www.autofile.co.nz

NOVEMBER 2024

autofile

THE TRUSTED VOICE OF THE NZ AUTO INDUSTRY FOR 40 YEARS

Shifting rules slow electric car uptake

Campaigners warn government policy changes are putting importers of cleaner vehicles under pressure

Changes to legislation this year are delaying efforts to transition the fleet to low and zero-emissions models and could cost the economy billions of dollars, warns Drive Electric.

The industry group says the shifting rules have also resulted in New Zealand going from a world leader in the uptake of electric cars to lagging behind many other countries, including Australia.

It adds plans to substantially increase the ACC motor-vehicle levy for zero-emitters, introducing road-user charges (RUC) for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) in April, and "weakening" the clean car standard (CCS) targets are all threats to the sector.

These changes come as sales figures for EVs have already been impacted this year after the government axed the clean car discount (CCD) at the end of 2023.

Kirsten Corson, chair of Drive Electric's board, says the not-for-profit group is concerned at how the rejigging of different policies and regulations within the space of six months is hurting the automotive industry.

"There have been successive moves by the government to put barriers up around decarbonising transport," she told Autofile.

"That's costing the industry hundreds of millions of dollars because we've seen a 70 per cent reduction in EV sales this year.

"It's tough for the sector. Electric vehicles have gone from making up 27 per cent of new-car sales on average each month in 2023 to being less than 10 per cent on average each month this year.

"It's a dramatic shift and that's made it hard for our members importing cars. They have spent years trying to get a supply of EVs coming into New Zealand and telling factories we need EVs. All of a sudden, they're trying to stop that flow.

"A lot of businesses order nine

[continued on page 4]

GUEST EDITORIAL

Transition away from fossil fuels 'priority'

Smart systems set to save EV owners 'serious dollars' in near future, says Marcos Pelenur

DR MARCOS PELENUR
Chief executive, EECA

An electricity system that's efficient is key to growing a competitive economy and supporting our country's emissions reductions goals.

With transport responsible for 44 per cent of New Zealand's energy-related emissions, transitioning our fleets from pricey fossil fuels to cheaper electricity generated from clean, renewable sources remains a priority.

The government's target of 10,000 public EV charge points by 2030 is central to this plan.

To make the switch, consumers have to be confident the technology will integrate seamlessly into their lives, getting them where they want to go and when. Public charge points in convenient locations around the country ease the range anxiety that has been a barrier to some Kiwis in adopting an EV.

EECA, the Energy Efficiency & Conservation Authority, has been at the forefront of supporting the public charging rollout since 2016 when there were fewer than 1,000 EVs registered in New Zealand and three public chargers.

Since then, we have administered government co-funding for most of New Zealand's public EV chargers, focusing first on creating widespread coverage with at least one fast charger every 75km across the state-highway network, and – more recently – on creating density by infilling urban areas and establishing charging hubs for longer journeys.

Over the past month, we've sought views from the public charging industry as to how the government can most effectively plan and support the next phase of the rollout, via a model to recycle funds. The cross-government Supercharging EV Infrastructure Taskforce will announce the new approach in coming months.

We've also been making it easier for EV owners to choose home charging solutions that will benefit them now and in the future. Our list of approved smart chargers on EECA's website features only those capable of two-way communication with the grid.

This means when demand-flexibility products start appearing on the market, you'll be able to programme a charger to fuel your car in response to price and or demand signals, ensuring you charge when electricity is cheapest, it's most likely to come from renewable sources and least likely to put pressure on the grid.

This will unlock possibilities for that battery on wheels sitting in your driveway or garage, including selling unused electricity back to the grid at times of peak demand, or using the electricity stored at a cheaper time of day to power your evening cooking.

Smart chargers may cost more up front but stand to save you serious dollars in the near future. Whether planning public infrastructure or choosing a new charger, being smart with EV charging decisions will let us maximise the potential – and cost savings – of this technology.

autofile

DIRECTORS
Darren Wiltshire
dazzz@autofile.co.nz
ph. 021 0284 7428

Brian McCutcheon
brian@autofile.co.nz
ph. 021 455 775

DESIGNER
Adrian Payne
arpayne@gmail.com

EDITOR
Darren Risby
ris@autofile.co.nz

JOURNALISTS
Matthew Lowe
matthew@autofile.co.nz

Sue Brebner-Fox
sue@autofile.co.nz

MOTORSPORT
Mark Baker
veritas.nz@xtra.co.nz

Visit www.autofile.co.nz to subscribe to Autofile magazine and have it delivered monthly in print. The subscription rate is $78 plus GST for 12 issues per year.

Autofile magazine is also available online as a readable file or downloadable as a PDF.

Back copies dating to 2017 can be found on the website where you can subscribe to our Insight email alerts.

Copyright: Published monthly by 4Media Ltd

[continued from page 1]

to 12 months in advance hence some of the redundancies, closures and hardship we're seeing in the sector."

There has been a slight bounce back in the EV market as original equipment manufacturers discount sticker prices, which means less income for the industry.

"Some importers are also saying they're no longer bringing in certain EVs or running out models that won't come back to New Zealand," says Corson.

"There is significant hardship for dealerships. Some are closing because we're not seeing growth around EVs at present. I think there's been a harder landing in the sector than the government anticipated from its changes."

Corson worries the market for electric models will remain stunted in the medium term with annual CCS targets being revised lower by the coalition government than those set by the previous Labour administration.

Following a review of the CCS by officials this year, the government announced the scheme's settings would be eased from the start of 2025, or 2026 for light passenger vehicles, and gradually brought into line with emissions standards in Australia from 2027.

The amendments announced by Simeon Brown, Minister of Transport, in July were made after input into the review from the Motor Industry Association, Imported Motor Vehicle Industry Association, Motor Trade Association and AA.

Drive Electric, other interested parties and individual marques were not asked for their views on any potential changes, which have since led to the Better New Zealand Trust launching a high-court challenge seeking a judicial review of Brown's decision.

Corson says Drive Electric is not pursuing legal action against the government but is watching the matter closely.

There is significant hardship for dealerships
– Kirsten Corson

"It's disappointing there wasn't wide consultation, which there was when these standards were established. It meant there was no diversity of opinion on reviewing the clean car standard."

She claims the CCS has been shown to have done 70 per cent of the work of reducing transport emissions from the light fleet and helping bring cleaner models to the market, which means weakening it will have a "dramatic effect".

IMPACT OF CHANGES

A paper produced by Concept Consulting for Drive Electric late last year modelled the impact of losing the CCD and softer targets for the CCS.

It showed this could result in 100,000 to 350,000 fewer EVs on our roads by 2030 and increase costs to the economy by between $900 million and $3 billion, mainly from importing more fossil fuel.

Corson says countries that have stayed the course with EV policies are seeing the best results.

"Norway has had demand and supply-side policies since 1990. More than 90 per cent of its new-car sales are now electric. But only 30 per cent of its total fleet is electric and it's taken decades to make that transition. China has also had demand and supply-side policies for 13 years.

"We're only two years out from an election. If there's a change in the composition of government, the regulations could change back again. The flip-flopping of policies has a significant cost. It's such a challenge for New Zealand to transition the fleet when we weaken our supply-side policy and dismantle demand-side policy."

Despite the number of EV sales in this country dropping this year, Corson notes numbers are still rising globally. They look set to grow from more than 14 million units last year to in excess of 17m in 2024.

"We're seeing sales increase in other markets. The hard thing for New Zealand is we were regarded as doing spectacularly well, but Australia has now overtaken us and our emissions from vehicle imports are going back up.

"Australia has got a clean-car programme and EV sales are increasing because it has state and federal incentives, such as lower registration fees and tax credits for EV sales. If we are going to align with Australia on the clean car standard, we should align with some of its incentives as well."

COUNTING THE COST

Another key area of concern for Drive Electric is what it considers a lack of fairness or equity, especially for BEV owners, when it comes to RUC and ACC levies.

It joined forces with the main automotive industry associations and Better NZ Trust earlier this year to urge the government to reduce planned RUC for PHEVs and fully electric models.

However, the coalition only cut the proposed rate for plug-in hybrids and left the fees for BEVs on par with light diesels.

"We've seen the clean car discount removed and RUC introduced, which is influencing consumers," says Corson.

"EV drivers are fine with paying RUC. That isn't the issue. The issue is that some vehicles, BEVs and diesels, pay RUC. Some vehicles, petrol cars, pay fuel excise duty. There are two systems at play.

"At the moment, more efficient petrol cars such as petrol hybrids pay less in equivalent taxes than BEVs being driven the same distance. This doesn't make sense.

"The minister has signalled this will be resolved when universal RUC are introduced but that isn't going to occur until at least 2027, so this distortion will exist until then. It's disappointing and has impacted sales. The CCS has been altered and ACC levies are likely to change as well."

A proposal to increase the ACC motor-vehicle levy, which has previously been discounted for BEVs to lift ownership rates, was open for consultation over the past two months.

Drive Electric made a submission raising concerns about the plan with the government expected to announce its final decisions before December.

Under the proposal, owners of BEVs and diesel-powered PHEVs face having to pay a flat levy of $109.06 next year as part of the annual vehicle licence fee. This would rise to $125.36 in 2028.

Owners of petrol-powered PHEVs would have to pay $51 next year and $69.28 in 2028, which would be the same as petrol-powered passenger vehicles.

The current ACC levy is $42.09 for all petrol passenger vehicles and light BEVs, PHEVs and hybrids, and $101.07 for diesel cars.

Corson says: "It looks like the proposed approach is similar to RUC where there is a flat rate for BEVs and diesel vehicles, and a per-litre charge for petrol and petrol hybrid vehicles. This two-tier system introduces a fuel-efficiency distortion.

"For example, BEVs will pay the same total ACC levy as a petrol car that consumes 967 litres of petrol per year. A 4.5l/100km petrol car would have to go 21,489km to pay the same levy of $109.60 as a BEV. Most are being driven between 10,000 and 14,000km a year.

"Additionally, it makes no sense that brand new BEVs with the latest safety features are paying higher total ACC levies than much older petrol cars. An ACC levy should be universal and based on risk, not fuel efficiency.

"EV drivers respect they must pay their fair share. But when it's not fair and equitable, that's what the sector has an issue with."

PRICE PARITY AHEAD

Despite the extra charges and higher initial costs, Corson says EVs are still cheaper to run than comparable internal combustion engine (ICE) models and she remains positive we will continue to see growth in the market.

"We will start to see price parity between EVs and ICE equivalents as we get closer to 2030.

"Half of EVs manufactured last year came from China, and we're seeing Europe and North America markets putting tariffs on vehicles going into their countries.

"That means New Zealand, where the doors are open, is seeing more Chinese brands come into our market and their prices are competitive."

However, with changing regulations impacting the rate of EV adoption, Drive Electric is calling on the Minister of Transport to review RUC levels "and put them at a fair rate so there's equity in the system".

It also hopes the government will consider supporting the Income Tax (Clean Transport Fringe Benefit Tax Exclusion) Amendment Bill when it comes before parliament for debate.

The member's bill put forward by Green MP Julie Anne Genter was drawn from a ballot in March and aims to provide a financial incentive for employers to purchase new EVs as company cars.

Corson says the current fringe-benefit tax (FBT) system is unfavourable to BEVs.

"FBT is applied only to the capital costs of vehicles. Because EVs remain more expensive than ICE equivalents and have comparatively lower running costs, EVs attract much higher effective FBT than an equivalent ICE model.

"Also, the more EVs we get brought in through businesses, these will become available as affordable second-hand vehicles in three to five years."

Drive Electric supports the government's supercharging EV infrastructure work programme to deliver the installation of 10,000 chargers by 2030.

However, it says there's scope to expand this ambition, and look at policies to support charging infrastructure in residential and commercial builds.

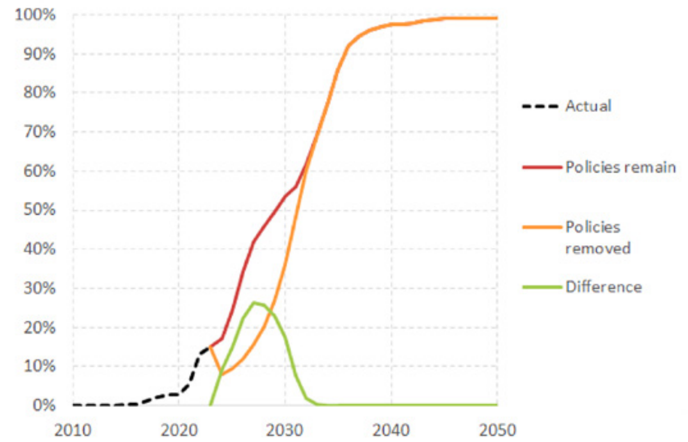
"We have a shared ambition with the government to electrify the economy. EVs are going to be a cornerstone of making that ambition a reality.

"However, what the Concept Consulting paper said would happen if the CCD was removed and CCS was weakened is playing out.

"This is no surprise to us. It comes at a financial, environmental and societal cost to this country that's in the billions of dollars.

"What we're saying is the faster we go electric, the faster we reap the financial benefits such as an electrified economy, lower household energy costs and being energy independent as a country."

Proportion of EVs entering NZ's light fleet



For about eight years, EV uptake is expected to be lower if clean-car policies are discontinued. EV uptake rates eventually reach the same level in both scenarios as it is assumed policies will be removed around the time EVs reach price parity with ICEs. EVs are defined as BEVs and PHEVs
Source: Concept Consulting, December 2023

High court to review decision

The government is facing legal action over its decision to adjust clean car standard (CCS) targets for imported light vehicles.

The Better New Zealand Trust, which is a member of the Global EV Alliance, has lodged a claim in the high court with the support of Lawyers for Climate Action NZ.

The group, which promotes the uptake of electric cars, wants changes made to the CCS by Simeon Brown, Minister of Transport, in July 2024 quashed.

The amendments made start aligning the programme's goals with the Australian market from the start of next year.

The Better NZ Trust, which describes the decision to "weaken" the standard as "unlawful", says the government's own advice shows the changes will reduce the uptake of low-emissions vehicles.

The Better NZ Trust is taking Simeon Brown, pictured, Minister of Transport, to court over changes to the clean car standard

It claims the revised targets will increase greenhouse gas (GHG) emissions while ignoring targets set in the emissions reduction plan (ERP).

The CCS, which was introduced in January 2023, requires newly imported vehicles to meet a target for average emissions per kilometre.

Importers that fail to meet the target can pay a penalty or buy credits from those bringing in more zero and low-emissions models. The targets reduce annually and aim to drive the uptake of cleaner vehicles.

Kathryn Trounson, who chairs the Better NZ Trust, says July's announcement was made without public consultation and will "weaken CCS targets" in future years.

"The government's own modelling shows this move will result in 39,000 fewer EVs and 19,000 fewer plug-in hybrids [PHEVs] being registered in New Zealand by 2035," she adds.

"Official advice found this will result in 1,215-1,860 kilotonnes of higher emissions by 2050, and higher overall costs to the economy through greater fuel and maintenance bills."

When reviewing the CCS, she says the Minister of Transport needs to be satisfied targets "are set at an appropriate level to increase the supply of zero and low-emissions vehicles", and are "consistent with transport-specific policies and strategies in the ERP".

Trounson notes the new targets mean the supply of such vehicles will decrease compared to previous targets and the ERP's aim to have EVs make up 30 per cent of the fleet by 2035 will be harder to achieve.

As a result, the Better NZ Trust has called for a judicial review into the minister's decision.

"Along with the removal of the clean car discount, imposition of road-user charges and the proposed increase in ACC levies on EVs and hybrids, the weakening of the CCS is part of this government's anti-climate agenda," says Trounson.

"Before this wave of anti-clean car policies began, EVs hit a peak of 20 per cent of new-car registrations and hybrids reached 56 per cent. Other countries are already beating emissions targets we had set for 2027.

"Far from imposing high costs on buyers as the government claims, the previous CCS targets would have provided a powerful financial incentive for importers to focus on bringing more zero and low-emissions vehicles to market."

