Beaurepaires' report.

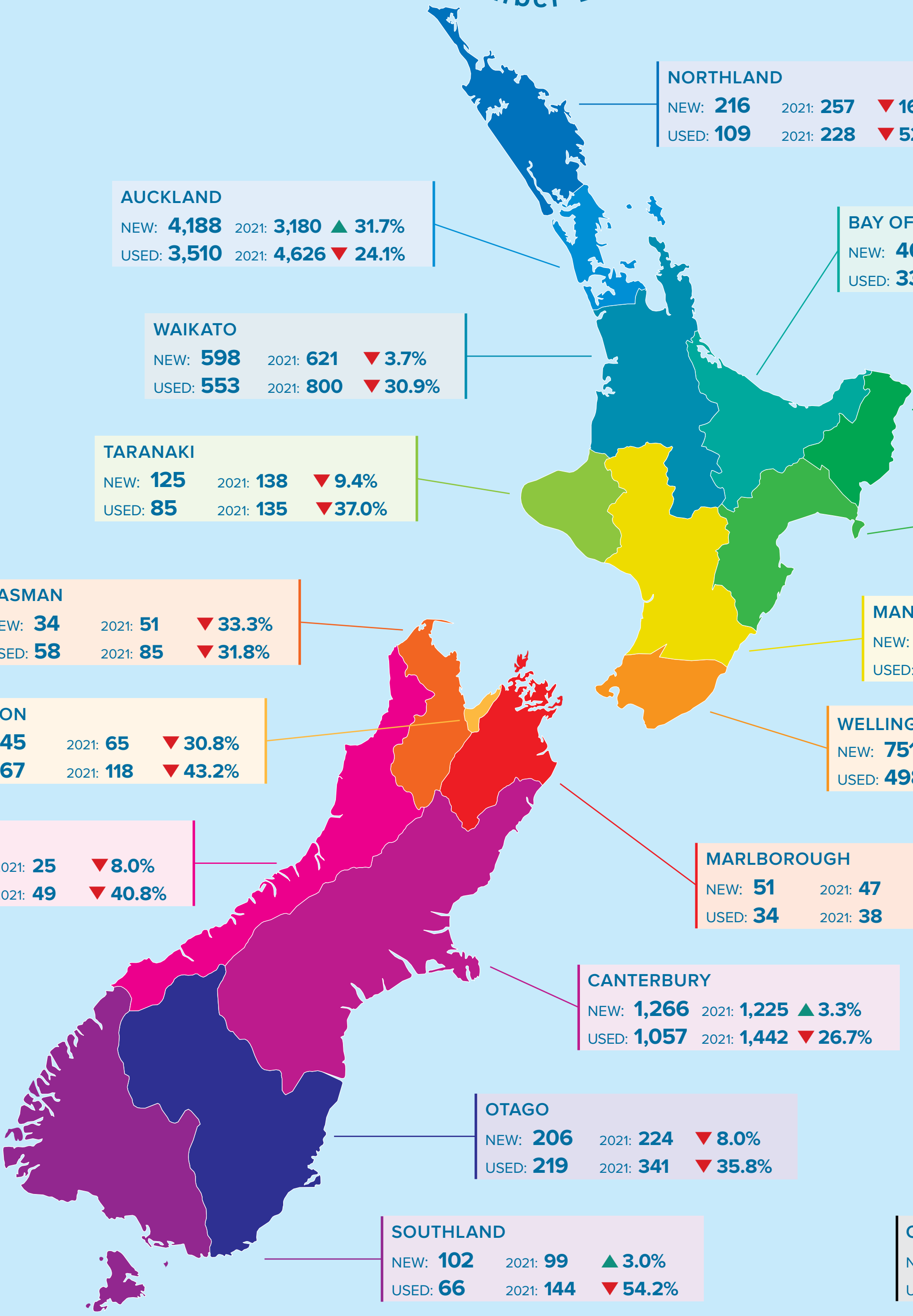
Finally, the tribunal warned the trader that if it became aware of another vehicle sold without a current WOF, it could notify the Commerce Commission to investigate and prosecution might follow.

A 2008 Ford FG XR6

AROUND THE COUNTRY
December 2022

Total new cars	
8,505	
2021: 7,566	▲ 12.4%

Total imported used cars	
6,993	
2021: 10,095	▼ 30.7%



			2021	
NORTHLAND	NEW:	216	257	▼ 16.0%
	USED:	109	228	▼ 52.2%
AUCKLAND	NEW:	4,188	3,180	▲ 31.7%
	USED:	3,510	4,626	▼ 24.1%
WAIKATO	NEW:	598	621	▼ 3.7%
	USED:	553	800	▼ 30.9%
BAY OF PLENTY	NEW:	400	395	▲ 1.3%
	USED:	331	566	▼ 41.5%
GISBORNE	NEW:	53	36	▲ 47.2%
	USED:	41	47	▼ 12.8%
TARANAKI	NEW:	125	138	▼ 9.4%
	USED:	85	135	▼ 37.0%
HAWKE'S BAY	NEW:	197	241	▼ 18.3%
	USED:	134	266	▼ 49.6%
MANAWATU-WHANGANUI	NEW:	234	302	▼ 22.5%
	USED:	173	326	▼ 46.9%
WELLINGTON	NEW:	751	648	▲ 15.9%
	USED:	498	845	▼ 41.1%
TASMAN	NEW:	34	51	▼ 33.3%
	USED:	58	85	▼ 31.8%
NELSON	NEW:	45	65	▼ 30.8%
	USED:	67	118	▼ 43.2%
WEST COAST	NEW:	23	25	▼ 8.0%
	USED:	29	49	▼ 40.8%
MARLBOROUGH	NEW:	51	47	▲ 8.5%
	USED:	34	38	▼ 10.5%
CANTERBURY	NEW:	1,266	1,225	▲ 3.3%
	USED:	1,057	1,442	▼ 26.7%
OTAGO	NEW:	206	224	▼ 8.0%
	USED:	219	341	▼ 35.8%
SOUTHLAND	NEW:	102	99	▲ 3.0%
	USED:	66	144	▼ 54.2%
OTHERS (Chatham Islands, overseas, unknown)	NEW:	16	12	▲ 33.3%
	USED:	29	39	▼ 25.6%

Imported Passenger Vehicle Sales by Make - December 2022

MAKE	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	2,644	2,931	-9.8	37.8%	36,396	32.8%
Mazda	1,028	1,268	-18.9	14.7%	14,653	13.2%
Nissan	889	1,345	-33.9	12.7%	15,441	13.9%
Subaru	447	807	-44.6	6.4%	8,236	7.4%
Honda	417	731	-43.0	6.0%	7,592	6.8%
Volkswagen	276	450	-38.7	3.9%	4,309	3.9%
BMW	231	534	-56.7	3.3%	5,003	4.5%
Mitsubishi	230	426	-46.0	3.3%	4,313	3.9%
Audi	165	353	-53.3	2.4%	3,137	2.8%
Suzuki	141	153	-7.8	2.0%	2,132	1.9%
Mercedes-Benz	103	239	-56.9	1.5%	2,422	2.2%
Lexus	76	218	-65.1	1.1%	2,088	1.9%
Ford	60	97	-38.1	0.9%	731	0.7%
Chevrolet	34	40	-15.0	0.5%	339	0.3%
Volvo	34	91	-62.6	0.5%	715	0.6%
Land Rover	33	76	-56.6	0.5%	467	0.4%
Porsche	19	31	-38.7	0.3%	275	0.2%
Dodge	14	32	-56.3	0.2%	232	0.2%
Jeep	13	31	-58.1	0.2%	256	0.2%
Mini	13	25	-48.0	0.2%	222	0.2%
Hyundai	11	15	-26.7	0.2%	183	0.2%
Jaguar	11	46	-76.1	0.2%	340	0.3%
Holden	10	15	-33.3	0.1%	162	0.1%
Chrysler	9	30	-70.0	0.1%	271	0.2%
Kia	9	6	50.0	0.1%	75	0.1%
Pontiac	6	1	500.0	0.1%	30	0.0%
Cadillac	5	4	25.0	0.1%	48	0.0%
Fiat	5	1	400.0	0.1%	35	0.0%
Peugeot	5	13	-61.5	0.1%	80	0.1%
Bentley	4	6	-33.3	0.1%	28	0.0%
Opel	4	0	400.0	0.1%	17	0.0%
Plymouth	4	4	0.0	0.1%	22	0.0%
Alfa Romeo	3	7	-57.1	0.0%	37	0.0%
Buick	3	2	50.0	0.0%	18	0.0%
Citroen	3	7	-57.1	0.0%	58	0.1%
Others	34	60	-43.3	0.5%	499	0.5%
Total	**6,993**	**10,095**	**-30.7**	**100.0%**	**110,862**	**100.0%**

