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Timing of clean-car changes under fire

Government's revamp of feebate scheme will impact on rebates for hybrids and small cars – and the charges for light commercials

The relaunch of the clean car discount (CCD) has been criticised because of the short timeframe for the industry to adjust before the changes kick in.

There are also concerns segments of the market will become more expensive for consumers with many fuel-efficient hybrids set to attract lower rebates or miss out altogether, and utes getting pinged with bigger penalties.

The Motor Industry Association (MIA), Imported Motor Vehicle Industry Association (VIA) and Motor Trade Association (MTA) have condemned the roll-out date of July 1 for the overhauled CCD as too soon because it risks creating disruption across the industry and its supply chain.

The government's announcement on May 2 means rebates will soon only apply to imports emitting up to 100g of carbon dioxide (CO₂) per kilometre instead of the current 146g limit.

The discount for models emitting between 1gCO₂/km and



CCD rebates for many petrol hybrids will be lower from July 1

100gCO₂/km – generally plug-in hybrids (PHEVs) and smaller petrol hybrids – will fall by about \$1,500 to \$1,750 for new and by \$200 to \$500 for used, according to the Ministry of Transport (MoT).

The rebate will be \$1,725 for a vehicle at 100g, plus \$57.50 for each gram below that level for new vehicles up to a cap of \$4,025. Used imports will receive half of the dollar amount for new vehicles.

Meanwhile, the maximum rebate for new battery electric vehicles (BEVs) is being reduced

from \$8,625 to \$7,015 and it will increase from \$3,450 to \$3,507.50 for used.

The threshold for when imports attract fees will drop from 192gCO₂/km to 150g. Fees will be set at \$575, plus \$57.50 for each gram above 150g for new imports and half that amount for used.

An updated formula will be applied for calculating fees for passenger vehicles emitting 192gCO₂/km or more, which the MoT notes will increase charges.

As a result, the maximum charge for vehicles "with very high

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GUEST EDITORIAL

Conundrum facing energy transition

Serious headwinds must be battled before we can switch to renewables, says Terry Collins

Mobility, for the past 120 years, has been powered by relatively cheap and easy to obtain oil.

The automobile brought mobility to the masses helping to solve one of the great environmental challenges of the day. Yet solving one problem can have unintended consequences.

In the late 1800s, civilisations relied on horses, but pollution and disease became rife – just imagine 50,000 horses in London each dropping 7-16kg of manure and more than one litre of urine per day.

In 1894, The Times predicted that “in 50 years, every street in London will be buried under nine feet of manure”.

The situation was debated in 1898 at the world’s first international urban planning conference, but without resolution. It seemed urban civilisation was doomed.

Then the car arrived, problem solved. While there were steam and electric vehicles (EVs), the internal combustion engine (ICE) car became most popular – powered by oil that was plentiful and cheap.

Yet, as mobility evolved, again came unintended consequences and climate change has become apparent. Governments have declared carbon footprints must reduce, and policies targeting the transport sector have been developed to reduce oil consumption and encourage renewable energy generation.

There seems to be some serious headwinds we must battle first.



TERRY COLLINS
AA's principal policy adviser

If we were amid a transition away from petrol to renewables, there would be no desire or sense to invest in oil and gas exploration, and the market would be receiving signals these fuels are no longer needed.

However, it’s quite the reverse. Despite minor fluctuations driven by external economic conditions, there’s steady, resilient and increasing demand for oil and gas. This year, world oil demand is forecast to rise by an average of two million barrels per day to 101.9m.

As global GDP will double by 2050, demand for energy in any form must grow massively. To save the planet, we must transition to renewables, yet oil and gas are still needed for decades to come.

When the world exploited oil in the 1950s, it was easy to find and cheap to extract. In energy terms, only a small amount was needed to extract large quantities. Today around 15 per cent of that oil is needed to extract new discoveries. By 2050, it will take 50 per cent of what’s extracted.

New Zealand’s emissions reduction plan requires 1.5m more battery EVs by 2035. We have just over 15,300 in a fleet of 4.5m. That’s 0.34 per cent.

Although sales of zero-emissions cars will increase and become a larger part of the mix, it’s not yet time to swap your spanner for a computer. The future for the next few decades will be ICEs. And EVs, public transport, walking and cycling will provide complementary options. ☺

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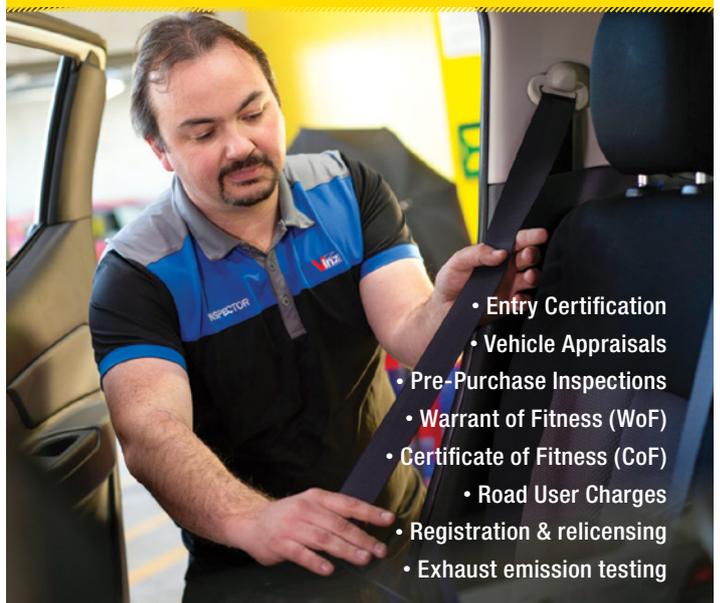
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emissions" will rise from \$5,175 to \$6,900 for new and from \$2,875 to \$3,450 for used.

In addition, a rebate for new and used low-emissions disability vehicles is being introduced. This will be \$11,500 for BEVs, and \$5,750 for PHEVs and hybrids.

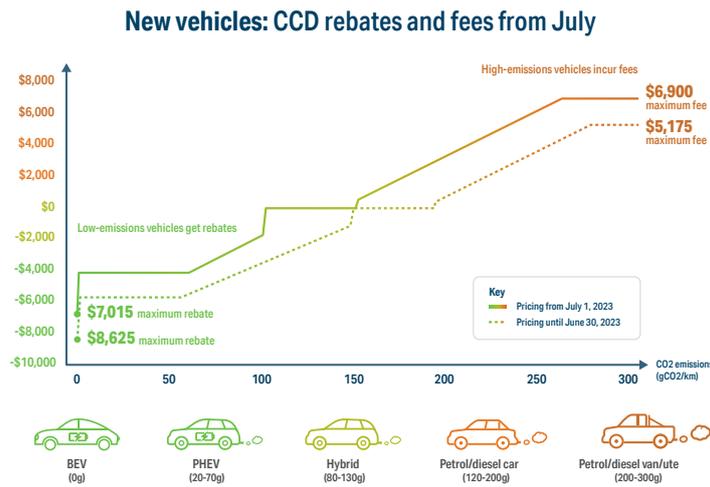
Kit Wilkerson, VIA's head of policy and strategy, says the changes to the CCD will affect bigger hybrids from July 1 because of the rebates they will be attracting.

There will continue to be credits on small hybrids, "with BEVs and PHEVs being the best options".

He told Autofile some light petrol hybrids will see their rebates fall. For example, those for many Toyota Aquas will decrease from the current \$1,700 to \$1,000 or \$1,100.

Many heavier petrol hybrids will probably go into the zero band with no rebates or charges being applied. Some will start to be penalised.

"CO2 ratings of 150g/km is



Emissions ranges shown are a guide. Some vehicles may have higher or lower emissions.

Source: Waka Kotahi

where penalties will start to apply on used imports, which is a normal-sized family car," he says. "This will add significant market pressure to bring in cleaner cars."

The top six used imports in New Zealand up to the end of April, in order, were Toyota's Aqua and Prius, the Mazda Axela, Toyota Corolla, Honda Fit and Nissan Note.

When combined, their first-time registrations accounted for 40.1 per

cent of the market for the first four months of this year, with many of those being traditional hybrids.

The Aqua, which made up 15.2 per cent of the year-to-date total, will continue to attract rebates.

Wilkerson says from model-year 2013 onwards, it is likely to attract a slight decrease in credits and from 2017 these will be about the same.

Toyota's Prius PHEV will attract a higher rebate after Waka Kotahi's system changes to align used plug-in hybrids with new PHEVs. This will be the same with PHEV variants of the Corolla and Note.

The Prius Alpha and pre-2012 models will fall into the zero band, while newer petrol hybrids will attract rebates of around the same levels as now.

When it comes to the Axela, older models will start attracting heavy penalties while hybrids and model-year 2015 onwards will fall into the zero band or attract slight credits depending on the variant.

As for non-PHEV Corollas, hybrid variants are likely to get slightly higher discounts than similar Aquas with others being landed with penalties, says Wilkerson, while Nissan Notes that are post-2012 will fall into the neutral zone with models before that year facing penalties.

The MIA predicts the financial impact of the CCD changes will be considerable for the new-vehicle industry and its customers.

Aimee Wiley, chief executive officer, notes there are wait lists of up to 12 months for models from some brands, and the prices of these vehicles may be impacted by

the new rebate and fee settings.

"Customers have committed to purchasing vehicles and have paid deposits in good faith, expecting to know the overall value of that commitment," she says.

"The CCD changes announced by Minister [Michael] Wood mean most hybrid vehicles that haven't got a plug will no longer qualify for a rebate. Customers will likely have to pay more for these vehicles from July 1."

She adds it's "surprising and disappointing" to only get two months' notice from the government for the amendments to its policy that will have significant consequences.

"Ever since we started discussing the clean-car scheme with officials, the key message has always been to allow adequate time and notice of change.

"The new-vehicle industry is typically committed to specific vehicle orders in advance, usually up to 12 months in advance.

"Not allowing adequate time for industry to adapt to these changes creates significant and unnecessary commercial consequences. We've always said at least six months' notice is preferred."

Wiley notes it's also disappointing that the majority of non-plug-in hybrids will no longer qualify for rebates because they represent a more affordable pathway toward lower-emissions vehicles for many.

"The CCD has proven that rebates influence customer demand for lower-emissions vehicles," she told Autofile.

"Let's hope the removal of rebates from non-plug-in hybrids doesn't undermine the ultimate goal of reducing vehicle emissions from the fleet."

The MIA welcomes that eligibility criteria for the CCD will remain the same, namely the \$80,000 cap, which addresses inflationary pressures for new-vehicle prices.

But it is disappointed its request to create a specific cap for light commercials at \$85,000 seemed a step too far for the government, the consequence being that these vehicles are "disproportionately

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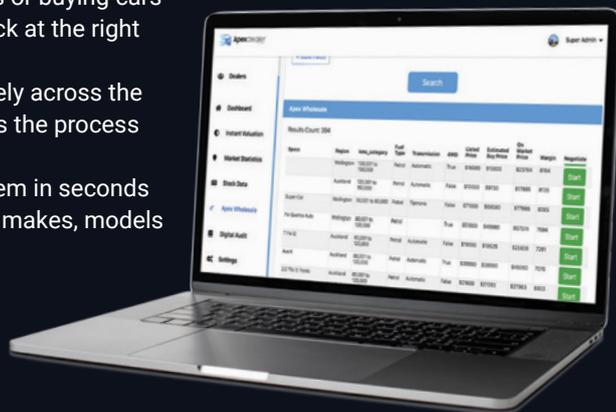
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[continued from page 4]

impacted” by the changes in fees.

“The MIA anticipated a reduction in rebates, an increase in fees and adjustment to the bands for eligibility for rebates,” says Wiley.

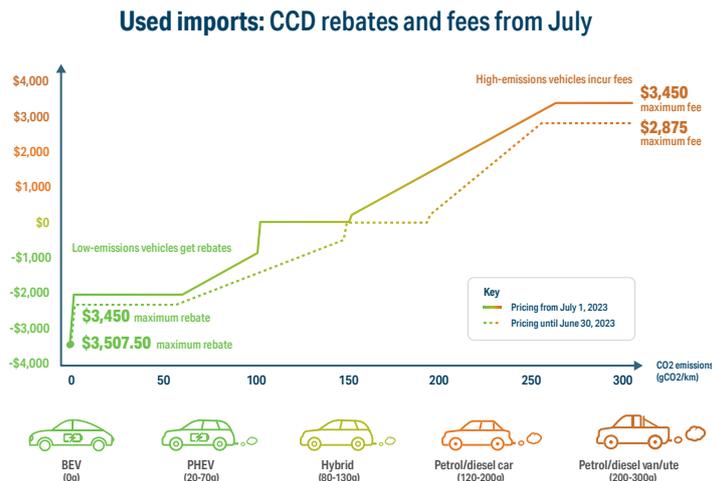
“Unfortunately, reducing the point at which a rebate begins from 146g to 100gCO₂/km excludes almost all hybrid vehicles from qualifying for a rebate from July 1.”

The MTA warns the changes to the CCD may have little effect on sales of EVs and light commercials, with both categories already facing market challenges.

Tony Everett, the MTA's sector manager – dealers, notes it's difficult to forecast exactly how the shake-up of the feebate scheme may affect the fleet, while the clean car standard (CCS) will also have an influence.

“EVs are supply constrained and the CCD changes will do nothing to really change that outcome,” he says.

“An increase in fees on utes and vans might not change outcomes in those sectors because there are



Emissions ranges shown are a guide. Some vehicles may have higher or lower emissions. Source: Waka Kotahi

no real alternatives that meet the ‘utility’ value required.

“The real questions must now centre on what happens in the market between those extremes – that’s to say, the hybrid and small ICE [internal combustion engine] sectors. Without incentives, will hybrids lose some volume – if so, that would be a shame.”

Everett adds the government's aim in announcing its overhaul of

the CCD is to try to balance the ledger of the system that has paid out far more in rebates than it has received in fees.

“We ponder whether the actual plan is as good as it could be. Hybrids, where most of the transitional volume sits, have largely been taken out of the rebate side.

“At this time where we are still in the technology shift phase towards more fuel-efficient vehicles, we’re not sure that is the right move. Maybe it would have been better to reduce the numbers at the edges – lower the maximum rebates and fees, and flatten the line in the middle.

“The CCD is about sending a message to consumers, and that could have arguably been better achieved.”

Everett echoes industry concerns that the amount of notice the government has given on the changes is inadequate. He says having less than two months until the new regime is introduced provides no room for businesses to adjust.

“In the used sector, two months is insufficient given the much longer shipping times currently in play,” he says.

“The new-vehicle industry is caught by long lead times, so this timing will cause problems at an individual brand level. Some brands may be better placed than others.

“Our members operate in both the new and used dealer space. Sudden changes are hard for both sides because it gives them no time

to adjust their product mix before new rules apply.”

Wilkerson says VIA requested at least a three-month lead-in time before the new CCD kicks in and the used-imports sector has “major concerns” with the timeframe for main changes starting on July 1.

“We will see a rush on compliance shops,” he warns. “It will lead to a rush when it comes to complying vehicles that will now be getting penalties and were not before, which are those falling into the 150-200gCO₂/km range.

“Clean, efficient vehicles, such as the Prius and Aqua, have already been purchased by dealers or imported in good faith and with certain expectations under one set of rules.

“Before importers can change their buying behaviour in Japan, some vehicles already brought into the country are likely to attract government penalties.”

Michael Wood, Minister of Transport, says the changes to the CCD will ensure the “highly successful” scheme will keep driving down CO₂ emissions.

With more than 100,000 rebates granted since the scheme started in 2021, “we have one of the fastest uptakes of EVs in the world”.

Wood adds: “It’s exceeding industry and government projections with 20 per cent of all new-car sales being electric in 2022 – a substantial increase from eight per cent in 2021.

“The scheme is facilitating an increase in the number of EVs entering the fleet we didn’t expect until 2027. As planned, we are further targeting the scheme to maintain its success and ensure it will be self-funding until its next review.”

As part of the measures, the government will increase the CCD's repayable crown grant by \$100 million in this year's budget. ☺

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Waka Kotahi is developing a system to treat used-imported PHEVs in the same way as new plug-ins, says VIA. The CO₂ values currently applied to them for the clean-car policies are 20g/km for new and 87g/km for used.

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Charging up needs smart policy

The Motor Industry Association (MIA) has voiced its support for an incentive scheme to encourage electric vehicle (EV) owners to buy smart chargers to help manage future demand for power as more low-emissions cars enter the fleet.

Its comments are part of feedback provided to the Energy Efficiency and Conservation Authority (EECA) in a green paper titled "Improving the performance of EV chargers".

The crown entity sought submissions about chargers that are "smart" or demand-response capable, and the role these can play in managing intermittent renewable supply and peak demand as the number of EVs on our roads increases.

It says such technology can improve energy security, affordability and reduce emissions. "New Zealand stands the best chance of realising this potential if we start planning for an increase in EVs and EV chargers now, while we can influence the types of chargers installed."

A submission by Mark Stockdale, the MIA's principal technical adviser, says planning is necessary to ensure the electricity

distribution network can meet future demand, "considering the projected future growth of EVs and the fact that currently 80 per cent of EVs are charged at home".

