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Scheme targeting end to tyre waste imminent

After years of planning, Tyrewise will soon launch and officials hope projects to recycle other parts of cars won't be far behind

Adele Rose and the Tyrewise team are only months away from seeing the roll-out of a nationwide product stewardship scheme for end-of-life tyres (ELTs) and they are already planning how to tackle entire cars.

A four-month trial of the project in Hawke's Bay was completed at the end of December.

Now the programme operated by Auto Stewardship New Zealand (ASNZ) is expected to be officially launched later this year.


Adele Rose, chief executive of the 3R Group

Rose, implementation project manager and chief executive of the 3R Group, says the trial was mainly focused on capturing data through software that tracks ELTs from their collection points all the way through to processing.

Tyrewise aims to tackle the estimated 6.5 million ELTs produced each year by ensuring they are collected and recycled instead of ending up in landfills, on roadsides or being illegally dumped.

It has set a target that 80 per cent of tyres will be collected and processed by the fourth year of operation and more than 90 per cent by the sixth year. Currently, only about 40 per cent are exported or recycled as tyre-derived products.

The scheme will be funded by an advanced stewardship fee, which has yet to be set by cabinet, being paid by importers of loose or fitted tyres.

This charge must be passed onto consumers. The money generated from it will be used to cover collection and recycling, as well as incentivising innovative end uses.

Participants in the programme need to be registered, and include tyre and vehicle importers, generators, retailers, transporters and collection points.

Processors and manufacturers also need to be registered if they wish to receive tyres and incentive payments through Tyrewise.

Rose says while the trial has been based in Hawke's Bay, the work has stretched across the North Island.

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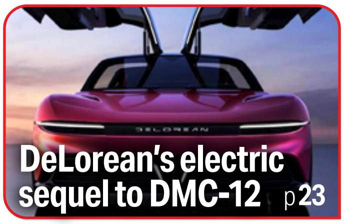

GUEST EDITORIAL

Clean car challenges add to difficult times

Consumer confidence a key factor for the industry under regulatory double whammy

DAVID VINSEN
Chief executive,
Imported Motor Vehicle Industry Association

Every year brings its own set of challenges and changes, and 2023 will be no different on that front, for the economy in general and the automotive industry in particular.

It's going to be difficult for a number of reasons, but the key ones for the new and used-vehicle industry will be dealing with the implementation and effects of the government's clean car programme.

The clean car discount is now well-established and designed to influence consumer demand with fees or rebates applied at the time of registration for new and used vehicles.

The full effects of this scheme are understood by most in the industry. Our members continue to work hard as they try to source appropriate vehicles to meet the shift in demand the government's rules have created.

Part two of the programme, the clean car standard, was introduced at the start of this year and targets importers of new and used light vehicles by charging penalties or offering incentives at the time of importation or compliance.

It has created a double whammy for all newly imported vehicles as they are now subject to the standard at the time of import and the discount at the time of sale.

Time alone will tell how the standard will influence the supply, availability and pricing of vehicles. We also wait to see how it may shape consumer demand because prices are inevitably going to increase.

These clean-car challenges will play out amid the macroeconomic effects of the post-Covid recession that New Zealand and the rest of the western world is now facing.

Government policies designed to keep the economies of most developed countries functioning during the pandemic are now leading to the inevitable consequences of inflation and recessionary contractions.

While these macroeconomic factors affect the whole of New Zealand, it's the effects and actions of individuals that will impact our industry the most over the coming year.

Consumer confidence is always the driving influence in how well a market fares. People will be deciding what they want to spend on a day-to-day basis, let alone just on vehicles, based on feelings about their own financial circumstances, increasing rent and mortgage payments, employment security and the rising costs of living.

Such issues remain beyond our control. However, they will inevitably have a serious effect on how businesses across our industry operate and perform.

Having to deal with the clean car legislation at a time of economic and social uncertainty will be a challenge for many.

It has created what is probably the most difficult time we will have experienced during my 45 years in the industry.

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"The next stage we're working on is what the reporting process looks like for importers – what information they will get from the government and what they can expect from the scheme," Rose told Autofile.

"We're into the nitty-gritty parts now to ensure the scheme is successful when we go through to operational launch at some point in 2023."

The government has yet to enact regulations under the Waste Minimisation Act for the project to go ahead, but that's expected to happen early this year. There will then be a six-month period to notify affected parties before fees can be collected on imported tyres.

The 3R Group, which works with businesses on sustainability, product stewardship, and circular-economy solutions, has also begun turning its attention to other automotive projects.

It is working with ASNZ and the government in efforts to ensure that vehicles won't be scrapped in their entirety and any valuable or reusable materials can be extracted.

Talks were held with David Parker, Minister for the Environment, Michael Wood, Minister of Transport, and James Shaw, Minister of Climate Change, in October, and Rose adds they were "very engaged around the concept of stewarding the vehicle as a whole".

A key discussion point was around how product stewardship can support New Zealand into a low-carbon economy.

"The government is making changes to scrappage. We want to ensure stewardship is the best it possibly can be for that, and to highlight some of the benefits of reporting and tracking vehicles.

"It makes no sense to talk about tyres one day and batteries the next when the stakeholders are the same. It makes sense to look at the vehicle as a whole under the automotive stewardship framework.

"Clearly, efficiencies are to be had if we're not duplicating management, and finance and insurance, by having multiple product-stewardship organisations.

"Tyrewise will provide us with a fantastic launching pad for stewardship of the whole vehicle. We're not at a cold start.

"There are already three priority products affecting vehicles – tyres, batteries and refrigerants – plus programmes for oil filters and oil recovery, so we can work from there. That's good for the industry."

Rose adds ASNZ has become a broader product stewardship organisation that "holds the big picture".

The 3R Group initially founded ASNZ 10 years ago to provide the governance structure for Tyrewise because the industry was calling for a mandatory scheme to eliminate wasted rubber.

This was based on tyres being a visual problem and, if dumped in the wrong place, they can be hazardous if they catch fire.

"We're working on what these types of systems look like and what data is needed," says Rose.

"A big part is the system for independently verified end markets, which makes sure things are going to where we think they're going with a focus on product use in New Zealand."

While the development of stewardship schemes is expected to accelerate as industry and governments seek to protect the environment and better manage waste, they still need to prove they can be successful.

For Tyrewise, one way to do this includes gathering mass-balance data reporting of tyres coming into the country and those being processed.

Rose says companies have also ▶

Priority products

Product stewardship is an environmental management strategy that means whoever designs, produces, sells or uses a product takes responsibility for minimising its environmental impact throughout its life cycle, including end-of-life management.

The New Zealand government has declared six priority products for regulated product stewardship under the Waste Minimisation Act 2008.

These are tyres, plastic packaging, refrigerants, farm plastics, agrichemicals and their containers, and electrical and electronic products, including large batteries.

To declare a priority product, the Minister for the Environment must be satisfied that:

- It will or may cause significant environmental harm when it becomes waste.
- Or there are significant benefits from reduction, reuse, recycling, recovery or treatment of the product.

The minister must also be satisfied the product can be effectively managed under a stewardship scheme.

As soon as is practicable after being declared a priority, a stewardship scheme for that product must be developed and accreditation obtained.

The government is working with stakeholders to co-design schemes for each of the chosen product groups so far.

bought into the idea of product stewardship, and some are already working together on how they can make the scheme and systems more successful.

"With more demand for tyre-derived product, we predicted there would be some joined-up commercial relationships.

"Engagement has been fantastic and companies processing tyre-derived products are working with collectors directly, which is creating efficiencies for transport and processing.

"Industry certainly got the signal that a regulated scheme meant changes were coming and they're making some of those changes themselves already."

New Zealand's current biggest use of ELTs is for tyre-derived fuel at Golden Bay Cement's plant in Northland. On-site from left are Adele Rose, 3R Group chief executive, David Vinsen, Auto Stewardship NZ member and VIA's chief executive, Trevor Tutt, general manager of innovation at 3R Group, and Kelly Stevens and Russell Dyer, of Golden Bay Cement

One of the challenges when first developing Tyrewise was bringing together different stakeholders because of the lack of associations for new tyre importers, recyclers and processors.

Rose notes sustainability is a good platform on which to build such relationships and the co-design approach also means people from different types of business have been able to have meaningful input.

Getting people to the table was the first step and providing opportunities for them to have their views listened to and recorded required trust, which had to be built up over time.

"One of the other big hurdles is making sure you have the right people around the table. There has to be those who are pro and against so you have robust discussions.

"Developing the scheme also levels the playing field. There are companies already doing the best they can. They have systems in place and can operate legitimately.

"Other businesses struggle to get on that pathway. A stewardship scheme offers everyone the chance to get to that same level and participate in the market.

"We're only going as fast as the industry can go itself without people feeling they're being bullied into a position."

Adding another level of compliance enables market access and businesses don't need to do more than they are in terms of reporting, so "it's more about access to the data".

It's estimated about 60,000 tonnes of ELTs will be processed every year under the scheme,

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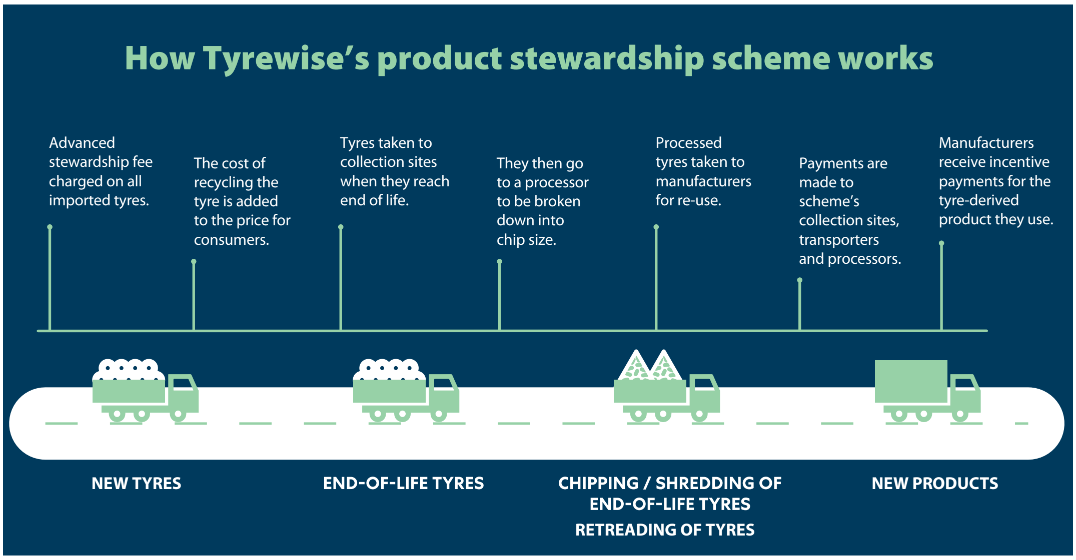


but they will not all end up in the same place.

Their top current use is for making tyre-derived fuel for Golden Bay Cement's manufacturing plant in Portland on the western side of Whangarei Harbour, Northland.

It can take 25,000 to 30,000 tonnes a year and, while the company is the biggest procurer of such fuel, about 20 per cent of the residual tyre goes into its cement.

Recycled tyres also get turned into arena chip, with Treadlite in Waikato and Matta manufacturing out of the Kapiti Coast supplying products nationally and internationally.

The third key area is around civil engineering solutions, with the University of Canterbury putting a focus on using tyre-derived products.

Rose says some of those products can be used in roading construction and bitumen mix, which Tyrewise and other companies are trying to progress with local councils. Trials are under way.

"The NZTA has shut the door on rubber in roading for the next seven years so highways won't have the product, but through local councils we can push for it to be used on the roads they have control over," she adds.

"A big mover will be when Tyrewise starts getting revenue from the advanced stewardship fund. At the moment, research and development is largely funded by private enterprises. But once the scheme is up and running, Tyrewise can put funds into incentivising innovation."

Rose notes there's more demand for tyre-derived products than there are systems for supply at present. While it looks like there are 60,000 tonnes of tyres available, it's not as simple as that.

The reason is there is a mixture of different types and they are quite different products in terms of how they can be used at end of life.

"The challenges are collecting and processing oversized tyres, and finding a market for that product compared to passenger tyres where that's more easily done."

Wood keeps transport

Michael Wood has been retained as Minister of Transport in Prime Minister Chris Hipkins' first cabinet line-up and has picked up extra responsibilities.

Wood has moved up the rankings from 16th to seventh, and has been named Minister for Auckland and Associate Minister of Finance.

He also continues to hold the immigration, and workplace relations and safety portfolios he took on under Ardern's government, while Kiri Allan has been made Associate Minister of Transport.

Other changes announced by Hipkins on January 31 include Ginny Andersen becoming Minister for Small Business and Associate Minister of Immigration.

The cabinet has 20 ministers with four outside of it, including Dr Duncan Webb who is the new Minister of Commerce and Consumer Affairs. Green Party co-leaders James Shaw and Marama Davidson remain as co-operation agreement ministers.

Meanwhile, Simeon Brown stays as transport spokesman for National – and Matt Doocey is still associate spokesman – after leader Christopher Luxon's reshuffle of the party's caucus last month.

National's new-look team will contest this year's general election, which has been set down for Saturday, October 14.

Highlights among the changes revealed by Luxon on January 19 include Chris Bishop picking up urban development and Resource Management Act reform, and Michael Woodhouse being named shadow leader of the house.

Ex-leader Todd Muller also enjoyed some promotions, with him taking on the new roles of foreign direct investment and digitising government. He has been confirmed as spokesman for agriculture and climate change.

Scrutiny of feebates under way

The Ministry of Transport (MoT) has started its review of the clean car discount, which is focusing on balancing rebates and fees while ensuring its continued effectiveness.

The scheme was partially rolled out on July 1, 2021, when rebates kicked in for new and used battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) when first registered in New Zealand.

Legislation was required before the government was able to introduce charges for high-emitting models, hence it then becoming known as the "ute tax".

The full feebate scheme had been scheduled to launch in January 2022, but that was delayed until April 1 last year.

In a nutshell, it offers discounts of up to $8,625 on certain low and zero-emissions vehicles when first registered here. High emitters attract penalties of up to $5,175.

The scheme was designed to be self-funding in the longer term even before it was launched, so it comes as no surprise it has so far paid out more in subsidies for low-emissions vehicles (LEVs) than it has received in fees.

Figures show the government collected $105.1 million from 50,191 penalty payments from April 1 to December 31, 2022, while $203.3m was refunded via 62,514 rebates over the same period.

In addition, $85.2m was paid out through 13,149 rebates on light vehicles purchased before the full feebate scheme was launched.

Now the MoT is investigating the differential between rebates and charges, noting any changes will not come in until after April 1.

A spokesman says: "As a part of the implementation of the clean car discount, a regular review was planned to ensure revenue from fees coming in matched the cost of rebates going out.

"These reviews are planned to happen every one to two years throughout the life of the discount. That information will inform any potential changes that may need to be made."

A report accessed by Autofile and presented to cabinet by Michael Wood, Minister of Transport, in July 2021, stated: "The schedule of fee and rebates would need to be adjusted frequently to ensure the system does not go into long-term deficit.

"Over time, as LEVs become more popular, the total cost of rebates will become very high.

"To solve this, the dollar amount of individual rebates will need to reduce and fees increase in dollar amount and or be extended over progressively more of the vehicle market. Ongoing updates to the fees and rebate levels will support the policy being fiscally neutral."

Also noted in the report was that, based on draft assumptions, "it would take six to eight years to bring the scheme to fiscal neutrality".

Wood says the clean car discount is intended to make consumers think harder about their choices and encourage them to move to greener options.

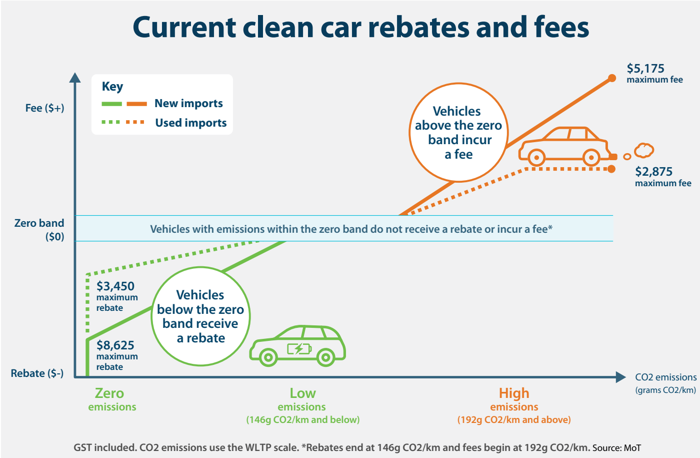
"This is working," he adds. "EV purchase rates have risen and, in the used-import market, hybrid sales have grown to be roughly neck and neck with petrol-car sales for the first time.

STANDARD MISTAKES

Advice has been given to importers and entry certifiers on avoiding inputting errors, which can result in fees being wrongly charged under the clean car standard (CCS).

Waka Kotahi staff have reviewed past certification forms and have found there are several common mistakes that can be prevented with extra diligence.

One is model codes being loaded incorrectly from vehicles exported here from Japan.



GST included. CO2 emissions use the WLTP scale. *Rebates end at 146g CO2/km and fees begin at 192g CO2/km. Source: MoT

Common errors with model names include inputting Isuzu's D-Max as D MAX or DMAX

A simple keying error, such as an extra space or a missing hyphen, when entering this will result in the vehicle not getting a match for emissions data. This will often result in a higher carbon-dioxide value being applied and a higher fee being paid.

Another area to keep an eye on is incorrect details being loaded into Fuelsaver, including fuel and transmission types, and model names. Entering the wrong fuel-type, for example, results in the maximum charge having to be paid.

While an inspector can change the engine type in LANDATA, the transport agency's database, this will not update the emissions information.

Alterations to details on fuel-consumption statements must be made in Fuelsaver, not directly in LANDATA, while the correct engine type results in a range of models to choose from.