The Better NZ Trust claims Brown acted contrary to part 13 (Clean Vehicle Standard) of the Land Transport Act, which is "to achieve a rapid reduction in carbon dioxide [CO_2] emissions from light vehicles imported" to help New Zealand hit its 2050 target and emissions budgets.

"We are asking the court to quash the minister's CCS regulations, and replace them with targets that comply with the law and have been developed following meaningful consultation."

HOW WE GOT HERE

As enacted, section 175 of the Land Transport Act (LTA) specified targets for calculating weight-adjusted targets applicable to vehicle importers in accordance with regulations starting on January 1 each year from 2023-27.

It also states emissions targets for any year after 2027 would be as set by regulations made under section 167c.

On July 1, the Land Transport (Clean Vehicle Standard) Amendment Act repealed previous targets for 2025-27.

It was around February this year that the government began its CCS

[continued on page 8]

[continued from page 6]

The views of Tesla and BYD, "the main suppliers of EVs to New Zealand", were not sought on changes to the CCS, says the Better NZ Trust

Cutting emissions

As required by the Climate Change Response Act, the Minister of Climate Change made the first emissions reduction plan (ERP1) publicly available in May 2022.

This document sets out policies and strategies for meeting New Zealand's first emissions budget from 2022-25. New ERPs will be developed for subsequent emissions budgets.

The reduction for the first emissions budget period's transport-sector initiatives in ERP1 is estimated at 1.7 to 1.9 megatonnes of CO_2 equivalent.

Transport policies in ERP1 are estimated to achieve reductions required to meet the sector's target for the first emissions budget along with changes in the fleet's profile and fuel efficiencies over time, and to make significant progress towards the second and third budgets.

The government has set four transport targets, of which target two is to increase zero-emissions vehicles to 30 per cent of the light fleet by 2035.

Actions and key initiatives for target two are accelerating the uptake of low-emissions vehicles, and implementing the CCS to increase the quantity and variety of low and zero-emissions vehicles supplied to New Zealand.

review. In May, Brown presented a paper to cabinet. The minister recommended amendments in accordance with those revised targets. On September 2, these were made by the Governor-General by order in council.

According to the Better NZ Trust's statement of claim, input from the Motor Industry Association, Imported Motor Vehicle Industry Association, Motor Trade Association and AA was sought.

However, it contends the consultation wasn't publicly notified and public submissions were not invited.

The views of Tesla and BYD, "the main suppliers of EVs to New Zealand", were not sought. Feedback wasn't invited from the likes of Drive Electric and the Better NZ Trust.

The minister received official advice in or around June 2024 that weakening the CCS targets would mean increases in emissions relative to previous targets – of 1.2-1.9 megatonnes of CO_2 by 2050 and 0.6-0.9mt by 2035.

The Better NZ Trust claims: "To produce those outputs, the MoT [Ministry of Transport] modelled the impact of the changes on no emissions and low-emissions vehicles.

"The climate impacts of policy assessment demonstrated that weakening the targets would result in the imported fleet comprising a larger proportion of higher-emitting vehicles."

Around June 27, the Ministry for the Environment (MfE) requested that the advice to cabinet should include extra options that could better balance the impact on consumers with CO_2 reductions.

The MfE's request was declined, claims the trust. It advised the amended targets would "make achieving emissions budgets two and three [in the emissions reduction plan] materially more difficult when meeting those budgets was already challenging".

In essence, the statement of claim says the minister failed to seek advice on whether the recommended targets would be at an appropriate level to increase the supply of zero and low-emissions vehicles.

It adds Brown failed to seek advice on if the recommendations would be consistent with transport-specific policies and strategies in the first ERP.

ACTION CALLED FOR

Four grounds have been cited by the Better NZ Trust for the high court to review the CCS' new settings.

The first is the Minister of Transport's failure to consult or that the consultation was unlawfully and unreasonably constrained. Under section 167c of the LTA, Brown was required to consult with such persons as he considered appropriate.

The claim states: "This required him to ensure those particularly or directly affected are consulted, and not to overlook organisations representing particular interests or individuals… in a position to express an informed view.

"The minister's decision not to consult with manufacturers of low and no-emissions vehicles, Drive Electric or other entities representing the public interest

RECOMMENDED REGULATIONS FOR CCS TARGETS

YEAR	PREVIOUS (SECTION 175) TARGET	REDUCTION FROM PREVIOUS YEAR	RECOMMENDED TARGET	REDUCTION FROM PREVIOUS YEAR
PASSENGER VEHICLES – CARS & SUVS				
2025	112.6	16%	112.6	16%
2026	84.5	25%	108	4%
2027	63.3	25%	103	5%
2028	—	—	76	26%
2029	—	—	65	14%
COMMERCIALS – VANS, UTES & LIGHT TRUCKS				
2025	155	23%	223	7%
2026	116.3	25%	207	7%
2027	87.2	25%	175	15%
2028	—	—	144	18%
2029	—	—	131	9%

In May this year, the Minister of Transport presented a paper to cabinet on the CCS, which recommended regulations providing for "weaker" targets – in that they allow a higher volume of CO2 in grams per kilometre without attracting fees and charges – than the previous targets for 2025-27, according to the Better NZ Trust's statement of claim, which includes this table. Its claim is made under the Judicial Review Procedure Act

in reducing emissions from land transport constituted a failure to consult and was unreasonable.

"The decision to consult only with entities that had opposed the introduction of the clean-car standards was unreasonable."

The second ground for review is given as "an error of law or failure to have regard to mandatory relevant consideration".

"The minister did not seek or receive advice to demonstrate the recommended targets were set at an appropriate level to increase the supply of zero and low-emissions vehicles," says the Better NZ Trust.

"The minister received official advice the recommended targets would result in a change in the composition of the imported fleet towards more higher-emissions vehicles and fewer no and low-emissions vehicles."

The third ground is cited as an error of law or failure to have regard to mandatory relevant consideration.

The trust contends that before recommending the making of regulations under section 167c of the LTA, Brown had to be satisfied the targets were consistent with transport-specific policies and strategies in the first ERP but didn't.

"Currently, two per cent of the light fleet comprises zero-emissions vehicles – 73,000 out of 4.4 million vehicles," states the claim.

"Achieving target two, that zero-emissions vehicles are 30 per cent of the light fleet by 2035, requires a steep adoption curve.

"The minister received official advice that the recommended targets would make achieving emissions budgets two and three materially more difficult in a context when meeting those budgets was already challenging."

The fourth and final ground of review is "improper purpose or taking into account irrelevant consideration".

The purpose of part 13 of the LTA is a rapid reduction in CO2 emissions from light vehicles imported. It also aims to help New Zealand meet its 2050 target and emissions budgets under the Climate Change Response Act.

"The minister's decision to recommend the amendment regulations should increase the targets compared to existing targets was contrary to that."

With all four grounds of review, the Better NZ Trust is seeking orders to quash the minister's decision to recommend the CCS amendments and that he reconsiders them in accordance with the high court's findings.

It also wants previous targets for 2025-27 applied until the minister has reconsidered his recommendation and revised amendment regulations, any such other orders the court thinks fit and costs.

Changes loom with finance

The finance sector is urging the government to get on with changing legislation to help improve consumer access to vehicle loans and, in turn, deliver a boost to car sales after a disappointing year.

The coalition has reaffirmed plans to adjust the Credit Contracts and Consumer Finance Act (CCCFA) with proposed legislation expected before the end of the year.

This is on top of already unwinding some changes made by the previous Labour government.

Other reforms in the pipeline that will affect non-bank lenders include establishing a single regulatory body for the finance industry, introducing open banking, and increasing competition between traditional and non-traditional banks.

Andrew Bayly, Minister of Commerce and Consumer Affairs, outlined the looming changes to members of the Federal Services Federation (FSF) at their annual conference in Auckland last month.

He told the event's record 180 attendees that the government is committed to creating a productive economy.

Bayly added he was "deeply committed" to reforms in the finance sector and to "setting an ambitious pace to realise our vision for New Zealand".

Lyn McMorran, executive director of the FSF, says it's a relief for members to know more amendments will be made to the CCCFA and other policy areas after strict affordability regulations were removed from the act in July.

"The minister has got a lot of work to do," she told Autofile, "and we want him to get on with it."

Addressing conference delegates, Bayly said when National and its coalition partners came into government, they wanted to "right-size" financial regulations to allow lenders to better provide consumers with safe and responsible access to credit.

"We want to reduce red tape and free businesses from unproductive, box-ticking exercises so they can focus more on delivering value and helping Kiwis.

Andrew Bayly, Minister of Commerce and Consumer Affairs, addressing delegates at the FSF's annual conference

"For lenders and financial service providers, this means removing barriers to help businesses start, invest, grow and innovate."

Since taking office, Bayly said the government has moved quickly in two main areas.

One was reforming financial services to reduce the regulatory burden and foster growth and choice. The second was initiating policies aimed at boosting competition across the sector.

> **The minister has got a lot of work to do and we want him to get on with it**
> – Lyn McMorran

He claimed years of incremental changes had made regulations overly complex with overlapping rules and unclear obligations.

"Our aim is to simplify things so New Zealanders can access safe credit and other financial services more easily," Bayly continued.

"This year, we completed phase one of reforms. Our goal is to simplify regulations, reduce regulatory burden and ensure strong consumer protections.

"We removed 11 pages of redundant regulations from the CCCFA, and will streamline the framework further in phase two by addressing consumer credit, financial market conduct and financial dispute resolution."

An important component of the second batch of changes is transferring the regulation of credit services to the Financial Markets Authority (FMA) to create a single regulatory body.

Bayly noted the reforms "simplify business processes while maintaining accountability for lenders".

The government is also committed to creating more competition in the banking and financial services sectors by supporting non-traditional banks and fintechs so they can disrupt the market and vie with established operators.

Another goal to help increase competition is supporting open banking, which creates the ability for customers to access their financial information and share it with non-bank financial institutions.

The Ministry of Business, Innovation and Employment last month completed consultation on proposals to implement open banking under the Customer and Product Data Bill. The bill is expected to be passed by parliament in early 2025.

"Open banking offers the opportunity to replace mundane, repetitive, manual tasks like combing through clients' financial statements with sophisticated technology, enabling you to make faster and more accurate decisions," Bayly told the conference.

"This is a transformative piece of legislation that will have far-reaching benefits."

New Zealand is behind many other jurisdictions when it comes to introducing such legislation, he said. Open banking in Australia and the UK has not delivered on its promise, whereas countries such as Brazil have been successful.

"One of the benefits of being slow to implement open banking is we can learn from mistakes others have made and do a better job."

MEMBERS OPTIMISTIC

After the conference, McMorran told Autofile disclosure issues and adjusting personal liability settings for senior managers and directors are among CCCFA changes the minister signalled are on his work programme.

She says the next batch of amendments will need to go through an exposure draft, consultation and select committee hearing. That process is expected to start before the end of the year.

Those alterations require a change in legislation unlike the removal of the affordability regulations, which had been described by the government as arduous and overly prescriptive.

"The CCCFA changes will affect vehicle lenders in a good way," adds McMorran. "There's a requirement for disclosure every six months but with most vehicle loans on a fixed rate, a lot of that detail means nothing to the borrower at the other end.

"It will be good to get this area tidied up, and for disclosures to be made in plain English and as simple as possible.

"It's about providing key information borrowers need to know, such as what's the cost, what's the interest rate, what are the repayments. That's what

[continued on page 12]

AUTO TRADER

Tell NZ about your car

4.8M+
Page Views

250,000+
Users

53%+
Increased 53% From 2023

27
Pages Visited Per User

Monthly stats

Schedule a meeting.

Ask for our rates.

0800 800 146
dealersupport@autotrader.co.nz

[continued from page 10]

they want to know rather than receiving pages of legal jargon."

McMorran says the mood at the conference and among FSF members, in general, was one of more optimism than in recent times, despite businesses having had a quieter past year in terms of lending.

She notes vehicle sales are also down this year and so loans to finance such purchases have decreased as well, but people appear to be optimistic and are talking about green shoots for the finance sector.

"Members usually weather any downturn quite well, and are quite philosophical and understand these things go in cycles.

"From what I hear, a lot of them had a number of consecutive record years in terms of lending growth before this year. They expect a rainy day eventually. However, it looks like the sun might be starting to come back out again.

"Part of that is because not all change is a bad thing. We've had an awful lot of change over the past few years. Now we have to go through the process to get back to a situation where the rules aren't as prescriptive as they were, and hopefully this might loosen access to credit and make lending easier.

"We're supportive of change that helps. It's just a question of getting on with it now."

Todd Hunter, right, chairman of the FSF and chief executive officer of Turners Automotive Group, talking during the leaders' panel. Also pictured are Joe Davis, panel leader and co-founder of Nanogirl Labs, and the FSF's Lyn McMorran

REGULATORY SHIFT

McMorran says the conference at the Grand Millennium Auckland attracted a record number of people and feedback from those attending was good.

"The mood among members is relatively positive. Times are tough but people are weathering the storm fairly well."

One of the highlights of the event was Samantha Barrass, chief executive of the FMA, discussing the impending shift of consumer credit regulation from the Commerce Commission to her organisation.

McMorran says it was good to have Barrass talk to members directly at the conference and three other FMA staff also attended the day-long event as part of growing engagement between the two.

"I think her approach around engagement with the sector – and wanting to understand it and taking a supervisory approach to regulation rather than an enforcement approach – went down well," she adds.

"There are a lot of changes going to happen, but what's likely to be the cost of regulation by the FMA she couldn't tell us as it's too soon in the process.

"Members have a concern that if they need to be licensed with the FMA, what's the cost of a levy for that because currently they do not pay a levy to the Commerce Commission to be regulated."

Bayly announced this year that the FMA will become the regulator of the consumer credit industry in 2025 as part of efforts to streamline the regulatory landscape.

The government also plans to ▶

Wraps finally off ute

The utility market will face a shake-up in 2025's third quarter when the Tasman arrives here.

There has been media speculation that Kia's local line-up will boast two all-wheel-drive models at launch – the on-road focused X-Line and more off-road X-Pro, pictured below.

However, the official line when Autofile went to press was that "details regarding model range and specification will be provided at a later date".

The X-Line and X-Pro will feature 2.2-litre turbodiesel four-cylinder engines for 154kW of power and 441Nm of torque.

Their main differences will be the tyre and wheel packages, suspension and some off-roading extras. There will also be a baseline double-cab variant.

Todd McDonald, managing director of Kia NZ, says the ute is "eagerly awaited by every single dealer" across its network.

"I think a full year's car sales volume, which will be 2026, will depend on our ability to capture the market while 2025 is really an introduction year with a relatively late arrival into the country in the calendar year."

Visit www.autofile.co.nz for more on the Tasman, which was revealed in Saudi Arabia last month.

introduce a new licensing model to bring consumer lending in line with other entities regulated by the FMA.

In her speech at the conference, Barrass said the financial services sector plays a key role in enabling New Zealanders to borrow for the things they value, "such as buying a car or a house, or other important things that they need in their lives".

"Our role, as a conduct regulator, will be to ensure customers are treated responsibly and that financial service providers act with integrity in that process."

Barrass continued that the FMA will have a different set of tools as a conduct regulator compared with the commission's role as a competition and consumer watchdog.

"I believe and hope that having a single conduct regulator for the financial markets will simplify the regulatory landscape across the sector," she said.

"The Financial Markets Conduct Act, alongside other laws, gives us a broad toolkit, which allows us to provide flexible and proportionate regulation of firms in our remit.

"This includes providers of financial advice, registered banks, non-bank deposit takers, insurers, and soon, of course, non-bank lenders and finance companies."

She added the FMA will take an engagement-led approach, which means it will look to build solid, long-lasting relationships with companies and industry bodies that represent them.

"It's good to be here as part of the FMA's growing relationship with non-bank lenders and finance companies.

"Of course, this is a relationship that will be increasingly important once we formally hold responsibility for the CCCFA. In preparation for this, you will have seen engagement between the FMA and your industry body step up this year.

"This engagement is part of our desire to develop a solid, enduring relationship with the FSF and its members.

"The Financial Services Federation's engagement with the Council of Financial Regulators has been helpful for us as we start turning our minds to our incoming credit responsibilities.