"The MIA supports that wall chargers should be 'smart' and that policies are needed to enable this," he adds.

"Overall, our members endorse adopting a staged approach similar to the UK – introducing targeted incentives to accelerate the uptake of smart chargers, and then phasing them out and introducing regulations later."

Stockdale explains intervention, such as information and education, to increase the uptake of the devices will be better than the status quo.

Education can be used to help consumers understand the benefits of smart chargers shifting charging to off-peak times, as well as cost savings in energy bills from doing so when compared to using a cheaper "dumb" charger.



Mark Stockdale, the MIA's principal technical adviser

The MIA also supports temporary incentives to reduce the upfront price of smart chargers, "not unlike the clean car discount [CCD], which has helped reduce the price of electric and low-emissions vehicles".

"Such an incentive scheme could be modelled on the UK's EV home-charge scheme, perhaps funded from a budget allocation, as is the CCD initially, or from emissions trading scheme [ETS] revenue, or by the electricity sector since it is the primary benefactor," adds Stockdale.

"These incentives could be withdrawn once smart chargers dominate market share like they do in the UK."

He says subject to monitoring the uptake of smart EV chargers after implementing incentives and education campaigns, regulation could be considered later down the line if "dumb" chargers still comprise a reasonable market share.

BOOSTING UPTAKE

Drive Electric was also among the 86 groups and individuals to provide views on the green paper. It notes any measures around smart chargers should enable the creation of a demand-response market in the interests of end users and in support of decarbonisation.

"Smart charging will help make the most of New Zealand's existing electricity infrastructure and avoid unnecessary capital investment by helping manage peak demand," it adds.

"It's critical measures are taken to support widespread adoption of smart chargers in parallel with the adoption of EVs."

The not-for-profit organisation says it supports exploring the idea of a government subsidy to overcome barriers to the uptake of such chargers.

Drive Electric believes two types of incentives need to be considered. One is financial incentives from the market around pricing and the other is government subsidies, which would be accompanied by regulation.

"Our view is that to stimulate the rapid uptake of smart chargers in-line with principles set out in this paper, both are necessary," it states. ▶

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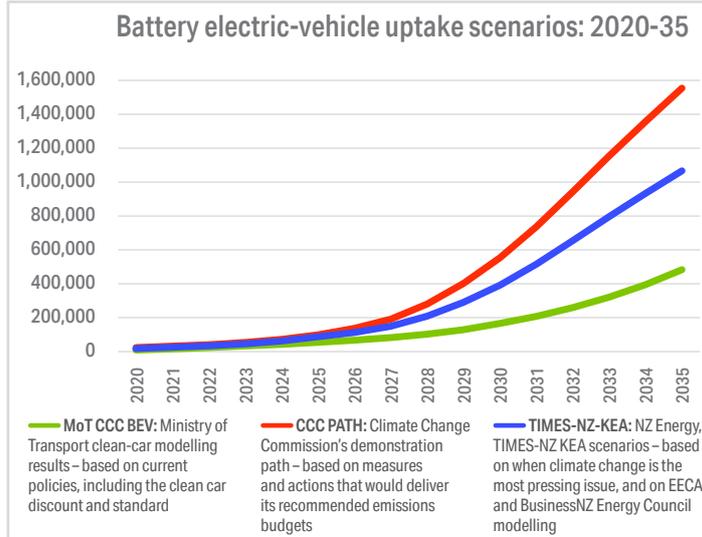
◀ “Without incentives to support uptake we expect the expense of installing or retrofitting a smart charger will be a barrier to EV uptake as this creates a further cost on top of the vehicle.

“A key consideration is time. We want consumers to switch to EVs today for carbon-reduction purposes rather than wait. This provides a justification for a well-targeted subsidy to support EV uptake.”

Drive Electric adds subsidies need to be designed so they are financially sustainable over time, easy to administer, create no unforeseen or undesirable market distortions and recognise technology is evolving, so incentives need to be flexible.

It highlights that lessons can be learned from schemes in Canada, China, the EU, India, Japan and the US, which provide either direct subsidies or tax rebates.

“We don’t yet have a specific view on the design of the subsidy in New Zealand, but we note that in most



This graph shows EV uptake forecasts from several government sources. It excludes plug-in hybrids. Despite a wide range of estimates, there is a common theme of rapid BEV uptake across all of them. It is anticipated most EV charging activity will continue to be residential. Source: EECA

jurisdictions they are offered by the government,” notes Drive Electric.

“There may be a way to design the incentives so they are cost-neutral – or close to – similar to the intent of the CCD being funded by penalties on higher-emitting vehicles.

“For example, this could be

funded through taxes collected on fuel or the ETS. In that way, the incentive becomes a ‘green redistribution’”

MEETING DEMAND

The AA expects the replacement of a large proportion of New Zealand’s light-vehicle fleet with

EVs to have significant impacts on electricity systems.

Its submission lends support to the adoption of smart chargers that are subject to regulated standards and supported by time-of-use pricing and demand-response capability.

Terry Collins, the AA’s principal policy adviser, adds smart technology can make charging EVs cheaper and safer for motorists.

“Our current grid will not handle these new loads in electricity caused by large-scale EV charging,” he explains.

“To meet this demand, significant extra investments will be necessary to upgrade networks that supply electricity and our generation capacity to provide it. This could mean electricity prices increase for consumers.

“If charging continues to rely on regular charging points, which simply supply power at a standard rate until the vehicle is fully charged, this could cause real issues for EV owners.”

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MOVING FORWARD

Megan Woods, Minister of Energy and Resources, has been briefed on the summary of submissions to the green paper and will be kept informed of further actions taken by EECA.

The summary, which has also been made publicly available, reports the vast majority of submitters agreed that some form of intervention to accelerate the uptake of smart chargers is needed.

Some electricity distribution businesses provided estimates on the potential impact of the unmanaged use of “dumb” chargers on the network.

Vector suggests unmanaged EV charging may increase peak demand by 150 per cent. Meanwhile, WEL Networks predicts that, by 2040, significant additional infrastructure investment – equivalent to 1.3 times its current asset base – will be required.

“The vast majority of submitters didn’t support the ‘do nothing’

option,” notes EECA. “They felt some form of intervention is needed to safeguard our electricity system and realise the full benefits of a functioning demand response or demand flexibility market.”

Other submitters felt the current market is too small to provide solutions in the time required.

There was plenty of support for subsidies or rebates to support installing smart chargers, with concerns the upfront cost for such devices of between \$1,000 and \$3,000 will continue to be the largest barrier to them being adopted by Kiwis.

“However, a few submitters suggested any incentives for smart chargers are not a long-term solution. Rather, they should be



Murray Bell, EECA's group manager of strategy insights and regulations

used as an interim solution to ensure effective public spending and or allow time for the market to develop.

“This was the case in the UK where incentives were offered for three years driving adoption to

between 70 and 100 per cent where, over that time, the industry was able to develop to ensure charger installation was no longer prohibitive.”

Murray Bell, EECA's group manager of strategy insights and regulations, says the green paper didn't contain specific proposals, but was designed to stimulate discussion on EV charging to better understand the government's role in that space.

The paper was developed in consultation with partners, such as the Ministry of Business, Innovation and Employment and Electricity Authority.

As the submissions show general support for some market intervention, EECA has started a regulatory impact analysis on specific or combinations of actions it could take.

“Ultimately, government intervention could look like a mix of regulation, information campaigns, and or subsidies or other incentives to smart-charger uptake,” explains Bell.

“We expect to release a

discussion document later this year to test the options with the public and industry. The minister will be kept up to date as that work progresses and it will need to go through cabinet before release.”

The green paper and submissions are also being used to inform EECA's work programme related to enabling the development of electricity demand-response programmes and demand-flexibility systems.

“In these systems, energy-using products such as EV chargers and hot-water cylinders can engage with the electricity system and respond to market signals by changing when and how they use electricity, with no impact on their operability or effectiveness,” says Bell.

“This can help to manage intermittent renewable supply and manage peak demand, both of which are essential to the success of delivering energy security and affordability alongside decarbonisation.

“EECA's focus continues to be working across government and industry to expand public-charging infrastructure through our input into MoT strategy. We are also committed to co-funding public charging through the Low Emissions Transport Fund.”

EECA also carries out regular research into public attitudes towards EVs and its latest Consumer Monitor found 50 per cent of New Zealanders would consider an EV for their next vehicle. ☺

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Slow road to emissions drop

The new chief operating officer at Mitsubishi Motors New Zealand (MMNZ) says despite the best efforts of carmakers and governments, it will still be some time before the country's transport emissions tumble.

Tony Johnston says the industry and officials are putting more emphasis on low and zero-emissions models – including Mitsubishi, which plans to launch a number of pure electric vehicles (EVs) over the next five to seven years.

However, he notes the current number of sales each year in New Zealand and the prices for new, cleaner models are likely to limit how quickly the fleet's emissions drop.

"There are four million cars running around our roads and we're selling 130,000 to 140,000



Tony Johnston's association with Mitsubishi stretches back to the 1990s

new vehicles a year, so it's going to take a significant time to decrease the age of the fleet and emissions by just selling EVs. But I suppose you've got to start somewhere," Johnston told Autofile.

"As a country, we have signed up to lowering our overall emissions and the auto industry is seen as a fairly easy target to achieve some of those goals. The rules are what they are and we have to work with them.

"Ultimately, EVs aren't going to get fundamentally cheaper so we will need big incentives or a higher tax rate on other cars to close the price gap. That's what most governments, including our own, will probably do.

"That will make cars less affordable and if people buy fewer cars the ICE [internal combustion engine] fleet will remain, will age and offset any gains from electrification."

Johnston, who started in his new role in April, predicts there will still be a reasonable market for vehicles with ICEs through to 2030 and possibly beyond. He describes PHEVs as a strong transition product in the short to medium term that can help people as they eventually move towards full electrification.

"There will be early-adopter customers who want to go pure EV and we don't have a product that caters to that need at this stage. Equally, there's still a big chunk of the market that doesn't want to go fully electric yet."

Johnston was head of sales at MMNZ for five years before

his recent promotion to chief operating officer – succeeding Daniel Cook who has joined New Zealand company Power Farming – and his association with the company dates back to the early 1990s.

His career in the automotive industry started in 1991 as a used-car salesman at Kirk Motors in Wellington before he shifted to MMNZ's head office about 18 months later.

He left in 1995 to spend three years in the UK before returning to the three-diamond marque for a spell as corporate sales manager.

Johnston then spent 13 years in senior roles across the vehicle-leasing sector before reuniting with MMNZ in 2013 as national fleet-sales manager.

The company has changed substantially over the decades, shifting from being production-led to becoming a "nimble" operation focused on importing and distributing models through its dealer network.

"When I first worked with MMNZ, we were still assembling vehicles here and producing cars, vans, utes and trucks," recalls Johnston. "There was something like 1,600 to 1,700 people in the company. Automotive was a massive industry for Wellington back then with many car manufacturers based here.

"We were number two or three in the market at the time, although it was a much smaller market than now. When I left in 1995, I think the total new-vehicle market was about 80,000 units a year compared to the 140,000-odd now being sold."

He adds the transition to his new role has been smooth. He has a lot of history with the brand and the executive team works closely together.

"The great thing with MMNZ is that we have a flat structure. I've sat directly next to Dan Cook for the past five years, who sat next to Warren Brown, the MD, who sat opposite Reece Congdon, our

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"I'm proud and thankful to be in this role. When I first started as a used-car salesman at Kirk Motors, I never thought that I'd one day be in a senior position at MMNZ."

Johnston notes with the company importing all its models, it now works in a closer and more consultative manner with its dealer network than in the 1990s and can react to market changes more quickly.

This was evident during the coronavirus pandemic when Mitsubishi's sales success led to it being crowned the top passenger car brand in New Zealand in 2022.

He describes last year as exceptional for the company – "the biggest in the history of the business" – and admits it has benefited in recent times from people not being able to travel overseas because of Covid-19 restrictions and having more disposable income.

Supply of the Outlander PHEV and entry-level ASX in New Zealand is falling short of demand



"We were dynamic and innovative, and were able to be nimble and change what models we were able to bring in during that period. That meant we kept having a good volume of vehicles available to the market.

"The strength of our dealer network was also apparent. We have incredible people right across the business and the dealers are the people on the frontline dealing with our customers on a day-to-day basis.

"The market is now changing again. There are more constraints

on production capacity at MMC [Mitsubishi Motors Corporation], but we're still getting more than our fair share of models in New Zealand."

Securing sufficient supplies of components such as semiconductors from China for its factories in Japan has been a major problem for the brand, an issue that has affected the new-vehicle sector over the past few years.

"Another factor is shipping and it's frustrating to have vehicles made and ready to come to us but not able to get to us," adds

Johnston. "It's not just because of capacity, but also delays in ships transiting through Australia. A lot of our product goes through Australia and they're having a lot of issues there.

"The combination of production and shipping delays means as a company we're returning to pre-Covid volumes, which are strong but not the same as the numbers we were putting on the board during Covid.

"We have had a fantastic run recently and we're now going to a slightly more challenging time and

[continued on page 14]

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an election year is also always a bit challenging.

“Some of the challenges we’re facing are things we can’t control from here in New Zealand. MMC has said things should come right in the second half of this year, and the signals from suppliers and shipping companies are also that they will come right.”

With those headwinds expected to ease, Johnston remains confident of MMNZ’s fortunes improving after a slow start to 2023. The company secured 14.8 per cent of all new passenger vehicle sales last year. It slipped to be the fifth best-selling marque over the first three months of this year with 7.3 per cent of the market.

Johnston says the company has a “massive bank of forward orders” across its range, which will lead to it posting a strong second half when those vehicles get delivered.

MMNZ is also making sure it still has a number of models and stock available across its dealer network to sell, but he concedes those vehicles aren’t always exactly what consumers are after.

For buyers wanting a new Mitsubishi not already in a showroom, the wait is currently about three to four months. For some of its “high-grade” plug-in hybrids (PHEVs), the delay for delivery can be nine-plus months.

In particular, supply isn’t currently keeping up with demand for the Outlander PHEV and entry-level ASX, which is popular with buyers “stepping up from used and into their first new car”.

Johnston notes the clean car discount (CCD) has been the issue of most concern for the new-vehicle sector recently as it waited for the government to announce changes following a review of the scheme.

Michael Wood, Minister of Transport, finally revealed this month how the feebates scheme will be overhauled from July 1 with rebates and charges applying at different emissions levels for new and used imported vehicles.

“We’re working on model plans for the next five to seven years, and it helps the industry to have



Tony Johnston raises a smile at the MMNZ Diamond Dealer Awards

some certainty and targets to work towards,” says Johnston.

“If those targets change every year, it makes it that much harder. People forget New Zealand is a tiny market and the expectation that volume manufacturers can produce small batches of models for the New Zealand market is unrealistic.”

Moves by the federal government in Australia to encourage more EVs and low-emitters into the fleet there will also help New Zealand to source such models “because

so often our products are aligned with the Australian market”.

While the CCD is putting pressure on the new-vehicle industry, Johnston notes the clean car standard, which came into effect at the start of this year, isn’t such a problem for MMNZ.

“Some brands’ sticker prices will start to increase as they start to build in the costs of the standard. We still believe we will have significant PHEV sales to offset the emissions of those vehicles that don’t meet the standard so, in turn, we won’t have a fee [that needs passing on].”

With plenty of experience in the leasing sector, Johnston also recognises there are opportunities

and challenges for that part of the market amid the push to get more EVs on the road.

He notes leasing companies were initially cautious about moving away from ICEs, but are now increasingly at the forefront of the transition. A number of major corporations are also looking at the electrification

of their fleets because they have to report their carbon-dioxide outputs and improve their environmental profiles.

“Leasing companies are taking risks on

EV assets. Some new technology could come out that triples a vehicle’s range for half the cost, which means when everything out on lease comes back in two or three years’ time, those vehicles could be more expensive than what is newly available.

“The chances of that are fairly minimal but leasing firms are helping companies by taking on that risk.

“The bigger picture for fleets is the issue of recharging and having facilities at work. We have experienced it ourselves. Putting in chargers cost us several thousand dollars.”

Leases of passenger vehicles normally don’t go beyond 48

months and after that time they need replacing, which will see a number of EVs enter the general market.

Johnston predicts those cars will still be significantly more expensive than any leased ICE vehicles coming onto the market, “but it will at least put a volume of EVs” out there for general consumers.

Another challenge for marques is the increasing fragmentation of the market as a number of electric-only brands enter the fray.

“There are some big players, especially the Chinese brands coming to the wider market that have had dozens of years of government-sponsored investment and incentives to develop models.

“They are now reaping the benefits. They have come in, a bit like we did a couple of years ago, with new plug-in technology and appear to have timed it right. You could argue they will have more demand in the short term.

“It’s fragmenting the market, but it’s also giving consumers more choice and bringing more affordable EVs to the market.”

Johnston says regardless of what challenges the industry faces, MMNZ aims to be a solid foundation that its dealers and customers can rely on.

“We take on-board whatever changes happen and try to ensure the outcomes are the best for our dealers going forward. I want to be a strong, safe pair of hands and keep the ship going forward in the right direction.