Imported Passenger Vehicle Sales by Model - December 2022

MAKE	MODEL	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Aqua	1,072	869	23.4	15.3%	12,959	11.7%
Toyota	Prius	576	384	50.0	8.2%	6,227	5.6%
Mazda	Axela	368	378	-2.6	5.3%	4,942	4.5%
Toyota	Corolla	239	145	64.8	3.4%	2,949	2.7%
Mazda	Demio	232	142	63.4	3.3%	2,565	2.3%
Honda	Fit	197	243	-18.9	2.8%	2,893	2.6%
Volkswagen	Golf	190	276	-31.2	2.7%	2,745	2.5%
Nissan	Note	185	123	50.4	2.6%	1,990	1.8%
Mazda	CX-5	169	301	-43.9	2.4%	2,524	2.3%
Nissan	Leaf	168	191	-12.0	2.4%	3,587	3.2%
Subaru	Impreza	168	236	-28.8	2.4%	2,615	2.4%
Mitsubishi	Outlander	164	267	-38.6	2.3%	2,885	2.6%
Nissan	X-Trail	145	334	-56.6	2.1%	2,873	2.6%
Nissan	Serena	138	135	2.2	2.0%	1,374	1.2%
Toyota	C-HR	117	58	101.7	1.7%	1,627	1.5%
Suzuki	Swift	109	114	-4.4	1.6%	1,582	1.4%
Mazda	Atenza	102	170	-40.0	1.5%	1,861	1.7%
Toyota	Vitz	99	65	52.3	1.4%	915	0.8%
Subaru	XV	98	70	40.0	1.4%	1,062	1.0%
Mazda	Premacy	83	113	-26.5	1.2%	1,222	1.1%
Subaru	Legacy	75	236	-68.2	1.1%	1,969	1.8%
Toyota	Sai	73	52	40.4	1.0%	725	0.7%
Honda	Vezel	57	38	50.0	0.8%	684	0.6%
Nissan	Juke	54	63	-14.3	0.8%	734	0.7%
Toyota	Auris	53	51	3.9	0.8%	648	0.6%
Audi	A3	48	69	-30.4	0.7%	740	0.7%
Toyota	Camry	47	59	-20.3	0.7%	713	0.6%
Toyota	Wish	46	117	-60.7	0.7%	927	0.8%
Volkswagen	Polo	44	78	-43.6	0.6%	718	0.6%
Subaru	Forester	42	93	-54.8	0.6%	971	0.9%
BMW	320i	37	89	-58.4	0.5%	831	0.7%
BMW	Mini	37	34	8.8	0.5%	531	0.5%
Toyota	86	36	26	38.5	0.5%	425	0.4%
BMW	116i	34	82	-58.5	0.5%	716	0.6%
Nissan	Lafesta	32	47	-31.9	0.5%	487	0.4%
Others		1,659	4,347	-61.8	23.7%	37,646	34.0%
Total		**6,993**	**10,095**	**-30.7**	**100.0%**	**110,862**	**100.0%**

Company closes city branch

Turners' automotive retail division has exited its site in Morrin Road, Auckland.

The branch in Panmure had its last day of operation at the end of November and one of the reasons for the decision being made was the lease for the location had expired.

In addition, the company says operational performance improvements across the city mean it has transferred all remaining stock to its other branches in the region.

"We're always looking at how we can better optimise our footprint and have taken the opportunity of an expiring lease to capitalise on this," says Greg Hedgepeth, chief executive officer of Turners Auto Retail. "We have done a similar exercise in the past and we've proven it can improve our overall performance.

"Due to growth, we had some open roles in our Auckland network, so we've redistributed staff from Panmure to six other branches.

"This is a positive outcome for those team members and we're confident we'll be able to better meet our customers' needs with all Auckland branches at full capacity."

The company's other dealerships in the city can be found in Botany, Manukau, Otahuhu, Penrose, on the North Shore and Westgate.

Meanwhile, Turners Automotive Group says it's well-placed to compete in difficult market conditions going forward.

It predicts economic headwinds will continue into the second half of 2022/23 with interest rates continuing to go up with that impacting on consumer confidence.

On the automotive retail front, it points to car sales holding up well and margins improving. In finance, it forecasts a greater impact from interest rates and expects some deterioration in arrears, but notes its loan book is stable.

Insurance claims continue to track below expectations although investment returns are increasing. For credit, debt load is recovering but slower than expected.

The company predicts it's on course to match or get slightly above the record net profit before tax (NPBT) it notched up in the 2023 financial year after strong earnings in the six months to the end of September 2022.

It achieved record NPBT of $23.4 million for the half-year, up by one per cent from $23.2m.

Turners predicts its automotive retail business will continue to grow strongly, but warns the impact of the interest-rate environment will be more pronounced in the second half of 2022/23 and into 2023/24.

Its share of the vehicle-retail market increased from 6.4 to 8.2 per cent between April and September. Units sold also rose to help offset lower margins.

"In a market where used-car sales were down 7.5 per cent, Turners grew market share and achieved higher sales year on year, which was a credit to our retail network expansion, advertising and retail-optimisation strategy," says Todd Hunter, chief executive officer.

"The robustness of our diversified business has been demonstrated despite industry headwinds, which we expect will continue into the second half of the year."

Other highlights Turners reports include net profit after tax climbing one per cent to $17.1m when compared to the same period a year ago, and earnings per share rising by the same percentage to 19.8 cents.

It also notes its speed to sale of 14 days compared with 35 a year earlier has improved its stock turnaround and reduced inventory levels.

Grant Baker, chairman, says the latest results are encouraging after the disruption of omicron impacted up to 25 per cent of Turners' operational staff.

"We will face tough economic conditions in the second half, but our geographic and earnings diversification continue to provide resilience," he adds. "Car sales' margins are starting to improve."

During the past half-year, the group's automotive retail revenue grew by 13 per cent to $130m, despite a 7.5 per cent reduction in used-car transactions.