Samantha Barrass, left, chief executive of the Financial Markets Authority, with Lyn McMorran, executive director of the FSF

"These engagements help us better understand your priorities and also your concerns, especially during this period of significant regulatory change."

Barrass noted the changing of regulator will require legislation and this has yet to be introduced into parliament, so the transition is some way off yet.

"The select committee process will allow the sector and public to tell lawmakers what they think of the legislation. These are matters and decisions for these lawmakers and for ministers. Our role will be to implement whatever is passed into law."

Bayly has already signalled a market services licence will replace the certification regime as part of the CCCFA transfer. Legislation is intended to provide that certified firms will automatically be deemed to hold this new licence when the law comes into force.

Put simply, the aim is to lift and shift certified businesses to reduce the regulatory burden and compliance costs from the outset, and ensure a smooth transfer.

Barrass explained what it will mean for companies in the non-banking sector to be licensed and supervised by the FMA.

"In our engagement with firms, our overall approach is to build a greater understanding of why firms do what they do.

"If we start with our licensing model, this normally involves assessing applications from market participants who want to carry out certain activities, such as providing financial advice, or operating as an insurer or deposit taker.

"With the transfer of the CCCFA, there will be no application or assessment in order to support a seamless transition between regulatory models. Unlike certification, licences do not expire."

She noted the duties and obligations companies will have are those that already exist under the CCCFA, such as being a responsible lender, and she described supervision as an "enhanced relationship with the regulator".

"We are here to assist and guide, not just enforce. An engagement-led approach is clearly important to us and a part of how we like to show up as a regulator," said Barrass.

"For that to work well, it needs to be complemented by a clear understanding that we also use the range of enforcement tools available to us when necessary. This includes taking regulatory action, such as public warnings, direction orders and stop orders in relation to non-compliance.

"It's important to emphasise our action will be proportionate to the misconduct to achieve an appropriate market outcome or change in behaviour.

"In the event of market misconduct, we may intervene on an informal basis or at a low level.

"However, we will also take strong action and hold individuals and entities accountable when they break the law and fail to meet standards expected of them."

Staying strong in downturn

'To help thrive in this new world, dealers focus on the basics'

Ford's market presence has included the Ranger retaining top spot in the sales chart and the Everest being in the top 10 for passenger vehicles, reports Colonial

The chief executive officers of two NZX-listed companies remain positive about the automotive industry's future despite the economic downturn.

Alex Gibbons describes the Colonial Motor Company's dealerships as "well prepared" to endure current headwinds.

"We keep in mind that, in an oversupplied and declining market, competition will always be fierce and no brand is immune to the resulting impacts."

Turners Automotive Group's Todd Hunter says the current financial year has been "playing out largely as anticipated" when it comes to selling used vehicles.

"Consumers are demanding lower-priced vehicles and an overall fall in demand is having the expected impact on margins," he adds.

"This is what we anticipated. Overall sales volumes are tracking ahead of the 2024 financial year.

"We will continue to push hard for the transition of wholesale to retail and see upside coming from this strategy. We're focused on completing new branch developments on budget and on time."

According to Gibbons, it appears there will be a continuation of negative market headwinds during 2024/25's first half.

"The reality remains the weak economy will dominate the direction of retail markets this year," he explains.

Unemployment remains high, particularly among the young, and business and consumer confidence aren't forecast to rebound soon.

Recent interest-rate relief is welcome, but the higher cost of living will continue to dampen discretionary spending in the immediate term.

"Our expectation is new-vehicle demand across all segments we participate in is likely to remain subdued with the potential for demand to soften further in this half-year," adds Gibbons.

He says Colonial's Ford dealers, together with Ford NZ, have maintained the strong brand awareness and customer base that's been evident for many years.

In addition, the Ranger has retained the number-one position in the sales charts. The Everest is now in the top 10 for passenger vehicles.

"Mazda continues to realign its range to a new position to meet the market. Its sole commercial product, the BT-50, was recently withdrawn from New Zealand to allow it to focus solely on the SUV and passenger segments."

Southpac Trucks will benefit from the remaining pipeline of orders working through the delivery system. Its inventory levels are expected to continue to fall as these vehicles make their way to customers.

"The current financial year will bring our group's businesses their individual challenges," stresses Gibbons.

"The fundamentals of our overall business remain strong. Our dealership teams are well-positioned to capitalise on opportunities when they arise."

Hunter, meanwhile, says that when it comes to Oxford Finance, the "expected improved performance" in the current financial year is being seen due to lower-than-expected impairments and credit losses, and improvements in interest margin.

"We still think it's right to maintain our credit discipline given the downturn has some time to play out. In insurance, our earned premium is holding up well and claims ratios are stable.

"With credit management, our payment bank is rebuilding as debt load increases from tightening economic conditions and the resultant impact on consumer arrears."

Despite the operating environment, Turners is on track to exceed its $50 million net profit before tax goal by the end of financial year 2025.

"Obvious caveats remain in that there are still risks with the rate of recovery in the overall economy and consumer demand," notes Hunter.

As for Colonial, it has remained and continues to be in a strong and stable financial position despite the recessionary environment. Gibbons says its philosophy of "grow to be profitable, not big" serves it well in such times.

'GREAT YEAR' AT TURNERS

The market is "bouncing along the bottom", according to Hunter, with overall used-car volumes between April and August tracking in line with last year.

This supports the company's position that used vehicles make up a "resilient market" compared with the new-car sector, which is impacted in a material way because it tends to be more discretionary ▶

when it comes consumer spending.

"The overall trend is that we see demand continue to strengthen for lower-value cars as the economy has deteriorated and consumers have been impacted. They still need vehicles but are spending less because they can afford less."

As for the number of registered motor-vehicle traders in New Zealand, the overall trend shows there are significantly fewer dealers now than five years ago, and there tends to be a "reasonable correlation" between trader numbers and used imports coming in.

Hunter expects dealer numbers will continue to drop and "that ultimately this is a business where scale will win".

He describes 2023/24 as a "great year" with three out of Turners' four businesses showing material growth against 2022/23.

Finance was impacted by the interest-rate environment.

"We expect the composition of profits in financial year 2025 to look different with particularly finance producing higher levels of profit as interest margins start to expand again.

"We are driving efficiencies, particularly in how quickly we can bring vehicles to sale and then sell them, and opening more branches is critical to continued success."

An artist's impression of Turners Cars' site on Moorhouse Avenue, Christchurch

VIEW ACROSS DIVISIONS

Turners is continuing to expand its network by extending existing operations or opening in new territories. This will bring extra opportunities to source vehicles, which will lead to more sales.

"Growing our unit sales and market share isn't just about opening in more places," explains Hunter. It's about the brand investment we've made, sourcing, operational improvements to increase the speed of processing, people doing an excellent job, and investment in data and technology. It's a strong position for us and difficult to replicate."

He describes branch expansion as "building really well" with more opportunity coming to market.

Yards in Timaru and Napier opened in the past financial year and "a number of developments are on the go" for 2024/25.

Turners now owns 15 of its sites all on the balance sheet at a cost of $115m.

Hunter told shareholders at the company's annual meeting that an "exciting plan" is coming together for the Christchurch region.

Turners' current single branch in Christchurch will become three separate sites across the city over the next 18 months.

Work started in August on redeveloping a facility in Shands Road. It should be completed in the next six months or so.

The Moorhouse Avenue scheme should be finished in mid-2025, while the aim is for work at Wairakei Road to get under way before the end of this year with construction finishing in July or August next year.

[continued on page 16]

[continued from page 15]

JAC Motors NZ is the local distributor for the Chinese brand and is backed by NZ Automotive Ltd, a subsidiary of Colonial. Its T9 ute will soon be here

Tauranga Tauriko, meanwhile, is a new commercial site where Turners will sell trucks and machinery as well as operate its damaged vehicle business.

As for finance, Hunter says the company has weathered the interest-rate shock in Oxford Finance.

"We've focused on borrower quality and margin. Once market conditions improve, we will be back into growth mode. We are in a strong position given the quality of the loan book and controlled origination."

Profit for 2024/25 is expected to come in "materially ahead" of 2023/24, while net interest margin has stabilised and should expand further as the current financial year develops.

Average credit scores of loans originated in financial year 2024's second half set a new high with premium borrowers making up 56 per cent of the book. In more recent months, premium lending has been 60 per cent of new originations.

"It's no surprise that with our focus on better quality borrowers, our arrears levels have outperformed the broader market."

Hunter describes Turners' insurance division as a "well-tuned business", delivering "excellent" growth over the past five years at 130 per cent.

"Our distribution networks remain vitally important but we have laid the groundwork for a direct-to-consumer offer, which will target the 50 per cent of used cars bought and sold between private individuals.

"Claims continue to be well-managed. Claims cost inflation is being offset by less frequent claims.

"Managing claims ratios is also very much about risk pricing and we've introduced new layers to ensure we are pricing correctly for the risk we're taking. More recently, we are also seeing evidence that claims inflation has peaked."

When it comes to credit management, Hunter says the business is recovering. "The tightening economy is supportive of growth and our payment bank is being rebuilt.

"The debt value loaded is up 14 per cent year on year and this has led to an increase in debt collected as well.

"New Zealand-wide credit metrics continue to deteriorate and are now the worst they have been in the past seven years, which should see debt-load levels increase over coming years."

COLONIAL'S CAR DEALERSHIPS

The likelihood of a downturn was anticipated by Colonial for some time, says Gibbons. Looking back on 2023/24, "on balance" the company was satisfied where trading profit landed in the current economic environment.

Its after-tax trading profit was $17.9m, down by 41 per cent on $30.3m in the 2023 financial year. Profit attributable to shareholders was $4.5m compared to $27.8m, while revenue increased by 1.6 per cent from $997.2m to $1.01 billion.

What did change during the 12-month reporting period, Gibbons explains, was the shift away from an environment dominated by supply-chain disruptions, high demand and a tight labour market.

While demand can turn on a dime, supply chains, interest rates and operational costs will lag some time behind

– Alex Gibbons

Colonial's dealerships have adjusted cost structures to align with new market expectations and that's something they continue to do.

"To help thrive in this new world, dealers focus on the basics of lead management, inventory control and, most importantly, not allowing customer experience to be adversely impacted.

"Despite tougher trading conditions, we are fortunate to have robust processes, strong customer relationships, and a loyal and dedicated team of people who understand how to respond as the market moves through a down cycle."

Gibbons says it was "inevitable" the current environment would arrive because of record government spending in the Covid-19 years, low interest rates, rampant demand, border closures and supply-chain shortages fuelling a wave of domestic expenditure.

Colonial was well-positioned to capitalise on that period and its dealerships "made hay while the sun shone". The economy was fuelled by deficit spending and, with it, the car industry boomed.

"So too did interest rates – particularly affecting inventory holding costs, labour-market pressures with wage growth and a desperate need for manufacturers to increase supply capacity. The cost of doing business grew, but margins and demand stayed one step ahead.

"Eventually the crunch would arrive, but exactly when was the unknown. Both politically and economically, we have seen a regime change focused on reining in the economy in an endeavour to tackle inflation.

"Government spending has been slashed, and a message of restraint has been hammered home to consumers, the public sector and business.

"While demand can turn on a dime, supply chains, interest rates and operational costs will lag some time behind. The market we find ourselves in today is in stark contrast to that of the previous three financial years."

Despite the recession, Colonial continues to be in a strong financial position. Sales and service revenue remain "robust", aided by the long-awaited arrival of heavy-duty trucks to meet a backlog of orders.

"Substantial capital investments have been made in recent years via franchise-related facility upgrades and strategic property acquisitions," adds Gibbons.

"Investment in Ford and Mazda dealerships demonstrates the company's commitment to our long-standing partnerships. Work continues in the establishment of JAC Motors in New Zealand."

ARTIFICIAL STIMULUS

The combination of entrants into the new-vehicle market and supply chains operating at near-normal levels have added pressure to an already subdued sector.

Registrations across the sector for the first three-quarters of the current calendar year were down by 16.1 per cent compared to the same period of 2023 and by 23.5 per cent versus 2022, according to the Motor Industry Association.

"The lessons of managing supply and maintaining a relative degree of scarcity are easily forgotten," says Gibbons.


Sales of electric cars in New Zealand have plummeted since the clean car discount was abolished and have yet to recover

"Our car dealerships are under pressure to balance a need to remain profitable while tackling high operating costs, weakening margins and subdued new-vehicle demand.

"Artificial stimulus provided to the battery electric vehicle [BEV] market disappeared with the removal of the clean car discount [CCD] from January 1, exposing how distorting government interference in the market had become.

"Sales of BEVs overall plummeted and have yet to recover. The cost to the consumer is now often lower than when the rebate was in effect."

The impact on residual values of BEVs has significantly affected the used-car market for these vehicles and has negatively affected the total cost of ownership for buyers, says Gibbons.

He adds sales of hybrid vehicles and plug-in hybrids have been less affected by removing the CCD.

"They appear to strike a more practical balance of range, fuel economy and convenience that works for the average Kiwi.

"EVs in their various forms will play an increasingly important role in our industry. However, unrealistic targets and attempts to manipulate consumer choice have done more harm than good.

"The removal of the CCD also had a profound impact on internal combustion engine vehicles.

"Overnight, retail values of these vehicles dropped, having a marked impact on residuals and triggering the revaluation of used inventory. While this change could be anticipated, in some instances existing inventory and commercial arrangements were still negatively impacted."

As for the clean car standard (CCS) – essentially an import tax on vehicles' carbon-dioxide emissions – it has been adjusted and the "long advised" application of road-user charges to EVs is now in place.

"Common sense prevailed and New Zealand now has an approach that broadly aligns with Australian emissions standards," explains Gibbons.

"The hope is this will provide consistency in decision-making, and stability for the industry to plan for a lower-emissions future at a manageable and realistic pace.

"The CCS challenges importers to balance their vehicles' emissions portfolio to meet continually reducing average fleet-emissions levels. This alone will continue to incentivise a reduction in emissions for vehicles entering New Zealand.

"If there's an upside for the consumer in the current environment, we now operate in a buyer's market and, for those in a position to do so, it's an opportune time to negotiate your next vehicle purchase."

Tapping fresh source of stock

AutoFlip New Zealand has launched a service for dealers it says will make buying stock from Japan easier as more countries look there for used vehicles.

The platform has struck an exclusive agreement to access Gulliver Japan's inventory of up to 20,000 units and is offering them to Kiwis as part of an import package.

Mac Passmore, AutoFlip NZ's chief executive officer, says the joint venture provides access to previously untapped stock. It also allows delayed payment terms in Kiwi dollars for vehicles and all aspects of importing.

AutoFlip was founded in Australia in 2019 and is backed by Tosho-listed IDOM Innovations, which also owns Gulliver.

"Despite that connection, it wasn't initially evident that a partnership would be mutually beneficial," Passmore told Autofile.

"However, both companies became convinced we have a compelling offer to bring to the market.

AutoFlip is offering stock from Gulliver Japan from this month; inset, Mac Passmore

"We don't have any restriction in terms of the numbers we can list, but 20,000 Gulliver cars on AutoFlip at once would be overwhelming for dealers to manage.

"Instead, our hand-picked selection will be based on market conditions, demand and feedback.

"In terms of numbers, this is virtually unlimited. We will scale with demand."

This month's launch of the partnership comes at a critical time for dealers sourcing used stock.

"We're hearing it's getting harder to buy from Japan," says Passmore. "This service should open a stream in a simplified manner where they don't have to go to Japan or have agents there."

There is significant demand from various other countries through traditional sourcing channels and lower new-vehicle uptake in Japan is boosting domestic demand for second-hand stock.

"Those factors mean there are fewer second-hand vehicles available for sale at a time of higher demand and that is pushing prices up in Japan. Over the next six to 12 months, I anticipate prices will rise slightly due to these factors."

As for the New Zealand market, Passmore believes it's now "probably through the worst of things or at least at the bottom" and consumer demand appears to be starting to increase.

He adds there are a number of traders on AutoFlip who traditionally only import, but have recently started looking to source locally.