“The industry is very strong. I personally don’t think we’ll see any players leaving. We’re fairly adaptable in New Zealand. There has been a bit of posturing from one or two brands that feel isolated by the clean-car changes, but we’re still going to be selling 130,000 to 140,000 plus new cars this year.

“As for MMNZ, we’re planning on another reasonable year, probably our third or fourth biggest year for revenue. We think there’s plenty of light in the tunnel and there’s not a train about to hit us.” ☺

“When I first worked with MMNZ, we were still assembling vehicles here”

Tony Johnston



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Association seeks feedback

The Imported Motor Vehicle Industry Association (VIA) is drawing up a manifesto of its policies.

It has come up with a draft document and is now asking members for their input on the way forward.

It also covers a statement of purpose, VIA's fundamental principles, its guide on government policy recommendations and code of conduct.

David Vinsen, chief executive, says the work aims to ensure an orderly transition to his successor and, more generally, agreeing the association's policy manifesto and policies in writing.

These include believing in free-market principles and competition, and opposing government intervention when it's unnecessary and counterproductive, and "which often results in some unexpected



and unwanted consequences".

A webinar with members was held on April 11 when the principles and various policies were discussed.

"They are being developed to refer to when developing VIA's policy positions on proposed legislation or changes," says Vinsen.

"Our basic position is that we always need to defer implementing standards or regulations to ensure we have continued access to stock from Japan.

"Recently, we've been informing our decisions by taking a 'realpolitik' approach - asking what the reality of a situation is.

"At the meeting, we also discussed and recorded what our values, principles and policies are. This is still a work in progress, and we have sought feedback from our council and members."

VIA's draft statement of purpose notes the association exists to be a "proactive and effective advocate" for the vehicle-importing industry.

"Through lobbying, co-ordination, education, representation, promotion and facilitation, VIA aims to advance

the industry's interests, position it for success, improve processes, share trends and lead in adapting to change," it adds.

"Overall, VIA strives to foster the growth and success of the vehicle-importing industry in New Zealand's dynamic transport and business environment."

The draft code of conduct aims to set expectations for good government policy. It covers values such as transparency, integrity, compliance with laws and regulations, fairness and equity, conflicts of interest, confidentiality, respect for the democratic process and accountability.

Kit Wilkerson, head of policy and strategy, says some policies and details in the manifesto are still under consideration for inclusion.

"The next step is to continue working on this project," he adds. "It needs to be emphasised that we're still at the drafting stage. Feedback is being sought and that can be emailed to kit@via.org.nz."

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Service expanding

Autocheck, a digital vehicle information service, is looking to grow after acquiring Lemoncheck.

The deal follows Chris Wenzlick retiring after 20 years of providing vehicle reports and online services through his company Lemoncheck.

Autocheck, co-founded by Mike Harvey and Andrew Connell, is an online vehicle background report provider and appointed Waka Kotahi agent.

The takeover means Lemoncheck clients can access Autocheck's portal for services, such as finding reports and completing change of ownership forms. It can also aid trading, including dealer NZTA services MR13B and MR13C.



Mike Harvey

"We're excited to acquire Lemoncheck and its customers," says Harvey. "Chris Wenzlick has been involved in the online vehicle data space since its inception in New Zealand.

"I had been talking to Chris for a number of years about the potential to acquire and continue the Lemoncheck brand or start something new.

"We decided to start afresh and build a mobile-friendly platform. The space we're operating in is dominated by one large player, but I felt there was an opportunity for something a bit more user-friendly and up to date."

Autocheck, which was soft launched in 2021, is now fully operational and "concentrated on growth". ☺

Client survey affirms online trend

Buyers are driving the car industry toward an omnichannel sales experience. But what does that mean and why should Kiwi dealers be sitting up and taking notice?

A study came across my desk the other day, which demonstrated brilliantly some findings that support what I've been banging on about for the past 12 or so months, and that's that customers want to take more control of their purchasing journey and traders need to adapt.

I acknowledge the study was undertaken by an international organisation, and involved surveying 3,000 consumers and used-car dealers in the UK. Despite this, some results are just as applicable to our unique market and provide an insight into where traders here need to focus their attention.

The research highlights a strong desire by customers to be able to complete more of the purchasing journey online before even setting foot in showrooms.

It also demonstrates the importance of dealers offering an omnichannel experience by establishing nimble processes and technology for buyers to seamlessly move back and forth between online and face-to-face interactions

with their vendors.

VALUING TRADE-INS

Online trade-in valuation is a fairly new technology in New Zealand just starting to take off.

The industry study showed that 63 per cent of customers are keen to obtain an online valuation on their existing vehicle before visiting a dealership. Furthermore, 84 per cent said they are happy to provide extra information to get a more accurate valuation on their car.

ARRANGING FINANCE

Finance was another area customers said they wanted to be able to manage digitally. Sixty-seven per cent of those surveyed said they would need finance for the next car they purchase.

In New Zealand, however, few dealerships offer the capability to undertake a finance transaction online. This is something our industry needs to rectify to meet demand.

ONLINE SALES

Many dealers here refuse to believe we will ever reach a stage when



TODD FULLER
General manager, New Zealand
AdTorque Edge

customers are buying cars exclusively online. This is despite the substantial increase in such sales we've witnessed here in recent months.

The study confirms a shift toward online sales with 25 per cent of customers saying

they would buy sight unseen and 18 per cent having already done so.

DIGITAL TOOLS

According to the survey results, customers are looking for an omnichannel purchasing experience. Participants expressed a desire to have access to digital tools when transacting with their dealership.

However, they want it to be seamless. Eighty per cent said that, for example, if they receive an online trade-in valuation, they expect those details to be readily available when they walk into a showroom.

They don't want to have to repeat a transaction in person they've already completed online.

Similarly, 94 per cent said they expect all their interactions to be consolidated across various dealership departments.

WHAT DEALERS SAY

Interestingly, when it came to traders' responses to the survey, 83 per cent admitted they had invested in upgrading their website in 2022.

Sixty-eight per cent of those said they did so to improve user experience, while 72 per cent acknowledged an omnichannel process would have a positive impact on customer service.

As a whole, the findings in this study support the introduction of client portals on dealership websites.

Such technology would facilitate an omnichannel experience by providing customers with visibility of their purchasing journey. It would give them the ability to log in and view each interaction they've had with their dealership online and off, and throughout the lifecycle of their vehicle ownership.

As the industry moves closer to a complete online purchase model, it's vital people are provided with the tools and capabilities to transact in a way that suits them. Dealers need to adapt to this new customer-centric world and set themselves up for their digital future or risk being left in the dark ages. ☹

Survey: Cox Automotive, Europe, March 2023

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The month that was... May

May 18, 1998

Budget bonanza for importers

The government's decision to immediately abolish tariffs was the lifeline needed by the car industry for sales to pick up.

Principal measures announced by Deputy Prime Minister Winston Peters during the previous week's budget also included duty rebates on all unsold and unregistered vehicles imported, a \$10.125 million payout to the four remaining assemblers and removing the ban on parallel importing goods protected by copyright.

Applause for the decision on tariffs came from nearly all quarters and the only ones to lose appeared to be component manufacturers.

Some distributors, including Toyota, Ford, Mazda Holden and Volvo, responded to the announcements with immediate cuts in new-vehicle prices. One industry observer told *Autofile* the biggest winners of the tariff abolition would be distributors that didn't source cars duty-free from Australia.

Companies sourcing from Australia and Japan would use price advantages to be gained on Japanese-sourced vehicles to offset losses brought about by reducing prices on stock on which no duty had previously been paid.



May 13, 2005

More guilty pleas to fraud

A man pleaded guilty to dozens more counts of fraud in Christchurch District Court. He had formerly pleaded the same way to 43 other charges, although he disputed the total sum of \$779,000 that was estimated at the time.

Forty-seven more charges were laid as more of his victims realised they had been ripped off, bringing the total to \$1.5 million.

His most recent plea related to 30 of those charges. No pleas were entered for 17 more and it was possible that those would be withdrawn. They related to events dating as far back as 2003.

The man, who was registered as a motor-vehicle trader until March 2005, committed his crimes by offering cars for sale, taking deposits and then using plausible excuses to delay deliveries indefinitely. Some customers were forced to accept inferior models and others received their deposits back.

He was remanded in custody for sentencing on May 20, 2005. His lawyer indicted there was little chance of any reparation being paid to his victims.

There was plenty of interest in the case among members of the car industry, with many feeling he had shown it was far too easy to register as a dealer under the Motor Vehicle Sales Act.



May 18, 2007

Turners' first quarter down 59%

Turners Auctions announced a 59 per cent decrease in first-quarter earnings while publicising a potential fraud that could cost it more than \$1 million.

At Turners' annual meeting, chairman Michael Dossor told shareholders that the majority of the 59 per cent first-quarter decline stemmed from a 1,000-unit reduction in vehicles sold for importers amid a one per cent drop in 2007's registrations of used imports compared to 2006.

"About 60 per cent of this reduction arose from just two of our principal suppliers, which went into receivership during 2006," he said.

As for the potential fraud, Dossor explained the case involved "a past employee who worked for the company for a number of years" and it appeared the amount involved was in excess of \$1m.

He added: "Because the matter still requires considerable investigation and is otherwise subjudice, I'm unable to comment any further at this time."

In his report into 2006, Dossor stated it was a difficult year for the industry and Turners Auctions. "We're looking at supply channels to see if we can replace lost volumes and will continue to build on auctions that we already have – in essence, to do better with what we can get."



May 8, 2008

Trading, exhaust emissions separate

The Ministry of Transport (MoT) assured industry that the announcement by government to not include transport fuels in the emissions trading scheme (ETS) for two years wouldn't affect requirements for vehicles entering New Zealand as set out in the new emissions rule.

Iain McGlinchy, principal adviser on the environment at MoT, said the decision taken on the ETS didn't affect any other part of the government's climate-change strategy or its work on reducing harmful exhaust emissions.

The ETS was part of a package of measures put forward to reduce emissions of carbon dioxide (CO2) from all sectors, including transport.

"In this context, the ETS was effectively intended to add a charge to the price of petrol and diesel that reflected how much carbon it contained and, therefore, how much CO2 is emitted when burned," he explained.

"The ETS is intended to reduce emissions because the more fuel a vehicle uses, the more CO2 it produces."



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Flipping the narrative on harm

There are several common arguments against the uptake of electric vehicles (EVs) and the first one I see is related to safety.

There has been significant recognition recently about the harm being caused on our roads by the proliferation of larger vehicles.

While it's true that larger vehicles better protect their occupants in a crash, it is zero-sum safety because that enhanced protection also results in increased harm to everyone else involved in the accident, as well as increased harm from noxious emissions in the case of vehicles with internal combustion engines.

The increased harm that comes from bigger vehicles is especially egregious for pedestrians, cyclists and those in small vehicles.

The challenge for EVs, as the argument goes, is that batteries are heavy, which in turn ensures the vehicles are heavy. This then leads to all the risks related to safety as outlined above.

The other argument I often hear against switching to electric cars is the resource needs. EVs have batteries and most are made of materials that need to be mined, often in places with dubious employment and environmental protection policies.

The necessary increase in the production of these materials that would be required to replace the global fleet with EVs would be huge, potentially leading to environmental, political and humanitarian crises.

Both of these concerns are very valid, but the problem doesn't

necessarily rest with EVs in themselves. The issue is our desire for big vehicles and the framing of our priorities that make big vehicles look positive.

The problem is that we know change needs to occur, but we insist that it must happen around our preferences.

Manufacturers like to sell big vehicles because they can make more money on them. They want our cars of the future, our EVs, to be even bigger and more profitable.

Unless necessary for a specific function, large EVs aren't necessary or optimal. We should be looking at those that are as small and light as possible.

A 1,000kg EV takes one-third as much energy to push as a 3,000kg EV, which means the battery can



The multi-purpose German-made XBUS

be significantly lighter and contain much less quantities of those rare materials.

Of course, suggesting cars should get smaller always gets the same response, "but safety..." and "but my boat..."

Lighter vehicles do fare poorly in crashes with more massive vehicles because you can't beat physics.

Anyone who regularly reads my articles knows my stance on small vehicles. Safety, in my opinion, should be a rating of harm a



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

vehicle does and not the harm it prevents.

To illustrate this, imagine if we rated a vehicle's emissions by how well it protects its occupants from air pollution. Absurd? Yeah.

The reason we allow this thinking when it comes to crashes is

because we've been programmed by advertising and a steady narrative to look at the issue this way. It helps sell cars.

If we were to flip the narrative and rate modes of transport by the harm they cause, walking would be the safest followed by cycling, and then other forms of small and efficient vehicles. The least-safe cars would be the massive vehicles that are killing so many people.

Isn't it interesting that this lines up exactly with our stated goals for the future?

Returning to the issue of pulling a boat. This concern is correct. While one could likely put a paddle boat or surfboard on a small EV, no one will be pulling a big fishing vessel in this way.

However, I would argue that isn't really the change we're looking for. The vast majority of cars on the road have one occupant and many of those are for simple commutes to or from

work and home. If we focused on those trips and found a way to replace them with small, efficient electric cars, even if the owners had utes on their driveways for use on weekends, it would result in a significant decrease in greenhouse gas emissions and energy demands on our transport system.

Instead, we continue to glorify large vehicles that are counterproductive in every way to our goals. In fact, the government incentivises them in the very programmes it implements to reduce the negative externalities that big vehicles exacerbate.

For instance, the clean car standard provides a bigger credit for a 3,000kg EV than one weighing 1,000kg regardless of the workload or its passengers. This is the case even though the heavier EV requires more energy to drive and resources to build.

Similarly, light vehicles, which fare less well in crashes with heavier vehicles, are continually under risk of being removed from eligibility if they drop to below three stars in crashworthiness when compared to those same big vehicles.

Personally, I think we should be looking at allowing some of the interesting heavy quadricycles that established and start-up EV manufacturers are exploring, such as the utility-focused electric XBUS. I can envision it being well-received by tradies and farmers, especially with its use-specific modular design and swappable batteries. ☺



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Industry movers

MICHAEL FILAZZOLA is Stellantis Australia's new managing director overseeing Jeep, Alfa Romeo, Fiat, Fiat Professional and Abarth.

He has replaced Kevin Flynn, who has retired after being responsible for business operations and performance of the company's brands here and across the Tasman.

Filazzola, pictured, has worked in the industry for more than 28 years in Australia, China and south-east Asia. He has senior experience in sales, after-sales, customer experience, purchasing and product development at General Motors, Holden Australia and, most recently, Bapcor.



SIMON EVANS has been appointed as the new brand manager for McLaren Auckland based at its showroom in Grey Lynn.

He joined the Giltrap Group as a salesman in 2010 and also became a sales consultant for Giltrap Porsche 11 years later. Evans has been a professional driver for Smeg Racing since January 2014 and a driving instructor for Downforce Events since 2010.



AARON UNDERDOWN has been appointed company secretary of Geneva Finance.

He will continue in his role as head of risk and assurance, which he took up in November 2022, and reports to the Geneva board's audit and risk committee. Underdown has more than 20 years' risk and governance experience. Before joining Geneva, he was head of credit inspection at the Bank of South Pacific.



JENNI RYAN has taken on the newly created role of chief marketing officer at the AA to focus on members, brand and communication.

Ryan is an experienced executive with four years as the CEO of the Skin Institute Group, and a decade working at The Warehouse Group focused on brand and marketing, including some time as chief customer officer.

She joins the AA this month following an interim role as My Food Bag's chief customer officer.



ANGUS GUERIN will become chief financial officer of NZ Automotive Investments on June 26.

Guerin, pictured, will join the parent company of 2 Cheap Cars after spending a year in the same position at ArchiPro, an online architecture, design and construction platform.

Before that, he spent more than six years with British American Tobacco culminating in his role as director of finance for New Zealand.

Guerin, who is replacing Haydn Marks, also has experience here and abroad with multi-national companies, such as Fonterra, Wyndham Exchange and Rentals and Treasury Wines.



ATSUSHI OSAKI has been promoted to chief executive officer and president of Subaru as the marque seeks to accelerate its push into the electric-car market.

He had been executive vice-president since 2019 before also taking on the role of head of the manufacturing division in 2021.



Staff from Farmer Audi

Delight as franchise secures third victory

Farmer Audi has been named dealer of the year for the third time in four years at the Audi Excellence Awards.

The dealership in Mount Maunganui scooped six other trophies at the ceremony held in Christchurch.

Its other winners included service adviser Chris Thompson, service manager Jeff Price and business manager Ashley Turner.

Shaun Marburg was top metropolitan sales specialist, Blair Woolford won the used-car sales manager section and Mitchell Robertson shared the award for parts manager with Eelco Witberg, of Continental Cars in Auckland.

"We are incredibly satisfied with such a successful result," says Woolford, who is also dealer principal at Farmer Audi. "We're thrilled some newer staff won awards and winning dealer of the year is a testament to the team's hard work"

Giltrap Audi won three awards. Cameron Gemmell was the Auckland sales specialist of 2022, Isaac Litchfield was top technician and the business had the best marketing team.

Michael Pointon, of Armstrong Prestige in Wellington, won the new-car sales manager award, and Craig Purves, of Robertson Prestige in Palmerston North, took out the title for provincial sales specialist.