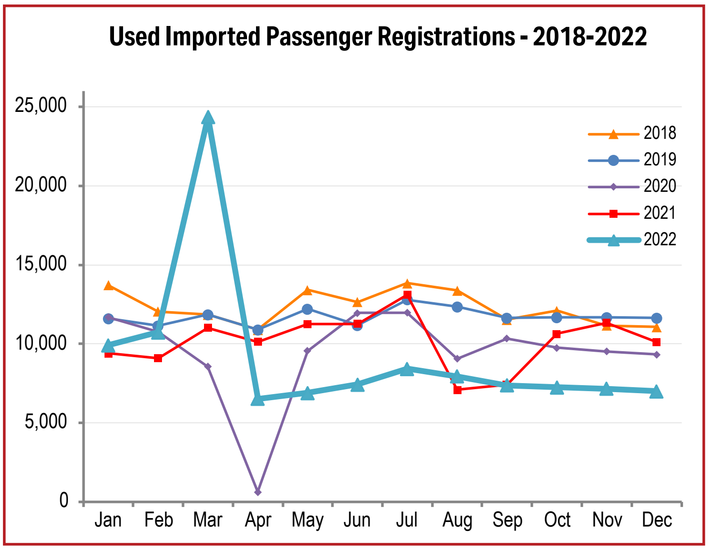
Retail sales were up seven per cent to about 9,500 while wholesale auction unit sales jumped by 42 per cent to also around 9,500.

Registrations drop

There were 6,993 used-imported cars sold last month, which was a drop of 30.7 per cent compared with 10,095 in December 2021.

Toyota's Aqua was the top-selling model with 1,072 registrations with the Prius coming second on 576. Third spot was claimed by Mazda's Axela on 368.

Last month's leading marque was Toyota with 2,644 registrations. Mazda took out second place with 1,028 units and Nissan came third on 889.



Economic confidence hits demand

Consumer confidence is the biggest influence on the number of used imports coming into New Zealand.

And David Vinsen, chief executive of the Imported Motor Vehicle Industry Association, says that's despite all the legislative changes that have been happening.

"If people are concerned about the future, their jobs, interest or mortgage rates, rents or any other macro influence, they might be pulling in their horns and not buying cars as discretionary purchases," he told Autofile.

"People will still buy vehicles that need to be replaced or to address a specific need, such as a child leaving home, but they won't be changing cars for the next new thing.

"This won't change until things settle down and people get a better handle on how any shift in the economy will affect them."

Vinsen notes that in a "normal year" before the pandemic, the used-imports industry would bring in about 150,000 units so "we were considerably down from that" for 2022.

"Demand for transport doesn't go away entirely. It gets suppressed temporarily by macro factors, such as recession. Demand for vehicles doesn't stop, people just wait.

"At some stage in the future, things will likely rise again because there's no prospect of a sudden improvement in public transport. People will always need private vehicles."

As for when used imports will get back to levels seen in previous years, "who knows".

Vinsen adds: "Our industry is volume-driven, and we've spent 35 years squeezing inefficiencies out of the process, removing unnecessary intermediate steps and charges.

"There's a point when it's not going to be sustainable for everybody. We don't know where that is. We'll wait to see how the market changes, but we'll also be prepared to be nimble and adjust.

"We don't know what all the challenges will be. There will, however, also be opportunities."

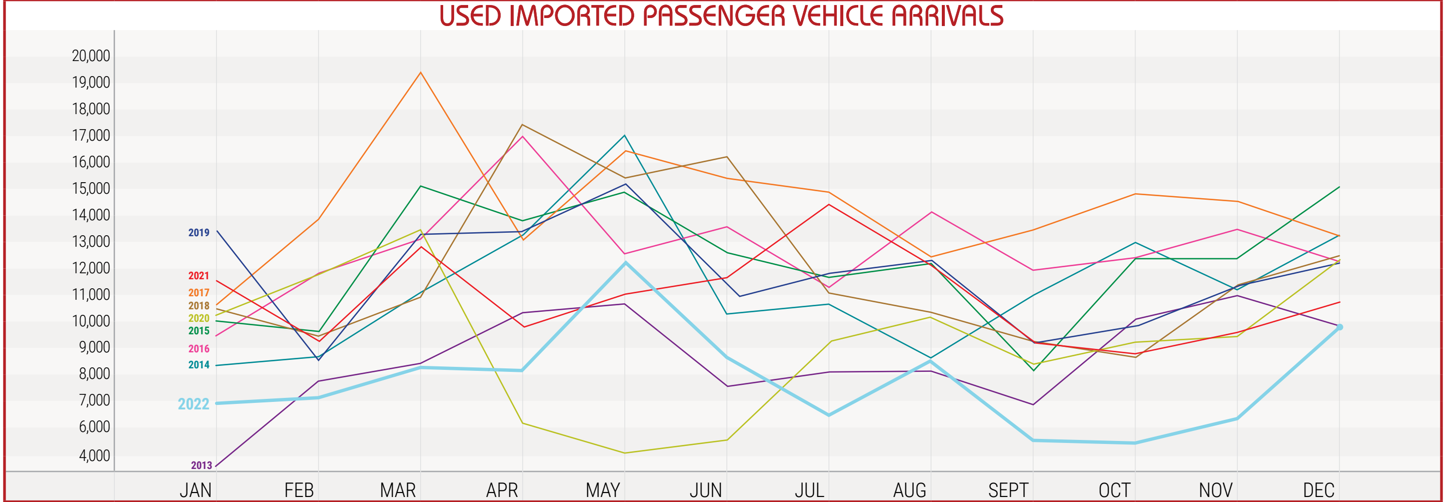
ANNUAL TOTAL FALLS

There were 9,781 used cars imported last month and, of those, 9,513 came in from Japan.

Next up was Australia with 146 units. It was followed by the UK with 48 and the US on 46.

Last year's total for used-imported cars came in at 91,781. That was down by 29.5 per cent from 130,196 in 2021.

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2022														2021		2020	
	JAN'22	FEB'22	MAR'22	APR'22	MAY'22	JUN'22	JUL'22	AUG'22	SEPT'22	OCT'22	NOV'22	DEC'22	DEC SHARE %	2022 TOTAL	2021 TOTAL	MRKT SHARE	2020 TOTAL	MRKT SHARE
Australia	262	235	226	233	172	234	187	177	195	152	139	146	1.5%	**2,358**	3,084	2.4%	4,185	3.9%
Great Britain	60	41	59	35	55	70	23	24	22	36	41	48	0.5%	**514**	1,260	0.7%	690	0.6%
Japan	6,490	6,751	7,477	7,636	11,497	8,254	6,206	8,295	4,821	4,827	5,975	9,513	97.3%	**87,742**	123,377	95.3%	100,994	92.9%
Singapore	46	69	33	47	33	38	24	21	32	11	57	15	0.2%	**426**	1,378	0.7%	1,846	1.7%
USA	44	20	75	33	59	30	41	42	16	28	57	46	0.5%	**491**	695	0.6%	480	0.4%
Other countries	31	33	20	15	17	23	17	35	10	8	28	13	0.1%	**250**	402	0.3%	468	0.4%
Total	**6,933**	**7,149**	**7,890**	**7,999**	**11,833**	**8,649**	**6,498**	**8,594**	**5,096**	**5,062**	**6,297**	**9,781**	**100.0%**	**91,781**	**130,196**	**100.0%**	**108,663**	**100.0%**

Illegal trading results in fine

An unregistered car dealer has been convicted for breaching the Motor Vehicle Sales Act (MVSA).

Kahn David Ratcliffe was sentenced last month following an investigation by the Ministry of Business, Innovation and Employment (MBIE).

Duncan Connor, registrar of motor-vehicle traders, says the 45-year-old sold 44 vehicles during a 12-month period, which was more than seven times the limit for those who are unregistered.

The conviction in Taupo District Court came after Ratcliffe was charged on one count of dealing while being unregistered. Individuals are permitted to sell up to six vehicles in a 12-month period without registering under section 95 of the MVSA. Those found guilty of breaking the law can be fined up to $50,000 for an individual or $200,000 for a company.