"Another potential fish-hook is entering the incorrect model," advises Waka Kotahi. "Be extra vigilant with countries like Australia and the UK, which require the correct model to be entered to get a match."

Common errors include the Mazda CX-5 and CX-9 incorrectly being loaded as CX5 or CX9, Isuzu's D-Max entered as D MAX or DMAX, and Hyundai's iload and i30 inputted as I LOAD or I 30.

It's also important importers understand Waka Kotahi's preferred emissions data documents. If a statement of compliance (SoC) is provided or required, this should be used to obtain the emission values.

Previous registration documents are next in the order of preference, such as the UK V5C or Singapore technical letter. If none are available, people should enter the vehicle details from the country it was exported from into Fuelsaver.

A common mistake being made is using a country match in Fuelsaver instead of loading the SoC when available.

If needs must, anything like the Green Vehicle Guide, information from the UK's Vehicle Certification Agency or the US' Environmental Protection Agency's databases, and details from manufacturer's website should be supplied.

When it comes to emissions data, Waka Kotahi prefers Worldwide Harmonised Light-Duty Test Procedure (WLTP) test results over the New European Driving Cycle (NEDC).

STILL HEAD-SCRATCHING?

Not all vehicles loaded into Fuelsaver will match up because Waka Kotahi doesn't have a complete dataset or if an incorrect entry has been made. When in doubt, check the source.

Are all model details loaded correctly as well as information that may be available from previous registration documents? If so, importers should source emissions data for their vehicles. They can then provide this to the agency.

The test regime is a "great indicator", says Waka Kotahi.

If it's a valid test cycle, that means it doesn't have a data match. If an entry shows up with "ZZZZ", something has been entered incorrectly.

Email fuelconsumption@nzta.govt.nz or use the "get help" function on the Fuelsaver website if you come unstuck.

The new-vehicle industry notched up strong registrations in 2022, which was partially driven by a 77 per cent jump in models with some form of electrification. Report – page 35

Counting the cost of floods

A number of dealerships have been left with massive clear-up operations after record deluges damaged cars and showrooms.

Archibald & Shorter North Shore says second-hand vehicles at its site on Wairau Road in Wairau Valley were affected by last month's extreme weather, but no new cars were damaged.

Staff at the business, which is part of the Giltrap Group and specialises in Range Rover, Jaguar and Volvo, acted after floodwater swiftly rose from around 6pm on January 27.

About half an hour later, a portable building outside started moving because of the flooding. Thirty minutes after that, water started to enter the dealership so it was then decided to move some vehicles to higher ground.

General manager Shawn Rushby says: "Our dealership was severely impacted by the flooding, as were many businesses and homes in Auckland.

"We were heartened by the generosity and team spirit shown by staff from both Archibald & Shorter and other Giltrap Group dealerships, who left their homes to assist with the clean-up."

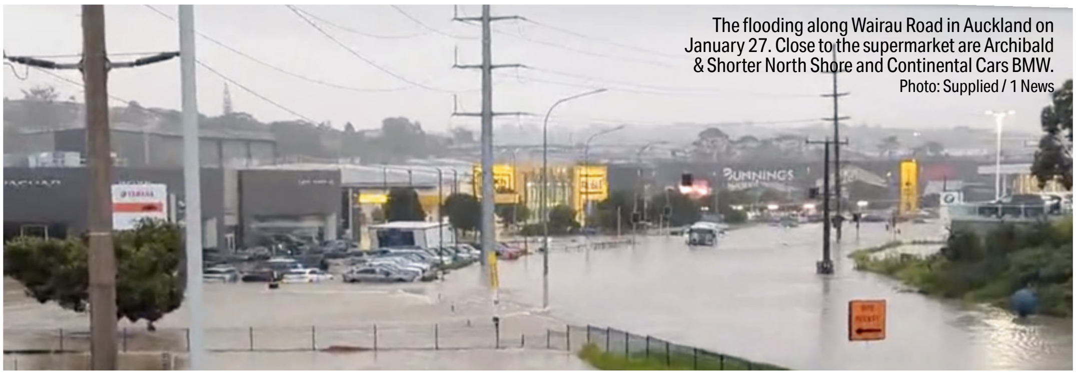
Other businesses along Wairau Road were also affected, with some vehicles at Tristram MG caught up in the floods.

Water got into Continental Cars BMW's premises, with a staff member posting a video to TikTok saying no vehicles were damaged but "the showroom is done for".

Nigel Darby, who owns Showcars North Shore, was one of the lucky dealers to escape major damage. He may have to make a claim for damage to one car parked roadside by his warehouse in a cul-de-sac near Wairau Road.

"A lot of dealers on the shore got hit hard," he told Autofile. "For example, a mate of mine lost 25 cars in his warehouse.

"The water in mine got up to a few centimetres. It took a few hours to sweep it all out, but I had to wait until around midnight to get in because of the flooding."



The flooding along Wairau Road in Auckland on January 27. Close to the supermarket are Archibald & Shorter North Shore and Continental Cars BMW. Photo: Supplied / 1 News

John Murphy is the director of Cornwall Motors in Greenlane, which was another part of Auckland badly affected. He has seen luxury cars on transporters going into franchised dealerships, "presumably to be assessed".

"Our car yard got hit twice, but we were generally okay," he says. "However, a tenant's yard suffered total loss of stock.

"We're now looking into what provisions or systems to put in place to work out what cars have been flooded if offered to us. Caution is needed in case they are write-offs.

"Of concern are those that would retail for $3,000 to $6,000 because many owners don't insure them. Some may wait for them to dry out before trying to sell them.

"Also, some owners of luxury cars don't insure them and may try to offload them if storm-damaged when tide marks are removed and no longer showing."

> "We've set up people in our call centre dedicated to phoning around our 1,300 members in the greater Auckland area"
>
> Sean Stevens, MTA

Meanwhile, the Motor Trade Association (MTA) has been contacting its members to see if they need help following last month's floods.

"We've set up people in our call centre dedicated to phoning around our 1,300 members in the greater Auckland area," says Sean Stevens, manager of membership services.

"We're proactively ringing those people, especially in the worst-affected areas, to find out if they have been impacted from a business or personal perspective – and to see what we can do to help. There are some businesses that have had significant loss."

Stevens adds members' businesses are individually owned and they have their own insurers, so the organisation is working with insurance companies to ensure they understand their policies.

"We're also helping members through the claims process, and trying to support them to get back up and running.

"Most of those badly affected had their premises flooded, which can be tidied up and redecorated. But the biggest effect is loss of stock. In some cases, that's parts. In others, it's vehicles, motorbikes and even some trailers."

The MTA received reports that some dealers in the Wairau Valley were under 1.5 metres of water. Some members spent a few days mopping up and were likely to be back in business relatively quickly, but it may take some of them a few weeks until they can reopen.

"Because there are such wide and varied effects on business owners, we're just dealing with them on a case-by-case basis and doing what we can to help them," Stevens told Autofile.

Looking further ahead, the Imported Motor Vehicle Industry Association has been receiving enquiries about how vehicles that have been written off will be replaced, although chief executive David Vinsen says the mainstream media talking about 15,000 seems quite high.

"That's not so many in the bigger picture of things, but people may not be able to get the right cars, at the right place and at the right time," he adds. "New vehicles are likely to be more constrained than used."

David Crawford, of the Motor Industry Association, says: "Replacement stock will be an issue, but we don't yet know how many new vehicles have been damaged.

"Yards with new and used stock were impacted, and then there are private owners of vehicles to consider.

"Anyone wanting to replace a particular model may have to wait some time. Some distributors have waiting lists for vehicles with some form of electrification of between six and 12 months. We're also seeing some wait lists for those with higher CO2 emissions shortening."

If you need advice about the floods, visit civildefence.govt.nz or call its hotline on 0800-727-240.


AVANTI | FINANCE

Green list boost for industry

The decision to add skilled motor mechanics to the immigration green list is a breakthough for an automotive industry battling a crippling labour shortage, according to the Motor Trade Association (MTA).

Michael Wood, the Minister for Immigration, has announced the change will be introduced from March.

Wood says he has listened to concerns of a range of industries, and has worked with them to take practicable steps to unlock extra labour to "help fill skills gaps as businesses work towards more productive and resilient ways of operating".

Ian Pike, the MTA's chief executive, says: "We are grateful to the minister for hearing the call of our industry and taking this step to support businesses across the country."

When it comes to automotive, Trade Me had more than 1,300 job listings for the industry and Seek had 1,500 at the start of November. The majority were for motor mechanics, who are

"The shortage has been hurting a lot of businesses"

Ian Pike, MTA

also referred to as automotive technicians.

"This shows how dire the shortage is," adds Pike. "It's been the number-one issue keeping our members awake at night. The shortage has been hurting a lot of businesses with flow-on negative effects to communities and government projects."

The MTA has long advocated for looser immigration settings and met with Wood late last year to advocate for more roles to go on the green list.

As a result of the labour shortage, the association has regularly heard of businesses being forced to close because of the inability staff to fill vacancies, and increased mental-health stress for owners from working long hours and financial pressure.

There have also been negative impacts on consumers, such as long wait times for vehicle maintenance, while an ageing owner workforce has led to deferred retirements.

"Most businesses want to hire locally," says Pike. "However, a survey the MTA ran in October 2022 found that when members tried to recruit locally, in more than 80 per cent of cases they received no applications or unsuitable ones.

"We urged the minister many times to address this by smoothing pathways for foreign workers to come here. We're pleased he has listened and acted."

The MTA adds Wood's decision will also support the government's road-safety programmes, such as Road To Zero, and emissions reduction and climate-change targets.

The association and other agencies have plans for long-term solutions to engage, train and retain young people in the industry, which is the desired future outcome.

However, Wood's announcement will help bridge the shortage until the local talent pool is developed and strengthened.

The MTA will continue to advocate for panel-beaters and vehicle painters to be added to the green list later this year.

Previously, settings for the skilled-migrant category (SMC) effectively made it impossible for automotive workers to come to New Zealand because their qualifications weren't deemed high enough and they needed to earn one-and-a-half times the median wage.

Wood's action on immigration is aimed at further supporting businesses through the global labour shortage and attracting more workers here long term.

He adds the government has taken a range of measures to support companies to recruit internationally since our borders reopened.

This has included approving more than 94,000 job positions for international recruitment, granting 40,000 working-holiday visas, reopening the Pacific access category and Samoa quota, delivering the biggest increase in a decade to the seasonal employer scheme, and resuming the skilled migrant and parent categories.

"New Zealand's strong economic position during a time of global downturn presents an opportunity to attract more high-skilled migrants," says Wood.

"We understand labour shortages are the biggest issue facing businesses and are contributing to cost-of-living pressures too.

"As part of our signalled review, we are expanding the green list's settings to include more professions in health, education and construction.

"From March, the work-to-residence pathway will be further expanded to include all teachers and additional roles such as drain layers, motor mechanics and skilled civil-machine operators.

"All applicants will be able to count time on a work visa from September 29, 2021, towards their work-to-residence requirement."

Extra measures include automatically extending employer accreditation by 12 months if the first accreditation is applied for by July 4, 2023.

The green list will be next reviewed in mid-2023. Wood says: "We've been prepared to make changes when evidence supports need. We will continue to monitor our settings to ensure they remain fit for purpose."

Adding motor mechanics to the green list from next month follow the SMC reopening late last year.

"Resuming the SMC will help attract more workers," says Wood. "The first selection will be at 160 points, and subsequent selections at an increased threshold of 180 points to better align with the category's future direction."

The SMC residency visa is for people who have skills that will contribute to economic growth. Before they can apply, they must submit an expression of interest, which details their work experience and qualifications.

Points are awarded to find out if the threshold is met or exceeded. ▶

How it all works

The green list consists of occupations that qualify for a fast-track to residence or have access to a work to residence pathway.

Some automotive occupations are already on it. These are diesel motor mechanic, including heavy-vehicle inspector, and automotive electrician. These will be joined by motor mechanic in March.

Some green-list roles need to be paid a minimum salary, which is tied to our median wage, with higher pay for other roles.

The list also aims to make it easier to hire skilled migrants on an accredited employer work visa.

Such employers can hire migrants in this way if the role is on the green list and they can complete job checks without proof of advertising.

Employers do not need to advertise for the position if the role is paid at least twice the median wage.

These are based on the applicant's age, a job or job offer, qualification and some other factors.

"The SMC provides a pathway for retaining the majority of much-needed skills permanently," explains Wood. "Getting its long-term settings is important for economic security, and ensuring we can attract and retain high-skilled talent.

"At the same time as resuming selections, we are consulting on a new system that will future-proof the category."

The previous system restricted the number of applications progressed through a planning range. This resulted in only 40 per cent of SMC bids being processed in 2019.

"Our changes include removing the planning range so all applications meeting the criteria will be processed. A more simplified points system sets a clear, fair and transparent eligibility threshold."

There will be a faster route to residency for "very highly skilled" migrants, such as university lecturers and scientists, while other professionals – the likes of teachers and tradespeople – will have a clear route to it if they work for a period in New Zealand.


Michael Wood speaking at the MTA's national conference in October. Subsequent talks on immigration with the government have yielded results for the car industry

The revamped system aims to improve processing times and there will be no cap on how many people can gain residence annually if they meet the skills threshold.

In addition, the government is reducing barriers in the parent category visa. This has included increasing total visa numbers granted and reducing income thresholds.

"We recognise the importance for migrants resettling here to have a pathway for parents," says Wood. "Restarting the parent category will see New Zealand become an even more attractive destination."

As for the immigration system overall, the minister says it is "responsive to international factors, while giving New Zealanders confidence that there's a plan and robust principles underlying how we manage immigration".

"We know it's tough for many businesses, but there are positive signs. We are committed to working with businesses to ensure we're striking the right balance."

The issue of immigration was a major subject of debate at the MTA's recent national conference.

Bob Boniface, president, said the previous accredited-employer regime solved many of the country's skill-shortage issues from 2016-20.

"It's clear we need a medium-term transition using imported skills," he told delegates at October's event.

"Despite a low carbon and lower private-vehicle future track, we have four million-plus vehicles to maintain and repair to avoid deteriorating safety and emissions levels. Continued advocacy around immigration will be a significant part of covering the interim skills gap."

Illegal trading fine 'consistent'

A fine of $8,000 handed down on a man who illegally sold 44 vehicles in a 12-month period has been described by the authorities as "consistent" with similar cases.

Kahn David Ratcliffe was sentenced in December following an investigation by the Ministry of Business, Innovation and Employment (MBIE) for breaching the Motor Vehicle Sales Act (MVSA).

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.

The maximum fine under the MVSA for such offending is $50,000 for an individual and $200,000 for a company.

The amount Ratcliffe was fined surprised some people in the automotive industry, who felt it could have been more based on the level of offending that occurred.

People selling more than six vehicles in a 12-month period must be registered

On that basis, Autofile contacted MBIE for further comment and explanation on the case.

Jyoti Issar, manager of investigations (north), says: "Sentences are handed down by the court and the sentence for Ratcliffe was consistent with previous judgements under the MVSA for this type of offending.

"Prior to making a judgement, a judge takes into account multiple factors including the seriousness of the offending, the personal circumstances of the defendant and consistency with sentences for similar offending."

Issar emphasises that Ratcliffe's $8,000 fine was based on the one charge of unregistered motor-vehicle trading. The judge, in this instance, considered a $12,000 fine as an appropriate starting point for his offending. Ratcliffe was then given a 25 per cent discount for his early guilty plea and a further discount of $1,000 for his personal circumstances.

All this resulted in the end fine of $8,000. When combined, solicitor's and court costs of $530 were also ordered against Ratcliffe.

"Selling more than six cars in a specified 12-month period is an offence under section 95 of the MVSA," adds Issar.

"In this instance, Ratcliffe sold 44 vehicles in the specified period of 12 months and was charged with one count of breaching the MVSA. 'Specified period' means any 12 consecutive months. Therefore, the one count necessarily includes all vehicles sold by Ratcliffe within that timeframe."

Following the sentencing in December, Duncan Connor, registrar of motor-vehicle traders, stressed consumers have no protection when purchasing from unregistered traders and could face significant financial losses in the event of issues with their purchases.

He also warned Facebook Marketplace is a common platform for unregistered dealers to ply their trade. "Consumers should take precautions when purchasing vehicles online," added Connor. "This may include organising a pre-purchase check and inspection to identify any mechanical issues or money owing."

EXPERT'S VIEWPOINT

Tony Everett, the Motor Trade Association's sector manager – dealers, describes issues around unregistered traders as an "ongoing legacy".

"The court fines are relatively small," he says. "The effort to investigate and bring prosecution would be far more expensive than the fine applied. In that sense, enforcement isn't a cost recovery option if that was ever an aim.

"From the unregistered trader's perspective, an $8,000 fine across 44 sales without Consumer Guarantees Act [CGA] obligation equates to $182 per transaction."

Everett suggests that depending on the nature of the vehicles sold, the trader in this case might have got off lightly compared to potential CGA claim outcomes – if any.

"At the end of the day, the respective trader may have come out on the right side of the financial ledger," he adds.

"Putting aside the stigma and consequence of prosecution, along with the relatively small chance of being caught and held to account, it might be argued that unregistered trading may be a cost-effective option for some."

Car dealers and consumers can verify whether the person they are buying from is registered by checking online at www.motortraders.govt.nz. The website can also be used to apply as an individual or company and for traders to renew registrations.

Applicants must be assessed by MBIE as being suitable to be registered. They must comply with MVSA, CGA and Fair Trading Act obligations. The Companies Office's register of people prohibited from managing companies is among the checks made.

Industry movers

NATASHA CALLISTER has been appointed to the newly created role of chief commercial officer at MTF Finance. She starts in the position on February 27.

Callister will join the company from NZME where she was general manager for its Lifestyle and Driven portfolio.

She co-founded Women In Automotive, a New Zealand working group that aims to increase the participation and advancement of females in the industry.