The apprentice of the year was Jackson Taylor, of Archibalds Audi in Christchurch, and Glen Cameron, of Ebbett Audi, Hamilton, won the warranty adviser award.

Dean Sheed, Audi NZ's general manager, says: "Our awards programme rewards those who deliver outstanding results across metrics we apply from customer service, technical and marketing right through to sales results." 📧

Organisation expands

The Financial Services Federation (FSF) has boosted its team to the equivalent of 4.6 full-time staff.

Katharine McGhie has taken on the new role of business development manager and is responsible for building on its steady membership growth.

Executive director Lyn McMorran says: "After the uncertainty of the past few years, organisations are looking to the FSF as a home to ensure they feel informed, connected, and part of a leadership body advocating for a fair and healthy non-bank lending sector.

"This new role means we will be able to tap into that potential while allowing our small team to

continue providing a fantastic service to current members."

McGhie, pictured left, has joined the FSF after seven years at BusinessNZ where she was business development and



events manager.

In addition to McMorran and McGhie, the team includes office manager Sue Bentley, Hannah McKee, marketing, communications and events manager, and legal and policy manager Katie Rawlinson. 📧

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

Good time to scrutinise overheads

Last month my column touched on the impacts that tougher economic times are having on consumers.

It's obvious some people are facing the strain as increased mortgage rates land and the general costs of living continue to climb.

This month I want to expand on that theme a little more because, as business owners, you need to understand the markets you operate in – and be able to and be ready to adjust to meet the changes.

It seems that hardly a day goes by when we as consumers, or perhaps as business operators, are not confronted by price increases somewhere. That could be with the essentials of food and power as we head into winter, or via the slower-burn sectors including rates, insurance and so on.

New Zealand isn't unique in this regard with similar situations taking place in many countries around the world.

It was, therefore, interesting to read an article in the Australia-based motor-industry journal GoAuto News, which covered the rising costs and impacts on the retail motor industries in the US and across the Tasman.

The headline said it all: "Inflated car prices, bigger loan payments and breakdown costs leaving

financial stress."

And that surely applies to us in New Zealand as well. Rather than attempt to paraphrase the article, I have reiterated the opening paragraphs here simply because they might as well have been written for our consumption anyway.

It states: "The Wall Street Journal is reporting that Americans who have signed up for used cars at prices driven up by a lack of low-mileage cars in the market are now struggling to meet their loan repayments.

"As a result of monthly payments being much higher than what they are used to, owners are falling behind on their repayments and defaults on car loans are rapidly rising.

"To make matters worse, because of the shortage of stock, many buyers were forced into much older cars than they would have normally bought. These are now breaking down, leaving owners without a car because they cannot afford the repairs."

Yes, used-vehicle prices in New Zealand have increased in the face of tighter new product supply



TONY EVERETT
Sector manager – dealers,
Motor Trade Association

and government policies, such as the clean car discount (CCD) and clean car standard (CCS).

Yes, some consumers have reduced disposable income because of inflationary pressures.

And, yes again,

spending budgets in some cases might have forced them into older vehicles with a greater risk of them breaking down.

Seemingly reflective of the expected outcomes, it's interesting to note that the MTA's

mediation helpline team is reporting an increase in calls from owners who are obviously under financial pressure and looking for ways – valid or not – to get out of their cars.

On the flip side, data for the consumers' price index showed an unpredicted decline – economic forecasting is hard these days – to 6.7 per cent for the March quarter.

So, a glimmer of hope might be on the horizon. But perhaps it's still timely to recall the old saying about when America catches a cold, we catch pneumonia. In other

words, it would be wise to take stock and scrutinise your business overheads and practices where you are able to.

And you must now do that in the midst of yet more change. We don't have the luxury of stability in our market with the spectre of more government-led change landing in coming months.

Those changes include the revision of CCD settings effective from July 1. These have not been well-received by many industry participants and representative organisations.

Then there's the possible imposition of another step upwards in used-vehicle exhaust emissions entry standards later this year, that's to say Euro 5 compliance for used imports from September 1.

As a final note, used-import dealers who have pay as you go (PAYG) CO2 accounts need to plan for payment in June of their January to May CCS balances.

And from June 1, they will have to meet individual CCS fees upfront if no credit offsets are available as vehicles pass through compliance – in other words no more on account-accrual privileges or "putting it on the tab", so to speak. So, there's a bit of a cash-flow double whammy for many PAYG import dealers coming next month. ☺

“It's timely to recall the old saying about when America catches a cold, we catch pneumonia”

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Plug into luxury 'game changer'

Audi says its latest electrifying offering is set to change the game in the luxury market.

The Q5 50 TFSI e quattro is the first of its new plug-in hybrid (PHEV) range with an internal combustion engine and an electric motor with an "intelligent controller", enabling it to cover most everyday driving emissions-free.

"The Q5 has been a standard-bearer in our premium midsize SUV market for more than 10 years," says Dean Sheed, general manager of Audi NZ.

"This PHEV variant is the first of our new TFSI e range to land this year and will enable families to make a change towards a more sustainable way of living."

The new drive concept comprises a four-cylinder, two-litre TFSI turbocharged engine producing 195kW of power and 370Nm of torque.

The synchronous motor has peak electrical output of 105kW and 350Nm of torque. It and the separating clutch are integrated into the seven-speed S-tronic transmission.

The hybrid SUV impresses with



The Q5 50 TFSI e quattro is the first Audi in its new PHEV range with a "intelligent controller"

a total system output of 220kW and 450Nm of torque.

According to the standard for PHEVs, fuel consumption ranges from 1.6l/100km, which corresponds to 38gCO₂/km. Its real-world WLTP all-electric range is up to 62km.

The lithium-ion battery is under the luggage compartment floor. It stores 14.1kWh of energy with 381 volts. The cooling loop is connected to both the climate-control system, and the cooling loop for the electric motor and power electronics.

A heat pump pools the waste heat from the high-voltage components. With 1kW of electrical energy, it can generate up to 3kW of thermal heating output.

The Q5 50 TFSI e marks the first time that Audi's signature



quattro all-wheel drive (AWD) has been used in combination with an electric motor.

The AWD intelligent control system works predictively, always looking ahead with sensors and using data analysis. When friction between the wheels and road surface changes, power transmission to the rear wheels is deactivated and AWD is also turned off when not needed.

Quiet and with zero local emissions when in full electric mode, the idea is for owners to do the lion's share of their daily motoring electrically.

The predictive efficiency assistant (PEA) uses route data from the navigation database and chooses between freewheeling with the engine switched off and coasting recuperation – that's to say, the recovery of kinetic energy and its conversion into electrical energy.

When adaptive cruise control (ACC) is active, the PEA supports the person behind the wheel by automatically braking and accelerating. If driving without ACC, however, a haptic signal from

the active accelerator pedal and visual signal in the head-up display advise the driver.

Hybrid mode is activated automatically with route guidance in the navigation system. In this mode, the battery charge is optimally distributed during the journey to reduce fuel consumption with primarily electric driving in urban areas.

If route guidance is active in the MMI navigation system, the predictive operating strategy attempts to drive the final urban segment fully electrical and arrive at the destination with the drive battery nearly empty.

Audi's Q5 50 TFSI e offers a generous list of standard equipment. This includes S Line styling, LED headlights, sport front seats, three-zone automatic climate control, convenience key, and 20-inch alloys with five arms.

The myAudi app allows customers to check the battery and range status, start the charging process, and view charge and consumption statistics.

The compact charging system comes as standard, plus a mode-three cable with a type-two plug for use at public-charging stations.

Audi will contribute up to \$1,750, including GST, towards home installation to anyone who buys a new e-tron or Q5 50 TFSI e from an approved dealership. The PHEV is priced from \$114,990, including GST plus on-road costs. ☺

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The SUV boasts S Line styling



Bigger and better performance

The first factory-built right-hand-drive (RHD) Corvette Z06 to come down under has been revealed.

The new Z06 is indicative of what customers in New Zealand and Australia can expect from the upcoming 2024 model, which GM Specialty Vehicles (GMSV) will be offering in 3LZ trim as standard.

This includes shift paddles made from carbon fibre, sueded microfibre on the upper interior trim, leather-wrapped interior door panels and instrument panels, and GT2 bucket seats with napa leather upholstery.

Greg Rowe, director of GMSV, adds: "Our show car features the Z07 performance package, which makes it more eye-catching and enhances performance.

"That's thanks to larger brakes with carbon-ceramic rotors, carbon-fibre aerodynamic



The interior of the right-hand-drive Corvette Z06 elements, unique suspension

tuning, ultra-performance tyres and optional carbon-fibre wheels."

The Corvette Z06 features an all-new naturally aspirated LT6 5.5-litre DOHC V8 with an all-new flat-plane crankshaft design, which gives it a signature growl.

It hits a redline of 8,600rpm, which is 2,000rpm higher than the Stingray. And with a balanced mid-engine design, more of its impressive power is directed to the rear wheels where it matters most.

The engine, which can reach 96.6kph from standstill in 2.6 seconds, is mated to an eight-speed dual-clutch transmission and

boasts active-handling stability control with traction control.

The car's enhanced track performance ability is matched with greater braking capability thanks to larger 14.6-inch diameter front and 15-inch diameter rear Brembo rotors. It's capable of 1.22g on the skid pad.

The Z06 has six-piston front callipers compared to four-piston callipers on the Stingray.

The largest wheels ever available on a production Corvette – 20-inch forged aluminium "spider" wheels

at the front and 21-inch at the rear – provide surefooted grip to get power to the ground.

Inside the cabin, a technology laden and driver-focused cockpit relays all vehicle-related information quickly and concisely.

No specific timeframe has yet been revealed for the arrival in New Zealand of the 2024 model-year Z06. In the US, the current coupe is priced from the equivalent of about NZ\$193,500 in 3LZ trim. 📍

Zooming to party

A limited-run 20th Anniversary Edition Mazda6 has been released in New Zealand.

The 2.5-litre turbo engine has been refined with power output lifting to 173kW at 4,250rpm. Peak torque stays at 420Nm at 2,000rpm, but torque at 4,250rpm is up by 8Nm.

The Skyactiv-Drive six-speed transmission has been updated to provide a more direct upshift response, while the reactive force of the accelerator pedal has been boosted.

Features include a high-gloss silver for the aluminium wheels and grille mesh.

Finishing these elements in the same colour give the entire exterior a "luxurious look".

Inside, a tan colour palette accentuates the cabin, including high-quality faux suede and nappa leather. The front seats' headrests are embossed with the model's logo.

David Hodge, managing director of Mazda NZ, says: "This 20th Anniversary Edition is a special nod to customers who share our passion for driving for the fun of it."

It's available at \$60,990 for the sedan and \$61,990 for the wagon. Prices include GST and exclude on-roads. 📍



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Breaking back no 'roadblock'

It has been a long, and sometimes painful, journey for Chelsea Herbert, who started racing at seven and has never looked back.

The 24-year-old was the first woman to ever win an NZ V8s race before pulling together financial backing to complete a season in the Castrol Toyota Racing Series (TRS).

In addition, she has run in the Toyota 86 Championship, tested for the global Formula W and most recently has been part of The Heart of Racing team initiative managed by International Motorsport.

"For me, it means something a little bit more than just racing and having fun," says Herbert.

"You're not just racing for yourself. You have your marketing and you can help businesses create awareness, but ultimately you're not helping sick kids. This season we were, so that's pretty special."

In 2020, Herbert's launch into TRS came to an abrupt halt when she had a major accident at Teretonga Park Raceway near Invercargill that left her with spinal injuries.

She suffered two compression fractures to her T11 and T12 vertebrae but, remarkably, the Aucklander says the crash made her stronger and more focused.

"The accident was unfortunate, but it has had an overall positive impact on me as a driver. I'm even more driven to prove to myself that I can do better and that I can come back stronger."

Recovery, though, was a painful and long process. Ultimately, it was Herbert's passion that got her through rehab. As she says: "Breaking my back was only a hurdle, not a roadblock."

Determined to continue racing, she first went to her parents. "I sat down with my mum and dad. They said the minute this sport isn't fun for you anymore, you have to leave because you've had a pretty cool journey and you don't want to



Chelsea Herbert with her The Heart of Racing Aston Martin GT4

leave the sport in a bad way. They were like don't ever feel pressure to keep doing it because that's the journey you think you're on, you do what you want, you chose your own path. I had to sit back and really consider it."

It was International Motorsport that brought her back into racing.

Starship because I've got arthritis and had it for a long time, and without them [the children's hospital] I would be very far behind in my journey."

Through The Heart of Racing team programme, Herbert has sprung back to front-running pace.

A global charity template that links motorsport with worthy causes, the team has supported a range of other top Kiwis, such as Christina Orr-West and recently Rianna O'Meara-Hunt.

Herbert and Orr-West raced together in the South Island



Herbert's TRS car before and after her crash in 2020 and the body brace she had to wear



"It was looking a bit hairy scary there for a while, but they got me back into the sport. They picked me up and treated me like I'd never stopped racing and put me into an awesome opportunity.

"For me, I spent a lot of time at

Endurance Race Series, sharing an Aston Martin Vantage GT4.

Although she tested for the all-female Formula W, Herbert insists she prefers "open" competition. "When I put on my helmet, I'm the same as anyone else out there."

The point, she says, is that it's not about being a woman in a male-dominated sport, "it's about being another competitor within it".

"I never want to be singled out as being a girl because what's the point? I'm racing in a mixed-gender sport because that's where I want to be.

"My biggest push to any female coming through motorsport is yes, you might stand out like a sore thumb at the moment, but you're doing something pretty awesome. There aren't many sports you can do that so make the most of the opportunity."

Herbert's Toyota 86 Championship marked her return from two years off because of the spinal injury and Covid-19. She improved as the season went on in an ultra-competitive field, but says it was "rough".

The 86 coupes are difficult to drive at maximum pace and reward an approach based on controlled aggression.

"I was really stoked to get back into the car and to have The Heart of Racing backing me was a dream. I think I went in with high expectations from being a top-five competitor in a lot of the classes I've competed in and thought that's where I'd be.

"It was quite a humbling season but by the final round I'd really clicked with the car and was inside the top 10, making moves and passing cars."

Herbert hopes to get another season in the Toyota 86, her first step being to gather financial backing.

"It's hard trying to find sponsorship, not being family-funded. It does bring some extra stress and pressure in the off-season.

"I just need to sit down with International Motorsport and see what the opportunities are and make the most of what we can within that team. I really clicked with them and enjoyed running with them, so I want to keep that relationship alive. I don't have any solid plans. My fate is in other people's hands."

In the end, Herbert sums up the harsh realities of motorsport and why every win should be celebrated. "There's usually only one winner and everyone else is packing a sad." ☹️

Paddon claims 10th Otago Rally

Hayden Paddon was in his element at the 2023 Winmax Brakes Rally Otago, winning every stage on his way to a commanding victory.

Driving Hyundai New Zealand's i20 N Rally2 for the first time this year, he dominated the first day and then extended his overnight lead on each stage to conclude the rally with a winning margin of more than four minutes.

In the stages south of Dunedin, Paddon and co-driver John Kennard were again untouchable, continuing to show why the former is the country's greatest rally driver.

He set several stage records and beat his previous best Kuri Bush stage time by five tenths of a second.

Behind him was the Holden Barina AP4 of Ari Pettigrew, who was best of the rest for most of the



Hayden Paddon was unchallenged for the lead of Rally Otago
Photos: Peter Whitten

weekend. He took second place by more than 30 seconds from multiple NZRC champion Ben Hunt.

Hunt's goal on day two was to catch Pettigrew after a few driving mistakes on the first day, but Pettigrew showed class beyond his years to hold off the fast-charging Skoda driver.

Raana Horan finished fourth

in his Skoda Fabia Rally2 evo, a further minute back from the final podium place, while fifth place went to Emma Gilmour in her debut run of the Citroen C3 R5.

Following Gilmour were two AP4s – Josh Marston in his Barina and Robbie Stokes in his Ford Fiesta. Todd Bawden was seventh after the first day, but he hit a rock on the second day's opening stage. 🇯🇵



Former WRC driver Mikko Hirvonen comfortably won the Otago International Classic Rally

New generation takes control of series

The pairing of Robbie Stokes and Dave Neill won the opening round of the 2023 Mainland Rally Championship, which was run on the first day of the Otago Rally.

The event was hard-fought with a close battle at the top between Stokes in his Ford Fiesta AP4, and rivals Josh Marston and Andrew Graves in their Holden Barina AP4.

Third home were Marcus van Klink and Toby Marsh, whose Mazda RX-8 came in ahead of the Ford Escort RS1800 of Deane Buist and Karl Celeste.

"I didn't know what the times were, but we're just enjoying



Robbie Stokes at the Mainland Rally Championship
Photo: Terry Marshall

ourselves," says Stokes, who is the son of former New Zealand Rally champion Brian.

"We have a completely rebuilt car [from last season] and a lot

of niggly things we need to get around, but I'm happy with the day."

Jonty Bressell and Ben Trevelyan took the early lead in their Mitsubishi Lancer Evo,

winning the opening 21.6km Ridge Road special stage one just north of Oamaru soon after sunrise on April 1.

Their rally finished during the second special stage after an off-road excursion, with Stokes winning the next four stages from Marston with Van Klink, Buist and Mike Tall in his Mitsubishi Mirage all keeping in touch.