Ratcliffe pleaded guilty and was subsequently fined $8,000, and was ordered to pay $130 court costs and $400 solicitor's costs.

Connor stresses consumers aren't protected when purchasing from unregistered traders and could face significant financial losses if there are issues with their purchases.

He also warns Facebook Marketplace is a common platform for unregistered dealers to ply their trade.

"Consumers should take precautions when purchasing vehicles from people online. This may include organising a pre-purchase check and inspection on the vehicle to identify any mechanical issues or money owing."

Car dealers and consumers can verify whether the person they are buying from is registered by searching the online register at www.motortraders.govt.nz.

The website can also be used to apply as an individual or company, and for traders to continue and renew their registrations.

Would-be motor-vehicle dealers applying to be registered must be assessed by MBIE as being suitable. They must comply with obligations under the MVSA, Consumer Guarantees Act and Fair Trading Act.

SALES UP, TRADES DOWN

Dealers sold 14,985 second-hand cars to public buyers last month. That was up from 14,972, or by 0.1 per cent, when compared to the same month in 2021.

There were 11,798 trade-ins during December, which was a drop of 3.1 per cent from 12,176.

SECONDHAND CAR SALES - December 2022

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	DEC'22	DEC'21	+/- %	MARKET SHARE	DEC'22	DEC'21	+/- %	DEC'22	DEC'21	+/- %
Northland	483	488	-1.0	3.22	1,711	1,852	-7.6	169	210	-19.5
Auckland	5,424	5,150	5.3	36.20	12,033	12,624	-4.7	5,352	4,960	7.9
Waikato	1,579	1,502	5.1	10.54	3,515	3,914	-10.2	1,063	930	14.3
Bay of Plenty	908	1,067	-14.9	6.06	2,429	2,681	-9.4	565	642	-12.0
Gisborne	151	146	3.4	1.01	332	346	-4.0	48	42	14.3
Hawke's Bay	522	596	-12.4	3.48	1,236	1,337	-7.6	338	460	-26.5
Taranaki	319	367	-13.1	2.13	951	1,042	-8.7	167	193	-13.5
Manawatu-Whanganui	766	811	-5.5	5.11	1,874	2,004	-6.5	613	678	-9.6
Wellington	1,346	1,526	-11.8	8.98	2,792	3,283	-15.0	928	1,052	-11.8
Tasman	141	122	15.6	0.94	384	456	-15.8	21	24	-12.5
Nelson	152	119	27.7	1.01	369	401	-8.0	116	116	0.0
Marlborough	129	111	16.2	0.86	322	339	-5.0	77	76	1.3
West Coast	112	106	5.7	0.75	292	317	-7.9	38	45	-15.6
Canterbury	1,929	1,897	1.7	12.87	4,648	4,833	-3.8	1,753	1,811	-3.2
Otago	681	635	7.2	4.54	1,706	1,833	-6.9	416	461	-9.8
Southland	284	283	0.4	1.90	795	873	-8.9	134	220	-39.1
Other	59	46	28.3	0.39	169	148	14.2	0	256	-100.0
NZ Total	**14,985**	**14,972**	**0.1**	**100.00**	**35,558**	**38,283**	**-7.1**	**11,798**	**12,176**	**-3.1**

New Passenger Vehicle Sales by Make - December 2022

MAKE	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Tesla	1,281	619	106.9	15.1%	7,007	6.0%
Toyota	1,193	1,471	-18.9	14.0%	17,003	14.6%
Mitsubishi	981	906	8.3	11.5%	17,257	14.8%
Suzuki	695	431	61.3	8.2%	8,427	7.2%
Hyundai	496	673	-26.3	5.8%	7,651	6.6%
MG	466	325	43.4	5.5%	5,319	4.6%
Ford	448	251	78.5	5.3%	3,171	2.7%
BYD	318	0	31,800.0	3.7%	1,686	1.4%
Mazda	244	434	-43.8	2.9%	5,289	4.5%
Volkswagen	235	151	55.6	2.8%	2,908	2.5%
Honda	226	264	-14.4	2.7%	3,828	3.3%
Nissan	219	564	-61.2	2.6%	2,402	2.1%
Subaru	196	154	27.3	2.3%	2,468	2.1%
Skoda	174	64	171.9	2.0%	2,243	1.9%
Kia	167	306	-45.4	2.0%	11,171	9.6%
Haval	139	164	-15.2	1.6%	2,279	2.0%
Mercedes-Benz	126	79	59.5	1.5%	2,058	1.8%
Audi	105	67	56.7	1.2%	1,603	1.4%
BMW	102	76	34.2	1.2%	1,659	1.4%
Fiat	97	10	870.0	1.1%	280	0.2%
Mini	92	49	87.8	1.1%	855	0.7%
Peugeot	81	81	0.0	1.0%	1,545	1.3%
Land Rover	64	25	156.0	0.8%	1,362	1.2%
Lexus	51	70	-27.1	0.6%	1,024	0.9%
Volvo	33	42	-21.4	0.4%	775	0.7%
Cupra	31	2	1,450.0	0.4%	350	0.3%
Seat	28	12	133.3	0.3%	146	0.1%
SsangYong	25	49	-49.0	0.3%	646	0.6%
Polestar	24	34	-29.4	0.3%	819	0.7%
Jeep	23	54	-57.4	0.3%	458	0.4%
Isuzu	21	7	200.0	0.2%	282	0.2%
Alfa Romeo	18	13	38.5	0.2%	104	0.1%
Jaguar	18	2	800.0	0.2%	415	0.4%
Opel	18	0	1,800.0	0.2%	71	0.1%
Porsche	16	13	23.1	0.2%	577	0.5%
Citroen	11	11	0.0	0.1%	289	0.2%
Renault	11	32	-65.6	0.1%	246	0.2%
Mahindra	8	15	-46.7	0.1%	86	0.1%
Chevrolet	5	0	500.0	0.1%	33	0.0%
Lamborghini	3	1	200.0	0.0%	29	0.0%
LDV	3	25	-88.0	0.0%	159	0.1%
Morgan	3	0	300.0	0.0%	7	0.0%
Bentley	2	0	200.0	0.0%	46	0.0%
Can-Am	2	8	-75.0	0.0%	67	0.1%
Others	6	12	-50.0	0.1%	270	0.2%
Total	**8,505**	**7,566**	**12.4**	**100.0%**	**116,370**	**100.0%**