Callister has a bachelor of commerce from the University of Otago and is a mentor in the Auckland University Business School's He Ira Wahine women's mentoring programme.

Avon Bailey

AVON BAILEY has been appointed to the newly created position of dealer relationship manager at the AA.

He is responsible for building the association's capability in the used-car space, which includes working with its preferred dealers and onboarding new partners.

Bailey has extensive industry experience including 17 years with Turners, which saw him spend time in Canada heading up its North American venture.

He has worked in the vehicle finance and leasing industries, and for several years oversaw the procurement and remarketing of Thrifty's rental fleet. More recently, Bailey operated his own retail and wholesale trading operation in Auckland.

Rob Kieran

ROB KIERAN has stepped into the northern region relationship manager role, which involves overseeing AA Auto Centre franchises and the AA-approved repairer network from Taupo north.

Kieran will focus on strengthening the network. He has more than 20 years' experience across retail and wholesale automotive in the UK and New Zealand.

PAUL REYNOLDS is the new chairman of Waka Kotahi NZ Transport Agency.

Reynolds, pictured, has worked as chief policy adviser at the Ministry of Research, Science and Technology, and spent six years as deputy director-general of policy at the Ministry of Agriculture and Forestry. He was chief executive of the Ministry for the Environment from 2008-15.

Michael Wood, Minister of Transport, says: "Waka Kotahi and the wider transport system are facing challenges such as climate change, the transition to a focus on multiple modes of transport, the need for effective and modern regulation, and how to manage significant change equitably.

"I'm confident Dr Reynolds has the right skills to lead the board for the next three years."

DANUSIA WYPYCH has been made chief executive officer of ChargeNet. She has a diverse background in key industries, such as energy and transport.

Wypych was most recently head of new ventures and transformation with Transpower NZ where she led the delivery of innovation programmes.

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

Ewan Morris, left, receives his life membership award from Drive Electric board member Dean Sheed

Board drives switch to electric vehicles

Drive Electric has appointed new directors with "skills across the e-mobility ecosystem".

They are Martin Miles, chief operating officer of ChargeNet, Richard Dellabarca, who is an independent director, and Duncan Baker, of ABB NZ.

Sam Steele, managing director of APAC – EO Charging, has been appointed as an observer on the board.

In addition, former board member Ewan Morris has received lifetime membership of Drive Electric. He joins Rob McEwen, Soichiro Fukutake and Hideaki Fukutake as a recipient of the award.

"The calibre of the board demonstrates the influence of Drive Electric and the impact it's having on EV uptake in New Zealand," says chairman Mark Gilbert.

"I would like to especially acknowledge Ewan for his contribution to the board over six years. He brought specialist knowledge around infrastructure and charging, and also chaired our standards working group.

"Ewan was a dedicated, active and high-value board member, and I want to personally congratulate him for his service."

Drive Electric's board members include Dean Sheed, general manager of Audi NZ, Kirsten Corson, co-founder of Zilch, Dennis Kelly, pan-Tasman fleet director at FleetPartners, and Tim Calder, emerging markets and innovation lead at Meridian Energy.

Others are Duncan Stewart, director of Greenhouse Capital, Annette Azuma, director of Baker Tilly Staples Rodway, Matthew Bailey, chief investment officer at Still, and Eric Pellicer, general manager of business development at PowerCo.

Bank finance extended

NZ Automotive Investments (NZAI) has announced the commercial bank that provides its finance facilities has extended its retail trade finance facility.

It has been lengthened to run from December 31, 2022, until April 30, 2023, at a level of $6 million, the company announced to the NZX on December 23.

In addition, NZAI's motor finance loan facility will now expire on October 1 this year with a lending limit of $1.8 million.

Chairman Michael Stiassny says: "The company is in discussions with alternate lenders regarding replacement of finance facilities beyond that date."

He notes NZAI was in compliance with all of its banking covenants as of December 22.

NZAI is the parent company of 2 Cheap Cars and NZ Motor Finance.

On August 9 last year, it revealed that its bank was unable to provide any assurance of support for its trade finance and motor finance facilities beyond their expiry dates at that time.

Why does ad creative matter?

Here in New Zealand, automotive dealers have well and truly embraced digital advertising over the past few years.

The medium has grown so significantly that most high-performing dealerships are investing thousands of media dollars a month to have their adverts appear on all the major platforms, such as Facebook, Google and YouTube.

When it comes to their ad creative, however, many dealers are as tight as an Aussie's wallet.

They will spend millions of dollars on a state-of-the art showroom to impress potential customers, but then try to save a few bucks by publishing low-quality ads online or merely recycling manufacturer artwork with their own logo on it.

What they are failing to realise is the fact that it's actually their digital creative, rather than their showroom, that is a person's first interaction with the dealership. And that by not investing in quality, eye-catching and engaging advertising creative, they are basically throwing their large media budgets down the toilet.

Every day, consumers are being bombarded with thousands of banner ads, videos and posts attempting to sell them something.

This means that if the ad creative is bland, confusing or repetitive, the user will scroll right past it without even noticing.

In this instance, as an advertiser, you have paid top dollar for your advert's appearance on a platform. However, you have made zero return on it due to your unappealing promotion.

Alternatively, if you choose to commission an experienced design agency to produce impressive creative assets that catch the eye, you will find that more people will stop mid-scroll.

They will take note of your ad and, furthermore, they will click on it to find out more about your offering, potentially even sending through a lead.

Immediately that additional spend you put toward your creative has started to pay for itself. Don't believe me? Well, I can prove it.

Our business has run a multitude of tests in recent years

TODD FULLER
General manager, New Zealand
AdTorque Edge

to gauge just what a difference ad creative can make to the success of a campaign. One such test we recently conducted here in New Zealand proved exactly my point.

It comprised of running two parallel campaigns on a single platform with exactly the same budget and offering. The only difference was that one campaign used the manufacturer's standard artwork, while the other used custom-designed dealership ad creative.

> "Make sure you set some spend aside for creative"

The end result was that the manufacturer's creative reached 3,043 people and generated four leads at a cost of $42.10 each. The dealership-specific artwork, on the other hand, created 23 enquiries that cost only $7.53 each.

That's an impressive 83 per cent more leads generated as a result of the dealership publishing its own artwork for the offer, not to mention financial savings made.

Another consideration when it comes to advertising is whether to run static or animated content. While both are effective and should have a place in your toolkit, when possible we recommend our clients use animation to grab attention.

We recently ran a test that pit a static OEM advertisement against a custom-designed dealership ad. Same offer, same budget and same platform, but very different results.

The click-through rate of the static ad was 0.28 per cent at a cost of 53 cents per click. On the other hand, the dealership's animated ad had a click-through rate of 0.49 per cent and a far lower cost of 30 cents per click.

This again proved the importance of investing money in custom-designed, interesting advertising creative that will capture the attention, halt the scroll and encourage engagement.

At the end of the day, the facts are difficult to ignore. Money invested in top-notch ad creative is money well spent because it will result in more engagement from prospective customers and, therefore, deliver a greater return.

So, next time you are planning your digital advertising budget, make sure you set some of your spend aside for creative as it will go a long way toward the success of your campaign.

The month that was... February

February 1, 1999

Toyota moves focus to used imports

Toyota New Zealand was shifting its dealer emphasis away from new-vehicle sales and onto the more profitable areas of used imports, parts and service, and finance.

With the diminishing returns offered by retailing new vehicles and the shrinking of that market segment, Toyota felt its franchises would be better served by a distributor that concentrated on maximising profit potential rather than trying to rationalise the number of dealers.

Managing director Bob Field said suggestions that the company was attempting to cut the number of its dealers from 50 to 15 were purely an invention of the market.

In recent years, the total number of Toyota outlets – about 80 – hadn't changed, but the number that were sub-dealers, branches or only parts and service outlets had risen at the expense of new-vehicle outlets.

Ford NZ was rationalising its network by incorporating different dealerships under one business umbrella. Toyota, however, wasn't heading down that track.

Field said there was no set plan to decrease the total number of dealerships, but Toyota NZ wouldn't stand in the way of two franchises choosing to merge into one business to become more efficient.

February 9, 2007

WOVM debate on cards again

Sparks were again flying over the implementation of whole of vehicle marking (WOVM) on New Zealand's fleet, with conjecture surrounding the cost of the system.

Cost issues with WOVM had escalated and – with a cabinet decision on the scheme expected in the near future – involved parties were debating the subject.

WOVM involved spraying a unique identity number thousands of times throughout the car using a microdot-impregnated adhesive. This gave each vehicle a unique "fingerprint" that could be read with a special magnifying device.

Annette King, Minister of Transport, had said in December 2006 that a consultant was being engaged to undertake a cost-benefit analysis of the project. "No other country has mandated WOVM. Therefore, it's important to investigate fully the compliance costs and benefits to consumers, and the industry, before imposing such a scheme."

DataDot Technology Ltd had that week issued a financial overview to the government to aid prompt implementation of the project.

February 18, 2005

20,000 used-vehicle arrivals

Predictions of an oversupply epidemic were gaining momentum as imports of used vehicles hit record heights.

For the first time ever, used-import arrivals topped 20,000 in January 2005 – 19,496 used cars and 1,383 used commercials.

That was well up compared to January 2003 when 14,661 used passenger vehicles and 1,295 used commercials were imported, and it was far in excess of the month's registration figures of 10,828 cars and 870 commercials.

Industry analyst John Nicholls said there was nothing unusual about the arrivals and sales excess, and that the sheer volume of the previous month's surplus was unlikely to stop continuing for the next few months.

"You've got to remember there was a huge backlog of cars from when shipping ran short in October," he added.

"February and March also tend to be very good buying months because, for financial reasons, Japanese companies have to get rid of vehicles they want to replace by March 31.

"Every year from 1999 onwards, there has always been an excess of imports to registrations in the six months from December to May and a shortfall from June to November. If shipping remains available, I would expect that to continue."

February 5, 2010

Show me the money

People were ditching their credit cards in favour of personal loans and hire purchase (HP) for big-ticket items – and the car industry was celebrating.

Leading credit bureau Veda Advantage reported more Kiwis were choosing to purchase goods and services via HP or loans rather than on credit cards.

December 2009's figures showed a rise of 28 per cent in the number of people applying for HP compared with December 2008.

It was a marked increase over the previous 24 months with finance lenders fleeing the automotive industry or dealers hit by defaults on loans. However, 2010 saw a more cautious sector evolve.

John Roberts, Veda Advantage's managing director, said the figures showed lenders had responded to the economic downturn with a more conservative approach to their financial affairs.

He added: "People still want and need to borrow money. But many now want a formal regime of repayment."

Bid to exempt disability models

There are very few companies specialising in second-hand disability vehicles in our automotive market.

Those businesses that are mainly import vehicles from Japan, but some also come in from Europe and the UK.

The focus on second-hand imports reflects the reality that the cost of new mobility vehicles is prohibitive for most buyers in New Zealand.

When we speak of disability vehicles, we are commonly referring to wheelchair-accessible vehicles and those fitted with a small number of convenience technologies to complement that accessibility, such as rotating seats or hand controls.

Without the ongoing supply of such second-hand imports, many disabled Kiwis would have no means of private transportation.

Last year, based on industry submissions, parliament granted an exemption from the Land Transport (Clean Vehicles) Amendment Bill, which – in its original draft version – made no concessions for the complete unavailability of electric vehicles (EVs) in all global markets for people with mobility issues.

The original draft of the clean car discount gave no thought to the very particular and pressing requirements of those with disabilities.

Regrettably, the clean car standard (CSS), which came into effect at the start of 2023, gave no consideration to the needs of those with disabilities either. These vehicles currently available on the international used market now incur penalties through the CCS.

It's clear that disabled New Zealanders face an additional cost, which may be substantial. It is highly regrettable and unfair that an already disadvantaged group of people now face higher costs to meet their essential transport needs.

From disability-vehicle importers' long experiences in this market, the situation for disabled consumers is unique.

The choice of models available to them is far narrower than for other customers with many unsuitable for wheelchair transport.

Hybrids and EVs pose some particular issues. There are serious design challenges. These include the space required for battery packs in EVs compromises the headspace required to accommodate a wheelchair.

It's estimated in the UK that the current supply situation for wheelchair-accessible EVs will not improve for at least eight years.

For the most part, second-hand mobility vehicles imported into New Zealand are made as mobility models in Japanese factories to Japanese or UK standards.

The retrofitting of additional convenience technology, such as hand controls or rotating seats, does occur in the after-market, but only on a small proportion of total sales.

These adaptations alone aren't a viable commercial focus nor the main area of interest among clients.

At present, it's impossible for suppliers specialising in mobility vehicles to offset their incurred penalties with "cleaner" mobility models. Any costs arising from the clean car programme will be passed on to customers. Estimates suggest this could be a significant extra cost per unit.

KIT WILKERSON
Head of policy and strategy
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Government officials have naively made suggestions about how this could be managed, including recommending specific vehicles and even suggesting changes to business models.

In the case of identifying qualifying models, the industry has already explored all recommended options and is either already bringing in as many as can be found, or they are simply unsuitable as solutions.

Reasons for unsuitability include the lack of supply, specifications that don't meet New Zealand conditions or other standards for our country and prices well outside what Kiwis can afford.

These are all concerns that are important from a business viewpoint, but easy to overlook from a legislative perspective without a practical understanding of client and market needs.

Cost is a major factor in mobility transportation. As companies in this sector operate at the end of the supply chain, they have no option but to pass on any additional costs introduced because of the CCS.

Much of the funding for these vehicles comes from government or grants from non-governmental organisations that have strict limits. This means passing extra costs to clients is impossible.

All these constraints mean either a reduction in supply or that extra costs will force compromises in the quality of vehicles being imported when it comes to both age and features.

Therefore, it can be assumed that the inability to source newer vehicles will force potential customers to keep their older existing vehicles for longer.

If not exempted and due to the lack of options, the clean car programme will directly cause mobility vehicles, as a sub-set of the greater fleet, to become older, less safe, less efficient and less fit for purpose.

To avoid this outcome, VIA has formally requested that wheelchair accessible vehicles be granted an exemption from the clean car policies in general.

The request, sent to the Ministry of Transport, asks that this exception be part of the programme's already-planned periodic reviews, and extended if the supply of suitable and affordable hybrid or electric wheelchair-accessible options is deemed insufficient to offset other mobility imports.

VIA notes the requested exemption would cover a very small segment of imports, meaning the impact on the efficacy of the clean car programme will be practically immaterial.

The impact on the quality of life for individuals who need mobility vehicles to have freedom and independence simply exceeds quantifiability.

Revised safety ratings released

Dealers are being advised get to grips with updated vehicle-safety ratings now available on Rightcar.

The website also has information about crash-avoidance features fitted to used imports.

This has been sourced from manufacturers by Waka Kotahi NZ Transport Agency and was previously only available for New Zealand-new models.

It says the aim of the system is to help people find the safest, cleanest and most efficient vehicles they can afford.

Waka Kotahi adds with research showing people are increasingly placing more importance on safety and environmental impact during their buying decisions, registered motor-vehicle traders can set themselves "up for success" by:

- Checking out the industry section online at dealer.rightcar.govt.nz to get all the information that's required.
- Printing and displaying current vehicle safety-rating labels.

The agency says the labels can then be used as point of difference and as a sales tool by dealers selling higher rated vehicles.

"We all have a role to play in achieving the vision of a New Zealand where no one is killed or seriously injured in crashes on our roads," says a spokesman. "Motor-vehicle traders can help by encouraging safer choices."

It adds that points to remember include people are twice as safe in a five-star rated vehicle than in a one or two-star model, and ratings for used vehicles change over time so it's important to check Rightcar for the latest information.

"The primary measure is now overall safety," adds the spokesman. This considers all people involved in accidents, including those in other vehicles and people walking or cycling.

Crash-avoidance features help prevent collisions from occurring in the first place, so they are important to consider alongside safety ratings.

Rightcar is the "go-to" for the latest safety information, carbon-dioxide emissions, fuel efficiency and air-pollution ratings. The latter will be updated later this year with recalculated data based on a new "Health and Air Pollution in New Zealand" report.

The data on Rightcar, used by dealers to generate labels for display on vehicles, has been changed

To be eligible for a clean car discount, new and used vehicles must have a safety rating of at least three stars when they are first registered to drive on Kiwi roads "to encourage the import of safer, cleaner vehicles".

This information can also be checked online at www.rightcar.govt.nz. Results from the site are now based on the 2022 safety ratings, and this means six model generations are no longer eligible but 10 are now eligible.

If you have a query about Rightcar's ratings, or would like to order copies of a brochure to display at your dealership, email safevehicles@nzta.govt.nz.

Get cars checked out

The Motor Trade Association (MTA) is warning dealers and consumers in Auckland and other flood-hit areas to get second-hand vehicles thoroughly inspected by a professional before buying them.

While many will be written off by insurers, some won't and others will not have been insured at all.

"Flood damage can sometimes be difficult to determine, and it may take time before problems show up in the form of electrical failures and corrosion," says Tony Everett, sector manager – dealers.

"People selling privately may be unaware of the true extent of damage to their vehicles or might not disclose they were in floods.

"We would strongly recommend anyone buying a second-hand car to get an expert opinion on its roadworthiness and safety. The last thing you want is to buy one, then the electronics or safety features shut down two months later."

The MTA has started dialogue with Waka Kotahi on how registered and unregistered vehicles are to be tracked as flood-damaged, and says it will be working with auction houses and online marketplaces.

"Many people will be looking to replace write-offs as soon as possible," adds Everett.

"Just remember some will be trying to offload a damaged one just as quickly. Don't be tempted into buying in a quick sale with a cheap price."

Leaving money on the table?

The clean car standard (CCS) is imposing new pressures on importers and dealers.

Its related credits and fees add to operational pressures, so knowing the likely impacts before buying stock is important.