Heading into the iconic Danseys Pass stage, Stokes had a 9.5-second lead over Marston, who went about taking nearly 15 seconds off him and secured the lead going into the last two shorter special stages. Stokes eventually won by 20.5 seconds. 🇯🇵



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Buyer's remorse no reason to reject car says dealer after repairing faults

Background

Helen Saxelby purchased a 2017 Nissan Note e-Power Nismo for \$20,300 from Olgo Motors Rolleston Ltd on August 31, 2022, for her son David, who also attended the hearing and gave evidence.

David Saxelby had traded in his car as part of the transaction. The Nissan's odometer read 69,400km at the time of purchase and the vehicle had only been driven for 1,100km before it was rejected.

Mrs Saxelby alleged the car wasn't of acceptable quality from the time of purchase due to a number of problems that had become apparent over time, which led to her decision to reject it. She also claimed the Nissan was unsafe.

Olgo Motors said she wasn't entitled to reject the vehicle under the CGA because it had repaired the car's faults. The trader believed the Saxelbys had experienced buyers' remorse.

The case

David Saxelby owned a Toyota Prius that was due for major repairs, so he decided to buy a replacement low-kilometre used vehicle with help from his mother.

When he collected the Note, he noticed rust in the front-left sill. He raised his concerns with a salesman from Olgo Motors, who promised to look into the issue further. The staff member described the problem as "surface rust".

Over one weekend, David Saxelby noticed that the car's fuel economy was "poor" when he was driving it. He discovered the vehicle had a filthy or clogged air filter despite having been told by the salesman that the Nissan had just been serviced.

On September 5, 2022, he rejected the vehicle on the grounds of undisclosed rust damage. Olgo Motors said if there was a fault with the car, it would fix it.

Three days later, the buyer

A 2017 Nissan Note e-Power Nismo



arranged for the Nissan to be inspected, and he was advised it had structural damage and shouldn't have been issued with a WOF. He then returned the car to the trader.

Olgo Motors didn't accept the buyers' rejection of the vehicle, but agreed to store it pending resolution of their application to the tribunal. It offered to repair the faults, but David Saxelby refused the offer.

Mrs Saxelby also sought to reject the vehicle. She wanted the traded-in Prius returned and to be refunded the cash portion of the Nissan's purchase price.

The finding

The adjudicator had to first consider whether the Nissan was of acceptable quality under the terms of the CGA.

This had to be looked at from the point of view of a reasonable consumer who was fully acquainted with the state and condition of the vehicle, including any hidden defects.

Mrs Saxelby listed the following faults with the car: poor fuel economy due to a clogged air filter, which had since been repaired by the trader, structural damage to the left-hand front sill and worn tyres.

The tribunal found the filter was a minor issue that was easily fixed and had since been remedied by the dealer. Likewise, the tyres had passed a WOF and the buyer's pre-purchase inspection.

Therefore, the adjudicator said that both of those matters didn't breach the CGA's guarantee of acceptable quality.

However, damage to the car's sill was a different matter. David Saxelby produced a condition assessment prepared by Canterbury Vehicle Compliance Ltd.

This described structural damage to the left-hand front sill. It was reported that the door was rubbing against the sill where the latter had been pushed up when it was damaged.

Canterbury Vehicle Compliance said there was no record of any sill repair in the system.

At the hearing, the buyer produced photographs of the damaged sill. It was clear from these that there was no gap between it and passenger door.

However, the dented sill didn't compromise the vehicle's structural integrity enough to be a safety issue and the damage had not been detected by VINZ during a compliance certification inspection of the Nissan on August 10, 2022.

The trader told the hearing that the dent to the sill had been fixed. It produced a WOF report issued by VTNZ, which was dated October 20.

It showed that the car had passed its inspection in all categories. The dealer also produced pictures of repairs to the sill that had been carried out in-house.

The tribunal considered that the sill damage did breach the CGA's guarantee of acceptable quality because the car wasn't as

The case: The purchasers of a 2017 Nissan Note wanted to reject the car because of some minor faults, including damage to its sill. The trader said it had remedied the issues, so they weren't entitled to reject it under the Consumer Guarantees Act (CGA), and claimed they had buyers' remorse.

The decision: The adjudicator rejected the application because the problems weren't of substantial character and had been fixed by the dealer to warrant of fitness (WOF) standards.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

free of minor defects or as durable as a reasonable consumer would consider acceptable.

It concluded that a reasonable consumer would not expect a vehicle of that price, age and mileage to have such damage.

Although the trader had repaired the damaged sill, the adjudicator said it wasn't for Olgo Motors to dictate terms to Mrs Saxelby, who still wanted to reject the Nissan.

But as the dent to the sill wasn't of substantial character, she was somewhat limited in remedies available to her under the CGA.

Mrs Saxelby's only remedy for this damage was to have it repaired by the dealer at its own cost, which had occurred.

While she was critical of Olgo Motors' actions in repairing the sill without asking her if it should go ahead with the work, she had already chosen to reject the Nissan.

The tribunal was unable to find any basis for Mrs Saxelby to reject the vehicle under the terms of the CGA because the breach wasn't irremediable or of substantial character.

In addition and prior to lodging her application to reject the car with the tribunal, she had refused to allow the trader to repair the Nissan.

Order

The purchasers' application to reject the vehicle under the CGA was dismissed by the adjudicator. ☹

Vehicle retained by trader for more than one year to remedy problems

Background

Joseph Winiata bought a 2008 Subaru Forester for \$14,485 from Nabi Ltd in August 2021.

The vehicle developed a transmission fault on the day of purchase, so the buyer returned it to the dealer for remedial work.

However, the Subaru had still not been repaired by March 2022, so Winiata filed his claim with the tribunal seeking to reject the car under the Consumer Guarantees Act (CGA).

Unfortunately, Winiata passed away in September 2022 so his son, Komene Admore, decided he would resolve the issue on behalf of his late father's estate.

The case

Admore, who appeared as Winiata's representative at the hearing, said that he only became aware of the dispute with the trader after his father had died.

As a result, Admore contacted Jamal Sidique, a director of Nabi Ltd, to deal with the matter.

He told the adjudicator that he had spoken with Sidique on several occasions and the latter had confirmed the Subaru had a transmission fault that the trader had agreed to rectify.

However, Admore didn't know where the vehicle was or whether it had been repaired, but he did know that the Forester was never returned to his father.

Admore also told the hearing that Sidique agreed Nabi Ltd would refund the purchase price to his father's estate, but it had failed to do so.

Despite receiving a notice of hearing from the tribunal, the trader failed to attend the hearing and provided no evidence or submissions to the adjudicator in support of its position.

The dealer also failed to provide a report to the tribunal as required by schedule one, clause five of the Motor Vehicle Sales Act (MVSA).

Consequently, in the absence of any information from the trader, the adjudicator had to proceed on the basis of the information provided by the buyer and the evidence given by Admore during the hearing.

The finding

An issue that required the tribunal's consideration in this case was if the Subaru had been of acceptable quality for the purposes of section six of the CGA.

Other matters to be ruled on were if the trader had failed to rectify the car's defects within a reasonable time and what remedy the buyer was entitled to under the terms of the consumer legislation.

Firstly, section six of the CGA provides that "where goods are supplied to a consumer there is a guarantee that the goods are of acceptable quality".

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

Although the evidence was unclear as to the precise nature of the Forester's faults, the adjudicator was satisfied that the car had developed a transmission fault shortly after purchase, which Nabi Ltd had agreed to rectify.

A reasonable consumer who purchased a vehicle of this price, age and mileage would not expect such a fault to occur on the day of purchase.

In addition, the fault meant the car wasn't of acceptable quality because it wasn't as free of minor defects as a reasonable consumer would consider acceptable.

The second issue the tribunal considered was whether Nabi Ltd failed to rectify the defects within a reasonable time.

Section 18 of the CGA enables a consumer to reject goods when a supplier has been required to remedy a failure, but has failed to do so within a reasonable time.

In addition to the remedies set out in section 18, the purchaser might obtain from the supplier damages for any loss or damage to the buyer resulting from the failure, other than loss or damage through any reduction in value of the goods that was reasonably foreseeable as liable to result from the failure.

The tribunal found the trader had failed to rectify the Subaru's defects within a reasonable time.

The car was returned to Nabi Ltd for repairs in August 2021. It hadn't been remedied by the time the buyer filed his claim in early September 2022. Irrespective of the nature or complexity of any fault the vehicle might have, 13 months was much longer than was reasonable.

The third issue the tribunal had to address was whether the buyer was entitled to a remedy under the CGA.

The relevant options are contained in section 18 of the legislation. It was ruled that

The case: A transmission fault developed in a Subaru Forester as soon as it was supplied. The consumer returned it to the dealer on the same day it was purchased. However, 13 months later, the car had still not been returned to the buyer so it was rejected. The trader failed to appear at the hearing.

The decision: The tribunal upheld the rejection of the vehicle. It ordered the dealer to refund the full purchase price and collect its courtesy car.

At: The Motor Vehicle Disputes Tribunal, Auckland.

because the trader had failed to rectify the defects within a reasonable time, the buyer was entitled to reject the vehicle.

Having rejected the car, the purchaser was entitled to a refund of all amounts paid for the Subaru under section 23 of the CGA.

Admore also sought to recover the costs he incurred in attending the hearing as his late father's representative.

Under schedule one, clause 14 of the MVSA, the tribunal may only award costs to a party to the proceedings.

Admore was not a party to the proceedings, so he wasn't entitled to recover any costs that he had incurred.

However, the adjudicator ruled the trader had to pay the \$50 filing fee that the buyer paid to file the claim. This was because the tribunal is allowed to award costs to one party when the other party fails to attend the hearing without reasonable cause.

Orders

The application to reject the Subaru Forester was allowed.

The trader was ordered to pay \$14,535 to Winiata's estate, care of Rice Craig Barristers & Solicitors.

The dealer was also ordered to contact Admore and make arrangements to immediately collect the Mazda Atenza that it provided to the purchaser as a courtesy car. ☺



A 2008 Subaru Forester

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AROUND THE COUNTRY

April 2023

Total new cars

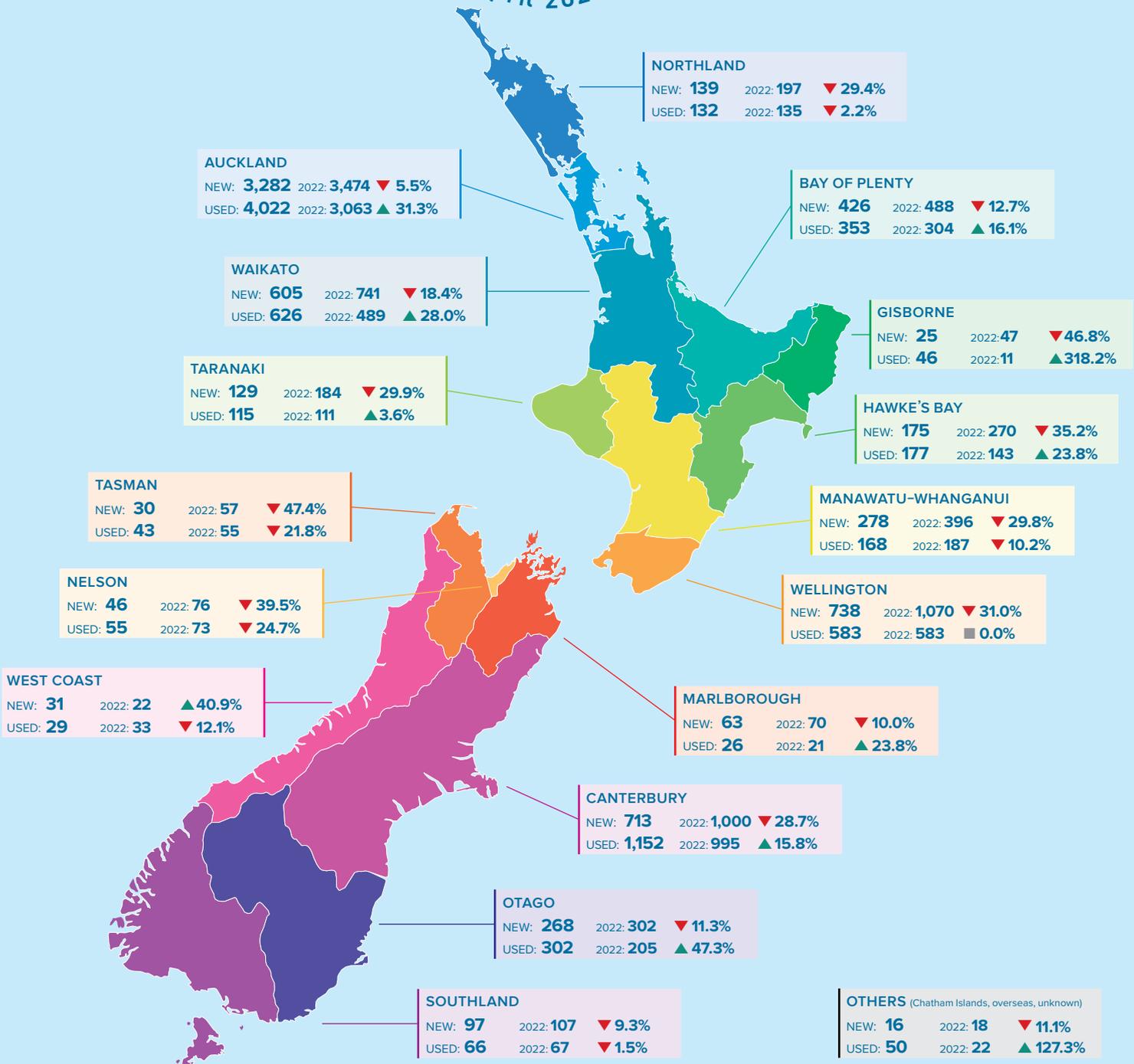
7,061

2022: 8,519 ▼ 17.1%

Total imported used cars

7,945

2022: 6,497 ▲ 22.3%



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BLACKBIRD FINANCE

Imported Passenger Vehicle Sales by Make - April 2023

MAKE	APR '23	APR '22	+/-%	APR '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	3,323	2,908	14.3	41.8%	12,920	39.7%
Nissan	1,070	842	27.1	13.5%	4,468	13.7%
Mazda	1,041	854	21.9	13.1%	4,440	13.7%
Honda	585	444	31.8	7.4%	2,264	7.0%
Subaru	444	269	65.1	5.6%	1,878	5.8%
Volkswagen	274	230	19.1	3.4%	1,295	4.0%
Mitsubishi	244	142	71.8	3.1%	1,015	3.1%
Suzuki	215	121	77.7	2.7%	885	2.7%
BMW	214	154	39.0	2.7%	936	2.9%
Audi	137	131	4.6	1.7%	663	2.0%
Mercedes-Benz	122	98	24.5	1.5%	496	1.5%
Lexus	82	86	-4.7	1.0%	385	1.2%
Ford	42	42	0.0	0.5%	170	0.5%
Volvo	19	25	-24.0	0.2%	77	0.2%
Land Rover	18	9	100.0	0.2%	58	0.2%
Mini	11	11	0.0	0.1%	55	0.2%
Jaguar	9	8	12.5	0.1%	36	0.1%
Hyundai	8	11	-27.3	0.1%	26	0.1%
Chevrolet	7	25	-72.0	0.1%	49	0.2%
Dodge	7	14	-50.0	0.1%	31	0.1%
Holden	7	9	-22.2	0.1%	27	0.1%
Daihatsu	6	2	200.0	0.1%	14	0.0%
Porsche	6	8	-25.0	0.1%	42	0.1%
Peugeot	5	1	400.0	0.1%	26	0.1%
Chrysler	4	1	300.0	0.1%	25	0.1%
Jeep	4	7	-42.9	0.1%	26	0.1%
BYD	3	0	300.0	0.0%	13	0.0%
Kia	3	6	-50.0	0.0%	18	0.1%
Rolls-Royce	3	0	300.0	0.0%	6	0.0%
Smart	3	4	-25.0	0.0%	15	0.0%
Aston Martin	2	1	100.0	0.0%	5	0.0%
Cadillac	2	0	200.0	0.0%	6	0.0%
Opel	2	0	200.0	0.0%	9	0.0%
Pontiac	2	3	-33.3	0.0%	6	0.0%
Rover	2	0	200.0	0.0%	4	0.0%
Others	19	31	-38.7	0.2%	131	0.4%
Total	7,945	6,497	22.3	100.0%	32,520	100.0%

Imported Passenger Vehicle Sales by Model - April 2023

MAKE	MODEL	APR '23	APR '22	+/-%	APR '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	Aqua	1,202	1,397	-14.0	15.1%	4,958	15.2%
Toyota	Prius	834	559	49.2	10.5%	3,170	9.7%
Mazda	Axela	409	303	35.0	5.1%	1,736	5.3%
Toyota	Corolla	308	308	0.0	3.9%	1,142	3.5%
Nissan	Note	300	167	79.6	3.8%	1,046	3.2%
Honda	Fit	277	205	35.1	3.5%	1,053	3.2%
Mazda	Demio	239	178	34.3	3.0%	1,036	3.2%
Nissan	Leaf	202	294	-31.3	2.5%	952	2.9%
Subaru	Impreza	199	122	63.1	2.5%	815	2.5%
Nissan	Serena	185	80	131.3	2.3%	777	2.4%
Volkswagen	Golf	183	158	15.8	2.3%	864	2.7%
Mitsubishi	Outlander	174	91	91.2	2.2%	720	2.2%
Nissan	X-Trail	173	122	41.8	2.2%	650	2.0%
Suzuki	Swift	161	90	78.9	2.0%	657	2.0%
Toyota	C-HR	160	146	9.6	2.0%	608	1.9%
Mazda	CX-5	157	201	-21.9	2.0%	685	2.1%
Toyota	Vitz	124	86	44.2	1.6%	463	1.4%
Subaru	XV	112	63	77.8	1.4%	473	1.5%
Toyota	Sai	102	42	142.9	1.3%	443	1.4%
Mazda	Atenza	85	64	32.8	1.1%	353	1.1%
Toyota	Camry	77	67	14.9	1.0%	282	0.9%
Toyota	Wish	76	70	8.6	1.0%	235	0.7%
Mazda	Premacy	71	70	1.4	0.9%	345	1.1%
Honda	Vezele	69	55	25.5	0.9%	275	0.8%
Volkswagen	Polo	51	47	8.5	0.6%	260	0.8%
BMW	116i	48	35	37.1	0.6%	200	0.6%
Subaru	Legacy	45	20	125.0	0.6%	213	0.7%
Honda	Grace	44	39	12.8	0.6%	179	0.6%
Nissan	Juke	44	28	57.1	0.6%	234	0.7%
Honda	Insight	39	30	30.0	0.5%	134	0.4%
Mercedes-Benz	A180	39	27	44.4	0.5%	139	0.4%
Audi	A3	38	52	-26.9	0.5%	201	0.6%
BMW	320i	38	31	22.6	0.5%	151	0.5%
Honda	CR-Z	38	29	31.0	0.5%	147	0.5%
Toyota	86	37	6	516.7	0.5%	140	0.4%
Others		1,605	1,215	32.1	20.2%	6,784	20.9%
Total		7,945	6,497	22.3	100.0%	32,520	100.0%



WHAT DO YOU WANT FROM YOUR VEHICLE SUPPLIER?