New Passenger Vehicle Sales by Model - December 2022

MAKE	MODEL	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Tesla	Model Y	868	0	86,800.0	10.2%	4,226	3.6%
Tesla	Model 3	413	619	-33.3	4.9%	2,781	2.4%
MG	ZS	396	213	85.9	4.7%	3,375	2.9%
Suzuki	Swift	367	142	158.5	4.3%	3,931	3.4%
Mitsubishi	Outlander	336	509	-34.0	4.0%	9,105	7.8%
Mitsubishi	ASX	331	268	23.5	3.9%	3,372	2.9%
BYD	Atto 3	318	0	31,800.0	3.7%	1,686	1.4%
Toyota	Corolla	301	396	-24.0	3.5%	2,789	2.4%
Toyota	RAV4	268	533	-49.7	3.2%	5,863	5.0%
Mitsubishi	Eclipse Cross	255	74	244.6	3.0%	3,657	3.1%
Ford	Escape	182	85	114.1	2.1%	740	0.6%
Ford	Everest	180	125	44.0	2.1%	1,319	1.1%
Hyundai	Santa Fe	179	113	58.4	2.1%	1,163	1.0%
Nissan	X-Trail	167	485	-65.6	2.0%	1,668	1.4%
Hyundai	Kona	151	237	-36.3	1.8%	2,510	2.2%
Suzuki	Vitara	150	32	368.8	1.8%	1,313	1.1%
Toyota	Yaris Cross	146	105	39.0	1.7%	1,913	1.6%
Honda	Jazz	136	143	-4.9	1.6%	2,391	2.1%
Toyota	Yaris	121	90	34.4	1.4%	1,452	1.2%
Mazda	CX-5	109	210	-48.1	1.3%	2,298	2.0%
Toyota	Corolla Cross	103	0	10,300.0	1.2%	474	0.4%
Suzuki	Jimny	100	111	-9.9	1.2%	1,462	1.3%
Fiat	Abarth 595	96	10	860.0	1.1%	216	0.2%
Subaru	Outback	93	62	50.0	1.1%	1,046	0.9%
Hyundai	Tucson	88	74	18.9	1.0%	1,244	1.1%
Kia	Sportage	76	0	7,600.0	0.9%	3,111	2.7%
Haval	H6	70	28	150.0	0.8%	1,256	1.1%
Haval	Jolion	69	135	-48.9	0.8%	1,023	0.9%
Toyota	C-HR	64	60	6.7	0.8%	797	0.7%
Toyota	Highlander	63	63	0.0	0.7%	1,658	1.4%
Honda	CR-V	62	74	-16.2	0.7%	1,034	0.9%
Volkswagen	T-Roc	61	21	190.5	0.7%	522	0.4%
Ford	Puma	60	9	566.7	0.7%	542	0.5%
Suzuki	Ignis	60	75	-20.0	0.7%	755	0.6%
Skoda	Kodiaq	57	3	1,800.0	0.7%	687	0.6%
Mini	Hatch	55	43	27.9	0.6%	443	0.4%
Subaru	Forester	55	45	22.2	0.6%	591	0.5%
Peugeot	208	54	25	116.0	0.6%	543	0.5%
Toyota	Land Cruiser Prado	48	69	-30.4	0.6%	652	0.6%
MG	3	47	59	-20.3	0.6%	871	0.7%
Skoda	Superb	43	37	16.2	0.5%	732	0.6%
Hyundai	Ioniq	40	106	-62.3	0.5%	1,431	1.2%
Volkswagen	Sharan	39	0	3,900.0	0.5%	69	0.1%
Mini	Countryman	37	4	825.0	0.4%	391	0.3%
Mitsubishi	Pajero Sport	37	28	32.1	0.4%	694	0.6%
Others		1,554	2,046	-24.0	18.3%	36,574	31.4%
Total		**8,505**	**7,566**	**12.4**	**100.0%**	**116,370**	**100.0%**

Chinese electric network expands

A business in Northland has become the latest authorised franchise for electric vehicles (EVs) made by BYD Auto.

Keith Andrews has announced it is selling and servicing models manufactured by the Chinese marque from its premises in Rewa Rewa Road, Whangarei.

BYD launched in New Zealand in June 2022 and its line-up includes the fully electric Atto 3, which was crowned best battery electric vehicle (BEV) in the AA Driven New Zealand Car of the Year awards.

Kurtis Andrews, director at Keith Andrews, says: "BYD Auto is the largest EV producer in the world and has a wide-ranging product portfolio.

"The Atto 3 is competitively priced, offers a 420km range and is a compelling consideration for anyone looking to buy an EV. We're excited to partner with BYD NZ and to bring this high-quality option to the Northland community."

Mac Sykes, operations manager at the dealership, notes BYD products will complement the business' Mercedes-Benz Vans franchise, which will soon offer EV options such as the eSprinter.

"For customers still trying to get their heads around owning an EV, we can provide specialist advice and access to home-charging technology," adds Sykes.

There are now 10 showrooms in the BYD Auto New Zealand network.

Mac Sykes, operations manager at Keith Andrews in Whangarei, with BYD's all-electric Atto 3

MOBILITY OF FUTURE

A company has unveiled a scheme that aims to decrease emissions from vehicles by offering a different range of services.

The Toyota Mobility Project is being trialled in partnership with the Bowater Toyota Store in Nelson, with the marque having ambitions to eventually roll it out nationwide.

The initiative offers a range of vehicles to meet different needs for consumers to use through a subscription or paying by the hour.

It is the brand's third mobility scheme following the launch of the Toyota Hydrogen Project and Waka Aronui in Auckland last year. The project is an expansion to car-sharing services offered by CityHop, which is owned by Toyota NZ.

Neeraj Lala, chief executive, says: "We've been passionate about exploring multiple ways to decarbonise for the past decade and this includes through mobility-as-a-service projects.

"We are moving towards a world where access to mobility will be equally as valuable as ownership. In this just transition, Toyota is focused on offering all low-emissions solutions and innovative mobility services."

Lala adds the latest scheme aims to offer access to expensive low-emissions models to all. It also showcases the potential for a future with less car ownership, less congestion, more flexible mobility and fewer carbon emissions.

Tony Bowater, chief executive of Bowater Toyota, says the trials are giving his customers and the wider Nelson community an opportunity to try a different way of being mobile or use a vehicle they need but don't currently have access to.

He adds: "We've already seen people utilise the fleet for a variety of reasons such as towing on the weekend, which is a great way to use this service."

The Toyota Mobility Project trial in Nelson has eight vehicles available for general use including six hybrids – a Raize, Yaris, Yaris Cross, CH-R, RAV4 and Highlander. The other models are a Hilux and Lexus UX300e.

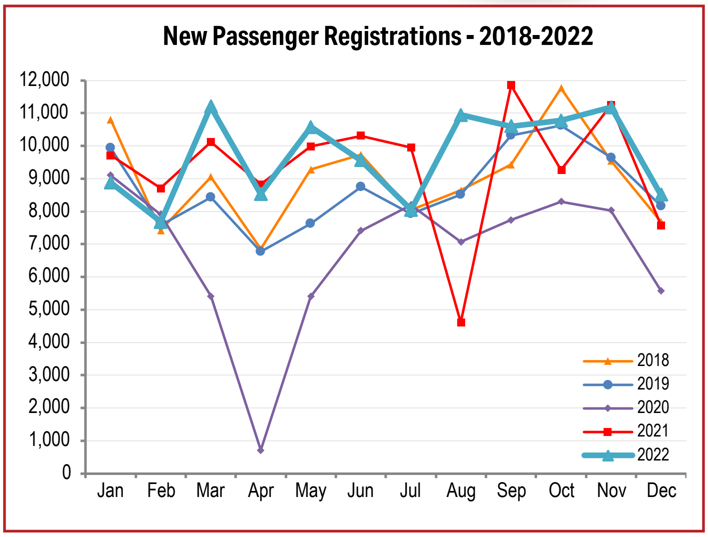
Three other vehicles in the trial – the GR Yaris, GR Supra and Land Cruiser 300 – require pre-approval.

Tesla tops table

There were 8,505 new passenger vehicles registered in December – up by 12.4 per cent compared with 7,566 in the same month of 2021.

Tesla completed a one-two with the Model Y selling 868 units and its Model 3 on 413. Next up were the MG ZS, Suzuki Swift and Mitsubishi Outlander with 396, 367 and 336 respectively.

Last month's top marque was Tesla with 1,281 registrations. It was followed by Toyota with 1,193 and Mitsubishi on 981.



EMISSIONS AMBITIONS

Volvo Cars NZ is aiming for nearly half of its sales this year to be BEVs as it works towards reaching the marque's global goal of zero emissions by 2030.

Ben Montgomery, general manager, says the company hopes 45 per cent of its new-vehicle registrations in 2023 will be fully electric models, with plug-in hybrids and mild hybrids accounting for 15 and 40 per cent respectively.