Waka Kotahi has supplied a spreadsheet showing indicative CCS values for a considerable range of the vehicles we buy.

The list represents vehicles first registered in New Zealand from August 1, 2022, through to the end of last year.

It can be accessed via a link on the Fuelsaver website, and the spreadsheet comprises several tabs, which splits imports into new and used.

It serves as a handy tool to help dealers understand what they might be in for when considering the purchase of various models from overseas.

The transport agency stresses the data is indicative only as details can vary. By vary, it means base information supplied for any vehicle that serves as the basis for the calculation of CCS impacts. For caution's sake, I again stress the information is indicative only.

That said the spreadsheet provides a useful way of comparing vehicles and, as the lists show, there can be significant variations in outcome. Even a slight variation in year, model code and so on can result in quite different outcomes for what might seem like the same car. Data for new cars is definitive because the CCS impacts are based on factory-supplied information on fuel consumption and tare weight.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

The new-vehicle sector is not beset by interpretive variances, which have proved to be so problematic in the used-imports space.

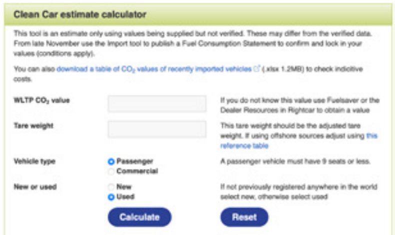
From an observer's perspective, it's interesting to look over the new-vehicle tables and see how impacts land. It's ideal fodder for us "trainspotters" out there to see the impact of newer versus older technology.

However, when looking over the used-imports tables, the same degree of accuracy doesn't exist, especially in relation to non-Japanese brands. "Foreign" cars coming out of Japan's domestic market carry the data assigned to them when imported there.

And this is where some variations or discrepancies emerge. I call them discrepancies, but they aren't really that. It's more that the data supplied for those vehicles might be the "best" data available at the time and perhaps not always as accurate as it could or should be for various reasons.

You may recall when the clean car discount (CCD) landed, there was reference to sourcing the best possible data and scope exists for importers to supply "better" data.

Better was defined as being further up the hierarchy of accuracy. The ultimate in that hierarchy is to go back to the source manufacturer for the exact specifications of each individual vehicle. In industry speak, that means a statement of compliance (SoC).



This clean car estimate calculator can be found online at https://importer.fuelsaver.govt.nz, which also has a link to Waka Kotahi's reference file of vehicles with 2023 CCS values

SoCs can be sourced via specialist suppliers in New Zealand. The difficulty for the importer in sourcing such a statement is that the process carries extra cost – $300 seems to be the going rate.

There's no guarantee the exercise will result in a benefit or whether it will even cover respective costs. As the information resource builds, it may be possible for suppliers to estimate the outcomes based on experience.

However, for an importer or dealer, this is ultimately one of those cases of needing to spend a dollar to save a dollar. And it's worth remembering that for the CCS you need to do this before the vehicle is accepted, while under the CCD it's any time before first registration in New Zealand.

Real savings are possible, but there are no guarantees. A SoC supplier spoken to reports finding differences in CCS outcomes on some models of up to $2,000 in a few instances, notwithstanding any CCD impacts. Those figures are on the high side of cases investigated so far, but you get the point.

When the CCD launched, everyone was learning as the processes came in, notwithstanding any monetary variances landed on customers.

With the CCS, the impact of data accuracy lands on the importer or dealer so it might now be worth looking into data accuracy more actively, especially in the case of European vehicles being imported from Japan's domestic market.

And in case you've forgotten, it won't get better any time soon as the CCS targets and penalties get tougher each year so you may as well do the work now.

Top model in electric range

Audi's new Q8 e-tron

The success story of Audi's pioneering e-tron is being expanded on with its new Q8 e-tron.

The marque says the all-electric model will impress with its optimised drive concept, improved aerodynamics, increased charging performance and battery capacity, and ranges of up to 582km in the SUV version and 513km for the SQ8 e-tron Sportback.

"Since the e-tron's introduction, Audi has been following a systematic electric roadmap," says Dean Sheed, general manager of Audi NZ.

"The Q8 is a progression of the current e-tron. Its improved efficiency, range and redesign will play a fundamental part in its success."

By calling this model the Q8, Audi is making a statement that it's the top model among its electric SUVs.

The Q8 e-tron and the SQ8 e-tron Sportback are identifiable as fully electric thanks to the new front and rear designs that carry the marque's "electric design language forward".

They are the first nameplates to boast the corporate identity with a two-dimensional design of the four rings on the exterior, along with model lettering and Audi logo on the B-pillar.

Both variants have their own drivetrains with electric all-wheel drive. The SUV generates 300kW in boost mode and 664Nm of torque.

The Sportback, which has a top speed of 210kph, has three motors with combined power of 370kW and 973Nm of torque in boost.

Thanks to adjusting the management system, the usable battery has increased. At a high-powered DC station, maximum charging performance goes up to 170kW. The charging time from 10 to 80 per cent is roughly 31 minutes under ideal conditions.

At an AC charging station or wallbox, the Q8 e-tron charges at up to 11kW and should take 11.5 hours to become fully charged. Audi offers an optional AC charging performance of up to 22kW. The charge time with this is six hours.

The Q8 e-tron's panoramic roof lightens the interior. When open, the two-part glass roof improves the inside climate thanks to efficient ventilation.

Audi has worked with plastics manufacturer LyondellBasell to establish a process in which chemical recycling makes its debut to reuse mixed automotive plastic waste when making covers for the SUV's seatbelt buckles.

The marque uses recycled materials for other Q8 e-tron components, such as the insulation, damping and carpeting. The inlay above the display, called the tech layer, is available with a material that's partially composed of recycled PET bottles.

The Q8 comes standard with an air-spring suspension with controlled shock absorption. The height of its body can be varied depending on the driving situation.

Its electronic stability control system allows for more manoeuvrability, especially in tight corners. It handles these with more agility thanks to its revised progressive steering.

The system's gear ratio has been changed so it responds faster, especially for delicate movements. The effect of the direct-steering ratio is supported by more rigid front-axle suspension bearings.

In the area around the grille, it's the first time an Audi has had a self-sealing system in addition to electric shutters that automatically close the radiator. These modifications optimise front airflow to prevent undesired drag.

There are about 40 driver-assistance systems available in the Q8 e-tron. Up to five radar sensors, five cameras and 12 ultrasonic sensors provide environmental information that's analysed by the driver-assistance control unit.

Something new is remote park-assist plus to manoeuvre into tight spaces. Drivers can control the procedure through the myAudi app on smartphones. When the car reaches its final position in the space, it automatically switches off, puts on the parking brake and locks the doors.

The Q8 e-tron and SQ8 e-tron Sportback are due to arrive in New Zealand during the second quarter of 2023.

The SQ8 e-tron Sportback

Brand makes futuristic comeback


The Alpha5

DeLorean is preparing a sequel to its movie star, the DMC-12, with its Alpha5.

It's a four-seat coupe offering gullwing doors and a rakish design that recalls the much-loved time machine from the Back to the Future trilogy.

The all-electric car is capable of a 0-100kph sprint in 2.9 seconds – much quicker than the original V6 Peugeot-Renault-Volvo powered DMC-12 – with an estimated top speed of 250kph.

And it doesn't require 1.21 gigawatts to reach full charge. DeLorean says the base performance model can be charged at home or via a public high-speed charger. Its 100kWh battery pack will provide up to 480km in range.

"The Alpha5 is for people who love to drive," says Joost de Vries, DeLorean's chief executive officer.

It features nods to the 1980s' original including horizontal-styled LED headlights and tail-lights, turbine-style alloy wheels, gullwing outlines in the lower grille and rear valance, a louvre rear-window cover and DeLorean badging stamped into the rear bumper.

Created by ItalDesign, the same company behind the DMC-12, it boasts an ultra-low drag co-efficient of just 0.23 and is based on a new chassis structure with a carbon-fibre tub.

Inside are four individual bucket seats. The minimalist cockpit features a digital instrument cluster, floating touchscreen infotainment array, separate climate-control panel and two-tier floating console.

The Alpha5 is 4,995mm long for an extra 728mm on its predecessor. Width is up 56mm to 2,044mm and its height rises 230mm to 1,370mm, but the wheelbase measures 2,300mm, down by 113mm.

Tony Beetz, chief marketing officer, says: "There was this enormous responsibility to ensure we honoured the history of the DeLorean brand, but an even greater responsibility in curating its future. I think we did both with the Alpha5."

Only 88 examples of the car will be produced, or about 8,900 fewer than DMC-12's total production number. The model will be produced in Italy with driveline components sourced from the UK.

However, DeLorean says an electric sedan and a hydrogen-powered SUV are planned for some time in the future.

"We've been given the opportunity to reimagine a brand that has meant so much to so many people from all corners of the globe for four decades," says Neilo Harris, vice-president of brand and creative. "DeLorean has touched so many lives and set the stage for so many memories. We are all now witnessing a new chapter of this amazing story."

Minimalism is key

Mini is reinventing itself for an all-electric future, with the Aceman leading the way as its first fully electric crossover.

The concept showcases design and technological innovations "that will shape the brand's future models" as it turns its attention to environmental thinking and a digital-user experience.

It sports a frontal design with an octagonal, closed and illuminated grille element, sharp-edged chassis surfaces, an athletic shoulder and vertically stacked tail-lights.

The four-door model – measuring 4,050mm in length, 1,990mm wide and 1,590mm tall – seats five with a cargo area door for easy access.

It also boasts contoured wheel arches over 20-inch alloys, a custom roof rack, and front and rear valance panels.

The interior space is dominated by what Mini calls a reduced design and the dashboard's appearance mimics that of a soundbar with the central instrument face.

A round OLED display sits above a classic toggle switch bar. Other features include minimalistic door panels, a flexible-use central console that reaches into the back, and what Mini calls "attractive colour contrasts" throughout.

Sensor-based animation is activated when an owner approaches the car while the central display provides the latest Android-based software that enables transference of the control system content to the dashboard.


The Mini Aceman concept

Austrian dominates in south

Charlie Wurz headed north from Invercargill leading in the 2023 Castrol Toyota Formula Regional Oceania Championship.

The Austrian completed round one with the series lead, but didn't have a first place to his credit until he put that right at Teretonga Park Raceway with two wins from three.

These included a lights-to-flag victory in the weekend's feature race, the Spirit of a Nation Cup, on January 22.

That put him 25 points ahead of his nearest challenger, Callum Hedge. The New Zealander had a better weekend at Invercargill, clocking up a brilliant wet-dry-wet win in the Sunday morning race and finishing runner-up to Wurz in the other two.

Outstanding again in the first qualifying sessions, Hedge started the first race on pole and the feature race from second on the grid, but it was his drive in the reverse top-eight race that caught the eye.

In tricky conditions he made quick work of Wurz around the outside of the first turn before moving swiftly through the field and passing leader Ryan Shehan before building a six-second margin at the flag.

Speed not in doubt, he now needs to finish consistently ahead of the Austrian. That's not an easy task, but one the Kiwi young gun relishes.

US racer Jacob Abel remained third on the ladder after a solid weekend in Invercargill during which he took points for third, fifth and sixth-place finishes.

Charlie Wurz and his father, former F1 and Le Mans driver, Alex

Wurz led the field from start to finish in Invercargill. Photo: Bruce Jenkins

Former IndyCar racer and American motorsport star Spencer Pigot joined his campaign as driver coach, and it looked to have paid dividends as Abel was fast and smooth throughout the weekend.

He may have less than two years of circuit-racing expertise, but Australian Ryder Quinn is continuing to impress in this season's championship. He secured two seventh places in Invercargill and his second series podium on the Sunday morning.

As his speed is developing in the championship, he's maintaining consistency and it's very much to his credit that he sat fourth overall at the end of the weekend. A victory might not be too far away.

Liam Sceats had another solid weekend for the M2 Competition team and continues to make steady progress in his first major junior formula championship.

He was competitive throughout the weekend again and took another feature race podium along with a fifth and sixth in the earlier races to secure fifth on the points table.

The UK's Josh Mason came alive in the feature race at Teretonga, moving away from mid-field and latching onto the back of the leading group of four. It was his best performance of the championship so far.

Mason was well into the groove in his Kiwi Motorsport entry, nailing fastest lap after fastest lap. With another fourth place from the weekend and an eighth, he claimed sixth overall in the points table, five ahead of James Penrose – the next Kiwi in the field.

Penrose had more pace at Teretonga than at Highlands and narrowly missed out on a front-row start for the feature race.

There or thereabouts the whole weekend, a slipping clutch in the final race put him in the pits and, although he got going again after losing two laps, it cost him dearly on points. His other results, a fifth and a seventh place, meant seventh overall on the table.

The second round couldn't really have gone worse for Highlands' feature winner, David Morales.

The likeable American was a bit off the pace on early testing at Teretonga. But lady luck most certainly ditched him as he recorded two DNFs and an eighth place, which included a five-second penalty for lining up in the incorrect position in his grid box.

Chloe Chambers is proving something of a find in this year's championship.

Fast, consistent and able to handle the physical nature of the car and tracks very well, she has adapted to the challenge of competing against some of the best up-and-coming young single-seater racers. She can count herself among them if this campaign is anything to go by.

Ryan Shehan was another to make a major step forward at round two for Giles Motorsport.

The American continued his impressive improvement curve by bagging his first podium in the championship after a strong drive in the challenging conditions of Sunday morning's race.

Kiwi driver Callum Hedge finished runner-up. Photo: Bruce Jenkins

18-year-old American driver Chloe Chambers low-flying at Teretonga

Endurance events form new series

MotorSport New Zealand has given the green light to bringing the northern and southern endurance series together.

The move, which will create a new national title, was announced by the SIERDC and NIERDC, the endurance-racing drivers' clubs that organise their sport in the South and North Island respectively.

The fresh format will see a national championship replace the previous annual "winner takes all" final event.

The two clubs will now align their rules, regulations and race formats to create a cohesive four-round NZ Endurance Championship (NZEC) to be contested each calendar year.

Both clubs will run three rounds across their respective islands with competitors' top two results from the north and south counting towards their NZEC points tally.


Action from the 2022 South Island Endurance Series

Each round will consist of three races. Two one-hour races will occur, one for eligible cars under 3.5 litres and one for those over 3.5l. The third race will be the feature event and this will be a three-hour enduro for all competitors.

The one-hour race's technical rules are straightforward for eligibility with only the capacity of the engine checked at any point in the competition.

A mandatory timed pit-stop of no less than 45 seconds is required during which entrants can change drivers, wheels and add fuel if they so wish. Both one-hour races are restricted to amateurs racing.

Rules for the three-hour feature race are also simple. The total fuel capacity must not exceed 120l and brake rotors must be made of ferrous metal. Class-one vehicles must weigh a minimum of 1,250kg, excluding the driver.

Only one elite or pro driver per entry is permitted and the minimum driving time for any one entrant is 70 minutes. The three-hour race also includes the Michelin Am Trophy for all-amateur driver combinations.

"The new format of the NZ Endurance Championship is an exciting development for the sport," says Elton Goonan, chief executive officer of MotorSport NZ.

"Endurance racing has been an incredibly popular part of the sport for some years now. It's great to see the NIERDC and SIERDC working together to align their rules and regulations to make one truly national championship possible."

Scott O'Donnell, president of the SIERDC, adds: "With the popularity of endurance racing continuing to rise, it made sense to expand the NZEC, and align the rules and regulations.

"The success of both series bodes well for the future of this premier national championship, which showcases New Zealand's best drivers and fastest GTs."

Call for rally apprentices

Eight apprentices have the chance to join the crew of MITO ambassadors Hayden Paddon and Emma Gilmour at four New Zealand Rally Championship (NZRC) events.

Two apprentices will be selected to attend each race with one assigned to each driver. They will support the team and drivers with their technical requirements.

This is the second year MITO is running the offering after four apprentices joined Paddon at the Ashley Forest Rallysprint and WRC Rally NZ in 2022.

He says: "It was a privilege to have them with us, and we were impressed by how involved and enthusiastic they were. They gelled as part of the team in a short time."

With Gilmour joining the initiative, it's hoped more women will get involved, and show their appreciation for the sport and industry.

"It's great giving someone first-hand experience of what it's like to work in a top team," she says.

The two Kiwi legends want to see more technicians consider motorsport as a career and the


MITO apprentices Liam Wilson and Dylin Campbell joined Hayden Paddon's crew for Rally NZ 2022

apprentices' experiences will be shared on social media to inspire others.

The first NZRC event for applications, which close on March 3, is Otago from April 1-2.

The others are Hawke's Bay on July 22, Coromandel on September 2 and Bay of Plenty on October 14. Closing dates for these are June 23, August 4 and September 15 respectively.

Visit mito.nz/rally-crew to find out more.

Repairs to vehicle's engine estimated to cost almost as much as purchase price

The case: The engine of the buyer's 2011 Ford Mondeo suffered what he described as "catastrophic" failure and he wanted to reject the car. The trader refused, claiming the purchaser had travelled 9,000km in the station wagon during his five months of ownership, and the failure of its engine was "entirely consistent" with a vehicle of that age and high mileage.

The decision: The application under the Consumer Guarantees Act (CGA) to reject the car was dismissed by the adjudicator.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Dani Jeeves purchased a 2011 Ford Mondeo station wagon for $7,500 from Top1 Ltd on February 15, 2022.

The vehicle had an odometer reading of 172,706km when it was supplied to him. By the time of Jeeves' application, it had clocked up 181,866km.

He alleged the Mondeo wasn't of acceptable quality under the CGA after it suffered "catastrophic" engine failure on July 1. His mechanic estimated it would cost about $6,500 to remedy.

Jeeves rejected the vehicle on July 23. The trader said the buyer wasn't entitled to do so.

Top1 claimed the Mondeo had travelled around 9,000km in about five months of his ownership, and the failure was consistent with a car of that mileage and age so the CGA's statutory guarantees didn't apply.