Kiwis aim to buy in budget

New Zealanders intend to buy fewer cars this year than in 2022, according to a Trade Me survey.

Of those who took part, 21 per cent said they are planning to purchase a second-hand vehicle in 2023 compared to 27 per cent last year, while five per cent intend to buy new – down from nine per cent.

Twenty-nine per cent are looking to pay for their next purchase on finance, while 42 per cent are willing to travel further for the right car to stay within budget.

In addition, 32 per cent say their motivation for buying an electric vehicle (EV) or hybrid is that they are more economical to run, 30 per cent say it's because they are environmentally friendly and 27 per cent cite the high cost of fuel.

Other results of the survey, which collates answers from 2,198 people, include:

- ▶ 32 per cent will consider the type of vehicle, such as make and model, and 13 per cent its age or its condition to stay in budget.
- ▶ 42 per cent plan to buy petrol-powered vehicles, 38 per cent hybrid, 11 per cent electric and eight per cent diesel.

While hybrids and EVs are growing in popularity, "petrol is still winning for now", say Jeremy Wade and Alan Clark, heads of classifieds at Trade Me.

They add while people are planning to move on vehicle and home purchases, they are willing to compromise to not break the bank.

"Car buyers are compromising

Boost in trade

There were 7,945 used-imported cars registered in April. That was a jump of 22.3 per cent compared to 6,497 in the same month of last year and brought the year-to-date total to 32,520.

Toyota's Aqua was last month's most popular model with 1,202 units and the Prius second with 834. Mazda's Axela was third on 409.

Toyota was April's top marque with 3,323 registrations.

on the make and model to get what meets their budgets," they say.

According to Trade Me's state of the nation report – first reported on by www.autofile.co.nz on April 18 – median prices on Trade Me Motors during the fourth quarter of last year jumped with double-digit increases in most categories. Average prices climbed by 10 per cent to \$15,345 for used and \$52,990 for new.

Last year's final quarter saw a

"positive increase" in supply for new cars after manufacturing delays. That said, falling consumer confidence saw demand "tumble" compared to 2021.

For used cars, supply and demand dropped by 16 and 37 per cent respectively. For new, supply climbed by 18 per cent on the back of demand falling by 20 per cent.

It's not just prices on consumers' minds, but also who they are buying from with more cars selling the first time they are listed by dealers compared to public-to-public sales. Cars sold after the initial listing period came in at 84 per cent for traders and 61 per cent for private transactions.

As for most popular models by fuel type, petrol was the Holden Commodore, diesel was Toyota's Hilux, hybrid was the Toyota Aqua and fully electric was Nissan's Leaf.

Growth in demand by fuel type in 2022 compared to the previous year dropped by eight and 10

per cent respectively for diesel and petrol. Increases were seen in fully electrics, hybrids and plug-in hybrids by 53, 30 and 119 per cent respectively.

In Trade Me's report, Brad Olsen, Infometrics' principal economist, says the spending crunch is hitting the car market, although regulatory changes are driving a sustained shift in focus for vehicles.

"Recent weather events will provide a short-term boost to used-car purchases with the hunt on for anything that hasn't been waterlogged," he says.

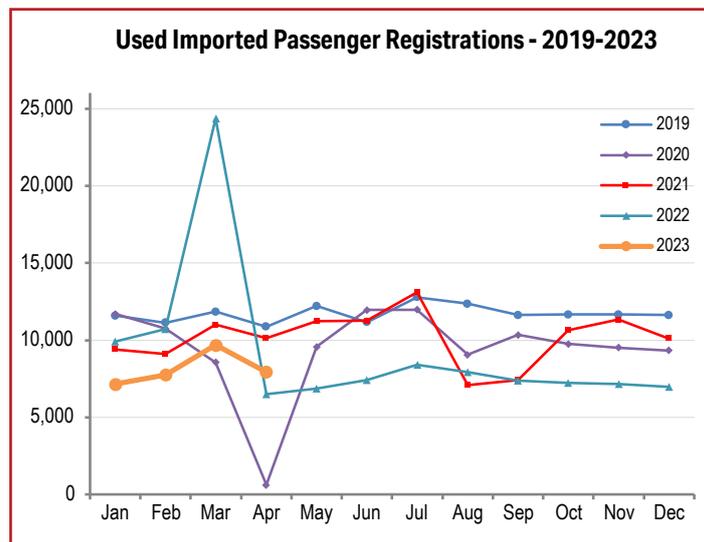
"But used cars remain difficult to source and there are stronger incentives that make new cars more attractive than before. Increasingly, the clean car discount is seeing Kiwis move away from used, large vehicles towards new, small vehicles.

"The focus has also moved to more electric and hybrid vehicles as fuel prices remain high, and as climate change becomes a reason of rising importance in purchasing decisions. Incentives for these vehicles remain persuasive."

CALL TO ACTION

The Motor Trade Association is set to launch its call to action on May 9. "Driving New Zealand Forward – future-proofing the automotive industry" identifies challenges the sector faces and what the next government should do to address them.

It covers warrants of fitness, the clean-car policies and scrappage, the labour shortage and NZ Immigration's green list, training and law reforms. ☺



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Profit rises as port volumes drop

Port of Tauranga has reported strong financial results for the first six months of its 2023 financial year.

Net profit came in at \$62.7 million for an 11.3 per cent increase on the previous corresponding period, while total cargo decreased by 2.5 per cent to 12.7m tonnes.

The company's performance was driven by an increase in container volumes and transshipments, as well as the return of cruise ships.

Container volumes increased 2.5 per cent to 637,728 TEUs for the six-month period, with transhipped containers jumping

by 21.7 per cent. There were 701 ship visits, up by 2.5 per cent.

Chief executive Leonard Sampson says intermittent delays and congestion have continued to plague the container terminal with vessels arriving off-schedule.

He notes that some bunching has occurred during the reporting period, which resulted in ships waiting at anchor and surges of volumes putting pressure on terminal capacity and efficiency.

"By reinstating adherence to pro-forma windows, we will be able to accurately predict container volumes and match resources accordingly," says Sampson. "This

will allow us to deliver improved efficiency and avoid delays for shipping lines and shippers.

"We have been working with other ports to ensure the entire network can get back on time and allow us to better plan capacity."

Chairwoman Julia Hoare adds: "Shipping schedule unreliability and increased operating costs have been challenges.

"We've mitigated impacts of congestion through surcharges to incentivise smooth cargo flows and avoid excess dwell time for containers in the terminal."

She describes the port's plans for a berth extension at the

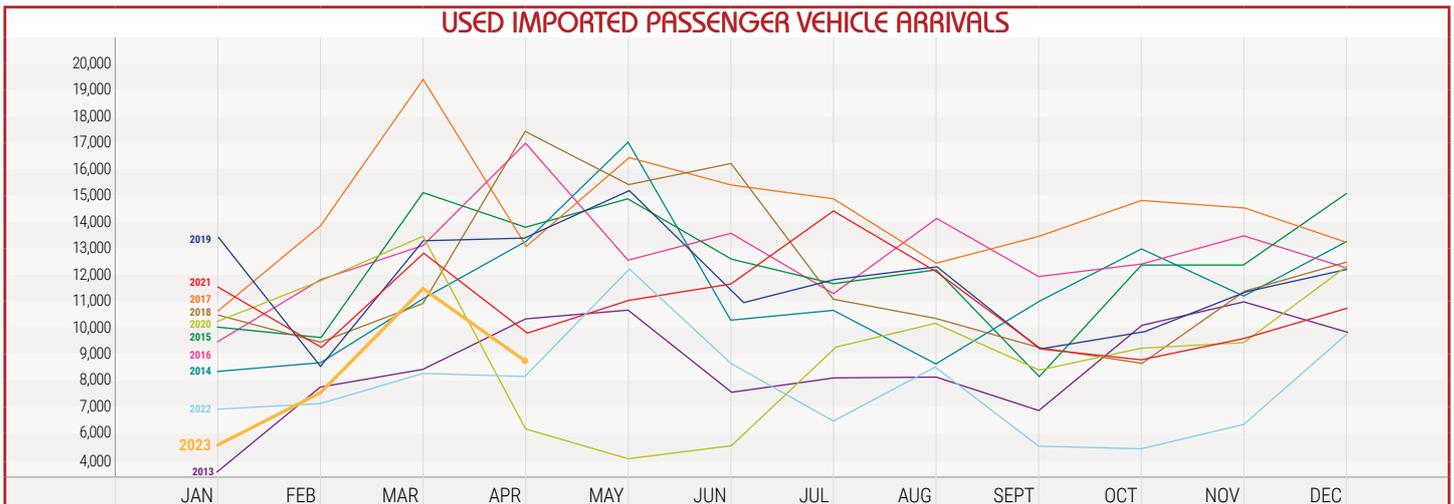
container terminal as "critical" to the New Zealand's economy.

"Catastrophic weather events have also demonstrated New Zealand is in dire need of greater resilience and capacity in the supply chain."

OVERALL TOTAL CLIMBS

There were 8,775 used cars imported last month. That brought the year-to-date total to 32,840, which is up by 9.6 per cent from 29,971 by the same time in 2022.

Japan, with 8,608 units, accounted for 98.1 per cent per cent of all used passenger vehicles crossing the border in April. ☺



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2023						2022						2021	
	JAN '23	FEB '23	MAR '23	APR '23	APR MKT SHARE%	2023 TOTAL	Q1	Q2	Q3	Q4	2022 TOTAL	MKT SHARE	2021 TOTAL	MKT SHARE
Australia	126	83	137	90	1.0%	436	723	639	559	432	2,353	2.6%	3,072	2.4%
Great Britain	34	17	25	24	0.3%	100	160	160	69	123	512	0.6%	1,259	1.0%
Japan	4,846	7,404	11,225	8,608	98.1%	32,083	20,718	27,387	19,322	20,313	87,740	95.6%	123,508	94.8%
Singapore	23	3	24	27	0.3%	77	148	118	77	80	423	0.5%	1,378	1.1%
USA	29	19	22	10	0.1%	80	139	122	99	127	487	0.5%	697	0.5%
Other countries	24	12	12	16	0.2%	64	84	55	62	49	250	0.3%	403	0.3%
Total	5,082	7,538	11,445	8,775	100.0%	32,840	21,972	28,481	20,188	21,124	91,765	100.0%	130,317	100.0%



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Agency 'will work with industry'

Waka Kotahi says it's confident it can make the necessary changes to its systems for the overhauled clean car discount (CCD) to be launched as planned in July.

Adjustments to the feebates scheme were announced by Michael Wood, Minister of Transport, this month.

However, the revamp has attracted criticism from the automotive industry. This includes the roll-out only being two months after it was unveiled on May 2.

"Waka Kotahi is working on implementation of the July 1 changes," a spokesman told Autofile.

"This includes updating and supporting our systems and tools, including our information sources – and the Fuelsaver and Rightcar tools that importers and dealers use to obtain CCD fee and rebate estimates.

"Our priority is to make it as easy as possible for the vehicle industry and purchasers to understand the changes and impacts."

Waka Kotahi is also aiming to provide dealers with calculation tools between mid and late May so they can establish what discounts and penalties under the feebate scheme will be from July 1.

In the run-up to that date,

calculations can be made for future imports on a per-gram basis using the agency's existing tables.

Waka Kotahi adds it will "continue to work closely with industry in coming months" to ensure it has the information and support it will need to ensure public awareness of the changes.

"Systems that apply fees and deliver the online rebate applications, and back-end assessment and payment processes, will be updated to apply the new rates for vehicles registered from July 1."

The changes to the CCD include the rebates limit for all imported

light vehicles at the time of first registration in New Zealand dropping from 146g of carbon dioxide (CO₂) per kilometre to 100g.

Fees will also apply to vehicles with emissions of 150gCO₂/km or more, rather than starting at the current level of 192g.

TRADE FALLS BACK

Dealers sold 13,204 second-hand cars to public buyers during April. That was down from 14,801, or by 10.8 per cent, when compared to the same month 2022.

There were 11,393 trade-ins last month, which represented an increase of one per cent. ☺

SECONDHAND CAR SALES - April 2023

REGION	APR'23	DEALER TO PUBLIC			APR'23	PUBLIC TO PUBLIC			APR'23	PUBLIC TO DEALER		
		APR'22	+/- %	MARKET SHARE		APR'22	+/- %	APR'22		+/- %		
Northland	432	513	-15.8	3.27	1,618	1,814	-10.8	168	190	-11.6		
Auckland	4,834	5,223	-7.4	36.61	13,134	12,104	8.5	5,013	4,789	4.7		
Waikato	1,317	1,432	-8.0	9.97	3,564	3,867	-7.8	1,035	1,040	-0.5		
Bay of Plenty	794	1,026	-22.6	6.01	2,633	2,719	-3.2	556	589	-5.6		
Gisborne	121	142	-14.8	0.92	328	375	-12.5	36	57	-36.8		
Hawke's Bay	554	513	8.0	4.20	1,341	1,361	-1.5	338	349	-3.2		
Taranaki	297	393	-24.4	2.25	931	1,049	-11.2	181	196	-7.7		
Manawatu-Whanganui	647	839	-22.9	4.90	1,834	2,053	-10.7	675	628	7.5		
Wellington	1,111	1,387	-19.9	8.41	2,835	3,234	-12.3	852	995	-14.4		
Tasman	109	134	-18.7	0.83	380	480	-20.8	17	15	13.3		
Nelson	124	100	24.0	0.94	324	386	-16.1	154	92	67.4		
Marlborough	103	131	-21.4	0.78	366	358	2.2	66	79	-16.5		
West Coast	91	96	-5.2	0.69	274	292	-6.2	25	24	4.2		
Canterbury	1,779	1,972	-9.8	13.47	4,806	4,926	-2.4	1,790	1,718	4.2		
Otago	552	608	-9.2	4.18	1,804	1,791	0.7	391	389	0.5		
Southland	272	236	15.3	2.06	813	851	-4.5	96	130	-26.2		
Other	67	56	19.6	0.51	131	178	-26.4	0	0	0.0		
NZ Total	13,204	14,801	-10.8	100.00	37,116	37,838	-1.9	11,393	11,280	1.0		