"Globally, Volvo Cars has committed to being a fully electric carmaker by 2030," Montgomery told Autofile.

"We're working closely with Volvo Cars to achieve this for New Zealand. Discussions are ongoing as to the future roll-out plans for our market."

The company's decision follows Volvo Australia making a pledge to only sell zero-emissions vehicles four years ahead of the marque's broader target during the recent launch across the Tasman of the C40 Recharge, its first electric-only SUV.

Stephen Connor, managing director of Volvo Australia, says the decision has been taken because there is no long-term future for cars with internal combustion engines.

He adds: "The earlier deadline will allow us to meet the expectations of our Australian customers and be part of the solution when it comes to fighting climate change."

Ute production hits milestone

The team at GMSV has reached a major turning point in the marque's short history after opening a dedicated Chevrolet remanufacturing facility.

"We're excited to announce the 5,000th Silverado has emerged from the remanufacturing process," says Joanne Stogiannis, company director.

"This is remarkable for a new brand in New Zealand and Australia. It shows there's considerable desire among enthusiasts for the latest in a V8-powered full-size pick-up."

The larger facility in Victoria opened in August 2022 and, running as a dedicated line, is delivering a smoother operation.

"This facility will enable improved flexibility and capacity with a significant increase in the number of Silverados coming off the line," adds Stogiannis.

"It's timely to have it up and running as we recently announced Australia and New Zealand will be receiving a new 1500 range in mid-2023 including Chevrolet's flagship off-road truck, the first-ever Silverado ZR2.

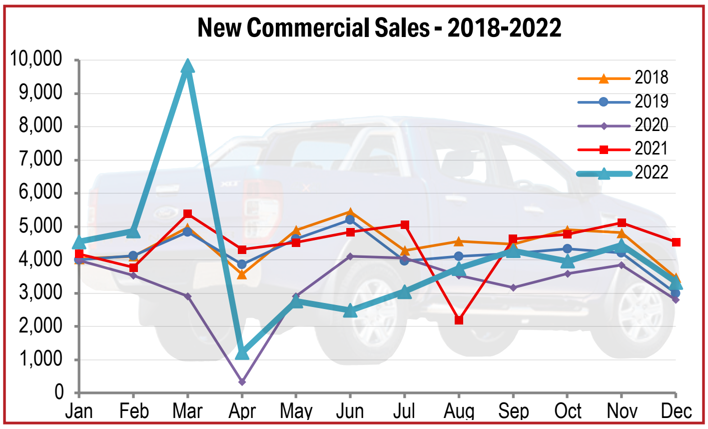
"We're confident we will be in a position to better cater for anticipated demand associated with the launch of these new 1500s and the ever-popular HD."

Ram Trucks Australia, meanwhile, has also been benefiting from the recent expansion of its facility in Melbourne. For example, it produced 900 pick-ups in November and made 719 deliveries.

Jeff Barber, national manager, says: "Our dealers should be proud of their hard work.

"With what's coming down the line over the next few months and years, the future is bright."

Bob Graczyk, head of Ram International, who has visited the expanded facility, adds: "When we first looked into the business



New Commercial Sales by Make - December 2022

MAKE	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	1,158	822	40.9	34.7%	12,038	24.8%
Toyota	751	1,049	-28.4	22.5%	11,728	24.2%
Mitsubishi	289	790	-63.4	8.7%	6,630	13.7%
Isuzu	228	257	-11.3	6.8%	3,014	6.2%
LDV	160	164	-2.4	4.8%	2,251	4.6%
Mercedes-Benz	116	72	61.1	3.5%	962	2.0%
Nissan	100	388	-74.2	3.0%	1,990	4.1%
Fuso	78	243	-67.9	2.3%	1,291	2.7%
Hino	62	77	-19.5	1.9%	956	2.0%
Iveco	62	34	82.4	1.9%	443	0.9%
Volkswagen	46	54	-14.8	1.4%	871	1.8%
Hyundai	33	33	0.0	1.0%	600	1.2%
Scania	31	29	6.9	0.9%	514	1.1%
Fiat	25	83	-69.9	0.7%	622	1.3%
Renault	23	12	91.7	0.7%	308	0.6%
Mazda	21	98	-78.6	0.6%	746	1.5%
UD Trucks	20	19	5.3	0.6%	294	0.6%
Chevrolet	19	32	-40.6	0.6%	259	0.5%
Ram	18	19	-5.3	0.5%	410	0.8%
Great Wall	17	85	-80.0	0.5%	584	1.2%
Others	78	124	-37.1	2.3%	1,957	4.0%
Total	**3,335**	**4,484**	**-25.6**	**100.0%**	**48,468**	**100.0%**

New Commercial Sales by Model - December 2022

MAKE	MODEL	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Ford	Ranger	1,114	776	43.6	33.4%	11,574	23.9%
Toyota	Hilux	615	643	-4.4	18.4%	9,787	20.2%
Mitsubishi	Triton	279	756	-63.1	8.4%	6,137	12.7%
Isuzu	D-Max	136	125	8.8	4.1%	1,862	3.8%
Toyota	Hiace	122	366	-66.7	3.7%	1,644	3.4%
Nissan	Navara	100	388	-74.2	3.0%	1,989	4.1%
Mercedes-Benz	Sprinter	92	60	53.3	2.8%	804	1.7%
Iveco	Daily	56	21	166.7	1.7%	313	0.6%
Ford	Transit	41	46	-10.9	1.2%	457	0.9%
Isuzu	F Series	37	54	-31.5	1.1%	467	1.0%
Isuzu	N Series	37	58	-36.2	1.1%	483	1.0%
LDV	Deliver 9	33	33	0.0	1.0%	516	1.1%
LDV	T60	32	50	-36.0	1.0%	630	1.3%
Hino	500	30	32	-6.3	0.9%	466	1.0%
LDV	eT60	27	0	2,700.0	0.8%	88	0.2%
Fiat	Ducato	25	83	-69.9	0.7%	621	1.3%
Volkswagen	Crafter	25	19	31.6	0.7%	198	0.4%
LDV	eDeliver 9	24	0	2,400.0	0.7%	73	0.2%
Hino	300	22	32	-31.3	0.7%	338	0.7%
Hyundai	Staria Load	22	23	-4.3	0.7%	524	1.1%
Others		466	919	-49.3	14.0%	9,497	19.6%
Total		**3,335**	**4,484**	**-25.6**	**100.0%**	**48,468**	**100.0%**

opportunity seven years ago and asked how big the market could be, no one knew what to expect – maybe 3,000, 4,000 or perhaps 5,000 units.

"It has exceeded our expectations and 10,000 vehicles is now realistic. Who knows, we could go up to 15,000 or 20,000."

With 641 employees, Ram Trucks Australia is now the biggest vehicle manufacturer across the Tasman to serve that right-hand-drive (RHD) market as well as New Zealand.

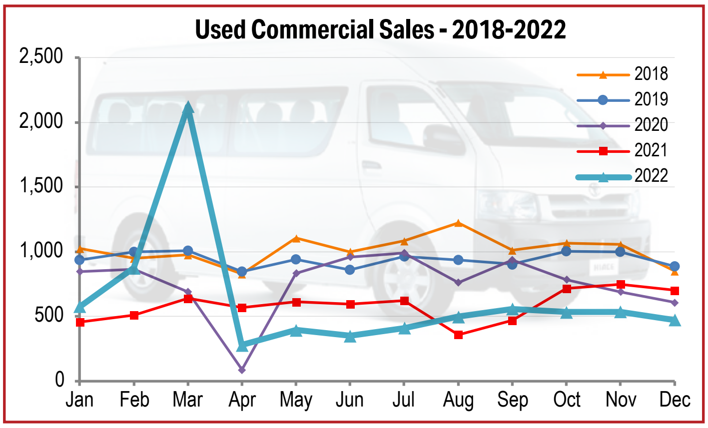
"This is a super-important market for us outside of North America and the growth we've seen here over the past few years has been phenomenal," says Graczyk.