"That's where our partnership with Gulliver should help a lot of Kiwi dealers because we're enabling access to up to 20,000 extra vehicles into the market."

The door-to-door service includes quality checks and inspections, processing, shipping, Customs clearance and compliance.

Helping out workshops

A system designed by Auxo Software aims to streamline business operations and boost productivity for automotive workshops.

Terry Allen, chief executive officer, describes the product as "like a new tool for the business" with its smart tech.

Called Auxo Workshop, it has inbuilt data intelligence.


Terry Allen

The software includes a digital workshop dashboard, online job management, invoicing and customer reminders.

It integrates with Xero for accounting and Repco Navigator Pro for parts ordering with more features being rolled out monthly.

"The way the product is designed – to actively guide the workshop team at every step – has struck a chord with users," says Allen.

"It's suited to smaller workshops not currently using any workshop management software. Features and capability are being added regularly, and we expect the new platform to be near feature parity with SAM within a year."

Auxo has been delivering software, such as SAM, Orion and Systime, to the car industry on both sides of the Tasman for more than three decades.

It was purchased by the Motor Trade Association (MTA) back in 2021.

Bob Boniface, the MTA's president, says: "We bought Auxo for three good reasons.

"Half of MTA members use Auxo software, half of Auxo customers are MTA members, and it was widely recognised the business needed an owner with resources to develop a new platform to future-proof Auxo and our customers' businesses."

Beard off for charity

Malcolm Yorston has been growing his beard for the past year, but it will soon be getting the chop to raise money for Leukaemia & Blood Cancer NZ.

His fundraiser is in honour of this late wife Brenda, who had chronic lymphocytic leukaemia. It's a form of cancer in which the bone marrow makes too many lymphocytes, a type of white blood cell.


Malcolm Yorston

Over a six-year period, she had numerous courses of chemotherapy. She also contracted severe toxoplasmosis due to her compromised immune system and passed away in January 2023.

Yorston, who has worked for the Imported Motor Vehicle Industry Association for 32 years, and family members took Brenda's ashes with them to Scotland around this time last year for what would have been her 70th birthday.

"The last day I shaved was when we flew out," he says. "Now I'm going to shave off my beard on what would have been Brenda's 71st birthday, November 16, to raise money in her memory.

"In January, her cousin's daughter passed away with acute myeloid leukaemia, so it's a cause close to my heart.

"Eight Kiwis, adults and children, are diagnosed with blood cancer each day. One day, it could be someone you love on the receiving end of that diagnosis. One day it could even be me or you."

It would be great if the car industry helped on his fundraising drive. Visit https://lbc-community-fundraising.raisely.com/malc-yorston to donate.

Company spreading its wings

From left, Andy Sinclair, chief executive officer of Winger Motors Auckland, Wayne Leach, owner of the Winger Group, Kym Mellow, general manager of Inchcape NZ, and Wayne McClennan, national sales manager of Subaru of NZ

The outside and inside of Winger Motors West Auckland

A Winger Motors dealership will significantly boost the convenience factor for Subaru customers in Auckland's western suburbs.

The group's sixth franchise for the marque, Winger Motors West Auckland, has officially opened in Central Park Drive, Henderson.

Wayne Leach, owner of the Winger Group, says: "After more than 30 years of partnership with Subaru, we are thrilled to announce our new dealership in Henderson, servicing a growth area and continuing our partnership with Subaru for many more years."

Inchcape New Zealand Ltd's general manager, Kym Mellow, adds it's pleasing to have a quality Subaru offering for its customers in the fast-growing west of Auckland region.

He says: "Winger Motors has been representing Subaru since the 1990s making it one of our longest-standing dealer networks.

"We are excited to be further supporting our customers through the opening of Winger Motors West Auckland."

It has been a busy year for Winger Motors with other exciting developments coming to fruition.

It became the official dealer for Hyundai, Isuzu, Renault, KGM and LDV in Auckland after taking on those brands from Auckland Vehicles Group on July 1.

The Hyundai and Isuzu Greenlane dealership is now on the corner of Great South Road and Campbell Road, while Wingers Motors Commercial Greenlane at 460 Great South Road offers Renault, KGM and LDV.

Winger Motors West Auckland in Henderson provides sales and servicing for Hyundai and Isuzu in addition to also having Subaru.

Winger Motors Hamilton's pop-up yard for MG in Cambridge

Winger's service centre in Penrose, Auckland

Future-proofing for expansion at the company's customer service centre in Greenpark Road, Penrose, has allowed for the addition of Hyundai, Isuzu, Renault, KGM and LDV at this facility.

The centre also boasts an on-site café, while Winger Motors' parts department is now in Greenpark Road, Penrose.

Back in May, Winger Motors Hamilton opened a pop-up yard in Cambridge to take the MG brand to a wider audience.

The site in Albert Street is also a pick-up and drop-up location for service customers who may struggle to get to Hamilton.

Register revamped

The motor-vehicle traders register (MVTR) has been updated and has replaced the previous services platform used by car dealers.

The Ministry of Business, Innovation and Employment (MBIE) says registration details have been transferred into the new portal, which boasts better online security.

Anyone who previously used it will need to create a new login profile. A RealMe account is needed to do this.

Users can then get access to company or individual registration via their motor-vehicle trader key.

The MVTR, which is operated by Occupational Regulation, part of MBIE's market integrity branch, notes some applications or changes will require dealers to provide a completed statutory declaration.

"Under the process for our old portal, you would first need to submit an application after which we would provide you with a declaration to complete for that application," it explains.

"Our new portal generates a statutory declaration as you fill out your application. This will allow you to download and complete that declaration, then upload the completed copy and submit this as part of your application."

Visit motortraders.mbie.govt.nz for more information.

Starting along different road

Dean Sheed has clocked up some 37 years in the car industry. Now he's mulling over what to set his sights on next.

Sheed left the Giltrap Group last month with "the timing right to exit the business".

He kicked off his career with Ford from 1987-99 before joining Giltrap as general manager of Volkswagen NZ, part of European Motor Distributors (EMD).

Thirteen years later, Sheed signed up with Audi NZ as general manager. In July 2023, he became EMD's manager of branded finance and mobility.

"It's good to depart Giltrap after 25-odd years," he told Autofile. "I've met some great people along the way.

"I enjoyed looking after Volkswagen and Audi, and working in the mobility space across all brands. There's a strong culture and environment in the group, and I'm fortunate to have worked there.

"What's coming up next is the exciting bit. Some people have already come to me. I may look at governance, board roles or full-time employment." Smiling, he adds: "I can be a bit picky, but then I do always give 110 per cent."

Over the years, Sheed has been involved with Drive Electric and the German-New Zealand Chamber of Commerce. He sat on their boards and is now a life member of both. He also served on the Motor Industry Association's executive.

"It was great being part of the journey at Volkswagen. The business expanded 10-fold in 12 years from a few hundred sales to about 2,000.

"We quadrupled the dealer network and resourced that with good people. We reached around 1,000 VW commercial vehicles from virtually nothing by the time that I left. I was also pleased with Skoda's launch.

"With Audi, it was more about the tech, keeping the number-one spot globally for Audi Sport, and starting on the electrification plan

Dean Sheed addressing dealers at the 2019 Audi Excellence Awards

with the brand and across the business.

"Audi now has what I believe is the country's best network. The long-term outcome is still for all of us to be driving EVs, but there are some hurdles to that at the moment."

Sheed recently set up branded finance, insurance and mobility, which involved focusing on digital connectivity, while his time at EMD has allowed him to develop his skills and "build relationships locally and in Europe for which I will forever be grateful".

He has worked with many people over the years, including dealer networks, external partners, factory colleagues and external member organisations.

"However, I'm most proud of those I have recruited or worked alongside and assisted in their development, and in outcomes we've achieved."

It's now time to "take a different road" for his development and business life, and "enjoy a few weeks off before Christmas".

The long-term outcome is still for all of us to be driving EVs

– Dean Sheed

TURNING BACK TIME

Sheed has never regretted choosing an internship with Ford NZ and turning down a similar offer from IBM, he told Autofile for an interview in the magazine's September 2019 issue.

At the time, he had graduated from the University of Canterbury. "Big multi-nationals used to conduct recruitment drives at universities. I ended up getting offered final positions with Ford and IBM. I said 'yes' to Ford, which took me to Wellington.

"I had never been to the capital before, so that was a new experience. I packed up my car, found a flat, and started working at Ford's head office and one of its two assembly plants in Seaview.

"I would walk through every morning and watch cars being assembled. I worked for Ford for about 12 years in different positions in sales and marketing."

Signing up with the blue oval appealed more than IBM because of his family.

"My father, his brother and my grandfather had a company in the South Island called Sheed & Sons Transport. Our fleet delivered goods and livestock.

"They also owned a rock-crushing plant and shingle pit just outside Timaru. As a young boy, I played on full-sized diggers and excavators in that pit.

"The company was later sold, but that's why I leaned more towards Ford than IBM. I must have a bit of petrol or diesel in my blood. These days it's more like electricity in my veins."

Sheed's time with Ford, which included gaining a post-graduate diploma in finance at Massey University, ended after 12 years in 1999 when he was recruited by EMD.

"I picked up the phone one day," he recalls. "The caller was a recruiter for Volkswagen. While at Ford, I led the adoption of its European products, such as Mondeos, Escorts and Transits.

"Richard Giltrap was looking for someone to run the Volkswagen business. At that stage, EMD was running Audi, Porsche and VW together, with Glynn Tulloch running Volkswagen and Audi.

"Richard was the newly appointed managing director. One of his first decisions was to split Audi and Volkswagen into separate businesses. Glynn voted to retain Audi and I was recruited to run VW. Trevor Hudson was running Porsche.

"I ran Volkswagen for about 12 years and then the Audi opportunity came up, which doesn't happen every day.

"Richard and Glynn asked if I would take on Audi, and I replied, 'damn right I will'. It was a different operation. But I knew a lot about it because it's a sister brand to Volkswagen."

Innovations with digital advertising

Those of us who have been around for a while have seen a lot of change when it comes to technology.

So much so that many of us have grown a bit tired of adapting our habits and behaviours, finding it easier to stick with what we know.

The advertising space is no exception. There are constantly new mediums, ad types and techniques coming out that tech companies claim will help you reach more customers.

For those juggling the complexities of running a dealership though, keeping up with the latest technology can be overwhelming. Many dealers find it easier to stay with what has worked in the past – adverts on radio and television, newspapers and billboards.

Unfortunately, however, in a market as competitive as ours, we're at the mercy of consumer behaviour when it comes to the success of advertising. As a result, we are finding that many of the old techniques for reaching customers and driving business are no longer hitting the mark.

People are turning away from old forms of media, preferring to access content online and at a time and place that suits them. This means that advertising on traditional formats is failing to perform as it once did.

So, what's the solution? Rethink your advertising strategy to compete in the modern market.

Stop wasting your budget on a scattergun approach that doesn't deliver measurable results. Instead, embrace programmatic advertising that allows you to run targeted campaigns that deliver relevant messages to the right people at the right time.

And, as a bonus by making this change, you will likely save money or at least get a far greater return on your advertising spend.

There are several forms of programmatic advertising that are more accessible now than ever before and are driving excellent performance in the car industry.

DIGITAL AUDIO ADVERTS

The modern version of radio ads, these are highly targeted based on listener behaviours. They allow you to reach your desired audience at the right time in their purchasing journey.

These campaigns become even more effective when combined with second-screen retargeting. That is, when a listener of your advert is targeted with display banners while online, luring them to visit your website or book a test drive.

JAMES HENDRY
Director, sales and operations
AdTorque Edge NZ

DIGITAL OUT OF HOME

These campaigns are the modern version of billboard ads. They are large-scale digital adverts that appear on billboards, bus shelters and screens placed in relevant areas, such as shopping centres, gyms, petrol stations and taxis.

Instead of paying for one ad in a fixed location, with digital out of home advertising you get a campaign that runs across multiple screens and formats, which is delivered in locations and at times most likely to reach your desired audience.

DYNAMIC LIVE INVENTORY

Statistics show 97 per cent of consumers won't make a purchasing decision on their first visit to your website. Therefore, retargeting them with banner ads on their favourite websites and social feeds works well at enticing them back to your site to convert.

The most effective way to do this is with dynamic live inventory ads that promote relevant in-stock vehicles that a website visitor has previously viewed. These retargeting campaigns deliver seven times more clicks and four times more leads than generic display banners for the same media investment.

GEOFENCING CAMPAIGNS

Also known as pinpoint campaigns, these locate consumers who have visited, for example, other local dealerships or service centres and then target them with adverts for your business. Dealers are finding this targeting, when combined with high-impact visual creative or dynamic inventory adverts, to be extremely powerful.

Despite some car dealers' tendency to stick with what they know when it comes to advertising, our recommendation in the current climate is to rethink your strategies of the past. Even just dipping your toe into the programmatic advertising space will likely expose you to a warmer set of prospects and increase your conversion without any extra investment.

Industry movers

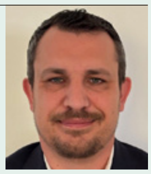
CHARLIE COWPERTHWAITE, who has more than 20 years' experience in the industry, is Omoda Jaecoo NZ's new general manager.

Cowperthwaite, pictured, started his career in 2002 as a sales executive for Jerry Clayton BMW in Auckland. He spent six years there before working in sales and finance manager positions in the UK.

He returned to New Zealand in 2011. He has since worked for Continental Cars Volkswagen, Ebbett Toyota and Lexus of Hamilton, and Tristram European.

Before taking up his new position last month, Cowperthwaite spent three years as national sales manager at Hyundai Motors NZ.

His appointment at Omoda Jaecoo NZ follows August's departure of Sheldon Humphries, who was country manager since 2023.



MICHAEL CAMPELJ has been promoted to head of fleet and corporate of Inchcape Australasia. The new role involves leading those activities on both sides of the Tasman.

Campelj, pictured, has been with the company for more than seven years and was most recently manager of national fleet sales for Subaru Australia.

He says: "I will have the opportunity to work closely with some fantastic brands including Subaru Australia, Peugeot Australia, Subaru of New Zealand, LDV NZ and KGM NZ."

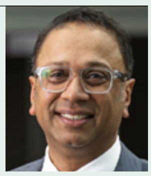
RICHARD GREEN is among the members on Campelj's new team. He has been appointed fleet and corporate relationship manager of Inchcape NZ. Based in Auckland, Green has 25 years' experience in distributor and retail vehicle sales for brands here and in the UK.

ANDREW DIXSON has been promoted to chief executive officer of Heartland Group Holdings. He was previously group chief financial officer and has been with the company since 2010.

Dixson, pictured, succeeds Jeff Greenslade and has also become a non-independent non-executive director of Heartland Bank. Greenslade indicated his intention to step down by the end of 2024, but Dixson's appointment has enabled a handover to be completed sooner. This allowed Greenslade to retire from his role and all Heartland directorships on September 30.

As part of a restructuring, the role of group chief financial officer will not be replaced and the deputy group CEO post has been disestablished, which means Chris Flood's job ended on October 31.

Flood held senior management positions, including CEO of Heartland Bank, before being appointed deputy group chief executive in August 2022. His achievements included leading the motor-finance business during Heartland's establishment in 2011.



NEERAJ LALA has been appointed as Air New Zealand's head of brand and marketing less than three months after resigning as chief executive officer of Toyota NZ.

Lala, pictured, spent 26 years at Toyota NZ, including four years in the top role. Tatsuya Ishikawa is acting CEO at the company.

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

The Ingham Great Lake facility

Extra brands on board as new facility opens

Ingham Great Lake has secured a Nissan franchise and has been awarded Holden Certified Service status.

The expanded line-up is available at the company's new site that covers 4,000 square metres in Titiraupenga Street, Taupo. The business was previously in Ruapehu Street, just a few minutes away.

The introduction of Nissan and Holden adds to the existing range of Hyundai, Isuzu, and Omoda Jaecoo models available at Ingham Great Lake.

"Our new facility allows us to continue delivering the same trusted service while increasing our range of vehicles and capabilities," says dealer principal Hugo Richards.