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New Passenger Vehicle Sales by Make - April 2023						
MAKE	APR '23	APR '22	+/-%	APR '23 MKTSHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	1,366	1,594	-14.3	19.3%	5,228	15.3%
Kia	715	467	53.1	10.1%	3,869	11.3%
Mitsubishi	677	1,564	-56.7	9.6%	2,671	7.8%
Suzuki	520	792	-34.3	7.4%	2,667	7.8%
Hyundai	395	608	-35.0	5.6%	2,779	8.1%
Ford	346	107	223.4	4.9%	1,196	3.5%
MG	335	339	-1.2	4.7%	1,627	4.8%
Mazda	226	536	-57.8	3.2%	1,378	4.0%
Volkswagen	225	258	-12.8	3.2%	871	2.5%
Haval	201	11	1,727.3	2.8%	746	2.2%
Tesla	197	1	19,600.0	2.8%	1,430	4.2%
BYD	184	0	18,400.0	2.6%	1,176	3.4%
Nissan	166	157	5.7	2.4%	1,115	3.3%
Skoda	152	261	-41.8	2.2%	586	1.7%
Subaru	149	159	-6.3	2.1%	837	2.4%
BMW	126	112	12.5	1.8%	603	1.8%
Lexus	126	92	37.0	1.8%	378	1.1%
Audi	121	131	-7.6	1.7%	458	1.3%
Mercedes-Benz	116	152	-23.7	1.6%	570	1.7%
Land Rover	108	39	176.9	1.5%	520	1.5%
Honda	91	558	-83.7	1.3%	1,246	3.6%
Peugeot	69	77	-10.4	1.0%	316	0.9%
Mini	51	113	-54.9	0.7%	211	0.6%
Volvo	50	41	22.0	0.7%	251	0.7%
Porsche	47	95	-50.5	0.7%	184	0.5%
Polestar	45	81	-44.4	0.6%	207	0.6%
Jeep	32	3	966.7	0.5%	93	0.3%
SsangYong	30	9	233.3	0.4%	124	0.4%
Opel	28	0	2,800.0	0.4%	97	0.3%
GWM	26	0	2,600.0	0.4%	51	0.1%
Mahindra	21	1	2,000.0	0.3%	57	0.2%
Cupra	18	18	0.0	0.3%	126	0.4%
Citroen	15	44	-65.9	0.2%	65	0.2%
Renault	13	17	-23.5	0.2%	93	0.3%
Isuzu	11	3	266.7	0.2%	56	0.2%
Fiat	10	25	-60.0	0.1%	31	0.1%
Jaguar	8	12	-33.3	0.1%	75	0.2%
Lotus	6	3	100.0	0.1%	8	0.0%
Maserati	6	1	500.0	0.1%	19	0.1%
Bentley	5	4	25.0	0.1%	21	0.1%
Ferrari	5	0	500.0	0.1%	15	0.0%
Yamaha	5	7	-28.6	0.1%	11	0.0%
Aston Martin	4	2	100.0	0.1%	19	0.1%
Lamborghini	4	0	400.0	0.1%	12	0.0%
Others	10	25	-60.0	0.1%	93	0.3%
Total	7,061	8,519	-17.1	100.0%	34,186	100.0%

New Passenger Vehicle Sales by Model - April 2023							
MAKE	MODEL	APR '23	APR '22	+/-%	APR '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	RAV4	539	713	-24.4	7.6%	1,671	4.9%
Mitsubishi	Eclipse Cross	327	541	-39.6	4.6%	1,218	3.6%
Suzuki	Swift	276	406	-32.0	3.9%	1,599	4.7%
MG	ZS	247	220	12.3	3.5%	1,252	3.7%
BYD	Atto 3	184	0	18,400.0	2.6%	1,176	3.4%
Mitsubishi	Outlander	179	834	-78.5	2.5%	839	2.5%
Toyota	Highlander	157	179	-12.3	2.2%	449	1.3%
Kia	Seltos	153	12	1,175.0	2.2%	490	1.4%
Toyota	Corolla	149	238	-37.4	2.1%	613	1.8%
Kia	Niro	145	73	98.6	2.1%	694	2.0%
Hyundai	Kona	136	192	-29.2	1.9%	761	2.2%
Tesla	Model Y	127	0	12,700.0	1.8%	1,115	3.3%
Haval	H6	126	9	1,300.0	1.8%	471	1.4%
Kia	Sorento	123	48	156.3	1.7%	517	1.5%
Mitsubishi	Pajero Sport	111	0	11,100.0	1.6%	328	1.0%
Ford	Everest	103	15	586.7	1.5%	480	1.4%
Mazda	CX-5	96	253	-62.1	1.4%	653	1.9%
Toyota	Yaris	94	194	-51.5	1.3%	337	1.0%
Toyota	Yaris Cross	94	128	-26.6	1.3%	556	1.6%
Kia	Stonic	93	76	22.4	1.3%	717	2.1%
Suzuki	Vitara	88	54	63.0	1.2%	329	1.0%
Kia	EV6	87	68	27.9	1.2%	420	1.2%
Nissan	X-Trail	85	63	34.9	1.2%	739	2.2%
Suzuki	Jimny	84	106	-20.8	1.2%	327	1.0%
Hyundai	Ioniq	77	239	-67.8	1.1%	254	0.7%
Kia	Sportage	77	121	-36.4	1.1%	604	1.8%
Volkswagen	Tiguan	76	99	-23.2	1.1%	222	0.6%
Haval	Jolion	75	0	7,500.0	1.1%	275	0.8%
Toyota	Land Cruiser	72	6	1,100.0	1.0%	172	0.5%
Tesla	Model 3	70	0	7,000.0	1.0%	315	0.9%
Ford	Puma	69	49	40.8	1.0%	150	0.4%
Hyundai	Tucson	67	53	26.4	0.9%	927	2.7%
Ford	Mustang Mach-E	65	0	6,500.0	0.9%	73	0.2%
Ford	Escape	61	37	64.9	0.9%	227	0.7%
Toyota	Corolla Cross	60	0	6,000.0	0.8%	438	1.3%
Subaru	Forester	59	40	47.5	0.8%	242	0.7%
Toyota	C-HR	55	80	-31.3	0.8%	494	1.4%
Skoda	Superb	53	86	-38.4	0.8%	154	0.5%
MG	3	51	74	-31.1	0.7%	217	0.6%
Hyundai	Santa Fe	50	41	22.0	0.7%	414	1.2%
Toyota	Land Cruiser Prado	47	13	261.5	0.7%	198	0.6%
Polestar	Polestar 2	45	81	-44.4	0.6%	207	0.6%
Suzuki	Ignis	44	93	-52.7	0.6%	286	0.8%
Nissan	Qashqai	43	0	4,300.0	0.6%	194	0.6%
Toyota	Fortuner	43	8	437.5	0.6%	177	0.5%
Others		1,999	2,977	-32.9	28.3%	10,195	29.8%
Total		7,061	8,519	-17.1	100.0%	34,186	100.0%

City dealership wins big time

Auckland City BMW has driven away with a hat-trick of gongs from BMW Group New Zealand's dealer of the year awards.

The business was crowned top BMW franchise, and picked up wins for excellence in the sustainability and financial services.

East Auckland Mini Garage was crowned Mini dealer of the year at a gala evening at the Park Hyatt hotel in Auckland, which was attended by senior executives and management from across the company's network.

"The awards were an opportunity to appropriately honour the pivotal role our dealers play in our business," says Adam Shaver, manager director BMW NZ.

"The network last year faced issues well out of its control from global supply to logistical challenges.

"But our valued dealer partners rose above this to demonstrate excellence across numerous areas of their businesses with customer-first mindsets."

Other winners were East Auckland BMW for customer support, Hawke's Bay BMW for customer service, Coombes Johnston BMW Tauranga for sales and Cooke Howlison BMW for marketing.

The group-one Mini sales consultant of the year was Selena Andreasend, of Christchurch Mini Garage, and runner-up was Daniel Smith, of Auckland Mini Garage.

The group-two winner in this category was Joao Santos, of Wellington Mini Garage, with Caelen Chadwick, Coombes Johnston Mini Garage, coming second.

ZERO-EMISSIONS BOOST
BMW Group New Zealand is celebrating sales of its electrified models jumping by 14.5 per cent in the first quarter of this year compared to the same period of 2022.

An extra 213 BMW and Mini battery electric vehicles (BEVs) were registered over the three-



Ian Gibson, retired dealer principal of Auckland City BMW, Adam Shaver, managing director of BMW NZ, dealer principal Jonny Highton and PJ Kleinhaus, new-vehicle sales manager



Matt Schmidt, left, general manager of Mini Australia and NZ, with East Auckland Mini Garage's sales manager Eric Chen and general sales manager Eric Song

Drop in sales

There were 7,061 new passenger vehicles sold in April for a decrease of 17.1 per cent from 8,519 in last year's same month.

Toyota's RAV4 topped the models' ladder with 539 units and a market share of 7.6 per cent. Mitsubishi's Eclipse Cross was second on 327 and the Suzuki Swift came third with 276.

Last month's best-selling brand was Toyota on 1,366 units. Kia came second with 715 and Mitsubishi was third on 677.

month period as the company expanded its line-up of zero and low-emissions products.

The figures make this country the leading BMW Group market in Asia-Pacific for the proportion of overall BMW sales that are electrified.

Standout performers over the quarter included the 330e and X5

xDrive45e PHEV, with registrations climbing by 120 and 800 per cent respectively.

The marque's i4 Gran Coupe BEV sold 43 units in the first quarter, while the first iX1 BEV notched up 11 registrations. Also boosting BMW's portfolio this year has been the i7, the first fully electric 7 Series.

As for Mini, its Electric Hatch BEV recorded 62 sales over the same timescale, an increase of 41 per cent from a year ago.

The New Zealand results come at the same time as the group has seen its global BEV sales climb by 83.2 per cent, or 64,647 units, for BMW and Mini.

SPENDING CLIMBS

The value of electronic card transactions on motor vehicles increased by 5.5 per cent in March when compared to February.

The total went up by \$11 million, while expenditure on fuel rose by 1.3 per cent and by \$7.3m.

As for the March 2023 quarter, spending on vehicles rose by 0.7 per cent for an increase of \$4.5m, while fuel slipped back by \$147m and 8.1 per cent compared to December 2022 quarter.

Meanwhile, the number of registered dealers in New Zealand dropped to 2,875 at the end of March. The total represented a fall of 140 from the same time last year.

Trader numbers have been falling since hitting 3,020 in June 2022 and the monthly totals have largely been in decline since a high of 3,536 in November 2017.

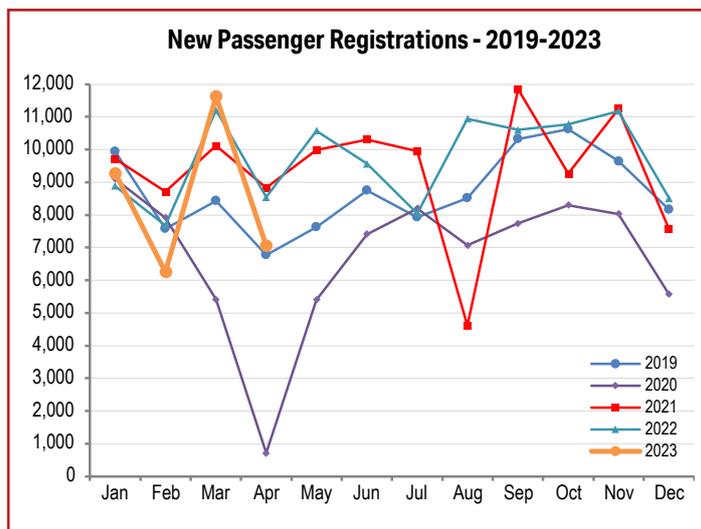
SUPPORT FOR FEEBATES

A Drive Electric survey shows there's public support for charges and discounts consumers pay or receive through the clean car discount.

In the poll of 1,000 people, which was completed before the government announced changes to the scheme on July 2, more said they supported the feebate scheme than those opposed to it. Just over half agreed it was a good policy while 20 per cent disagreed.

Mark Gilbert, chairman of Drive Electric, describes it as "one of the most successful climate programmes New Zealand has".

As for the clean car standard, more than 60 per cent of survey respondents said it was a good policy and 12 per cent disagreed with it. ☹



Trading operations 'in good shape'

The Colonial Motor Company notched up a trading profit before tax of \$20.9 million for the first half of the current financial year for its second highest on record.

It came in below \$26.5m in the same period of 2021, but ahead of the \$18.2m achieved in 2020.

Reported total half-year revenue of \$501m was down by 6.5 per cent from a year earlier. However, it climbed by 14.4 per cent from the same period of 2020.

Colonial's trading profit after tax slipped to \$14.2m in the past half-year, down from \$18m in the same spell of 2021.

Ash Waugh, chairman, says: "All of the company's major

trading operations remain in good shape, with motor vehicles, heavy trucks and tractor dealerships all contributing to deliver a sound result for the period despite softening market conditions.

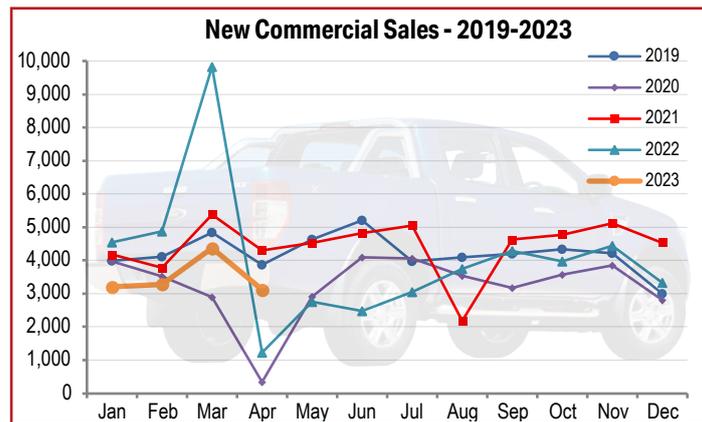
"While the vehicle supply shortage was showing signs of easing, waiting lists for popular models continued to pose challenges for our dealerships and meant lengthy wait times.

"The trend of shipping arrivals dictating monthly sales results remains, while at the same time the industry works through the tail-end of the high vehicle demand of the past two years."

He notes the headwinds of growing economic uncertainty, a relatively low New Zealand dollar, the cost of living and rising interest rates had softened new and used-vehicle inquiries as well as increasing business costs.

LOOKING AHEAD

Waugh says the keyword for the remainder of the financial year is "uncertainty". While sales of popular models were expected to stay robust in the third quarter, ▶



MAKE	APR '23	APR '22	+/- %	APR '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Ford	974	305	219.3	31.2%	4,234	30.3%
Toyota	895	145	517.2	28.7%	3,896	27.9%
Mitsubishi	256	53	383.0	8.2%	1,111	8.0%
Isuzu	174	107	62.6	5.6%	849	6.1%
Fuso	107	105	1.9	3.4%	425	3.0%
Nissan	104	85	22.4	3.3%	509	3.6%
LDV	89	5	1,680.0	2.9%	499	3.6%
Hyundai	87	12	625.0	2.8%	214	1.5%
Volkswagen	49	33	48.5	1.6%	210	1.5%
Hino	48	67	-28.4	1.5%	258	1.8%
Mercedes-Benz	37	40	-7.5	1.2%	222	1.6%
Scania	35	34	2.9	1.1%	186	1.3%
Mazda	29	13	123.1	0.9%	135	1.0%
Iveco	28	23	21.7	0.9%	139	1.0%
DAF	27	8	237.5	0.9%	91	0.7%
Ram	24	14	71.4	0.8%	104	0.7%
Fiat	23	26	-11.5	0.7%	87	0.6%
UD Trucks	21	25	-16.0	0.7%	94	0.7%
Great Wall	14	0	1,400.0	0.4%	90	0.6%
Foton	13	20	-35.0	0.4%	54	0.4%
Others	83	98	-15.3	2.7%	547	3.9%
Total	3,117	1,218	155.9	100.0%	13,954	100.0%

MAKE	MODEL	APR '23	APR '22	+/- %	APR '23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE
Ford	Ranger	929	287	223.7	29.8%	3,914	28.0%
Toyota	Hilux	653	103	534.0	20.9%	3,133	22.5%
Mitsubishi	Triton	256	12	2,033.3	8.2%	1,101	7.9%
Toyota	Hiace	186	34	447.1	6.0%	633	4.5%
Nissan	Navara	104	85	22.4	3.3%	509	3.6%
Isuzu	D-Max	83	33	151.5	2.7%	436	3.1%
Hyundai	Staria Load	78	10	680.0	2.5%	181	1.3%
Toyota	Land Cruiser	56	8	600.0	1.8%	130	0.9%
Ford	Transit	45	18	150.0	1.4%	313	2.2%
Isuzu	N Series	41	23	78.3	1.3%	173	1.2%
Isuzu	F Series	38	42	-9.5	1.2%	182	1.3%
LDV	T60	30	0	3,000.0	1.0%	130	0.9%
Mazda	BT-50	29	13	123.1	0.9%	135	1.0%
Hino	500	28	34	-17.6	0.9%	121	0.9%
Fuso	Canter 616 City	26	36	-27.8	0.8%	133	1.0%
DAF	CF	25	7	257.1	0.8%	86	0.6%
Mercedes-Benz	Sprinter	24	32	-25.0	0.8%	142	1.0%
Ram	1500	23	9	155.6	0.7%	98	0.7%
Fiat	Ducato	22	26	-15.4	0.7%	86	0.6%
Iveco	Daily	21	13	61.5	0.7%	106	0.8%
Others		420	393	6.9	13.5%	2,212	15.9%
Total		3,117	1,218	155.9	100.0%	13,954	100.0%



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◀ the lag effect from lower levels of customer enquiry was “anticipated to have a greater impact by the fourth quarter.”

He expects the economic environment experienced in the first half will likely tighten the screws on the industry and wider retail sector as the year unfolds.

The lead-up to 2023’s general election may also result in customers deferring major purchases until a degree of certainty resumes.