The case

Jeeves told the hearing he had the vehicle in his possession for almost five months when it lost power and broke down in July 2022.

He had it towed to Whangarei for Advanced Automatics to carry out a diagnostic analysis.

Advanced Automatics reported that a faulty mechatronic unit caused the engine to fail and repairs were estimated to cost about $6,500, which Jeeves said was almost the same as the Mondeo's purchase price.

He contacted two other mechanics, including a Ford dealership, about the damage and they quoted him the same.

Jeeves didn't have any repair work done on the Mondeo because he wanted to reject it. His grounds for this were that it was faulty, and that this wasn't due to reasonable wear and tear.

He claimed a reasonable person wouldn't accept its quality and condition, and the cost to repair it was disproportionate to what he paid for it.

In his rejection letter, Jeeves offered Top1 chance to have the car assessed by an independent party.

The tribunal noted an independent analysis of the vehicle hadn't occurred and the dealer had no issue with the buyer's mechanical evidence.

The issue requiring consideration in this case was whether the car was of acceptable quality for the purposes of section six of the CGA.

Section seven of the act defines the meaning of acceptable quality, including that a vehicle is fit for purpose, free from minor defects, safe and durable.

In addition, when any defects have been drawn to the consumer's attention before he or she agrees to its supply – and notwithstanding that a reasonable person may not have regarded the car as acceptable with those defects – it will not fail to comply with the guarantee by reason only of those defects.

When goods are displayed for sale or hire, the defects that are to be treated as having been specifically drawn to the consumer's attention are those disclosed on a written notice displayed with the goods.

A reference to a "defect" in two sub-sections in the CGA means any failure of the goods to comply with the guarantee of acceptable quality.

Whether a vehicle is of acceptable quality is considered from the point of view of a reasonable consumer fully acquainted with the state and condition of the car, including any hidden defects.

During the hearing, Jeeves answered questions from the tribunal's assessor as to whether the Mondeo displayed any symptoms prior to its breakdown on July 22, 2022.

Jeeves told the tribunal that prior to the engine failure, it hadn't displayed any identifiable symptoms to him.

However, when it did break down, he heard a "crunch" noise coming from its gearbox and the "trans" warning light immediately illuminated on the dashboard. He pulled over and had the car towed to a mechanic who diagnosed a faulty mechatronic unit.

This unit was the control centre of the gearbox. It managed and performed the gearbox's shift operations. The unit communicated with the engine control unit, which helped to determine the right time for changing gear.

Put simply, a mechatronic unit is a computerised clutch and gear change system, which communicates with the "brain" of the vehicle, that being the electronic control unit.

Such systems are common in modern cars and ensure a smoother gear-change timing and a level of efficiency that traditional automatic transmissions do not provide.

The assessor's opinion was that while mechatronics system could sometimes be repaired, it wasn't necessarily a faulty unit.

The crunch noise that Jeeves heard might had been a shift fork failing causing two gears attempting to be selected at the same time.

The assessor said that the correct diagnosis of the vehicle's fault would require the labour-intensive removal of the mechatronic unit and transmission.

The finding

The purchaser paid $7,500 for an 11-year-old car with an odometer reading of 172,706km at the time of sale.

The tribunal noted that a reasonable consumer who purchases a vehicle of that price, age and mileage must have realistic expectations as to its quality and durability.

That person should also understand that it will have pre-existing wear and tear consistent with its age and mileage.

In addition, a reasonable consumer needs to appreciate such cars can develop defects that may prove to be expensive to fix as a result of being driven.

The tribunal didn't consider Jeeves had discharged the burden on him to prove the failure of the mechatronics breached the CGA's acceptable quality guarantee. Rather, the failure of that system was consistent with the age and mileage of the car.

The adjudicator believed Jeeves had travelled too far to call on the trader to fix the problem.

Order

The application was dismissed.

A 2011 Ford Mondeo station wagon

Dealer ordered to replace car's headrests more than eight years after it was bought

The case: Eight years after purchase, the buyer discovered her car's front-seat headrests were non-compliant, so it failed a warrant of fitness. She claimed they were swapped out by the dealer prior to sale because those on her vehicle were uncomfortable. The trader refused to supply her with the correct parts because it didn't believe they had been changed.

The decision: The tribunal accepted the consumer's evidence and ordered the dealer to supply the correct headrests for her vehicle.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

A 2014 Lexus IS 250

Background

Margaret Kneesch purchased a new Lexus IS 250 for $72,000 in January 2014 from Sinclair Pryor Motors Ltd, trading as Hawke's Bay Taupo Rotorua and Eastland Toyota.

Kneesch had travelled 60,802km in it without any significant problems until it failed a warrant of fitness (WOF) in 2022 because the front seats' headrests didn't lock into position and could be easily removed.

That had occurred due to the original 14mm-shaft headrests being replaced by some with 12mm shafts, which slotted into place but didn't lock and couldn't be adjusted.

Kneesch claimed the headrests were swapped at the time of purchase by the trader's salesman, since retired, to enhance her comfort. As a result of the failed WOF, she alleged the Lexus wasn't of acceptable quality from purchase and wanted the trader to replace those parts.

The trader defended the claim and didn't accept that the headrests had been swapped by its salesman at purchase. It said the vehicle had passed previous WOF inspections and its current warrant expired on March 16, 2023.

The dealer added too much time had passed for Kneesch to claim a remedy under the Consumer Guarantees Act (CGA), so it was up to her to replace the headrests.

The case

Kneesch's evidence was that the salesman changed the headrests for her at the time of sale.

She said the originals were uncomfortable for her due to her short stature and the replacements were more comfortable.

Her evidence was the provision of those parts swung the deal for her and she bought the car as a result.

Kneesch explained that when the vehicle failed its WOF inspection, her husband removed the headrests, measured the shanks and discovered they were 12mm wide.

He then removed headrests from his own Japanese-made vehicle, which wasn't a Lexus. They slotted into place, were able to be adjusted and locked into three different heights or notches.

He measured them and found they were 14mm headrests. These replacements were used to return the vehicle to the WOF inspector where it passed and certification was provided.

Kneesch didn't drive the Lexus without the 14mm headrests. She tried to find replacements on Trade Me, but they were hard to come by in the black leather required to match her car's upholstery.

The trader said there was no record of a parts exchange on the vehicle offer and sale agreement, and there was no evidence to support Kneesch's claim. The salesman involved had retired and wasn't called to give evidence by either party.

The tribunal noted the vehicle inspection requirements manual (VIRM), which informed all WOF inspections and certifications, referenced the Land Transport Rule: Head Restraints 2001 and frontal-impact rule of the same year.

It was a requirement of the legislation and the VIRM that "an adjustable head restraint must remain able to be adjusted and locked into position".

The finding

A reasonable consumer who buys a new $72,000 car must have realistic expectations as to its quality and durability, and understand that with age and mileage it will begin to show the wear and tear consistent with its use.

However, the problem the buyer complained of was present from purchase in 2014. It went undiscovered by her, the trader and multiple WOF inspectors until 2022.

The tribunal said the requirements of the VIRM are clear – an adjustable head restraint must be adjustable and locked into position.

This car's 12mm headrest shafts didn't satisfy that requirement and the WOF inspector was right to fail the vehicle.

The adjudicator accepted Kneesch's evidence that the headrests were swapped by the trader's salesman prior to purchase.

He didn't consider the salesman to be at fault because he thought he was doing the right thing by his purchaser. The problem was this innocent error was only discovered in 2022.

Therefore, the Lexus wasn't of acceptable quality for the purposes of the CGA because it wasn't as free of minor defects or as durable as a reasonable consumer would consider acceptable because of the wrong headrests that were supplied with the car.

The tribunal didn't consider it unreasonable to hold the trader to the statutory guarantee in the unusual circumstances of this case.

As for remedies available to buyers against suppliers when goods do not comply with guarantees set out in the CGA, these are covered from section 18 of the act onwards.

When the failure can be remedied, the consumer may require the supplier to remedy the situation within a reasonable time in accordance with section 19.

When a supplier who has been required to remedy a failure refuses or neglects to do so – or doesn't succeed in doing so within a reasonable time – the buyer can have it fixed elsewhere and obtain from the supplier all reasonable costs incurred in having that work completed.

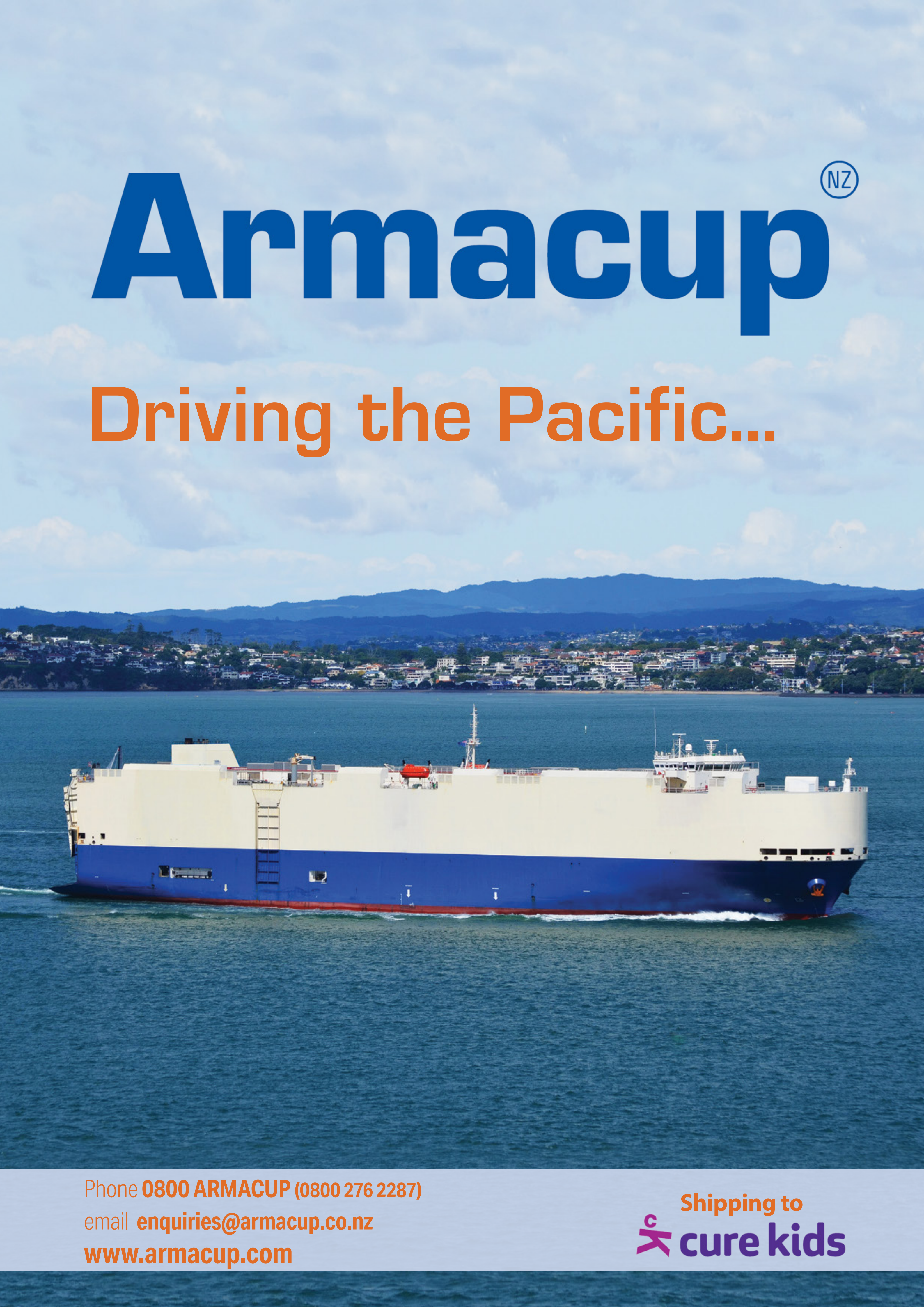
Another option, which is subject to section 20 of the CGA, is to reject the goods in accordance with section 22.

Where the failure cannot be remedied or is of a substantial character within the meaning of section 21, the consumer may – subject to section 20 – reject the goods in accordance with section 22 or obtain from the supplier damages in compensation for any reduction in value of the goods below the price paid or payable by the consumer for the goods.

The trader refused to supply the replacement headrests that would fit the vehicle's seats and lock into position. All Kneesch sought by way of remedy was compliant headrests.

Order

The dealer had to swap out the car's front headrests with compliant black-leather replacements made by Lexus.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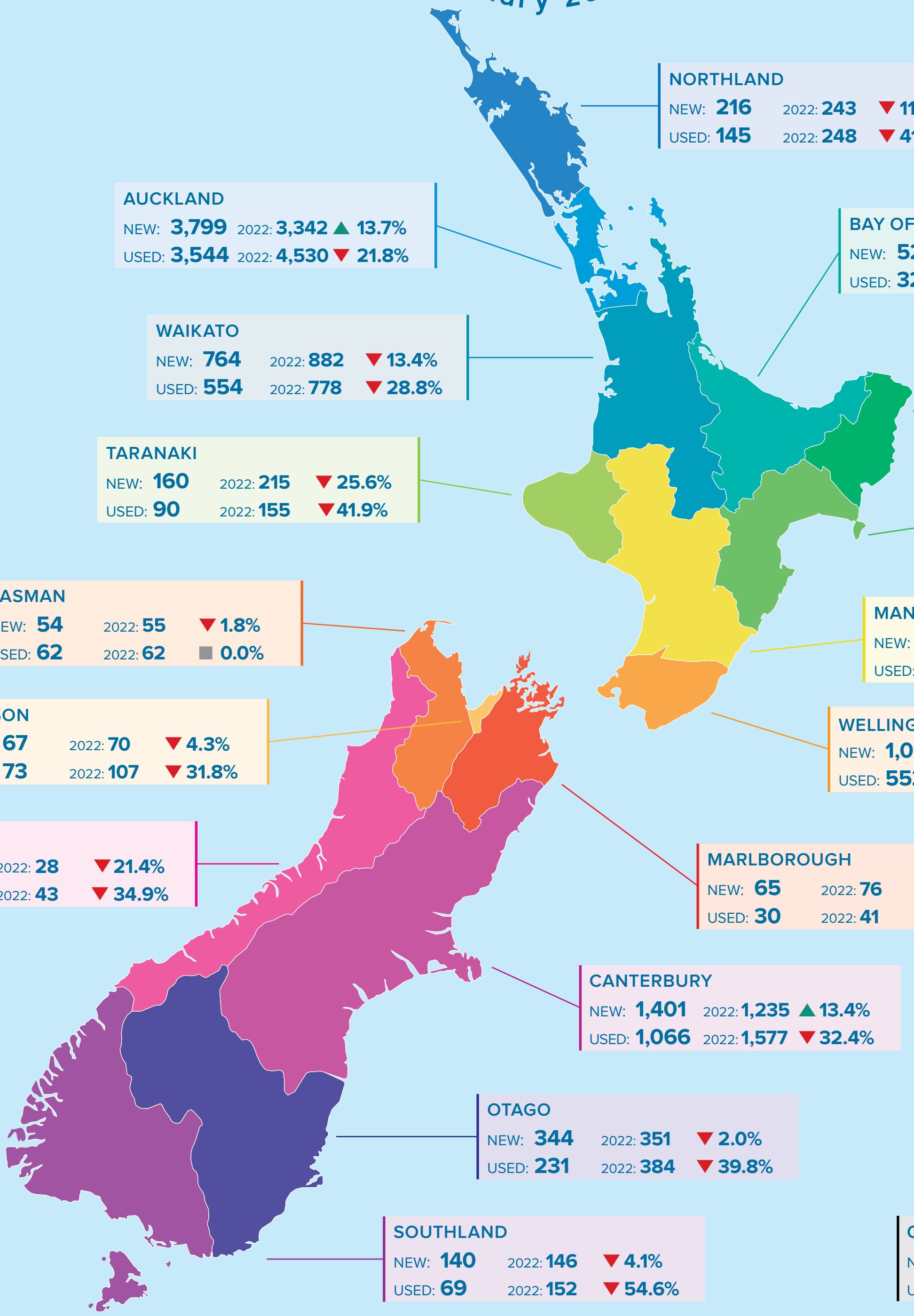
Around the Country
January 2023

Total new cars
9,273
2022: 8,938 ▲ 3.7%

Total imported used cars
7,147
2022: 10,103 ▼ 29.3%



NORTHLAND	NEW:	216	2022: 243	▼ 11.1%
	USED:	145	2022: 248	▼ 41.5%
AUCKLAND	NEW:	3,799	2022: 3,342	▲ 13.7%
	USED:	3,544	2022: 4,530	▼ 21.8%
BAY OF PLENTY	NEW:	523	2022: 579	▼ 9.7%
	USED:	320	2022: 527	▼ 39.3%
WAIKATO	NEW:	764	2022: 882	▼ 13.4%
	USED:	554	2022: 778	▼ 28.8%
GISBORNE	NEW:	73	2022: 47	▲ 55.3%
	USED:	26	2022: 64	▼ 59.4%
TARANAKI	NEW:	160	2022: 215	▼ 25.6%
	USED:	90	2022: 155	▼ 41.9%
HAWKE'S BAY	NEW:	264	2022: 278	▼ 5.0%
	USED:	144	2022: 246	▼ 41.5%
TASMAN	NEW:	54	2022: 55	▼ 1.8%
	USED:	62	2022: 62	■ 0.0%
MANAWATU-WHANGANUI	NEW:	350	2022: 385	▼ 9.1%
	USED:	189	2022: 329	▼ 42.6%
NELSON	NEW:	67	2022: 70	▼ 4.3%
	USED:	73	2022: 107	▼ 31.8%
WELLINGTON	NEW:	1,013	2022: 996	▲ 1.7%
	USED:	552	2022: 826	▼ 33.2%
WEST COAST	NEW:	22	2022: 28	▼ 21.4%
	USED:	28	2022: 43	▼ 34.9%
MARLBOROUGH	NEW:	65	2022: 76	▼ 14.5%
	USED:	30	2022: 41	▼ 26.8%
CANTERBURY	NEW:	1,401	2022: 1,235	▲ 13.4%
	USED:	1,066	2022: 1,577	▼ 32.4%
OTAGO	NEW:	344	2022: 351	▼ 2.0%
	USED:	231	2022: 384	▼ 39.8%
SOUTHLAND	NEW:	140	2022: 146	▼ 4.1%
	USED:	69	2022: 152	▼ 54.6%
OTHERS (Chatham Islands, overseas, unknown)	NEW:	18	2022: 10	▲ 80.0%
	USED:	24	2022: 34	▼ 29.4%