"We are thrilled to welcome Nissan and Holden servicing to Ingham Great Lake, and to share this incredible new space with our customers."

Securing Holden Certified Service status also means the dealership is the only authorised and approved service centre for vehicles with the lion and stone badge in Taupo.

Trent Ingham, managing director, says the expansion highlights Ingham Group's dedication to providing automotive solutions and customer satisfaction.

He adds: "With a diverse range of quality vehicles and the trusted servicing of Holden models, Ingham Great Lake is ready to meet the needs of the local community."

Since opening its first Hyundai and Isuzu dealership in Taupo in 2010, the Ingham Group has expanded to include Kia and Mitsubishi in 2018, and then Suzuki in 2020.

Retail card spending up

Motor-vehicle expenditure on cards increased by $1.4 million and 0.8 per cent in September compared to the prior month's total.

The rise took the industry's seasonally adjusted figure to $188m, its third lowest monthly total of the past two years.

According to Stats NZ, only June and August 2024 had worse totals with $185m and $186m respectively.

September's total also represented a drop of 9.6 per cent, or $20m, from the same month of last year when $207m was spent on vehicles using electronic cards.

Expenditure on vehicles, excluding fuel, scored the third biggest month-on-month percentage change of the six retail industries covered in the statistics.

It was behind apparel, up by 1.1 per cent, and hospitality's rise of one per cent.

As for fuel, it was September's worst performer after tumbling by $16m and 3.1 per cent compared to August.

The latest seasonally adjusted values show spending in all industries went up by $28m, or 0.3 per cent, between August and September. In actual terms, cardholders made 157m transactions across all industries in September with an average value of $55 per transaction.

Resisting power switch 'dangerous'

There has been a noticeable rise in anti-electric vehicle (EV) sentiment over the past two years.

This has led to aggressive lobbying that's pushed governments, including New Zealand's, to roll back incentives such as the clean car discount (CCD).

The trend aligns with a broader global shift to the political right, marked by a backlash against environmentalism and sustainable initiatives.

The irony is clear. While the world deals with the growing impacts of climate change, some factions in the automotive industry and pro-car groups are doubling down on internal combustion engines (ICEs).

They've imprudently grouped pro-EV advocates with anti-car groups not realising that going electric might be the best chance to preserve personal vehicles in the future.

True, anti-car movements push for a significant reduction or even complete elimination of personal vehicle ownership to address environmental and urban planning issues.

In this context, embracing EVs could be the compromise that allows personal mobility to continue while also tackling climate-change concerns.

There's a common saying in environmental circles and that's "the electric car is here to save the industry, not the planet". This highlights that industry needs EVs more than society does. Life can go on without motor vehicles, the automotive industry cannot.

Increasing fuel costs are expected to continue indefinitely. As it gets more expensive, ICEs become less economically appealing.

At the same time, advances in technology have made generating and storing electricity at home more affordable and efficient.

More homeowners are installing solar panels and battery-storage systems, creating small-scale networks that reduce reliance on external sources. EVs can fit into this set-up, acting as extra storage units and making energy use more efficient when not being driven.

This pathway allows our cars to make us money even when parked up without the "forever a day away from being realised" promise of automated vehicles.

Recent improvements in EV battery technology have addressed concerns about battery life. Modern ones are expected to outlast the car with minimal loss in performance.

Longevity lowers total ownership costs and eases fears about expensive battery replacements, making EVs more attractive for long-term investment.

Despite these advances and changing economic factors, most major car companies have recently announced cuts in EV production citing a drop in demand. That's an interesting argument considering how demand is shaped by advertising and product availability.

For decades, carmakers have influenced people's preferences through strategic marketing towards ever-bigger ICE vehicles.

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

By reducing EV production and promotion, they are reducing demand and effectively creating the narrative used to justify reduced production.

As Jim Farley, Ford's president, recently said: "In ICE, the business we've been in for 120 years, the bigger the vehicle, the higher the margin." This strategy shows a short-sighted attempt to maximise returns on previous investments in ICE technology.

The industry is playing a dangerous game, betting that delaying the shift to EVs will boost short-term profits but not harm long-term viability. This gamble ignores broader societal costs of inaction. Climate change isn't a distant threat. It's happening now.

In New Zealand, we rely entirely on imported vehicles. All cars are brought in by original equipment manufacturers (OEMs), their agents or parallel importers.

Our acceptance of parallel importing has empowered consumers to demand vehicles with specific features, including affordability, not just models and systems that OEMs choose to supply.

When the CCD was in effect, parallel-imported cars into this country became lighter and more efficient on average, leading to real reductions in greenhouse gas (GHG) emissions.

By contrast, models imported by OEMs – while becoming more efficient per kilogram – also grew heavier and more powerful, cancelling out potential environmental benefits.

International reports support this case by showing similar trends in the EU and US have militated against expected GHG reductions, with the only notable such decreases in those jurisdictions resulting from increased EV adoption.

Pro-vehicle groups and carmakers need to rethink their strategies. We need to realise EVs aren't the enemy but an industry lifeline.

The backlash against electric cars and green initiatives shows a misunderstanding of the changing landscape of consumer needs, technological capabilities and environmental necessities.

Our industry can choose to lead the transition to sustainable personal transport or risk being left behind as the world moves forward. The stakes are high, not just for shareholders seeking profits but society.

The question is, who will change direction first at this crucial point – those with the entrenched interests of the past or the undeniable demands of the future?

By embracing EVs, the industry has a chance to innovate. It can ensure cars remain sought after for use in the future or it can continue to pursue short-term interests, entrenching its position as an antagonist.

The first path ensures the longevity of personal vehicles in a world increasingly aware of negative externalities. The other path does the opposite. The choice made will have lasting effects for generations to come.

The month that was... November

November 18, 1996

In the firing line – again

A former car dealer from Christchurch, who was back in court that month, was the subject of other proceedings. He would soon face further prosecutions, this time by Customs.

The man had recently lost a civil-court action brought against him by BMW, which found he was guilty of knowingly importing used vehicles with wound-back odometers. He had until December 4, 1996, to lodge his appeal.

In the latest action, an ex-director of an advertising agency alleged the dealer sold him what had been described as a Lexus coupe but was, in fact, a Toyota Soarer.

Lexus was an export-only marque that wasn't sold on the Japanese domestic market, while the marque's coupe was available only as a left-hand-drive model in the US. The implication, therefore, was that the vehicle was imported here as new.

Confusion over the names badged onto vehicles had been the subject of disputes in previous months with buyers finding they had inadvertently bought a used import instead of a New Zealand-new vehicle.

November 24, 2006

Unregistered dealers convicted

The Ministry of Economic Development (MED) had published a list of convictions under the Motor Vehicle Sales Act.

The national enforcement unit (NEU) outlined that 15 cases were under investigation, five cases were before the courts and 17 convictions were obtained for illegal trading.

One conviction had been secured for odometer tampering with an infringement notice being issued and paid. Nine files were closed as fully investigated in August 2006.

Executives from the car industry believed the results were positive, but more improvements needed to be made.

"We're pleased to see them taking some enforcement action," said David Vinsen, chief executive of Imported Motor Vehicle Dealers' Association (IMVDA).

"But we are disappointed with the levels of fines being handed out, especially when you consider the penalties imposed against the maximum in the legislation."

November 2005

Biggest threat for dealers

Debt consolidation, which was being heavily promoted in television advertising by finance companies and banks, had become the biggest threat to registered motor-vehicle traders selling finance, insurance and after-market products.

That was the opinion of senior industry people involved in the finance sector for dealers.

Debt consolidation was the process whereby an individual's vehicle hire purchase, credit card and other term-finance debt was "bundled up" into one personal loan, often secured on the car involved.

It was promoted as saving the borrowers' interest rates involved in credit-card financing, which were often as high as 19-24 per cent. However, it could have a downside for vehicle traders.

One senior dealer-finance executive advised: "Dealers need to be close to their own suppliers so when they have a customer wanting an early settlement figure, they can ask for the opportunity to offer a more competitive option as part of a debt-consolidation process. If dealers get cut out by the process, they lose contact with their customer."

The executive believed traders could compete with debt consolidators if they involved their finance suppliers in having an alternative strategy ready to present to existing customers attracted to the concept.

November 9, 2007

IMVDA campaign irresponsible: MIA

The Motor Industry Association (MIA) had labelled the used-vehicle industry's campaign to oppose exhaust emissions proposals as reckless and called on the government to act vigilantly to clean up New Zealand's fleet.

The IMVDA had asked members to help fund the first phase of an advertising and public-relations campaign aimed at influencing the cabinet's decision on proposed emissions legislation, which was due to be decided that month.

Perry Kerr, the MIA's chief executive officer, responded by labelling the call to action "blatant irresponsibility" and that his understanding was ministers had buckled under pressure from used importers.

"Implementation of the draft plan's original timetable has been compromised with petrol cars to be given a 12-month stay of execution," said Kerr.

The IMVDA's chief executive, David Vinsen, replied: "The new-vehicle industry is being self-serving and proving its disinterest in the overall effect of the proposed emissions rule.

"This is merely an exercise in increasing market share when the real issue is to improve the fleet by having younger, safer and more efficient vehicles on the road."

Going from 'survive to thrive'

LARRY FALLOWFIELD
Sector manager – dealers, Motor Trade Association

We started on a journey back in July to support our dealer members during what has been described by most as "survive to 2025".

Others have used more colourful words to describe it as essentially "the drought of all droughts" or "the worst I've ever seen".

As we know, all the tyres went flat and the motor industry has stalled during the current economic downturn with low sales and a slump in servicing. Some have experienced a reduction in part sales.

Quite recently, our industry bounced back strongly from Covid-19, so the hardy bunch of people who make up this part of the industry are resilient.

Most have faith that it will bounce back again. As interest rates fall and household income improves, so will the cash flow into our sector the thinking goes.

At the MTA though, we didn't wait. We pumped up the tyres, by hand, and put the wheels in motion.

With the support of the greater team at the association, we set about planning our journey of running a series of car trader-focused articles in the "drive to thrive" section on the MTA's membership website.

Each article contained some key tips and essential information for our dealer members to shift from survive to thrive.

Over an eight-week period, we put the pedal to metal, chucked it into overdrive and smoked the tyres with content.

This included how to manage your creditors, boost your brand and meet customer needs, an article on people, power and profitability, and assessing and controlling margins.

We also covered developing high-performing teams, how servicing savvy can pay off and navigating your business through an economic downturn.

The content was designed to be a quick, easy guide and a refresher because, in times of stress, our logic can go out of the window.

When that happens, having a chance to come in for a pit shop, redeveloping some fundamentals or even reigniting one's spark plugs can have very positive effects.

That's because, believe it or not, these challenging times also provide an opportunity to build your company and come out the other side even stronger. As one of our members recently said: "Calm seas never make a skilful sailor."

When I ask business owners what their biggest assets are, I normally get the usual answers, which include the likes of "my location", "my signage", "my stock" and so on.

However, every now and then someone will nail it by replying, "my employees are my most important asset".

Below are some extracts from our high-performing sales team article in which we spoke about two types of clients – internal and external.

I've seen examples of car dealers having great external consumer-focused businesses, but within their own walls they can sometimes treat each other with indifference.

When you treat each other as a client, you create a great business culture that's truly customer centric. Whether internal or external customers, you need to establish trust by being honest, transparent and reliable, which comes with listening to each other.

Here are some other points to consider:

- Everyone in your business is either selling or supporting sales.
- Your grooming team is preparing vehicles that your sales personnel know are ready and presentable.
- Your office and administrative staff support sales with marketing or finance.
- Your service team reinforces sales with great back-up and support.

Once everyone truly believes that everyone is selling and everyone is supporting each other, then the trust will help keep your business on track.

If you can get that right, nourish, grow it and then maintain it, you will also be ready to smoke some tyres. Has your team learnt the traits of a skilful sailor while the sea has been rough?

As with every downturn, there's a growth period. The question is, are you and your team ready to capitalise on what's around the corner?

Car sales have been hit by the economic downturn

Battle for electric supremacy

Marques based on different sides of the globe went up against each other at this year's Paris Motor Show.

Tensions ran high at times during the event as the European Union gears up to impose import tariffs on Chinese-made electric vehicles (EVs) and the industry grapples with weak demand.

Last month's event, the largest of its kind in Europe, was staged at a pivotal time. European carmakers sought to prove they're still in the game as their Chinese rivals aim to get a stronger foothold in what's a competitive market.

There was some common ground, though, with executives from both regions warning about the dangers of EU tariffs.

"Who pays the bill? Consumers," said Stella Li, executive vice-president of Chinese EV specialist BYD. "This makes people concerned. It will stop poorer people from buying."

Carlos Tavares, chief executive of Stellantis, warned tariffs would lead to Chinese companies establishing factories in Europe, adding to overcapacity in the region and leading some local manufacturers to close plants.

Nine Chinese brands unveiled their latest models in Paris, the same as the 2022 show when they made up almost half the marques present.

Tianshu Xin, left, CEO of Leapmotor International, with Stellantis' CEO, Carlos Tavares, in Paris; below, the C10

This year, they accounted for one-fifth of the brands thanks to a stronger showing from Europe's automotive industry, which was perhaps flexing its muscles.

Early last month, EU member states narrowly backed import duties on Chinese-made EVs of up to 45 per cent.

The idea is to counter what Brussels claims are unfair subsidies from Beijing to Chinese companies. Beijing denies unfair competition and has threatened countermeasures.

While Chinese carmakers have criticised the EU's move, they are pressing ahead with expansion plans in Europe. To date, none have said they will up sticker prices to offset tariffs.

China's Leapmotor used the show to reveal its intention to have 500 points of sale on the continent by the end of next year, while China's GAC launched its European ambitions in Paris.

Some Chinese EV makers, such as BYD, have so far priced their models slightly below European rivals to give them an advantage. That will also help offset lower margins in their domestic market.

LEAPING INTO MARKET

Leapmotor International made an impressive entrance in Paris with the global debut of its highly anticipated B10, the first model in its B-series.

The launch marked a milestone in the company's expansion as it accelerates efforts to provide accessible EVs across Europe and beyond.

The B10 is built on the advanced Leap 3.5 architecture with the integrated platform providing "cutting edge" features, such as an advanced driver-assistance system, a customisable digital cockpit and intelligent driving capabilities.

The sleek compact crossover is designed to meet the needs of "tech-savvy, eco-conscious consumers looking for an EV that blends style, performance and technology".

Leapmotor also showcased other key models in its portfolio.

These included the C16, which features an 800-volt silicon carbide platform, designed for fast charging and spacious family use.

Its two-plus-two-plus-two seating configuration and 15-minute charging capabilities make it ideal for long-distance travel.

Then there's the T03, which is a compact A-segment EV designed for urban mobility, while the C10 is an SUV that features Leapmotor's cell-to-chassis technology.

CHINESE SUCCESS STORY

BYD celebrated two years of growth and investment in Europe at this year's Paris Motor Show.

It used the occasion to launch the Sealion 7. It's a mid-size pure-electric SUV with performance, practicality and dynamics "ideally suited" to the European market.

It's the eighth battery and plug-in hybrid (PHEV) to be launched by BYD in the EU, and the latest addition to the Ocean Series that includes the Dolphin, Seal and Seal U.

The Sealion 7 showcases the marque's blade battery, cell-to-body construction and cabin interfaces.

The BYD Sealion 7

The Alpenglow Hy6

In four-wheel drive, it can make the 0-100kph dash in 4.5 seconds, while rapid-charging speeds of up to 230kW make it suitable for long distances.

BYD's portfolio was further illustrated by the presence of the all-electric Seal. It was sharing stand space with the company's first European model with DM-i plug-in hybrid technology, the Seal U DM-i.

This family-focused SUV, which is a PHEV, has recently gone on sale across Europe. It offers up to 1,080km of potential range, a spacious interior, reduced running costs and a comprehensive standard-equipment list.

BYD made its European show debut in Paris in 2022 with three initial models. Now its dealerships across the region have seven models available, depending on market requirements. It has plans to build two local production facilities in the EU.

Its passenger-car division is growing rapidly. It delivered its one-millionth new-energy vehicle in 2021 and last month surpassed nine million units.