Waugh says the government’s clean-car policies continue to drive demand for electric vehicles, with such models playing an increasingly dominant role in the passenger and SUV segments.

Colonial reports it has an array of new and electrified products coming to market across its brands.

“The combination of great staff,

investment in facilities and new products positions the company well to succeed,” adds Waugh.

“However, in the short to medium term we do expect a degree of turbulence as the supply of EV products remains globally scarce for the foreseeable future.”

In relation to its developments, Colonial’s upgrades at Avon City

Ford in Christchurch, Dunedin City Ford and Timaru Motors are all on-track to be finished before the end of the financial year.

A brand refresh for South Auckland Mazda and Dunedin City Mazda is due to get started in 2023, and rebuilds of the Fagan Motors showroom in Masterton and of Agricentre’s

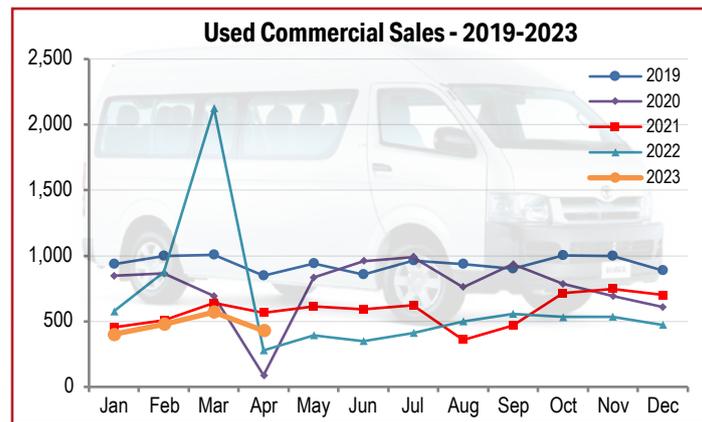
tractor dealership in Gore are about the start. Colonial has also purchased a substantial property in Palmerston North, which it plans to develop as a long-term investment to expand and future-proof the company’s heavy-commercial business in the region.

EFFECTS OF FEEBATES FELT

There were 3,117 new commercials registered last month. The total was up by 155.9 per cent on 1,218 in April 2022, the first month of the full clean car discount scheme.

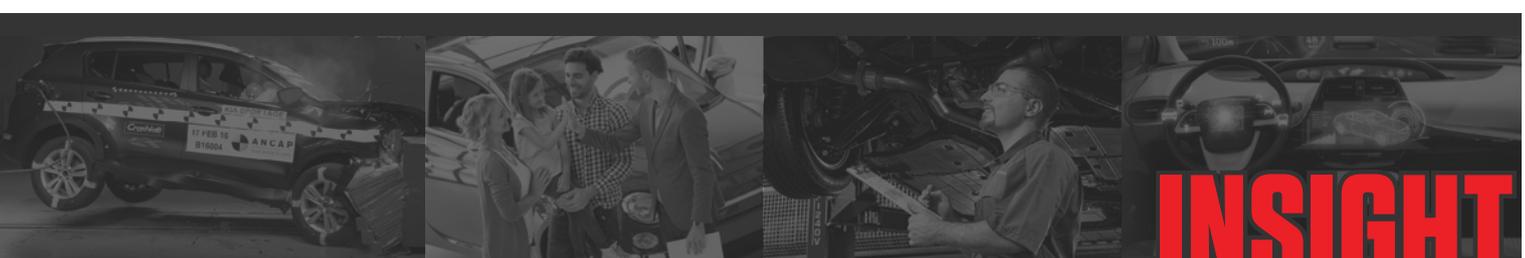
The Ford Ranger was the top model with 929 units. Toyota’s Hilux was second on 653 and Mitsubishi’s Triton took out third with 256.

As for used-imported commercials, there were 429 registered in April compared with 277 in the same month of last year for a rise of 54.9 per cent. ☺



Used Commercial Sales by Make - April 2023						
MAKE	APR'23	APR'22	+/-%	APR'23 MKTSHARE	2023 YEAR TO DATE	2023 MKT SHARE
Toyota	198	53	273.6	46.2%	777	41.4%
Nissan	84	27	211.1	19.6%	421	22.4%
Isuzu	41	38	7.9	9.6%	120	6.4%
Hino	29	54	-46.3	6.8%	141	7.5%
Mitsubishi	23	30	-23.3	5.4%	111	5.9%
Ford	16	12	33.3	3.7%	77	4.1%
Daihatsu	10	10	0.0	2.3%	32	1.7%
Mazda	5	3	66.7	1.2%	25	1.3%
DAF	4	0	400.0	0.9%	7	0.4%
Suzuki	4	6	-33.3	0.9%	17	0.9%
UD Trucks	3	7	-57.1	0.7%	15	0.8%
Dodge	2	1	100.0	0.5%	6	0.3%
Volkswagen	2	3	-33.3	0.5%	10	0.5%
Fiat	1	1	0.0	0.2%	10	0.5%
Freightliner	1	1	0.0	0.2%	3	0.2%
Fuso	1	2	-50.0	0.2%	5	0.3%
Holden	1	6	-83.3	0.2%	20	1.1%
Honda	1	1	0.0	0.2%	5	0.3%
Iveco	1	3	-66.7	0.2%	9	0.5%
Kenworth	1	0	100.0	0.2%	6	0.3%
Others	1	19	-94.7	0.2%	60	3.2%
Total	429	277	54.9	100.0%	1,877	100.0%

Used Commercial Sales by Model - April 2023								
MAKE	MODEL	APR'23	APR'22	+/-%	APR'23 MKT SHARE	2023 YEAR TO DATE	2023 MKT SHARE	
Toyota	Hiace	148	16	825.0	34.5%	545	29.0%	
Nissan	NV350	55	6	816.7	12.8%	266	14.2%	
Isuzu	Elf	30	23	30.4	7.0%	81	4.3%	
Hino	Dutro	25	36	-30.6	5.8%	106	5.6%	
Toyota	Dyna	19	25	-24.0	4.4%	72	3.8%	
Toyota	Regius	19	1	1,800.0	4.4%	94	5.0%	
Fuso	Canter	15	20	-25.0	3.5%	76	4.0%	
Nissan	Caravan	12	3	300.0	2.8%	62	3.3%	
Daihatsu	Hijet	10	10	0.0	2.3%	32	1.7%	
Ford	Ranger	8	3	166.7	1.9%	38	2.0%	
Isuzu	Forward	8	10	-20.0	1.9%	29	1.5%	
Toyota	Hilux	5	3	66.7	1.2%	22	1.2%	
Mazda	Titan	4	2	100.0	0.9%	13	0.7%	
Nissan	Civilian	4	3	33.3	0.9%	15	0.8%	
Suzuki	Carry	4	6	-33.3	0.9%	17	0.9%	
Toyota	Toyoace	4	6	-33.3	0.9%	30	1.6%	
Mitsubishi	Fuso	3	1	200.0	0.7%	9	0.5%	
Mitsubishi	Rosa	3	4	-25.0	0.7%	11	0.6%	
Nissan	Atlas	3	5	-40.0	0.7%	26	1.4%	
Nissan	Navara	3	1	200.0	0.7%	10	0.5%	
Others		47	93	-49.5	11.0%	323	17.2%	
Total		429	277	54.9	100.0%	1,877	100.0%	



INSIGHT

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Clean-car changes to alter market

The chief executive of Toyota NZ says changes to the clean car discount (CCD) announced on May 5 have the potential to affect the affordability of low-emissions technology.

"Many of our customers have placed orders in good faith with a clear idea of what the rebate or fee will be as part of their affordability decision," says Neeraj Lala.

Many buyers have waited extended periods for their cars due to Toyota NZ being unable to supply them fast enough and he adds they will now be penalised by lower rebates or higher fees from July 1 with little notice.

"The CCD is a relationship between the government and consumers, but ultimately this decision impacts on their relationship with our brand.

"We remain concerned that

sectors, such as agriculture or construction, are being penalised by a significant fee increase when there are no suitable low-emissions options available.

"The fee increase on these models is significant and will affect the affordability of models these customers need for their livelihoods."

Toyota NZ is disappointed that some high-volume petrol hybrids are being removed from the rebate scheme "given the high impact of decarbonisation and affordability they deliver without range anxiety".

"Hybrids are a good transitional technology," says Lala. "We will continue to offer them alongside our next generation of battery electric vehicles [BEVs] over the next 18 months.

"The increase of hybrids and other electrified options in Toyota's

line-up has already reduced tailpipe emissions from our vehicles by 16 per cent over the past four years.

"We are focused on the impact of our line-up. This means we will continue to move all our models to low-emissions versions whether that be hybrid or battery-electric technology. It's about what is appropriate for that vehicle and customer needs."

As for a previous government announcement on capping the clean car upgrade, Lala describes that as a "huge mistake".

Essentially a scrappage policy, it could have been a "rock star" if it had gone ahead and would have allowed people to shift to low-emissions vehicles.

Lala warns ditching that and a car-leasing scheme will lead to older models staying on our roads for longer. ☹

Sales decrease

Imports of new cars in April came in at 6,359. This was down by 25.7 per cent from the same month a year earlier and 17.4 per cent lower than March's total of 7,698 units.

Registrations of 7,061 new passenger vehicles were completed last month, which was down 17.1 per cent from April 2022. It also represented a 39.2 per cent decrease from 11,618 units in March.

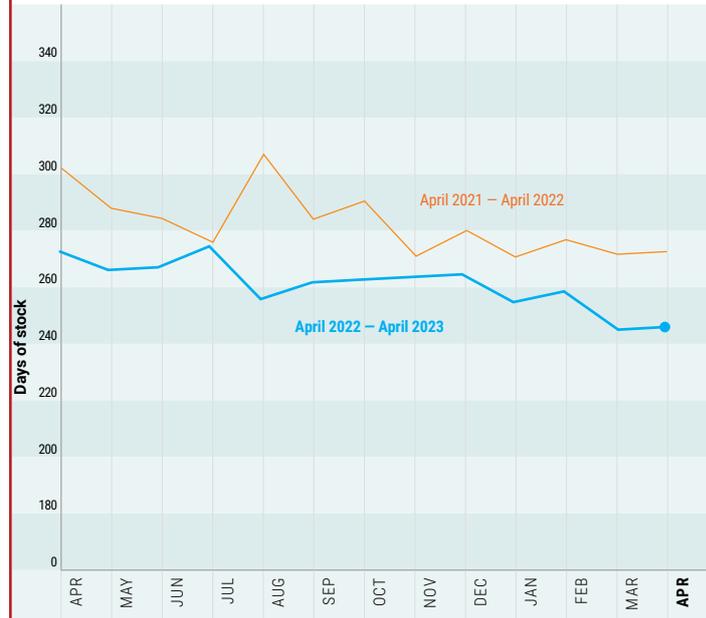
The numbers have resulted in the stock of new cars still to be registered dropping by 702 to 77,026. Daily registrations, as averaged over the previous 12 months, stand at 313 units per day – up from 304 a year earlier.

April's results mean stock at-hand has increased to 246 days, or 8.1 months, if sales continue at the current rate. In the same month of 2022, stock at-hand stood at 271 days.

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Apr '22	8,555	8,519	36	82,403	304	271
May '22	8,488	10,552	-2,064	80,339	306	263
Jun '22	9,439	9,537	-98	80,241	304	264
Jul '22	9,368	8,033	1,335	81,576	298	273
Aug '22	9,928	10,924	-996	80,580	316	255
Sep '22	11,219	10,588	631	81,211	312	260
Oct '22	12,011	10,740	1,271	82,482	316	261
Nov '22	11,493	11,161	332	82,814	316	262
Dec '22	9,936	8,492	1,444	84,258	319	264
Jan '23	5,985	9,259	-3,274	80,984	320	253
Feb '23	6,912	6,248	664	81,648	316	259
Mar '23	7,698	11,618	-3,920	77,728	317	245
Apr '23	6,359	7,061	-702	77,026	313	246
Year to date	26,954	34,186				
Change on last month	-17.4%	-39.2%				-0.9%
Change on Apr 2022	-25.7%	-17.1%				-6.5%
	LESS IMPORTED	LESS SOLD				LESS STOCK

DAYS STOCK IN NZ - NEW CARS



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Fixing plug-in hybrid oddity

The Imported Motor Vehicle Industry Association (VIA) is pleased an anomaly with the way plug-in hybrids (PHEVs) are dealt with under the clean-car policies will be addressed by Waka Kotahi.

At the moment, used PHEVs are assessed for their carbon dioxide (CO2) emissions by Waka Kotahi in a different way to new vehicles. This affects the ratings that are then used for the clean car discount (CCD) and clean car standard (CCS).

Kit Wilkerson, VIA's head of policy and strategy, says: "We have long raised the problem with the NZTA about used PHEVs. This is finally being fixed although we don't yet know when the changes will take place."

When new PHEVs are imported, their effective EV ranges are taken into account for the CCD and CCS.

However, that hasn't been the case with used plug-in hybrids, which have been strictly held to information published in Japan.

"The way Japan calculates their efficiency doesn't include the electric-only range of models, such as the Toyota Prius PHEV," explains Wilkerson. "Whether this model is imported new or imported from Japan as used, it's essentially the same car."

The CO2 values applied on PHEVs for the clean-car programme have been 20g/km for new and 87g/km for used.

"It means anyone who has bought a used-imported Prius PHEV in the past few years has effectively been short-changed."

Wilkerson emphasises Waka Kotahi has needed to follow the rules in this way. But they are now being rewritten by the transport

agency, which is developing a way to take used PHEVs' electric ranges into account in the same way it does for the new-vehicle industry.

"There may be some small differences because the new-car sector uses the NEDC while the JC08 testing regime applies to used imports," he adds. "Sometimes, this may benefit used, sometimes it may be detrimental, but generally it will be equitable."

Visit www.autofile.co.nz for more in-depth coverage on the CCD. We talk to David Vinsen, VIA's chief executive, who says the changes aren't unexpected "because we always knew the scheme would run out of money."

He recalls a discussion back in February 2018 with the Greens' Julie Anne Genter, Associate Minister of Transport at the time, and raising that very issue. ☺

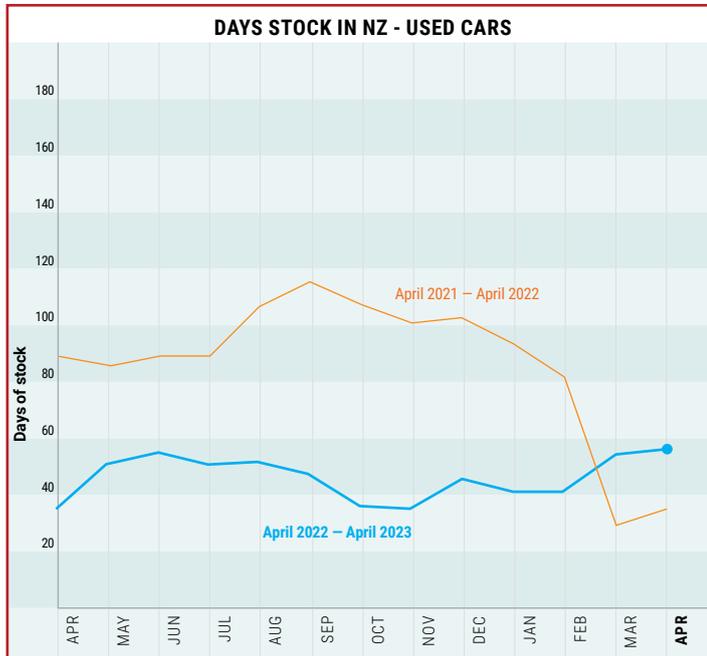
Stock growing

There were 8,775 used cars imported last month, a jump of 9.7 per cent from 7,999 in the same month a year earlier. However, the latest total was down by 23.3 per cent from March when 11,445 units crossed our borders.

A total of 7,945 units were registered last month. This was 22.3 per cent more than the 6,497 units in April last year but down 17.9 per cent from 9,678 in March.

With 830 more used cars imported than registered last month, it brought unregistered stock on dealers' yards or in compliance shops to 14,312 units. This was 26 per cent higher than the 11,357 a year ago.

Average daily registrations rose month-on-month to 251, although this was down from 367 a year ago, and there is 57 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Apr '22	7,999	6,497	1,502	11,357	367	31
May '22	11,833	6,875	4,958	16,315	355	46
Jun '22	8,649	7,402	1,247	17,562	344	51
Jul '22	6,498	8,232	-1,734	15,828	331	48
Aug '22	8,594	7,933	661	16,489	333	50
Sep '22	5,096	7,365	-2,269	14,220	333	43
Oct '22	5,064	7,234	-2,170	12,050	324	37
Nov '22	6,297	7,151	-854	11,196	312	36
Dec '22	9,781	6,985	2,796	13,992	304	46
Jan '23	5,082	7,137	-2,055	11,937	296	40
Feb '23	7,538	7,760	-222	11,715	287	41
Mar '23	11,445	9,678	1,767	13,482	247	55
Apr '23	8,775	7,945	830	14,312	251	57
Year to date	32,840	32,520				
Change on last month	-23.3%	-17.9%		6.2%		
Change on Apr 2022	9.7%	22.3%		26.0%		
	MORE IMPORTED	MORE SOLD		MORE STOCK		

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