Imported Passenger Vehicle Sales by Make - January 2023

MAKE	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	2,689	2,900	-7.3	37.6%	2,689	37.6%
Mazda	1,084	1,326	-18.3	15.2%	1,084	15.2%
Nissan	956	1,370	-30.2	13.4%	956	13.4%
Honda	454	786	-42.2	6.4%	454	6.4%
Subaru	437	866	-49.5	6.1%	437	6.1%
Volkswagen	330	464	-28.9	4.6%	330	4.6%
Mitsubishi	231	381	-39.4	3.2%	231	3.2%
BMW	219	523	-58.1	3.1%	219	3.1%
Suzuki	194	198	-2.0	2.7%	194	2.7%
Audi	162	323	-49.8	2.3%	162	2.3%
Mercedes-Benz	109	264	-58.7	1.5%	109	1.5%
Lexus	74	268	-72.4	1.0%	74	1.0%
Ford	39	50	-22.0	0.5%	39	0.5%
Volvo	19	69	-72.5	0.3%	19	0.3%
Mini	17	15	13.3	0.2%	17	0.2%
Bentley	16	4	300.0	0.2%	16	0.2%
Chevrolet	11	23	-52.2	0.2%	11	0.2%
Land Rover	11	48	-77.1	0.2%	11	0.2%
Jaguar	10	36	-72.2	0.1%	10	0.1%
Hyundai	9	16	-43.8	0.1%	9	0.1%
Holden	8	11	-27.3	0.1%	8	0.1%
Kia	8	10	-20.0	0.1%	8	0.1%
Peugeot	7	6	16.7	0.1%	7	0.1%
Chrysler	6	33	-81.8	0.1%	6	0.1%
Porsche	6	21	-71.4	0.1%	6	0.1%
Jeep	4	16	-75.0	0.1%	4	0.1%
Smart	4	0	400.0	0.1%	4	0.1%
Alfa Romeo	3	5	-40.0	0.0%	3	0.0%
Dodge	3	20	-85.0	0.0%	3	0.0%
Cadillac	2	5	-60.0	0.0%	2	0.0%
Isuzu	2	3	-33.3	0.0%	2	0.0%
MG	2	2	0.0	0.0%	2	0.0%
Renault	2	5	-60.0	0.0%	2	0.0%
Tesla	2	6	-66.7	0.0%	2	0.0%
Triumph	2	0	200.0	0.0%	2	0.0%
Others	15	30	-50.0	0.2%	15	0.2%
Total	**7,147**	**10,103**	**-29.3**	**100.0%**	**7,147**	**100.0%**

Imported Passenger Vehicle Sales by Model - January 2023

MAKE	MODEL	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	Aqua	1,096	922	18.9	15.3%	1,096	15.3%
Toyota	Prius	647	380	70.3	9.1%	647	9.1%
Mazda	Axela	434	419	3.6	6.1%	434	6.1%
Mazda	Demio	250	186	34.4	3.5%	250	3.5%
Toyota	Corolla	232	182	27.5	3.2%	232	3.2%
Honda	Fit	225	287	-21.6	3.1%	225	3.1%
Nissan	Note	219	129	69.8	3.1%	219	3.1%
Volkswagen	Golf	219	300	-27.0	3.1%	219	3.1%
Nissan	Leaf	186	209	-11.0	2.6%	186	2.6%
Subaru	Impreza	183	233	-21.5	2.6%	183	2.6%
Mitsubishi	Outlander	170	243	-30.0	2.4%	170	2.4%
Nissan	Serena	159	116	37.1	2.2%	159	2.2%
Nissan	X-Trail	150	324	-53.7	2.1%	150	2.1%
Mazda	CX-5	144	274	-47.4	2.0%	144	2.0%
Suzuki	Swift	139	140	-0.7	1.9%	139	1.9%
Subaru	XV	105	85	23.5	1.5%	105	1.5%
Mazda	Atenza	104	162	-35.8	1.5%	104	1.5%
Toyota	Sai	104	41	153.7	1.5%	104	1.5%
Toyota	C-HR	103	52	98.1	1.4%	103	1.4%
Mazda	Premacy	92	118	-22.0	1.3%	92	1.3%
Toyota	Vitz	81	56	44.6	1.1%	81	1.1%
Volkswagen	Polo	62	83	-25.3	0.9%	62	0.9%
Honda	Vezel	54	43	25.6	0.8%	54	0.8%
Subaru	Legacy	54	244	-77.9	0.8%	54	0.8%
Audi	A3	50	81	-38.3	0.7%	50	0.7%
Nissan	Juke	50	67	-25.4	0.7%	50	0.7%
Toyota	Camry	50	42	19.0	0.7%	50	0.7%
BMW	Mini	39	48	-18.8	0.5%	39	0.5%
BMW	116i	38	92	-58.7	0.5%	38	0.5%
Toyota	Wish	38	111	-65.8	0.5%	38	0.5%
Toyota	86	36	25	44.0	0.5%	36	0.5%
Toyota	Auris	35	64	-45.3	0.5%	35	0.5%
BMW	320i	34	88	-61.4	0.5%	34	0.5%
Honda	Grace	33	17	94.1	0.5%	33	0.5%
Mercedes-Benz	A180	33	32	3.1	0.5%	33	0.5%
Others		1,499	4,208	-64.4	21.0%	1,499	21.0%
Total		**7,147**	**10,103**	**-29.3**	**100.0%**	**7,147**	**100.0%**

Finance firm broadening reach

MTF Finance predicts lending for items other than vehicles will become an increasingly important part of its business as it seeks to continue supporting customer needs amid economic uncertainty.

The company last month announced it was purchasing Lending People, a fintech online brokerage founded in 2012, with the deal due to be completed in early February.

Chris Lamers, MTF Finance's chief executive officer, says the acquisition is part of its long-term strategy to broaden its reach into new channels and markets while supporting and expanding existing channels.

He adds vehicle finance is what the company has done for more than half a century, but it plans to venture into other areas and last year launched personal lending.

"I think vehicles, for the foreseeable future, will be the majority of our business but personal lending or securities for other assets will be increasingly important," he told Autofile.

"We're doing a lot more lending for things around the house, say renovating a kitchen, putting in solar or doing a minor extension. We're also looking at financing, for say, builders setting up business – we lend for a van but then they need tools which we cover through a personal loan.

"It gives us flexibility to look after all of a customer's needs and not just a vehicle, but often there's a vehicle as part of it all."

MTF Finance says acquiring Lending People, which will continue to operate as a standalone business under the leadership of co-founder and chief executive Adam Chisnall, will help the company to improve its digital offering.

Lamers explains that most of its customers head online at some stage of the borrowing journey, whether it be to research what's available or to complete a contract.

However, he notes ultimately most customers still want to talk to a person at some stage and MTF Finance will work with Lending People to grow channels that enable customers to also engage with its franchises.

"We have a fantastic network of dealers and franchises but also need to look at how we capture more of those digital customers coming through," adds Lamers.

"We've already done a lot in that area, but there's also a long way to go. We want to make it easier for people to get the finance they need and also allow the people selling cars to focus more on selling cars."

He observes that the overall market for consumer credit appears to be on the up at the same time as there is growing uncertainty in the overall economy.

"People are using credit more to purchase vehicles because they don't have as much access to ready cash as in the past.

"Banks have also been tightening their criteria and that can make it harder to deal with them, so consumers are turning to people like us who respond quickly with a lending decision."

SALE ON CARDS

Failed finance company Moola has a shortfall of $9.4 million, according to its first liquidators report.

Liquidators Steven Khov and Kieran Jones have been appointed to wind down the company and nine other associated businesses.

It follows parent company NZ Fintech Group Holdings being put into receivership after an application by its secured creditor, US-based Partners For Growth.

Moola was the group's original lending business and main trading entity, and it used the services of other related operations in the group.

The report states staff were made redundant two weeks before the liquidators were appointed on December 5. It shows Moola had assets of $15.4m, which included $7.6m in inter-company receivables and $3.8m of funds held in trust.

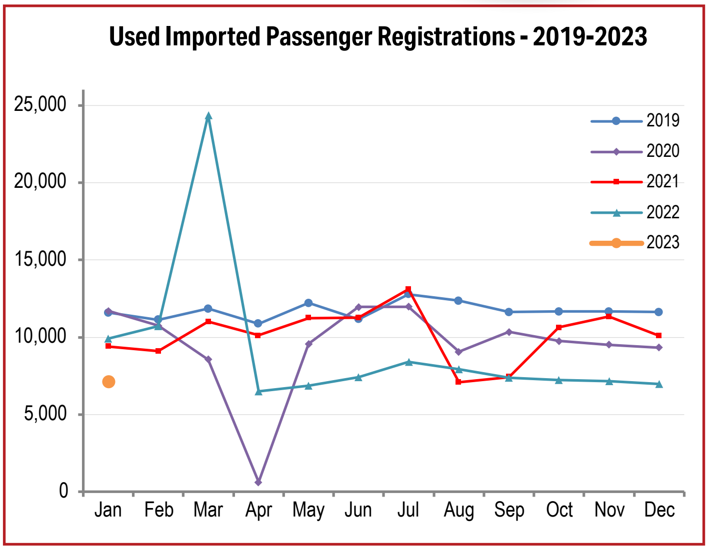
The total value of its assets have not been disclosed because the liquidators say disclosing such information may be prejudicial to a future sale.

The liquidators are now expected to start looking for a buyer of Moola and vehicle-finance company Zooma's loan books.

Toyota one-two

There were 7,147 used-imported cars sold last month, which was a drop of 29.3 per cent compared with 10,103 in January 2022. However, last month's total was up by 2.3 per cent from 6,989 in December.

Toyota's Aqua was the top-selling model with 1,096 registrations with the Prius second on 647. Third was claimed by Mazda's Axela on 434. Last month's leading marque was Toyota on 2,689 units. Mazda came second with 1,084 and Nissan was third on 956.



Used Imported Passenger Registrations - 2019-2023

Demand 'surge' expected

Turners Auto Retail is expecting the car market to experience supply issues in the wake of January's floods.

"We anticipate there will be a surge in demand arising from the awful situation in the Auckland region, but there won't be an increase in the supply of vehicles," says Greg Hedgepeth, chief executive.

"Used imports are down year on year in terms of sales and cars coming into the country, and that may create some demand pressure on used vehicles coming through over the next few weeks.

"Turners isn't reliant on imports, but parts of the market that do focus on imports may find it challenging as stock levels for some businesses are already tight."

Hedgepeth says the company's stock position is "good" across all its branches and it is prepared for a demand "surge".

"Used-car prices have increased in the past couple of years. Depending on when people bought their cars, getting like-for-like replacements might be challenging in achieving the same price level.

"Because of the clean-car changes, a lot of cars that once came in and economically made sense previously aren't being imported anymore.

"We may see problems for people coming out of larger imported cars and looking to replace like for like because they won't be able to get exactly the same option today."

Hedgepeth told Autofile he imagines thousands of vehicles will need to be replaced "given so many houses have been red-stickered and those houses will have had cars on the driveway that may have been written off".

He adds: "We were fortunate in that we didn't have any damage to cars or branches.

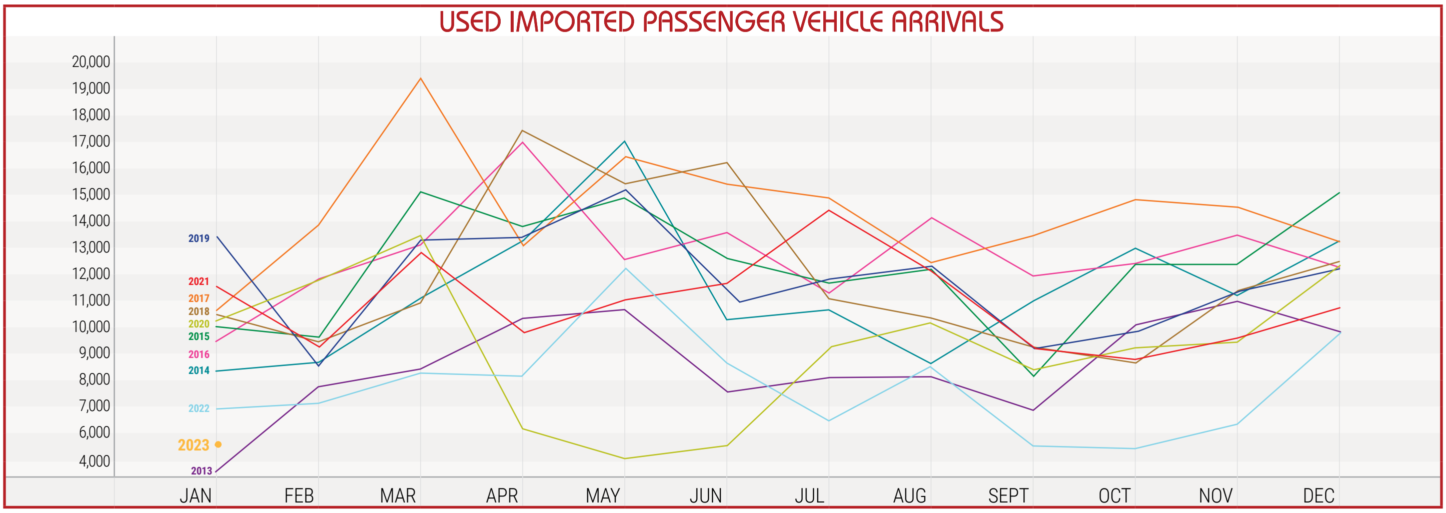
"We've invested a lot of money into new branches, and had to comply with all the latest drainage and run-off requirements. They are well set up to handle very heavy rain. It looks like they have done their job."

FALL IN USED IMPORTS

There were 5,211 used cars imported last month.

That was down by 24.8 per cent when compared to the total of 6,933 in January 2022.

The total from Japan was 4,966. Next up were Australia with 134 units, the UK with 34, the US on 30 and Singapore with 23.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2023 JAN '23	2023 JAN MARKET SHARE %	2023 TOTAL	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 TOTAL	2022 MRKT SHARE	2021 TOTAL	2021 MRKT SHARE
Australia	134	2.6%	**134**	723	639	559	432	2,353	2.6%	3,072	2.4%
Great Britain	34	0.7%	**34**	160	160	69	123	512	0.6%	1,259	1.0%
Japan	4,966	95.3%	**4,966**	20,718	27,387	19,322	20,313	87,740	95.6%	123,508	94.8%
Singapore	23	0.4%	**23**	148	118	77	80	423	0.5%	1,378	1.1%
USA	30	0.6%	**30**	139	122	99	127	487	0.5%	697	0.5%
Other countries	24	0.5%	**24**	84	55	62	49	250	0.3%	403	0.3%
Total	**5,211**	**100.0%**	**5,211**	**21,972**	**28,481**	**20,188**	**21,124**	**91,765**	**100.0%**	**130,317**	**100.0%**

Quarterly jump in car spending

The automotive industry recorded the biggest quarterly increase of all retail sectors in percentage terms, despite numbers dropping during 2022's final month.

Retail-card spending on vehicles climbed by $17 million, or 2.9 per cent, in the December quarter when compared with the previous quarter of last year.

The seasonally adjusted spend for the car industry came in at $625m for the final three months of 2022, which topped $608m in the September period and also eclipsed the $613m achieved in the December 2021 quarter.

In actual terms, the latest quarter's tally reached $649m, which was 1.3 per cent more than the $641m seen a year earlier.

The latest data from Statistics New Zealand shows the motor-vehicle industry had the biggest percentage year-on-year rise among the six retail categories when adjusted for seasonal effects.

The consumables sector was next up with an increase of 2.1 per cent, or by $154m, over the same timeframe.

Overall spending in retail industries increased by $110m and 0.6 per cent, but was dragged down by the value of card transactions for fuel tumbling by $197m and 9.8 per cent.

Actual retail-card spending topped $22 billion in the December quarter, which was up by nine per cent from the same three months in 2021.

There was less cause to celebrate for the automotive industry when looking at figures for the month of December alone with spending on vehicles falling by $6.1m, or 2.9 per cent, compared with November.

December's seasonally adjusted total was $202m, which was also a $9m drop from the same month of the previous year.

In actual terms, last month's tally reached $223m, which was down 4.7 per cent year on year but also the highest monthly figure since December 2021 when it totalled $234m.

MIXED RESULTS

Dealers sold 14,108 second-hand passenger vehicles to public buyers last month.

That was up from 13,911, or by 1.4 per cent, when compared to January 2022.

There were 10,954 trade-ins during January, which was a decrease of 3.6 per cent from 11,363 units.