FLYING EUROPE'S FLAG

Among the European brands leading the charge in Paris was Renault, which unveiled its R4 E-Tech, a retro-styled, all-electric crossover. This model, which follows on from the 5 hatchback, is designed to appeal to a broader audience and boasts two battery pack options.

The 52kWh battery uses nickel manganese cobalt technology and a simplified architecture, which means it weighs less than 300kg.

It powers the 110kW and 245Nm electric motor to complete 0-100kph in less than 8.5 seconds and boasts a WLTP range of up to 402km. Equipped with a 100kW DC charger, it can replenish the battery from 15 to 80 per cent in 30 minutes.

The 40kWh battery is coupled to an 80kW DC charger. Its 90kW and 225Nm electric motor offers up to 290km.

Renault also unveiled the all-electric Twingo E-Tech, which is set for release in 2026. Its concepts on show included the Embleme crossover, featuring a dual fuel-cell battery-electric drivetrain, the Estafette electric van and retro-inspired R17 coupe.

Another model in the French marque's line-up was the Alpine A390 Beta concept, an electric fastback that's set to compete with luxury models, such as Porsche's Macan and Tesla's Model Y.

First presented in 2022 as a concept, Alpine's Alpenglow returned in its most advanced version, the rear-wheel-drive Alpenglow Hy6.

The hydrogen-powered rolling prototype was demonstrated at this year's 24 Hours of Le Mans in its four-cylinder configuration.

The 3.5-litre V6 is supercharged by two turbochargers. It consists of a solid aluminium engine block with a dry sump.

It is a "super square" engine with a 95mm bore and 82.3mm stroke, a highly advantageous format at high revs. The exhaust sound has been "specially tuned to sing" up to a maximum of 9,000rpm.

Top power output is 544kW at 7,600rpm, which is up from 254kW in the first roadgoing Hy4.

Citroen made waves with the debut of its second-generation C5 Aircross, a concept built for aerodynamic efficiency.

The marque is focusing on a range of drivetrains with this model by offering battery-electric, hybrid and internal combustion engines.

Its stand also displayed updated versions of the C4 and the quirky, fully electric Ami. And the wraps came off the new C3 Aircross, a small crossover based on Stellantis' "smart car" platform, which offers a rare seven-seat option for its class.

Volkswagen unveiled its seven-seater Tayron SUV, which will replace the Tiguan Allspace.

It emphasises the marque's commitment to hybrids with several plug-in hybrid options and a mild hybrid.

It's expected to compete with other hybrid crossovers, such as Kia's Sorento, and solidify Volkswagen's role in the hybrid segment.

Audi took the wraps off its Q6 E-tron Sportback, a coupe-styled electric sedan, following the unveiling of the crossover Q6 E-tron this year.

The luxury marque also displayed its A6 E-tron sedan and new-generation Q5 midsize crossover, while Skoda launched its Elroq electric SUV and ID GTI concept, essentially an EV version of the Golf GTI.

Renault's R4 E-Tech

European glory for Paddon

Hayden Paddon and co-driver John Kennard have defended their European Rally Championship (ERC) title with a third-place finish at Rally Silesia.

And they are the only Kiwis to have won a round of the World Rally Championship.

Paddon and Kennard entered the eighth and final round of the 2024 season only needing to finish eighth or better to defend their 2023 ERC crown.

But they went five better and capped off their season with a fine podium at the all-tarmac event in the south of Poland.

Paddon had been unsure that the team would get to the final round due to a budget shortfall.

"Just getting to the event was an achievement," he says. "We're very grateful to everybody who's helped us to the start. The plan for here was to drive with some margin. We hadn't come this far to risk the season for a rally win."

The victory caps what may be the 37-year-old's most successful year in motorsport.

He is now managing his own rally preparation organisation, running vehicles for top New Zealand drivers including Dunedin's Emma Gilmour and again won the annual Ashley Forest Rallysprint in Canterbury.

A year-long campaign of flying to and from the northern hemisphere not only delivered a successful defence of the European championship, but Paddon was also just 12 points behind New Zealand Rally Championship leader Ben Hunt going into November's final round at Whangarei.

Hayden Paddon and John Kennard took out the ERC title at Rally Silesia in Poland

A "relieved" Paddon describes the ERC campaign as "a season of two halves" and he was emotional at the end of the final power stage in Silesia. "Through determination and grit, the whole team did it," he says.

"Halfway through, we were all disheartened but never gave up. Massive thanks to the team. It was great to have the whole team with us and the Kiwis with us.

"You take it a day at a time, but if this is our last European rally then it's a big thanks to all our fans supporting us on the other side of the world.

"And big thanks to everyone at home, and the commentators and broadcasters. We took this one off, we're gonna go and enjoy it now."

Paddon began his title defence with a fourth place in the season-opening Rally Hungary around Nyiregyhaza, the Zemplen Mountains and Mariapocs before finishing sixth at Rally Islas Canarias on the Spanish island of Gran Canaria.

His and Kennard's first podium came in round three at the Royal Rally of Scandinavia in Sweden where they were third, before finishing fifth at Rally Estonia and sixth at Rally di Roma Capitale in Italy's Lazio region.

A double puncture left the pair 12th at Barum Czech Rally Zlin, 300km south of Prague.

That was the team's low point, but Paddon and Kennard then won Rali Ceredigion in Wales to enter the final round with a 27-point advantage in the standings over France's Mathieu Franceschi.

The reigning champion began Rally Silesia, which was based out of Katowice, in dominant fashion, topping five of the opening eight stages to lead by 6.8 seconds entering the final day. More importantly, his advantage over Franceschi was out to 42.3 seconds.

He led after special section 10, then Andrea Mabellini took the lead on the next. Tricky conditions led to a cautious approach on special section 12 with Paddon finishing sixth before two minor incidents cost the Kiwi team nearly 20 seconds on the 13th.

"We had an adventure in the stage," says Paddon.

"Second corner, went off line on a bank and pretty much got bellied. I was just sitting there on full throttle trying to get out, had to reverse, going again.

"A couple of kilometres later and at a junction, I just went straight through the barriers, had to go down the road, loop around, come back.

"I don't think I've had so many adventures on one stage, so we probably dropped a good 20-plus seconds. Tricky conditions, we're here but at the time I was thinking 'not now'."

Going into the spectator-friendly power stage, Paddon was second overall. He was 12.1 seconds off the lead and 48.6 seconds to the good of Franceschi.

Needing only to nurse the car home to secure the title, he did just that by finishing the stage 12th to clinch the championship over Franceschi by 21 points.

"I wasn't going to risk the title by being drawn into a fight, I just wanted to bring the car home," says Paddon. "I knew what I was here to do and the title is hugely important. We've worked all year to achieve it."

Title secured amid race chaos

Louis Sharp dragged a damaged vehicle home in the final race of the GB3 Championship season at Brands Hatch to win the title.

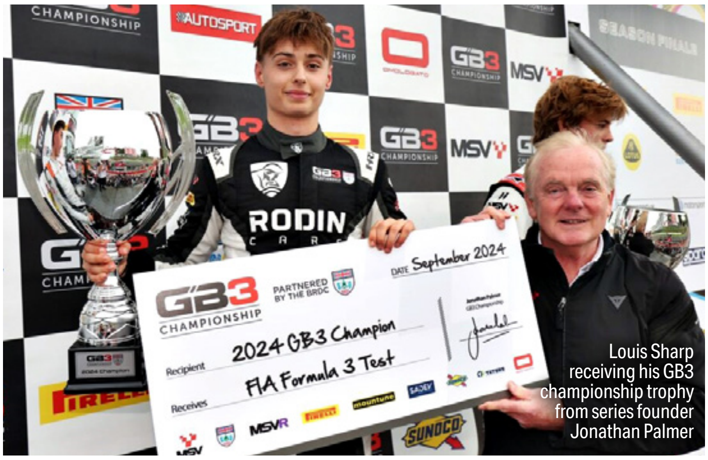
Having won the second race of the final round, the Kiwi only needed to finish inside the top 11 to clinch the series.

However, the 17-year-old was almost taken out of contention when he was nearly wiped out by a spinning Hugo Schwarze on the first lap.

Sharp managed to take evasive action but still collected Schwarze's car in a glancing impact. That said, he was able to recover and continue to finish in 10th place.

The British-born New Zealander secures a prize FIA Formula 3 test as a result and becomes the first racer to secure back-to-back British F4 and GB3 crowns.

"I'm super happy," says Sharp. "I have to give a big thank-you to everyone at the Rodin Motorsport team because they have done a mega job this year.



Louis Sharp receiving his GB3 championship trophy from series founder Jonathan Palmer

"It was my rookie season in GB3. They got me up to speed very quickly and have obviously turned out to be a great team.

"I already knew that because it's my third year with Rodin.

"I really can't ask for much better and my success is really down to them."

Sharp's rapid progress through the British F4 and GB3 categories marks him as one to watch in the coming years.

"I'm so grateful to be in this position," he adds. "I don't think very many people go to F4 and then the next year win the GB3 Championship, so I'm very lucky.

"I've got to give a big thank-you to the whole team and my dad, who has been over here with me the whole step of the way. My success is also down to him and my family and friends, not only in New Zealand but the UK as well."

Sharp ended the year with more wins than any other driver. Having started his first GB3 campaign in fine style with victory at Oulton Park, he had to wait nine more races before his next win came at the Hungaroring. There, he went from fifth on the grid to the lead on the first lap in one of the most impressive drives of the year.

A double win during the penultimate weekend at Donington Park was perhaps the most pivotal of the campaign as he edged clear in the title race, while his fifth triumph in round 23 all but guaranteed it.

Sharp started at the front of the field more times than anyone else too, thanks to his qualifying performances.

He took five poles throughout the campaign, including doubles at Oulton Park and Donington Park, and a crucial race-two pole at Brands Hatch. He converted four of those poles into victory.

Ten hours to win

The Cadillac racing at night; inset, Scott Dixon

Scott Dixon has continued his winning ways in the United States by taking victory in the Petit Le Mans at Road Atlanta, Georgia.

In a storybook ending for Chip Ganassi Racing, the number-one Cadillac Racing V-Series.R of the New Zealander, Sebastien Bourdais and Renger van der Zande fought back from a miserable early race to win.

"I'm so happy for the team and what a day," says Dixon. "I've never been a part of anything like that. It's so cool.

"Everybody saw the way it started and we had a tricky day. We had a sensor issue, so kudos to everybody on the team side and Cadillac engineering for working through that and working with IMSA [International Motor Sports Association] to enable that.

"Everybody had tremendous stints. I'm just so happy for the team and Cadillac."

With 15 minutes left in the 10-hour race, Van der Zande turned around what had looked like a hopeless day with a dramatic dive to the inside of Nick Tandy in the number-six Porsche Penske Motorsport 963 in turn one.

He went on to take out the last race before Chip Ganassi Racing exits the IMSA WeatherTech SportsCar Championship.

"I don't know what to say – it's just, it's unbelievable," says Bourdais. "You think you got it, you think you lost it, it comes back around. You never know what's going on.

"Five minutes to the end, we think we won it and then both lights go out. I don't know. I'm speechless.

"I can't be thankful enough for the opportunity to have driven that number one for three years. It's a bittersweet end, but there's no better send-off and I'm so grateful."

The Cadillac ran much of the evening on October 11 with only one headlight, while teams from Porsche Penske Motorsports finished second and third.

Buyer fails in bid to get supplier to replace hybrid's battery with new Toyota system


A 2014 Toyota Aqua

The case: The buyer sought costs to replace the faulty battery in his 2014 Aqua with a new Toyota one. The trader had offered to fit a replacement second-hand unit, but the purchaser refused that. He didn't consider it would last a reasonable time. The dealer said it wouldn't fit a new Toyota hybrid battery as it wasn't obliged to fit new parts.

The decision: The dealer was ordered to supply a second-hand battery under the Consumer Guarantees Act (CGA).

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

On December 2, 2023, Milton Ushaw purchased a 2014 Toyota Aqua hybrid with an odometer reading of 133,411km from 2 Cheap Cars for $8,883.

He later sought $2,874 plus $667 for labour from the trader so he could employ Toyota Papakura to replace its faulty hybrid battery with a new one. The buyer also wanted unspecified costs to repair a missing seat bolt and broken reversing light.

The dealer agreed the hybrid battery was faulty and needed replacing. However, it said Ushaw wasn't entitled to the cost of a new Toyota-branded battery. Instead, it had offered to supply and fit a refurbished unit.

The trader also told the tribunal it wasn't given the opportunity to diagnose the missing seat bolt or non-functioning light, but that it would remedy those matters.

The case

Ushaw said a warning light appeared on the dashboard on the day of purchase. It showed a hybrid-battery fault.

He reported it the following day to 2 Cheap Cars. It collected the vehicle and replaced four battery cells on December 7, and offered to extend the warranty by six months.

However, Ushaw said he hadn't consented to the work. He added a new battery was needed because the Aqua continued to run roughly after the battery-cell replacement. The hybrid battery's icon levels were fluctuating, which he had reported to the trader.

In January 2024, Ushaw obtained advice from Toyota Papakura, which he passed onto 2 Cheap Cars, that stated replacing the cells didn't adhere to the manufacturer's specifications. Instead, the unit needed to be replaced with a new one.

Toyota Papakura also found two other issues with the car – a missing seat bolt and faulty reversing light.

On February 2, Ushaw went to the trader's yard where he said it offered to replace the battery cells or to swap the car for a similar vehicle. The dealer refused to pay for a new Toyota battery.

On February 15, 2 Cheap Cars offered to collect the Aqua and fit a newly refurbished battery.

Ushaw's position, however, was that such a unit was contrary to Toyota's advice. In support he pointed to an email from Toyota Papakura dated February 27.

In part, it stated: "The Toyota repair manual states to replace the battery as whole and Toyota don't recommend replacing individual cells on hybrid batteries."

As the dealer's solution was unacceptable to Ushaw, he filed a claim with the tribunal seeking the costs for an authorised Toyota provider to replace the battery with a new unit made by the marque, and to repair the seat bolt and rear light.

His grounds were there was a serious fault with the vehicle and there was no guarantee that a second-hand battery would last a reasonable time.

The trader said it had satisfied its obligations under the CGA by initially trying to remedy the fault by replacing four of its cells and extending the warranty.

When the issue returned, the dealer asked Ushaw in December and January to take the Aqua back in for diagnosis so it could determine the next step, including if the car needed a new battery, but Ushaw didn't do that.

After Ushaw's visit on February 15, the trader offered to tow the Aqua to its yard and replace the hybrid battery with a new refurbished one, but this was declined.

2 Cheap Cars stated that on April 8 it had also offered to have the car inspected by its partnered specialist, which would replace the battery with a remanufactured one and include an 80,000km or 12-month warranty, whichever came first. This offer was also refused.

The dealer's position was, as explained to Ushaw on April 8, that it wouldn't fit a new battery because it considered it wasn't obliged to fit new parts. It added the remedy proposed would satisfy industry standards and discharge its CGA obligations.

At the hearing, the trader repeated its offer to supply a refurbished battery and to provide the warranty it had previously suggested.

While it hadn't been given the opportunity to diagnose the missing seat bolt and broken reversing light, it also offered to remedy those faults.

The finding

The tribunal accepted the car suffered from a faulty hybrid battery almost immediately post-purchase and this problem continued after initial remedial steps.

Therefore, the Aqua wasn't of an acceptable quality under section six of the CGA because it wasn't as durable as a reasonable consumer would expect given its price, mileage and age. Also, it was ruled the seat-bolt issue was a safety feature.

Ushaw's position was that 2 Cheap Cars took action to remedy the faulty battery without his consent when he had only asked for the Aqua to be inspected.

However, under the CGA, when a fault can be remedied the consumer must first give the supplier an opportunity to fix it.

When the first repair failed, the trader offered to replace the battery with a refurbished one. Ushaw refused that offer.

However, the tribunal accepted the dealer's position that a refurbished battery fitted by a hybrid specialist was a remedy under the CGA.

Order

The trader had to replace the hybrid battery. It also had to remedy the missing seat bolt and reversing light.