"With the expansion of our plant, this growth will continue. Outside of the US, we sell more full-size pick-ups than Ford and GM combined. Australia representing a market share of more than 70 per cent is a big contributor.

"We're 1,000 per cent supportive of the remanufacturing process here. We work closely with the team and provide whatever it needs in terms of support.

"We have full confidence in the team here to protect our brand and are proud to have more than 17,000 people out there driving our trucks."

Ram Trucks Australia is the world's only authorised manufacturer of RHD pick-ups made by the brand. All of its vehicles have international specifications, and are uniquely coded for the Australasian market and local-build process.



FORD LEADS SECTOR

There were 3,335 new commercials registered in New Zealand during December.

That was a decrease of 25.6 per cent compared to 4,484 in the same month of 2021.

Ford's Ranger was the top model with 1,114 units, while Toyota's Hilux was second on 615. Next up were the Mitsubishi Triton on 279, Isuzu D-Max with 136 and Toyota Hiace on 122.

Ford was last month's leading marque with 1,158 sales. Toyota was next on 751 units and Mitsubishi third with 289.

As for used-imported commercials, there were 472 registered in December compared with 699 in the same month of 2021 – down by 32.5 per cent. The Hiace was the top model with 115 units.

Used Commercial Sales by Make - December 2022

MAKE	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	160	238	-32.8	33.9%	2,737	36.0%
Nissan	107	144	-25.7	22.7%	1,888	24.8%
Ford	39	46	-15.2	8.3%	304	4.0%
Hino	36	69	-47.8	7.6%	654	8.6%
Isuzu	34	55	-38.2	7.2%	549	7.2%
Mitsubishi	18	34	-47.1	3.8%	363	4.8%
Holden	13	9	44.4	2.8%	159	2.1%
Chevrolet	11	19	-42.1	2.3%	110	1.4%
Daihatsu	11	8	37.5	2.3%	116	1.5%
Dodge	5	5	0.0	1.1%	40	0.5%
Fiat	4	6	-33.3	0.8%	26	0.3%
Mercedes-Benz	4	6	-33.3	0.8%	32	0.4%
Suzuki	4	3	33.3	0.8%	77	1.0%
LDV	3	2	50.0	0.6%	15	0.2%
Mazda	3	14	-78.6	0.6%	111	1.5%
Volkswagen	3	9	-66.7	0.6%	63	0.8%
Kenworth	2	2	0.0	0.4%	29	0.4%
Campervan	1	0	100.0	0.2%	1	0.0%
Citroen	1	0	100.0	0.2%	4	0.1%
DAF	1	1	0.0	0.2%	18	0.2%
Others	12	29	-58.6	2.5%	304	4.0%
Total	**472**	**699**	**-32.5**	**100.0%**	**7,600**	**100.0%**

Used Commercial Sales by Model - December 2022

MAKE	MODEL	DEC'22	DEC'21	+/-%	DEC'22 MKT SHARE	2022 YEAR TO DATE	2022 MKT SHARE
Toyota	Hiace	115	166	-30.7	24.4%	1,950	25.7%
Nissan	NV350	58	84	-31.0	12.3%	1,131	14.9%
Hino	Dutro	22	46	-52.2	4.7%	447	5.9%
Nissan	Caravan	22	20	10.0	4.7%	292	3.8%
Ford	Ranger	21	28	-25.0	4.4%	152	2.0%
Isuzu	Elf	21	25	-16.0	4.4%	358	4.7%
Toyota	Dyna	21	32	-34.4	4.4%	338	4.4%
Hino	Ranger	12	21	-42.9	2.5%	168	2.2%
Daihatsu	Hijet	11	8	37.5	2.3%	115	1.5%
Toyota	Regius	11	11	0.0	2.3%	128	1.7%
Chevrolet	Colorado	10	6	66.7	2.1%	96	1.3%
Nissan	NV200	10	7	42.9	2.1%	166	2.2%
Isuzu	Forward	8	20	-60.0	1.7%	134	1.8%
Fuso	Canter	8	18	-55.6	1.7%	216	2.8%
Ford	F-150	6	4	50.0	1.3%	57	0.8%
Nissan	Navara	6	8	-25.0	1.3%	49	0.6%
Dodge	Ram	5	5	0.0	1.1%	35	0.5%
Toyota	Toyoace	5	18	-72.2	1.1%	137	1.8%
Fiat	Ducato	4	6	-33.3	0.8%	23	0.3%
Ford	F-100	4	3	33.3	0.8%	24	0.3%
Others		92	163	-43.6	19.5%	1,584	20.8%
Total		**472**	**699**	**-32.5**	**100.0%**	**7,600**	**100.0%**

Going green with car-sharing

Toyota New Zealand and the Obayashi Corporation have teamed up to provide green refuelling for the marque's hydrogen vehicle-sharing project.

The scheme has seen the distributor link up with eight Kiwi brands – The Warehouse Group, Air NZ, Saatchi & Saatchi, TVNZ, Beca, Westpac NZ, Spark and Z Energy – to share a fleet of Mirais in Auckland.

Toyota NZ says it's further supporting the development of the country's green-hydrogen industry with the partnership for its Mirais to be powered by domestically produced and 100 per cent green hydrogen.

The agreement sees Halcyon Power, a joint venture between Obayashi and the Tuaropaki Trust, supply hydrogen from its Mokai production plant in the Waikato.

Chief executive officer, Neeraj Lala, says Toyota was adamant on only working with a partner that could provide 100 per cent green hydrogen to avoid the need for carbon offsetting, and to ensure its Mirai fleet operates with net-zero carbon emissions.

He says: "This pilot is crucial in demonstrating the practical and commercial application of hydrogen fuel-cell technology, and provides Toyota NZ with another opportunity to explore sustainable options."

Having a renewable source of energy for Halcyon through Tuaropaki Power Company's geothermal power station, and hydrogen being a zero-operating emissions transport fuel, were integral to Tuaropaki Trust's involvement.

"Tuaropaki has sustainability as a guiding principle, and the green hydrogen project with the involvement of Obayashi and its sustainable development goals is a perfect fit," says chief executive officer Steve Smits-Murray.

"Ultimately, we're looking at a national hydrogen supply chain that includes transportation, site storage and refuelling infrastructure. Transport contributes around 25 per cent of our total emissions, so targeting reduction in transport – and, in particular, heavy transport – will make a major contribution to carbon reduction.

"Hydrogen is a solution that's ready to implement now. It's important we build customer confidence in its reliable, effective supply to grow the industry. Partnerships with companies investing in hydrogen technology, such as Toyota, give us an opportunity to do that."

Daily sales rise

Imports of new cars in December came in at 9,936. This was down 3.7 per cent from in the same month a year earlier and 13.5 per cent below November's total of 11,493 units.