SECONDHAND CAR SALES - January 2023

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	JAN '23	JAN '22	+/- %	MARKET SHARE	JAN '23	JAN '22	+/- %	JAN '23	JAN '22	+/- %
Northland	460	439	4.8	3.26	1,755	2,009	-12.6	142	207	-31.4
Auckland	4,718	4,495	5.0	33.44	12,102	13,140	-7.9	4,680	4,573	2.3
Waikato	1,419	1,360	4.3	10.06	3,577	4,249	-15.8	973	1,134	-14.2
Bay of Plenty	901	956	-5.8	6.39	2,623	2,977	-11.9	560	528	6.1
Gisborne	134	135	-0.7	0.95	324	352	-8.0	33	48	-31.3
Hawke's Bay	504	566	-11.0	3.57	1,359	1,507	-9.8	349	398	-12.3
Taranaki	338	389	-13.1	2.40	1,004	1,084	-7.4	186	222	-16.2
Manawatu-Whanganui	761	815	-6.6	5.39	1,937	2,235	-13.3	609	590	3.2
Wellington	1,369	1,503	-8.9	9.70	2,969	3,676	-19.2	895	993	-9.9
Tasman	125	104	20.2	0.89	431	519	-17.0	16	21	-23.8
Nelson	124	108	14.8	0.88	390	420	-7.1	128	112	14.3
Marlborough	126	140	-10.0	0.89	388	425	-8.7	76	94	-19.1
West Coast	93	105	-11.4	0.66	281	316	-11.1	41	44	-6.8
Canterbury	2,002	1,794	11.6	14.19	4,967	5,354	-7.2	1,766	1,739	1.6
Otago	703	645	9.0	4.98	1,939	1,924	0.8	388	464	-16.4
Southland	268	299	-10.4	1.90	790	921	-14.2	112	196	-42.9
Other	63	58	8.6	0.45	166	189	-12.2	0	0	0.0
NZ Total	**14,108**	**13,911**	**1.4**	**100.00**	**37,002**	**41,297**	**-10.4**	**10,954**	**11,363**	**-3.6**

New Passenger Vehicle Sales by Make - January 2023

MAKE	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	1,540	496	210.5	16.6%	1,540	16.6%
Kia	1,505	1,083	39.0	16.2%	1,505	16.2%
Mitsubishi	982	1,672	-41.3	10.6%	982	10.6%
Hyundai	603	733	-17.7	6.5%	603	6.5%
Suzuki	575	649	-11.4	6.2%	575	6.2%
MG	426	473	-9.9	4.6%	426	4.6%
Honda	348	499	-30.3	3.8%	348	3.8%
Ford	322	242	33.1	3.5%	322	3.5%
Mazda	311	461	-32.5	3.4%	311	3.4%
Subaru	294	267	10.1	3.2%	294	3.2%
Nissan	259	268	-3.4	2.8%	259	2.8%
BYD	235	0	23,500.0	2.5%	235	2.5%
Volkswagen	223	233	-4.3	2.4%	223	2.4%
Tesla	192	1	19,100.0	2.1%	192	2.1%
Haval	170	237	-28.3	1.8%	170	1.8%
Mercedes-Benz	159	278	-42.8	1.7%	159	1.7%
BMW	156	175	-10.9	1.7%	156	1.7%
Land Rover	125	93	34.4	1.3%	125	1.3%
Skoda	113	103	9.7	1.2%	113	1.2%
Audi	101	128	-21.1	1.1%	101	1.1%
Peugeot	94	93	1.1	1.0%	94	1.0%
Lexus	68	105	-35.2	0.7%	68	0.7%
Mini	63	78	-19.2	0.7%	63	0.7%
Porsche	61	70	-12.9	0.7%	61	0.7%
Volvo	51	102	-50.0	0.5%	51	0.5%
Cupra	40	37	8.1	0.4%	40	0.4%
SsangYong	35	93	-62.4	0.4%	35	0.4%
Opel	28	0	2,800.0	0.3%	28	0.3%
Jaguar	26	38	-31.6	0.3%	26	0.3%
Jeep	26	30	-13.3	0.3%	26	0.3%
Citroen	24	16	50.0	0.3%	24	0.3%
Renault	17	21	-19.0	0.2%	17	0.2%
Seat	16	2	700.0	0.2%	16	0.2%
Bentley	13	4	225.0	0.1%	13	0.1%
Isuzu	13	19	-31.6	0.1%	13	0.1%
Polestar	10	18	-44.4	0.1%	10	0.1%
Chevrolet	9	4	125.0	0.1%	9	0.1%
Ferrari	6	2	200.0	0.1%	6	0.1%
Aston Martin	5	8	-37.5	0.1%	5	0.1%
Fiat	5	15	-66.7	0.1%	5	0.1%
Lamborghini	4	4	0.0	0.0%	4	0.0%
Mahindra	4	9	-55.6	0.0%	4	0.0%
Maserati	4	12	-66.7	0.0%	4	0.0%
Can-Am	3	5	-40.0	0.0%	3	0.0%
Others	9	62	-85.5	0.1%	9	0.1%
Total	**9,273**	**8,938**	**3.7**	**100.0%**	**9,273**	**100.0%**

New Passenger Vehicle Sales by Model - January 2023

MAKE	MODEL	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Mitsubishi	Eclipse Cross	421	107	293.5	4.5%	421	4.5%
Toyota	RAV4	386	94	310.6	4.2%	386	4.2%
Kia	Stonic	340	165	106.1	3.7%	340	3.7%
Kia	Niro	338	103	228.2	3.6%	338	3.6%
Suzuki	Swift	326	253	28.9	3.5%	326	3.5%
MG	ZS	311	302	3.0	3.4%	311	3.4%
Mitsubishi	Outlander	301	1,184	-74.6	3.2%	301	3.2%
BYD	Atto 3	235	0	23,500.0	2.5%	235	2.5%
Toyota	Yaris Cross	229	54	324.1	2.5%	229	2.5%
Toyota	Corolla	217	76	185.5	2.3%	217	2.3%
Kia	Sportage	201	287	-30.0	2.2%	201	2.2%
Toyota	Corolla Cross	195	0	19,500.0	2.1%	195	2.1%
Honda	Jazz	188	237	-20.7	2.0%	188	2.0%
Hyundai	i30	173	26	565.4	1.9%	173	1.9%
Hyundai	Kona	167	303	-44.9	1.8%	167	1.8%
Toyota	C-HR	154	44	250.0	1.7%	154	1.7%
Kia	EV6	149	0	14,900.0	1.6%	149	1.6%
Kia	Seltos	149	267	-44.2	1.6%	149	1.6%
Tesla	Model Y	135	0	13,500.0	1.5%	135	1.5%
Subaru	Outback	132	95	38.9	1.4%	132	1.4%
Mitsubishi	Pajero Sport	127	51	149.0	1.4%	127	1.4%
Nissan	X-Trail	126	173	-27.2	1.4%	126	1.4%
Ford	Everest	112	100	12.0	1.2%	112	1.2%
Toyota	Yaris	109	87	25.3	1.2%	109	1.2%
Kia	Sorento	108	74	45.9	1.2%	108	1.2%
Hyundai	Tucson	107	108	-0.9	1.2%	107	1.2%
Haval	H6	101	119	-15.1	1.1%	101	1.1%
Mazda	CX-5	101	167	-39.5	1.1%	101	1.1%
Honda	CR-V	98	142	-31.0	1.1%	98	1.1%
Ford	Escape	97	77	26.0	1.0%	97	1.0%
Suzuki	Jimny	96	157	-38.9	1.0%	96	1.0%
Mitsubishi	ASX	95	297	-68.0	1.0%	95	1.0%
Hyundai	Santa Fe	94	106	-11.3	1.0%	94	1.0%
Kia	Niro Plus	88	0	8,800.0	0.9%	88	0.9%
Toyota	Land Cruiser Prado	82	12	583.3	0.9%	82	0.9%
Nissan	Qashqai	79	37	113.5	0.9%	79	0.9%
Suzuki	Ignis	76	69	10.1	0.8%	76	0.8%
Haval	Jolion	69	118	-41.5	0.7%	69	0.7%
MG	3	68	90	-24.4	0.7%	68	0.7%
Subaru	XV	68	90	-24.4	0.7%	68	0.7%
Subaru	Forester	67	75	-10.7	0.7%	67	0.7%
Honda	Civic	62	22	181.8	0.7%	62	0.7%
Land Rover	Defender	62	36	72.2	0.7%	62	0.7%
Tesla	Model 3	57	0	5,700.0	0.6%	57	0.6%
Kia	Carnival	55	33	66.7	0.6%	55	0.6%
Others		2,322	3,101	-25.1	25.0%	2,322	25.0%
Total		**9,273**	**8,938**	**3.7**	**100.0%**	**9,273**	**100.0%**

Electric models boost sales total

Mitsubishi claimed a one-two for plug-in hybrids in 2022, with its Eclipse Cross on 2,705 registrations and Outlander with 2,243

The new-vehicle industry notched up strong registrations in 2022, which was partially driven by a 77 per cent increase in models with some form of electrification.

The Motor Industry Association (MIA) reports sales of passenger vehicles and SUVs reached a record 116,445 – up by 3.8 per cent or 4,302 units compared to 2021.

Overall, the new-vehicle market came in at 0.3 per cent, or 490 units, below 2021 for its second highest year on record.

David Crawford, chief executive of the MIA, describes the results as "outstanding" given a challenging business environment, rising interest rates and inflationary pressures dampening economic activity.

"The outlook for 2023 is for a somewhat softer outcome with businesses and private buyers tightening their belts," he adds.

Sales of battery electric vehicles (BEVs) "strongly exceeded expectations" in 2022 and are rapidly closing the gap on monthly sales of hybrids, notes Crawford.

The MIA's registration data shows there were 16,223 BEVs, 7,259 plug-in hybrids (PHEVs) and 17,621 hybrid vehicles sold last year. These totals compare with 6,897 BEVs, 2,482 PHEVs and 13,794 hybrids in 2021.

The total for vehicles with some form of drivetrain electrification grew from 23,173 units in 2021 to 41,103 units in 2022, a jump of 77 per cent or 17,930 units.

Teslas made up the top two for fully electric cars – the Model Y with 4,226 units and Model 3 with 2,781. BYD's Atto 3 was third on 1,685. Both the Model Y and Atto 3 were introduced in 2022's second half.

Mitsubishi's Eclipse Cross led the way for PHEVs with 2,705 registrations with its bigger sibling the Outlander next on 2,243 units and the MG HS third with 647.

As for hybrids, Toyota's RAV4 was the best-seller with 3,841. It was followed by the Honda Jazz and Toyota Corolla on 1,893 and 1,640 respectively.

'WIDEST HYBRID CHOICE'

Toyota NZ is celebrating 35 years of leading the new-vehicle market and says more than one-third of its 28,727 sales in 2022 were electrified.

Steve Prangnell, general manager of new vehicles, says the company aims to offer the widest choice of hybrids in the country.

"Thirty-six per cent of our sales in 2022 were hybrids. We have passed the tipping point of positive customer sentiment towards hybrid-electric options and it's telling one of our top-sellers was the hybrid electric RAV4.

"We've seen an ever-increasing move to hybrid versions of all of our vehicles and customers benefit further by being able to receive a clean car discount on them."

Meanwhile, Lexus beat its previous record of 1,005 new-car sales in 2021 after retailing 1,020 last year. Its top-selling model was the UX on 309 units, 177 of which were BEVs and 132 were hybrid variants.

It also has a "significant" number of orders placed for this year, mainly driven by demand for its electrified range. It notes 82 per cent of last year's sales were either BEVs – the UX300e, PHEVs – the NX450h+ or hybrids.

Andrew Davis, general manager of Lexus NZ, says the marque aims to increase its sales and work towards carbon neutrality through a mixed portfolio of sustainable powertrain options.

He adds: "We saw a growing shift in demand for electrified products during 2022, especially with the arrival of PHEVs and battery-electric models.

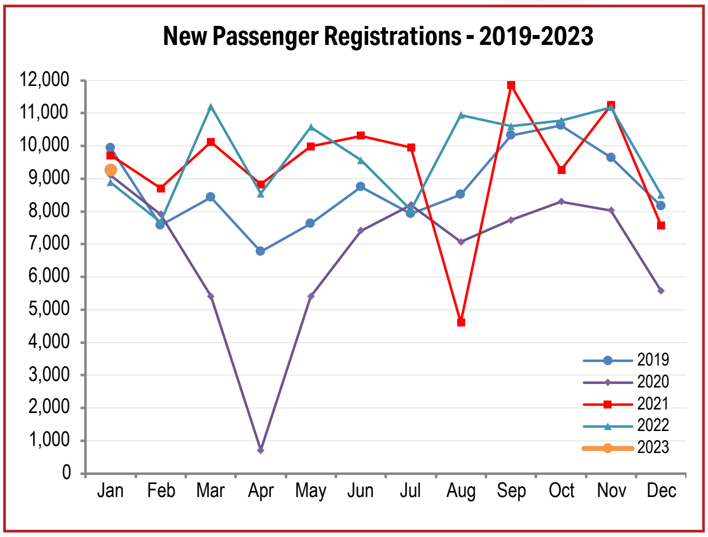
"We're now turning our attention towards a carbon-neutral future. By 2050, Lexus aims to achieve carbon neutrality throughout the lifecycle of its entire line-up – from the manufacturing of materials, parts, vehicles and logistics through to the final disposal and recycling of older vehicles."

Increase in trade

There were 9,273 new passenger vehicles registered in January, which was up by 3.7 per cent compared with 8,938 in the same month of 2022.

The best-selling model was the Mitsubishi Eclipse Cross with 421 units. Toyota's RAV4 came second on 386 and the Kia Stonic was third with 340.

January's top three marques were Toyota with 1,540 sales, Kia on 1,505 and Mitsubishi with 982.



DELAY WITH PLUG-IN

Mitsubishi Motors NZ is warning consumers they face a wait of up to 12 months for delivery of its Outlander PHEV with "record demand" among the factors impacting orders.

The marque has published a statement on its website advising that its wait times are between six and 12 months, depending on the model chosen.

"Due to record customer demand for the Outlander PHEV and global battery production constraints, you may have to wait a little longer than usual before driving home in your new PHEV," it explains.

"We apologise for any inconvenience this may cause as we try to work through these challenging conditions."

The Eclipse Cross PHEV is not impacted by the announcement. The marque isn't alone in facing delivery delays with the likes of Toyota and Ford also recently reporting substantial wait times for new vehicles to arrive here.

Smart technology for charging

Two operators in the electric vehicle (EV) sector have joined forces to reduce pressure on the grid.

LDV New Zealand is working with Kiwi manufacturer Evnex to help businesses charge their plug-in vans and utes by using smart technology to spread the load and increase efficiency.

Evnex is supplying support for residential and business charging to LDV, and providing smart-charging expertise to its customers.

The Christchurch-based company says it has facilitated the largest network of smart chargers in this country, and uses technology that enables a fast, safe and as economical service as possible.

Its equipment helps drivers to "fuel up" from less carbon-intensive electricity, and it will future-proof charging infrastructure by balancing the load on New Zealand's power supply in years to come.

Amanda West, fleet sales manager for LDV NZ, says the marque is seeing increased demand from larger businesses looking for EVs.

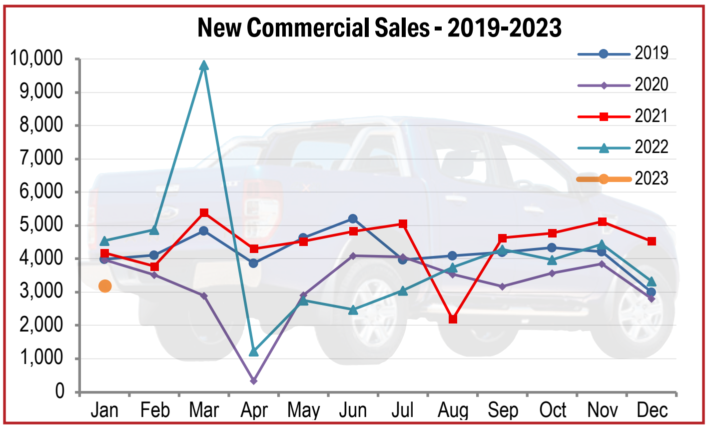
"Smaller businesses were early adopters of commercial EVs, but sales among larger businesses are forecast to rise significantly over coming years.

"They want to reduce their emissions and footprints while looking to cut fuel costs."

Because LDV's customers work in different conditions, the marque tested Evnex's chargers in different environments to ensure they meet requirements.

"It's important that when a business has work to do that vehicles are ready too," says West. "Being able to provide our customers with a New Zealand-owned service that's simple ticks all the boxes".

Ed Harvey, chief executive officer of Evnex, says teaming ▶



New Commercial Sales by Make - January 2023

MAKE	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	989	668	48.1	30.8%	989	30.8%
Ford	892	974	-8.4	27.8%	892	27.8%
Mitsubishi	316	1,137	-72.2	9.9%	316	9.9%
Isuzu	166	225	-26.2	5.2%	166	5.2%
LDV	101	251	-59.8	3.1%	101	3.1%
Nissan	101	383	-73.6	3.1%	101	3.1%
Fuso	86	71	21.1	2.7%	86	2.7%
Hino	58	56	3.6	1.8%	58	1.8%
Volkswagen	56	98	-42.9	1.7%	56	1.7%
Hyundai	40	38	5.3	1.2%	40	1.2%
Mercedes-Benz	40	60	-33.3	1.2%	40	1.2%
Scania	40	27	48.1	1.2%	40	1.2%
Volvo	30	6	400.0	0.9%	30	0.9%
Iveco	28	34	-17.6	0.9%	28	0.9%
Ram	25	38	-34.2	0.8%	25	0.8%
Fiat	22	64	-65.6	0.7%	22	0.7%
Great Wall	22	97	-77.3	0.7%	22	0.7%
Chevrolet	21	11	90.9	0.7%	21	0.7%
Mazda	21	101	-79.2	0.7%	21	0.7%
Renault	20	11	81.8	0.6%	20	0.6%
Others	133	204	-34.8	4.1%	133	4.1%
Total	**3,207**	**4,554**	**-29.6**	**100.0%**	**3,207**	**100.0%**

New Commercial Sales by Model - January 2023

MAKE	MODEL	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	Hilux	800	506	58.1	24.9%	800	24.9%
Ford	Ranger	796	951	-16.3	24.8%	796	24.8%
Mitsubishi	Triton	311	1,118	-72.2	9.7%	311	9.7%
Toyota	Hiace	159	146	8.9	5.0%	159	5.0%
Nissan	Navara	101	383	-73.6	3.1%	101	3.1%
Ford	Transit	96	23	317.4	3.0%	96	3.0%
Isuzu	D-Max	95	172	-44.8	3.0%	95	3.0%
Isuzu	F Series	37	18	105.6	1.2%	37	1.2%
LDV	G10	36	78	-53.8	1.1%	36	1.1%
Hyundai	Staria Load	34	33	3.0	1.1%	34	1.1%
Toyota	Land Cruiser	30	16	87.5	0.9%	30	0.9%
Volkswagen	Crafter	28	34	-17.6	0.9%	28	0.9%
Isuzu	N Series	25	29	-13.8	0.8%	25	0.8%
Mercedes-Benz	Sprinter	25	43	-41.9	0.8%	25	0.8%
Ram	1500	25	34	-26.5	0.8%	25	0.8%
Hino	500	24	33	-27.3	0.7%	24	0.7%
Fiat	Ducato	22	64	-65.6	0.7%	22	0.7%
Fuso	Canter City Tip	22	14	57.1	0.7%	22	0.7%
Great Wall	GWM Cannon	22	97	-77.3	0.7%	22	0.7%
LDV	T60	22	87	-74.7	0.7%	22	0.7%
Others		497	675	-26.4	15.5%	497	15.5%
Total		**3,207**	**4,554**	**-29.6**	**100.0%**	**3,207**	**100.0%**

up with LDV marks a significant milestone for the company.