Intermittent high-pitched air conditioning noise prompts purchaser to reject vehicle

The case: The buyer wanted to reject his Chery J1 under the Consumer Guarantees Act (CGA) because it made a noise that was assumed to be coming from the air-conditioning unit. The trader refused to accept the purchaser's decision. It was prepared to resolve the issue by fixing the vehicle.

The decision: The tribunal ordered the dealer to remedy the situation and pay the buyer's costs to have the issue assessed by third-party repairers.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

Background

Justin Young purchased a 2012 Chery J1 from The Trade In Garage Ltd for $6,999 on July 24, 2023. It had travelled about 30,200km at time of purchase.

He complained the car made a high-pitched noise, which he believed came from the air-conditioning unit.

Young said he was triggered by certain sounds and this intermittent one greatly irritated him, so he wanted to reject the vehicle. The trader replied that if there was a fault, it was prepared to fix it.

At the end of the hearing, the adjudicator directed Young to get the car inspected further, and obtain a diagnosis and repair strategy from a Motor Trade Association-approved technician.

His direction included suggestions proposed by the tribunal's assessor to identify the issue's root cause and how it might be repaired.

Young also filed extra information from a local repairer Mark Holland, which the tribunal heard.

The case

The tribunal considered if the Chery had been of acceptable quality for the purposes of section six of the CGA. This provides that when goods are supplied to a consumer, there is a guarantee they are of acceptable quality.

Whether a vehicle complies is considered from the point of view of a reasonable person fully acquainted with the state and condition of the vehicle, including any hidden defects.

Young described the noise as being high-pitched and coming from the air-conditioning unit.

He produced an audio recording of it, but it was of poor quality and the noise wasn't perceptible to the tribunal or its assessor.

Young raised this issue with the trader which inspected the Chery, but couldn't find a fault. However, it offered to replace the air-conditioning fan. The buyer refused the dealer's offer of repair and elected to reject the vehicle.

The tribunal heard evidence from Holland, who had inspected the car to try to ascertain the source of the sound.

He described driving the Chery for about 20 minutes during which he heard a noise two or three times. It lasted between five and 10 seconds.

Believing it to be an air-conditioning unit issue, he then checked the unit's gas pressure, which was normal.

Holland wondered whether the expansion valve, which was located behind the dashboard, had overheated to create the noise. He described it as sounding like "microphone feedback".

He admitted he could take his initial diagnosis no further but had a useful exchange with the tribunal's assessor, which was summarised.

Holland described the sound as being more like a brake squeal than a vacuum or scavenging noise. He believed it was coming from behind the glovebox and that the thermal expansion valve in the heater box was the culprit.

When asked if the noise was inherent or a fault, Holland was quick to confirm the noise was a fault and unlike any from an air-conditioning unit he had encountered.

Young also produced an invoice from another repairer who also inspected the car, and felt it was "heater noise" and a possible air-conditioning pump issue.

This evidence was enough to satisfy the tribunal there was a sound and it was beyond the tolerance of a reasonable consumer, even if it was a minor defect that was capable of diagnosis and repair.

The adjudicator found the cause of the noise, whatever that might have been, was a breach of the CGA's guarantee of acceptable quality.

Holland's investigative inspection cost $611.80. He estimated the cost of repair, assuming it was the heater box and evaporator that were to blame, to be about $1,897.

Secondly, the tribunal considered if the Chery's defects amounted to a failure of a substantial character as defined in section 21 of the CGA.

While the adjudicator accepted Young found the noise irritating and distracting, and it was a breach of the guarantee of acceptable quality, the tribunal couldn't equate his significant discomfort with a failure of major character.

The finding

The tribunal wasn't satisfied that a reasonable person, who was armed with information about the defect's cause and simplicity of its repair, wouldn't purchase the vehicle noting it was likely a defect in the heater box or air-conditioning unit of a cheap, low-kilometre car.

Therefore, the adjudicator was not satisfied the buyer could reject the Chery for that defect alone, but it followed Young was entitled to have the defect repaired.

The tribunal noted if the trader didn't remedy the problem, or the noise returned or there was some other defect with the vehicle, that Young would continue to enjoy the CGA's benefits and protection.

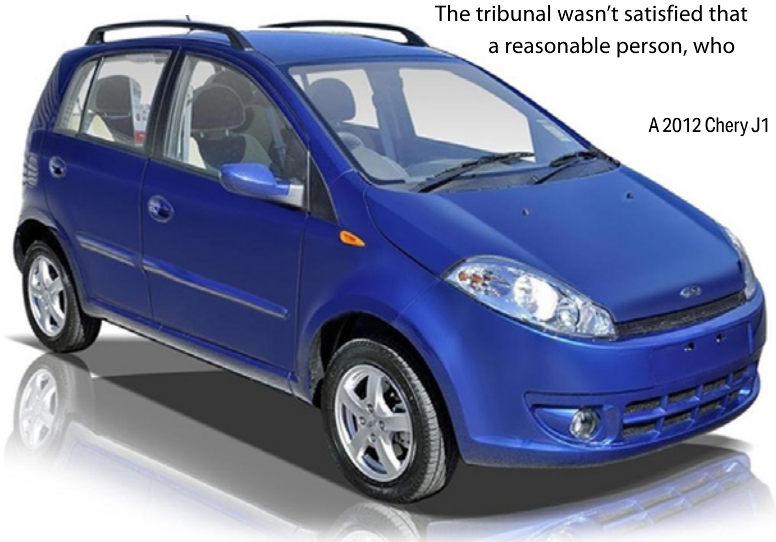
It might have been that the dealer elected to use Holland as the repairer because he was familiar with the car and what was required having the benefit of the directions issued as to locating cause. But that was a decision for the trader.

The tribunal ordered the dealer to pay the two invoices incurred by Young in the amounts of $611.80 and $158.91.

Young sought other costs incurred by him including lost wages and the application's filing fee. However, the tribunal declined these because he hadn't been successful in rejecting the Chery.

Orders

The trader had to diagnose and repair the noise issue. It also had to pay $770.71 to the buyer.

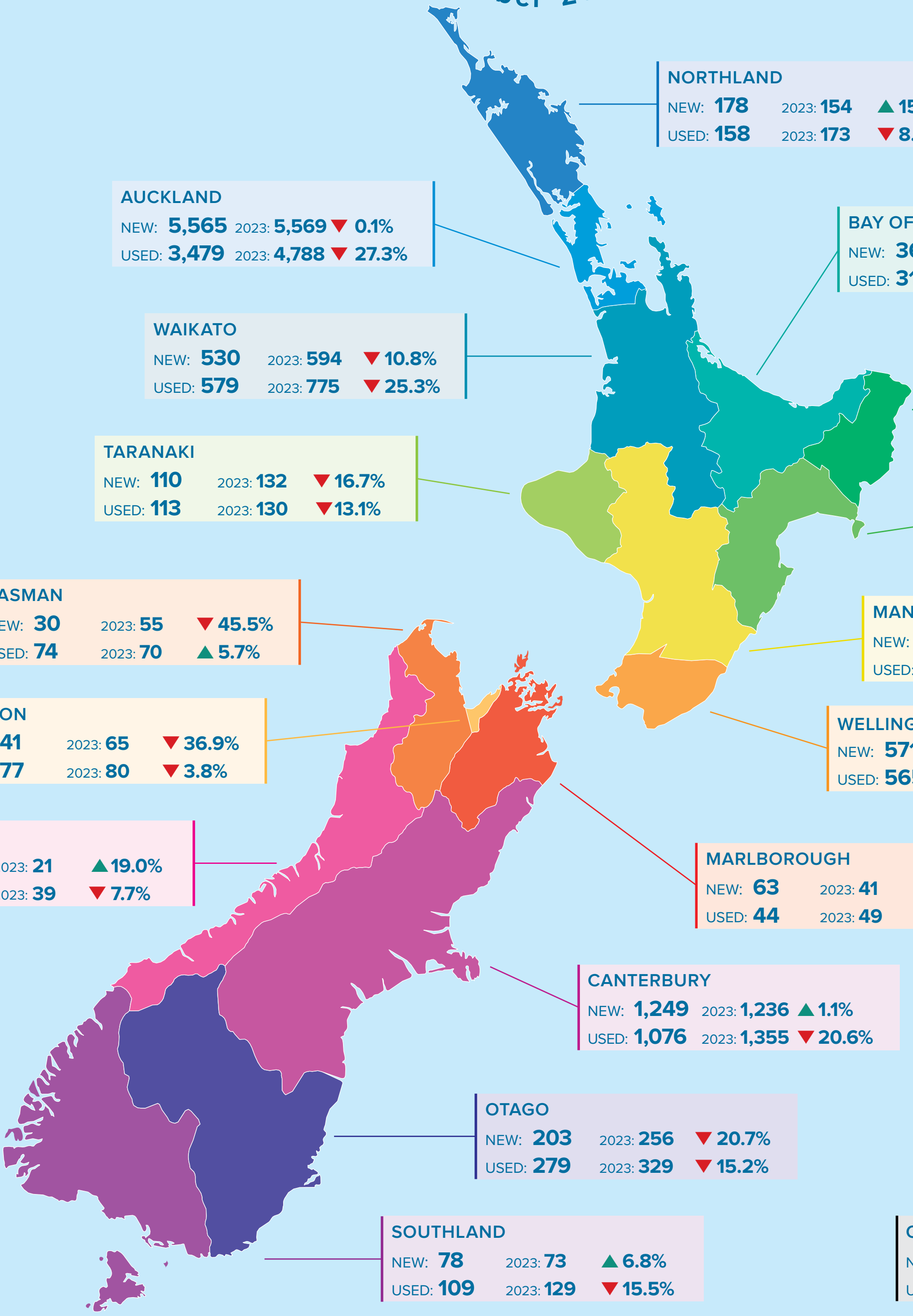


A 2012 Chery J1

AROUND THE COUNTRY
October 2024

Total new cars	
9,504	
2023: 10,022	▼ 5.2%

Total imported used cars	
7,319	
2023: 9,641	▼ 24.1%



NORTHLAND			
NEW:	178	2023: 154	▲ 15.6%
USED:	158	2023: 173	▼ 8.7%

AUCKLAND			
NEW:	5,565	2023: 5,569	▼ 0.1%
USED:	3,479	2023: 4,788	▼ 27.3%

BAY OF PLENTY			
NEW:	369	2023: 401	▼ 8.0%
USED:	311	2023: 421	▼ 26.1%

WAIKATO			
NEW:	530	2023: 594	▼ 10.8%
USED:	579	2023: 775	▼ 25.3%

GISBORNE			
NEW:	31	2023: 26	▲ 19.2%
USED:	73	2023: 63	▲ 15.9%

TARANAKI			
NEW:	110	2023: 132	▼ 16.7%
USED:	113	2023: 130	▼ 13.1%

HAWKE'S BAY			
NEW:	164	2023: 180	▼ 8.9%
USED:	129	2023: 181	▼ 28.7%

TASMAN			
NEW:	30	2023: 55	▼ 45.5%
USED:	74	2023: 70	▲ 5.7%

MANAWATU-WHANGANUI			
NEW:	293	2023: 273	▲ 7.3%
USED:	196	2023: 270	▼ 27.4%

NELSON			
NEW:	41	2023: 65	▼ 36.9%
USED:	77	2023: 80	▼ 3.8%

WELLINGTON			
NEW:	571	2023: 903	▼ 36.8%
USED:	565	2023: 750	▼ 24.7%

WEST COAST			
NEW:	25	2023: 21	▲ 19.0%
USED:	36	2023: 39	▼ 7.7%

MARLBOROUGH			
NEW:	63	2023: 41	▲ 53.7%
USED:	44	2023: 49	▼ 10.2%

CANTERBURY			
NEW:	1,249	2023: 1,236	▲ 1.1%
USED:	1,076	2023: 1,355	▼ 20.6%

OTAGO			
NEW:	203	2023: 256	▼ 20.7%
USED:	279	2023: 329	▼ 15.2%

SOUTHLAND			
NEW:	78	2023: 73	▲ 6.8%
USED:	109	2023: 129	▼ 15.5%

OTHERS (Chatham Islands, overseas, unknown)			
NEW:	4	2023: 43	▼ 90.7%
USED:	21	2023: 39	▼ 46.2%

Imported Passenger Vehicle Sales by Make - October 2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	2,589	4,795	-46.0	35.4%	31,020	37.0%
Nissan	1,015	1,496	-32.2	13.9%	11,457	13.7%
Mazda	950	953	-0.3	13.0%	11,419	13.6%
Subaru	744	421	76.7	10.2%	7,111	8.5%
Honda	620	612	1.3	8.5%	7,063	8.4%
BMW	252	184	37.0	3.4%	2,488	3.0%
Suzuki	208	234	-11.1	2.8%	2,337	2.8%
Mitsubishi	166	215	-22.8	2.3%	2,064	2.5%
Volkswagen	150	196	-23.5	2.0%	1,675	2.0%
Audi	144	119	21.0	2.0%	1,520	1.8%
Mercedes-Benz	128	110	16.4	1.7%	1,575	1.9%
Lexus	127	154	-17.5	1.7%	1,662	2.0%
Land Rover	32	14	128.6	0.4%	389	0.5%
Ford	28	23	21.7	0.4%	293	0.3%
Jaguar	18	7	157.1	0.2%	182	0.2%
Ferrari	15	7	114.3	0.2%	30	0.0%
Jeep	12	4	200.0	0.2%	169	0.2%
Mini	12	7	71.4	0.2%	107	0.1%
Porsche	11	10	10.0	0.2%	127	0.2%
Tesla	11	9	22.2	0.2%	96	0.1%
Volvo	11	5	120.0	0.2%	128	0.2%
Chrysler	9	3	200.0	0.1%	80	0.1%
Hyundai	9	2	350.0	0.1%	55	0.1%
Chevrolet	7	14	-50.0	0.1%	122	0.1%
Dodge	6	3	100.0	0.1%	81	0.1%
Kia	4	2	100.0	0.1%	35	0.0%
Buick	3	0	300.0	0.0%	11	0.0%
Holden	3	3	0.0	0.0%	47	0.1%
Isuzu	3	0	300.0	0.0%	12	0.0%
Lincoln	3	0	300.0	0.0%	7	0.0%
Peugeot	3	15	-80.0	0.0%	53	0.1%
Pontiac	3	4	-25.0	0.0%	18	0.0%
Alfa Romeo	2	0	200.0	0.0%	26	0.0%
Cadillac	2	1	100.0	0.0%	17	0.0%
Fiat	2	1	100.0	0.0%	19	0.0%
Others	17	18	-5.6	0.2%	284	0.3%
Total	**7,319**	**9,641**	**-24.1**	**100.0%**	**83,779**	**100.0%**

Imported Passenger Vehicle Sales by Model - October 2024

MAKE	MODEL	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	Aqua	757	1,827	-58.6	10.3%	8,352	10.0%
Toyota	Prius	467	1,205	-61.2	6.4%	6,496	7.8%
Toyota	Corolla	280	447	-37.4	3.8%	3,166	3.8%
Mazda	Axela	275	354	-22.3	3.8%	3,434	4.1%
Subaru	Impreza	258	204	26.5	3.5%	2,665	3.2%
Nissan	X-Trail	244	207	17.9	3.3%	2,726	3.3%
Nissan	Serena	225	187	20.3	3.1%	2,308	2.8%
Nissan	Note	211	367	-42.5	2.9%	2,977	3.6%
Honda	Fit	208	291	-28.5	2.8%	2,647	3.2%
Mazda	Demio	205	244	-16.0	2.8%	2,618	3.1%
Toyota	C-HR	198	283	-30.0	2.7%	2,499	3.0%
Mazda	CX-5	178	126	41.3	2.4%	2,026	2.4%
Subaru	XV	171	113	51.3	2.3%	1,827	2.2%
Suzuki	Swift	154	154	0.0	2.1%	1,673	2.0%
Honda	Vezel	102	120	-15.0	1.4%	1,329	1.6%
Toyota	Vellfire	100	19	426.3	1.4%	905	1.1%
Volkswagen	Golf	100	134	-25.4	1.4%	1,108	1.3%
Subaru	Forester	97	18	438.9	1.3%	738	0.9%
Subaru	Legacy	88	33	166.7	1.2%	773	0.9%
Mazda	Premacy	87	91	-4.4	1.2%	990	1.2%
Toyota	Vitz	86	168	-48.8	1.2%	1,167	1.4%
Mazda	Atenza	85	61	39.3	1.2%	1,036	1.2%
Mitsubishi	Outlander	83	171	-51.5	1.1%	1,267	1.5%
Honda	Odyssey	75	24	212.5	1.0%	501	0.6%
Toyota	Spade	67	87	-23.0	0.9%	761	0.9%
Toyota	Alphard	58	32	81.3	0.8%	555	0.7%
Nissan	Leaf	57	495	-88.5	0.8%	662	0.8%
Toyota	Camry	51	105	-51.4	0.7%	932	1.1%
BMW	320i	48	30	60.0	0.7%	484	0.6%
Toyota	RAV4	47	35	34.3	0.6%	460	0.5%
Subaru	Outback	46	17	170.6	0.6%	424	0.5%
BMW	Mini	44	17	158.8	0.6%	369	0.4%
Nissan	Skyline	44	20	120.0	0.6%	415	0.5%
Toyota	Auris	43	56	-23.2	0.6%	495	0.6%
Mitsubishi	Delica	41	3	1,266.7	0.6%	297	0.4%
Others		2,039	1,896	7.5	27.9%	22,697	27.1%
Total		**7,319**	**9,641**	**-24.1**	**100.0%**	**83,779**	**100.0%**

Call for 'real' talks on training

The Motor Trade Association (MTA) has welcomed Apprenticeship Boost being extended for the automotive industry.