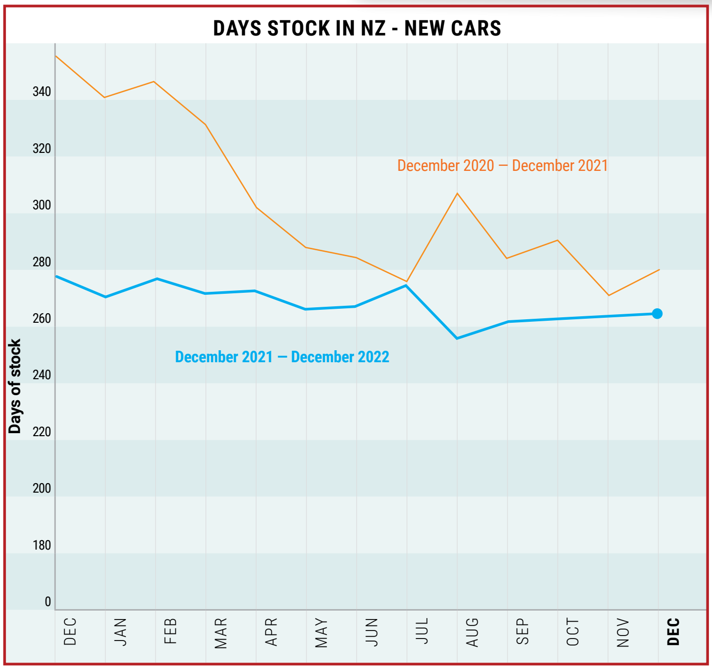
Registrations of 8,505 new passenger vehicles were completed last month, which was up by 12.4 per cent from December 2021. But it represented a fall of 23.8 per cent from 11,162 units in November.

The numbers have resulted in the stock of new cars still to be registered increasing by 1,431 to 84,474. Daily registrations, as averaged over the previous 12 months, stand at 319 units – up from 307 a year earlier.

December's results mean stock at-hand has increased to 265 days, or 8.7 months, if sales continue at the current rate. In the same month of 2021, stock at-hand stood at 277 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
Dec '21	10,322	7,566	2,756	84,952	307	277
Jan '22	6,367	8,939	-2,572	82,380	305	270
Feb '22	8,517	7,655	862	83,242	302	276
Mar '22	10,322	11,200	-878	82,364	305	270
Apr '22	8,555	8,521	34	82,398	304	271
May '22	8,488	10,555	-2,067	80,331	306	263
Jun '22	9,439	9,538	-99	80,232	304	264
Jul '22	9,368	8,036	1,332	81,564	298	273
Aug '22	9,928	10,925	-997	80,567	316	255
Sep '22	11,219	10,589	630	81,197	312	260
Oct '22	12,260	10,745	1,515	82,712	316	261
Nov '22	11,493	11,162	331	83,043	316	263
Dec '22	**9,936**	**8,505**	**1,431**	**84,474**	**319**	**265**
Year to date	**115,892**	**116,370**				
Change on last month	**-13.5%**	**-23.8%**		**1.7%**		
Change on Dec 2021	**-3.7%** LESS IMPORTED	**12.4%** MORE SOLD		**-0.6%** LESS STOCK		



Extra regulation of lending sector

The government is intending to apply the Credit Contracts and Consumer Finance Act (CCCFA) to the buy-now, pay-later (BNPL) industry.

This will mean people using this lending will receive similar protections to borrowers using other credit contracts, such as personal loans and credit cards.

In broad-stroke terms, the proposal is what the Financial Services Federation had been lobbying for in its submission on other changes to the CCCFA, which are slated to come into effect in a few months' time.

David Clark, Minister of Commerce and Consumer Affairs, say the latest obligations are intended to be applied proportionately having regard to the nature of BNPL – and the absence of interest and credit fees – to allow the benefits of this type of finance to continue.

All lenders in this sector will be required to comply with key CCCFA regulations, although smaller contracts will be exempt from assessing affordability.

When it comes to the CCCFA's protections, key requirements that will apply to BNPL include applying general lender responsibilities, such as helping borrowers make informed decisions and treating them ethically.

Consumers will be protected from unreasonable default fees, while those facing unforeseen hardship can apply to lenders to have repayment contracts varied.

BNPL lenders will need to be part of an external dispute-resolution scheme and provide details of this when borrowers make complaints or hardship claims, while consumers will be entitled to compensation and statutory damages from lenders breaching the CCCFA.

Providers in the sector will have to provide information to borrowers who miss payments about financial mentoring, and will have to disclose key information about credit contracts and variations.

Finally, directors and senior managers of BPNL lenders will have to be certified by the Commerce Commission to be fit and proper persons for their positions.

The government has yet to confirm the form of assessments and draft regulations more generally, and what the threshold for when affordability assessments are required although this is likely to be $600. Extra obligations will apply specifically to BNPL lenders exempt from such requirements.

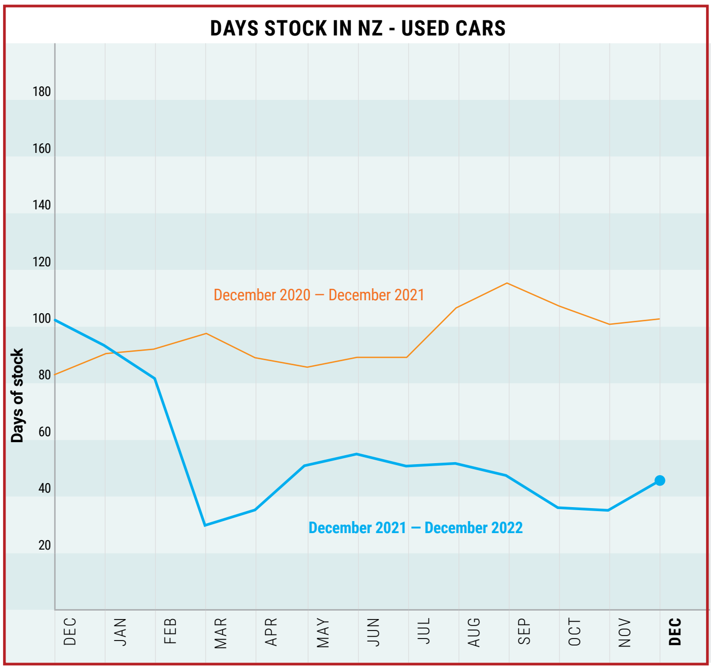
Stock increases

There were 9,781 used cars imported last month, a jump of 55.3 per cent from November when only 6,297 units crossed our borders. However, December's figure was down 9.1 per cent from the same month a year earlier.

A total of 6,993 units were registered last month. This was 2.2 per cent lower than the 7,151 units during November and a decrease of 30.7 per cent from 10,095 registrations in December 2021.

With 2,788 more used cars imported than registered last month, it brought unregistered stock on dealers' yards, or in compliance shops, to 13,955 units. This was 57.8 per cent below the total of 33,036 at the end of December last year.

Average daily sales dropped to 304 – down from 337 a year ago – and there was 46 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
Dec '21	10,766	10,095	671	33,036	337	98
Jan '22	6,933	10,103	-3,170	29,866	336	89
Feb '22	7,149	10,721	-3,572	26,294	340	77
Mar '22	7,890	24,343	-16,453	9,841	377	26
Apr '22	7,999	6,499	1,500	11,341	367	31
May '22	11,833	6,877	4,956	16,297	355	46
Jun '22	8,649	7,402	1,247	17,544	344	51
Jul '22	6,498	8,235	-1,737	15,807	331	48
Aug '22	8,594	7,935	659	16,466	333	49
Sep '22	5,096	7,367	-2,271	14,195	333	43
Oct '22	5,062	7,236	-2,174	12,021	324	37
Nov '22	6,297	7,151	-854	11,167	312	36
Dec '22	**9,781**	**6,993**	**2,788**	**13,955**	**304**	**46**
Year to date	**91,781**	**110,862**				
Change on last month	**55.3%**	**-2.2%**		**25.0%**		
Change on Dec 2021	**-9.1%** LESS IMPORTED	**-30.7%** LESS SOLD		**-57.8%** LESS STOCK		

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