"LDV is leading the way in commercial EVs and its EVs are in high demand," he adds. "For us, it's important businesses trading in diesel and petrol-fuelled vans and utes also have an intelligent charging solution to serve them for years to come.

"Smart charging is an important part of seamlessly managing electric fleets. Businesses also need robust charging solutions they can rely on, especially in sectors such as farming and the trades where EVs need to perform in rugged conditions."

LDV released the first electric ute in New Zealand, the T60, last year, while Evnex's chargers are New Zealand-made and manufactured.

SsangYong Motor, meanwhile, is approaching the end of an era as it prepares to change its name to KG Mobility this year.

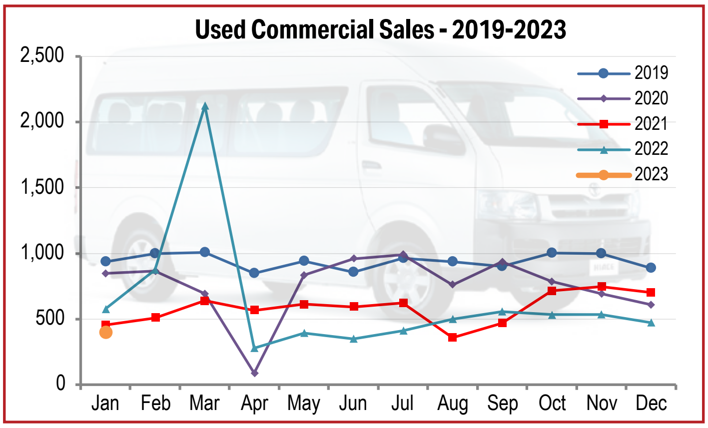
The decision was taken by KG Group, which owns the majority stake in SsangYong, as it emerges from financial difficulties that led to its recent bankruptcy.

"The name has a fandom with good memories, but also has a painful image," says Kwak Jea-sun, KG Group chairman. "From now, all SsangYong cars will come out to the world under the name of KG."

Official approval to change the name, which has been in place for 35 years, will be voted on at SsangYong's general shareholders' meeting in March.

As South Korea's oldest automobile manufacturer, SsangYong began as Ha Dong-Hwan Motor workshop in 1954.

KG Group, a chemical and steel company, acquired a 61.9 per cent stake in it to become its largest shareholder in August 2022.



REGISTRATIONS TUMBLE

There were 3,207 new commercials registered in New Zealand last month. That was down by 29.6 per cent compared to 4,554 in January 2022.

Toyota's Hilux topped the models' ladder with 800 units. The Ford Ranger was second on 796 and Mitsubishi's Triton came third with 311.

As for used-imported commercials, there were 401 sold in January compared with 585 in the same month of last year – down by 31.5 per cent. Toyota's Hiace was top model on 114 units.

Used Commercial Sales by Make - January 2023

MAKE	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	160	213	-24.9	39.9%	160	39.9%
Nissan	105	139	-24.5	26.2%	105	26.2%
Isuzu	25	43	-41.9	6.2%	25	6.2%
Mitsubishi	24	30	-20.0	6.0%	24	6.0%
Hino	23	50	-54.0	5.7%	23	5.7%
Ford	16	18	-11.1	4.0%	16	4.0%
Holden	8	13	-38.5	2.0%	8	2.0%
Fiat	6	2	200.0	1.5%	6	1.5%
Mazda	5	12	-58.3	1.2%	5	1.2%
Chevrolet	4	6	-33.3	1.0%	4	1.0%
Daihatsu	3	7	-57.1	0.7%	3	0.7%
Iveco	3	0	300.0	0.7%	3	0.7%
Suzuki	3	7	-57.1	0.7%	3	0.7%
MAN	2	0	200.0	0.5%	2	0.5%
UD Trucks	2	4	-50.0	0.5%	2	0.5%
Volkswagen	2	4	-50.0	0.5%	2	0.5%
Fuso	1	5	-80.0	0.2%	1	0.2%
GMC	1	2	-50.0	0.2%	1	0.2%
Hyundai	1	1	0.0	0.2%	1	0.2%
Land Rover	1	0	100.0	0.2%	1	0.2%
Others	6	29	-79.3	1.5%	6	1.5%
Total	**401**	**585**	**-31.5**	**100.0%**	**401**	**100.0%**

Used Commercial Sales by Model - January 2023

MAKE	MODEL	JAN '23	JAN '22	+/-%	JAN '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	Hiace	114	156	-26.9	28.4%	114	28.4%
Nissan	NV350	62	87	-28.7	15.5%	62	15.5%
Toyota	Regius	20	7	185.7	5.0%	20	5.0%
Hino	Dutro	17	32	-46.9	4.2%	17	4.2%
Nissan	Caravan	17	34	-50.0	4.2%	17	4.2%
Isuzu	Elf	16	34	-52.9	4.0%	16	4.0%
Fuso	Canter	12	19	-36.8	3.0%	12	3.0%
Toyota	Dyna	11	25	-56.0	2.7%	11	2.7%
Nissan	NV200	10	3	233.3	2.5%	10	2.5%
Nissan	Atlas	9	6	50.0	2.2%	9	2.2%
Toyota	Toyoace	8	13	-38.5	2.0%	8	2.0%
Ford	Ranger	7	12	-41.7	1.7%	7	1.7%
Chevrolet	Colorado	7	9	-22.2	1.7%	7	1.7%
Toyota	Hilux	7	6	16.7	1.7%	7	1.7%
Isuzu	Forward	6	5	20.0	1.5%	6	1.5%
Fiat	Ducato	5	2	150.0	1.2%	5	1.2%
Hino	Ranger	4	11	-63.6	1.0%	4	1.0%
Mazda	Titan	4	3	33.3	1.0%	4	1.0%
Mitsubishi	Rosa	4	3	33.3	1.0%	4	1.0%
Mitsubishi	Triton	4	5	-20.0	1.0%	4	1.0%
Others		57	113	-49.6	14.2%	57	14.2%
Total		**401**	**585**	**-31.5**	**100.0%**	**401**	**100.0%**

MOANAblue
independent vehicle shipping & logistics

Sales in Japan take tumble

Registrations of new passenger vehicles in Japan fell by 5.6 per cent in 2022 when compared to 2021 mainly because of the global semi-conductor shortage and supply-chain disruptions.

A total of 4,201,321 cars, including kei-class models with engines up to 660cc, were sold last year.

Deliveries declined for the fourth consecutive year and dropped to their lowest level since 1977's total of about 4.19 million units, while registrations of cars other than mini-vehicles went down by 8.3 per cent to 2,563,184.

Toyota's sales tumbled by 12.4 per cent to 1,217,128, while Nissan's slipped by 0.8 per cent to about 272,020. Honda sold 269,034 units – down by 1.9 per cent.

Mitsubishi registered a gain of 42.4 per cent to 49,178 thanks to its Outlander PHEV and electric mini-vehicles, while Suzuki and Mazda also recorded increases.

Meanwhile, sales of new vehicles in Australia broke through the million-unit milestone in 2022.

Some 1,081,429 units were registered during "an unusual year" when demand exceeded supply, reports the Federal Chamber of Automotive Industries (FCAI).

Toyota was the top-selling marque with a 21.4 per cent share of the market and the best-selling model was its Hilux on 64,391 units.

SUVs and light commercials accounted for 76.8 per cent of sales and made up eight of the top 10 models. Battery electric vehicles came in at 3.1 per cent.

Tony Weber, chief executive of the FCAI, says the pathway to recovery from coronavirus, microprocessor shortages and bottlenecks with shipping created "great challenges" last year.

He adds: "While 2022 was a year of resilience, 2023 is shaping up as one of the most significant in recent history, particularly in developing policies that set the direction for the light fleet's future decarbonisation.

"We're optimistic the federal government will take action in 2023 and introduce a fuel-efficiency standard that achieves policy outcomes that lead to emissions reductions while enabling Australians to drive vehicles they need and want."

Beyond a standard, Weber says a technology mix, infrastructure investment and behaviour change initiatives are also needed to cut emissions to create a cleaner fleet and ensure a sustainable industry.

Registrations up

Imports of new cars in January came in at 6,259. That was down by 1.7 per cent from the same month a year earlier and by 37 per cent compared to December's total of 9,936 units.

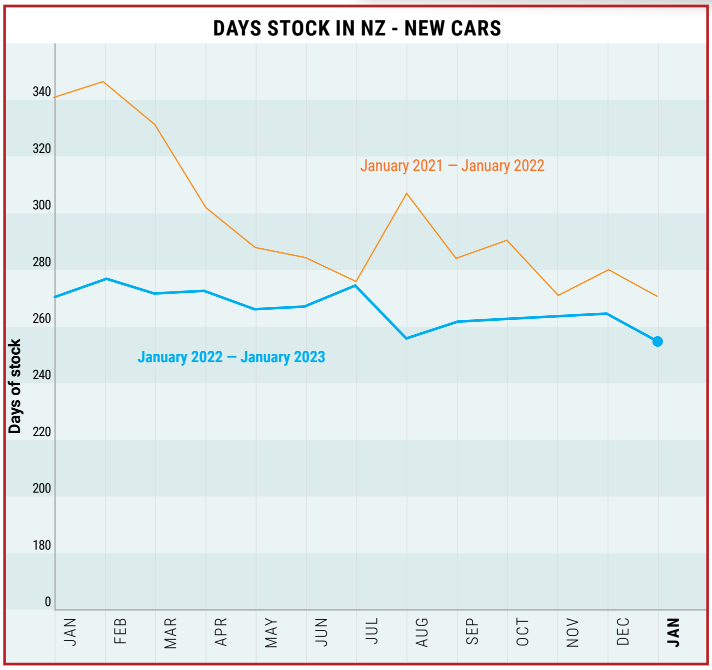
Registrations of 9,273 new passenger vehicles were completed last month, which was up by 9.1 per cent from 8,498 in December and up by 3.7 per cent on 8,934 in January 2022.

The numbers have resulted in the stock of new cars still to be registered dropping by 3,014 to 81,220. Daily registrations, as averaged over the previous 12 months, stand at 320 units – up from 305 a year earlier.

January's results mean stock at-hand has decreased to 254 days, or 8.4 months, if sales continue at the current rate. In the same month of 2022, stock at-hand stood at 270 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
Jan '22	6,367	8,938	-2,571	82,381	305	270
Feb '22	8,517	7,655	862	83,243	302	276
Mar '22	10,322	11,200	-878	82,365	305	270
Apr '22	8,555	8,521	34	82,399	304	271
May '22	8,488	10,555	-2,067	80,332	306	263
Jun '22	9,439	9,538	-99	80,233	304	264
Jul '22	9,368	8,036	1,332	81,565	298	273
Aug '22	9,928	10,925	-997	80,568	316	255
Sep '22	11,219	10,589	630	81,198	312	260
Oct '22	12,011	10,744	1,267	82,465	316	261
Nov '22	11,493	11,162	331	82,796	316	262
Dec '22	9,936	8,498	1,438	84,234	319	264
Jan '23	**6,259**	**9,273**	**-3,014**	**81,220**	**320**	**254**
Year to date	**6,259**	**9,273**				
Change on last month	**-37.0%**	**9.1%**		**-3.6%**		
Change on Jan 2022	**-1.7%** LESS IMPORTED	**3.7%** MORE SOLD		**-1.4%** LESS STOCK		



Looking for finance opportunities

Geneva Finance is preparing itself for an economic downturn to bring opportunities as well as challenges.

The group's 2022/23 half-year pre-tax profit dropped to $3.4 million, which was down by $600,000 or 15 per cent compared to the previous corresponding period.

That said, revenue came in at $23.8m, up by $3.3m and 16 per cent compared with April to September 2021.

Total group assets rose by five per cent to $160m and operating costs grew by 11 per cent to $10.7m.

Managing director David O'Connell says the drop in pre-tax profit was largely driven by Covid-19 interruptions on lending volumes and higher costs of funds due to rising interest rates.

"While the profit result is disappointing, factors driving this are being addressed."

Looking ahead, the benefits of investing in sales and IT systems should be realised. Initially, these will be seen in lending volume growth and then as receivables ledgers expand.

"The forecast economic downturn brings challenges and opportunities. With our strong balance sheet and solid earnings record over the past few years, the board is determined to deal with the former and take advantage of opportunities."

O'Connell adds the group's strategic direction remains unchanged with the focus on its core businesses of vehicle and personal loans, and insurances related to them.

Geneva Financial Services recorded a pre-tax profit of $1.9m, down by $800,000 or 30 per cent on the same half-year period in 2021.

"We're now seeing the impact on profitability of the changes to lending rules and Covid interruptions, both of which have negatively impacted lending volumes," notes O'Connell.

Rising interest costs have reduced margins and increasing living costs are impacting on approvals.

Quest Insurance reported a pre-tax profit of $2.5m, up four per cent, and maintained premium growth with gross premium climbing 30 per cent to $19.1m.

But higher claims costs, particularly for comprehensive vehicle products, mitigated much of that benefit. Operating costs rose $300,000, or by 45 per cent, mainly due to costs associated with regulatory compliance.

Imports down

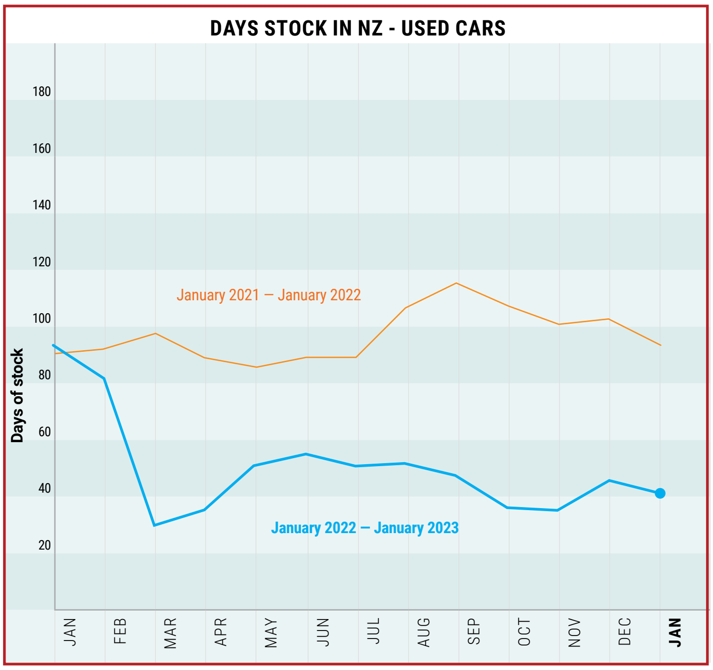
There were 5,211 used cars imported in January, which was down by 24.8 per cent from 6,933 units in the same month of 2022.

The monthly figure was also a decrease of 46.7 per cent from 9,781 vehicles in December.

A total of 7,147 units were sold last month. This was a 29.3 per cent drop from 10,103 in January last year, but it was up 2.3 per cent from December when 6,989 units were registered.

With 1,936 fewer used cars imported than registered last month, it brought stock sitting on dealers' yards or in compliance shops to 12,028 units. This was 59.7 per cent, or 17,839 cars, below the total at the end of January 2022.

Average daily sales fell to 296 per day, down from 336 a year ago, and there is 41 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
Jan '22	6,933	10,103	-3,170	29,867	336	89
Feb '22	7,149	10,720	-3,571	26,296	340	77
Mar '22	7,890	24,343	-16,453	9,843	377	26
Apr '22	7,999	6,498	1,501	11,344	367	31
May '22	11,833	6,877	4,956	16,300	355	46
Jun '22	8,649	7,403	1,246	17,546	344	51
Jul '22	6,498	8,234	-1,736	15,810	331	48
Aug '22	8,594	7,936	658	16,468	333	49
Sep '22	5,096	7,367	-2,271	14,197	333	43
Oct '22	5,064	7,235	-2,171	12,026	324	37
Nov '22	6,297	7,151	-854	11,172	312	36
Dec '22	9,781	6,989	2,792	13,964	304	46
Jan '23	**5,211**	**7,147**	**-1,936**	**12,028**	**296**	**41**
Year to date	**5,211**	**7,147**				
Change on last month	**-46.7%**	**2.3%**		**-13.9%**		
Change on Jan 2022	**-24.8%** LESS IMPORTED	**-29.3%** LESS SOLD		**-59.7%** LESS STOCK