Now it's keen to have a "real debate" with the government about how training is funded.

The MTA say last month's decision on the scheme brings stability but reliance on immigration needs to be cut.

"Every bit helps, but $500 a month is detached from reality," says chief executive Lee Marshall.

"One MTA member in the collision-repair sector told us taking on a three-year apprentice costs up to $90,000 in lost productivity and other costs. That would be replicated across other sectors.

"These employers are digging into their pockets to the tune of up to $70,000 to take on an apprentice when many are already under financial pressure."

From January 1, sectors and targeted occupations which the government deems are "crucial to New Zealand's growth and sustainability" will be prioritised for Apprenticeship Boost.

In addition to automotive engineering and technology, they include building, agriculture, horticulture and viticulture, forestry studies, manufacturing, engineering and technology, and process and resources engineering.

The others are electrical, electronic, aerospace and maritime engineering and technology, human welfare studies and services, and food and hospitality.

Penny Simmonds, Minister for Tertiary Education and Skills, says: "By focusing Apprenticeship Boost on first-year apprentices in targeted occupations, we are providing employers in critical industries with the certainty to hire and retain first-year apprentices and confidently hire new ones."

Marshall says the automotive industry wants to hire Kiwis for roles and strongly supports training. "Employers accept they should carry a cost, but what they get from the government and what they fund themselves is imbalanced. If employers can't afford to take on apprentices, they'll search for qualified technicians overseas.

"Let's make the next discussion not just about industries that are eligible, but what a meaningful contribution from government looks like. That's the approach in Australia where fewer industries are assisted by up to $20,000, a far more realistic amount."

The MTA recently got together a taskforce of 20 industry organisations to present a submission to the government on the future of automotive training, which includes greater financial support for employers.

The recommendations, which include MITO becoming industry owned and led, were covered in-depth in October's Autofile.

"It's only under such a structure that learners can get the right training and career pathways, businesses get skilled and trained new staff, and all New Zealanders get a future-facing automotive sector," says Marshall.

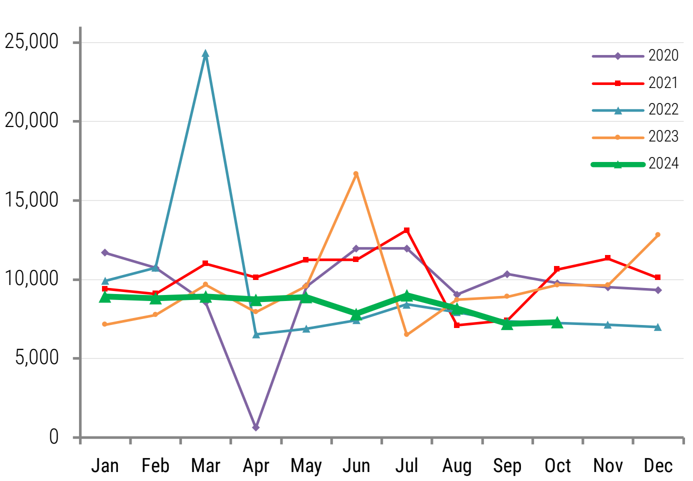
"In some way, everyone relies on a robust automotive and transport industry. If not enough Kiwis sign up to join the industry, it flows through to everyone."

Trading falls

Registrations of used-imported cars came in at 7,319 last month for a drop of 24.1 per cent compared to 9,641 in October 2023.

Toyota's Aqua was the most popular model with 757. Next up were the marque's Prius on 467, Corolla with 280, Mazda's Axela on 275 and Subaru's Impreza on 258. October's best-selling marque was Toyota with 2,589 followed by Nissan on 1,015.

Used Imported Passenger Registrations - 2020–2024



Used Imported Passenger Vehicle Sales by Motive Power - October 2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Full battery electric	79	522	-84.9%	1.1%	862	1.0%
Plug-in hybrid electric	56	230	-75.7%	0.8%	962	1.1%
Non plug-in petrol hybrid	3,099	5,467	-43.3%	42.3%	37,453	44.7%
Petrol	3,974	3,335	19.2%	54.3%	43,371	51.8%
Diesel	111	87	27.6%	1.5%	1,130	1.3%
Others (includes non plug-in diesel hybrid, fuel cell)	0	0	0.0%	0.0%	1	0.0%
Total	**7,319**	**9,641**	**-24.1%**		**83,779**	

Fines for inspection breaches

The NZTA has started to send out infringement notices to tackle the non-compliance of vehicle inspectors and inspection organisations.

The notices, which carry a fine of $370, are being issued by the agency's safer-vehicles team.

In addition to being penalised, action taken by the agency against inspection organisations and inspectors will be noted on an infringement report. This is also where the police record traffic breaches.

Between May and mid-August, the NZTA sent out four notices. In these instances, inspections were not being completed at the authorised inspection organisation.

After investigations, it was concluded warrants of fitness (WOFs) had been issued for a few vehicles with serious defects.

Nicole Botherway, senior manager of safer vehicles, has been impressed by the commitment most inspecting organisations and vehicle inspectors are showing.

But when the NZTA finds unlawful behaviour, it will take action "to protect the integrity of the system, and the safety of drivers, passengers and road users".

She says: "A former vehicle inspector was recently sentenced for dishonestly accessing the motor-vehicle register [MVR] and issuing fraudulent warrants. Issuing infringement notices is another way to address non-compliance in a fair way."

It was in July that Dylan Mark Walker was sentenced to six months' community detention and 40 hours' community work for dishonestly accessing the register and issuing fake WOFs.

This followed an investigation and prosecution by the NZTA's safer-vehicles team.

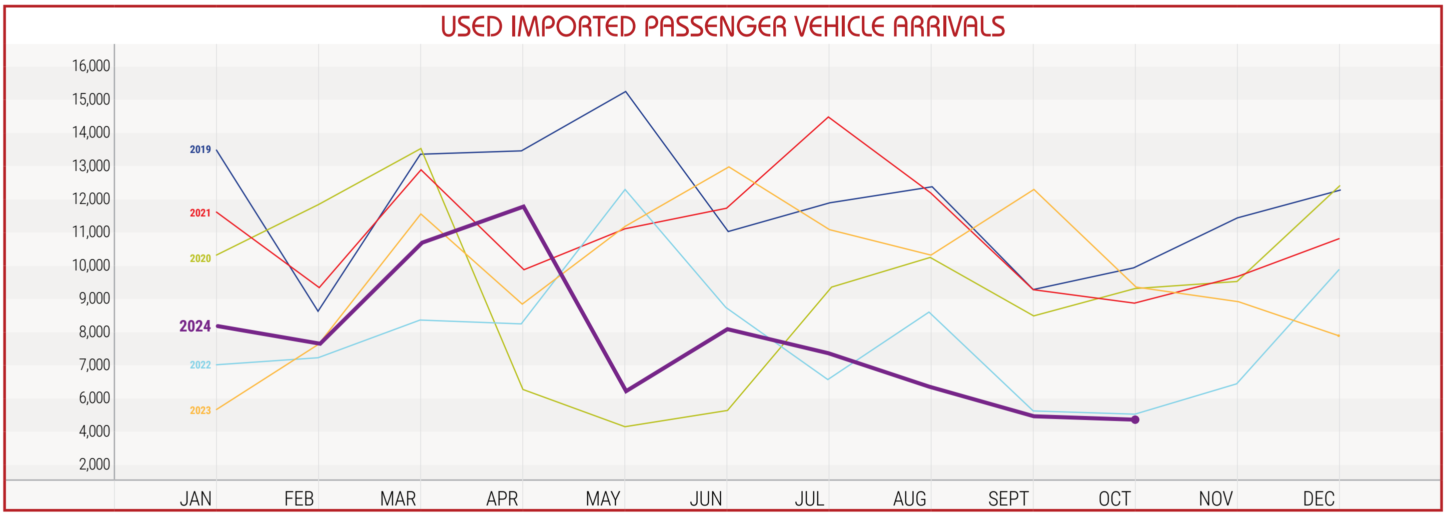
The sentence was imposed on the Aucklander after he pleaded guilty at North Shore District Court to one representative charge of dishonestly accessing the MVR.

Between September 24, 2021, and February 8, 2022, Walker fraudulently entered new WOFs for 183 vehicles onto the MVR.

He recorded that each one had been checked and passed despite none being presented at his employer's premises for inspection.

USED IMPORTS HIT LOW

There were 4,730 used passenger vehicles imported into New Zealand during October for the lowest monthly total of 2024 after 5,071 in September. The year-to-date now stands at 74,593 units.



Used Imported Passenger Vehicles By Country Of Export

	2024												2023		2022	
COUNTRY OF EXPORT	JAN '24	FEB '24	MAR '24	APR '24	MAY '24	JUN '24	JUL '24	AUG '24	SEP '24	OCT '24	OCT MKT SHARE	2024 TOTAL	2023 TOTAL	MRKT SHARE	2022 TOTAL	MRKT SHARE
Australia	72	106	101	157	121	79	108	94	115	109	2.3%	**1,062**	1,263	1.1%	2,353	2.6%
Great Britain	19	23	14	14	21	14	13	18	27	32	0.7%	**195**	272	0.2%	512	0.6%
Japan	7,984	7,255	10,190	11,332	5,827	7,750	6,988	6,026	4,895	4,541	96.0%	**72,788**	113,462	98.0%	87,740	95.6%
Singapore	18	43	28	19	31	12	36	12	8	14	0.3%	**221**	250	0.2%	423	0.5%
USA	12	21	11	17	26	15	18	36	21	16	0.3%	**193**	265	0.2%	487	0.5%
Other countries	12	9	9	12	44	5	13	7	5	18	0.4%	**134**	241	0.2%	250	0.3%
Total	**8,117**	**7,457**	**10,353**	**11,551**	**6,070**	**7,875**	**7,176**	**6,193**	**5,071**	**4,730**	**100.0%**	**74,593**	**115,753**	**100.0%**	**91,765**	**100.0%**

Company's credit rating improves

The strength of DPL Insurance's business operations strength has been recognised by AM Best.

The global credit-rating agency has upgraded its long-term issuer credit rating (long-term ICR) to "bbb+"– "good" – from "bbb".

It has also affirmed "B++" for DPL's financial strength rating (FSR), which is also "good", has revised the company's long-term ICR outlook to stable from "positive" while its FSR's outlook is "stable".

The ratings reflect the balance sheet, which AM Best assesses as "strong", as well as its strong operating performance, limited business profile and risk management.

"It's great to have our business' strength acknowledged by our rating agency, particularly our Autosure division," says James Searle, DPL's chief executive officer.

"This is our fourth upgrade since 2013. It's exceptionally pleasing to receive this at a time when insurer ratings are generally under pressure from rising costs given the economic environment."

AM Best notes the ratings also factor in a neutral impact from Turners Automotive Group, which owns DPL.

Its reports adds: "The upgrade of the long-term ICR reflects DPL's track record of strong and stable operating performance metrics supported by solid underwriting results and robust investment income."

AM Best calculates it recorded a return-on-equity ratio of 14.3 per cent and a combined ratio of 84.4 per cent in 2023/24, on a par with prior years.

"DPL's underwriting results continue to be supported by enhanced pricing and risk selection for its core insurance products and cost-saving initiatives implemented by the company," it says.

"In fiscal year 2024, it reported net investment yield, including gains and losses, of 4.7 per cent.

"DPL's ownership and affiliation with Turners, the largest retailer of used vehicles in New Zealand, provides good access to business and creates a valuable network."

BUSINESS INCREASE

Traders sold 16,663 second-hand cars to members of the public in October. That was up by 11.5 per cent from 14,940 compared to the same month of last year.

Trade-ins totalled 13,159 for a 7.6 per cent rise from 12,231. There were 41,767 private transactions, up by 3.9 per cent.

SECONDHAND CAR SALES - October 2024

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	OCT '24	OCT '23	+/- %	MARKET SHARE	OCT '24	OCT '23	+/- %	OCT '24	OCT '23	+/- %
Northland	546	504	8.3%	3.3%	1,957	1,862	5.1%	203	184	10.3%
Auckland	5,724	4,962	15.4%	34.4%	14,283	13,726	4.1%	5,820	5,242	11.0%
Waikato	1,782	1,527	16.7%	10.7%	4,094	4,011	2.1%	1,162	1,077	7.9%
Bay of Plenty	1,143	1,003	14.0%	6.9%	2,950	2,842	3.8%	640	620	3.2%
Gisborne	161	141	14.2%	1.0%	420	388	8.2%	43	36	19.4%
Hawke's Bay	610	554	10.1%	3.7%	1,416	1,448	-2.2%	419	360	16.4%
Taranaki	375	353	6.2%	2.3%	1,092	1,028	6.2%	173	196	-11.7%
Manawatu-Whanganui	858	823	4.3%	5.1%	2,140	2,016	6.2%	649	717	-9.5%
Wellington	1,492	1,365	9.3%	9.0%	3,193	3,173	0.6%	1,040	1,056	-1.5%
Tasman	124	127	-2.4%	0.7%	473	427	10.8%	18	14	28.6%
Nelson	146	156	-6.4%	0.9%	438	422	3.8%	183	170	7.6%
Marlborough	121	113	7.1%	0.7%	338	323	4.6%	48	38	26.3%
West Coast	121	86	40.7%	0.7%	300	278	7.9%	57	48	18.8%
Canterbury	2,350	2,151	9.3%	14.1%	5,625	5,189	8.4%	2,095	1,871	12.0%
Otago	743	726	2.3%	4.5%	1,944	1,975	-1.6%	441	419	5.3%
Southland	309	287	7.7%	1.9%	973	963	1.0%	168	183	-8.2%
Other	58	62	-6.5%	0.3%	131	146	-10.3%	0	0	0.0%
NZ Total	**16,663**	**14,940**	**11.5%**	**100.0%**	**41,767**	**40,217**	**3.9%**	**13,159**	**12,231**	**7.6%**

New Passenger Vehicle Sales by Make - October 2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	2,420	2,672	-9.4	25.5%	15,445	21.7%
Kia	1,299	1,125	15.5	13.7%	7,754	10.9%
Mitsubishi	1,174	985	19.2	12.4%	8,165	11.5%
Ford	678	569	19.2	7.1%	3,654	5.1%
Mazda	486	372	30.6	5.1%	3,131	4.4%
Suzuki	400	404	-1.0	4.2%	4,439	6.2%
Hyundai	347	494	-29.8	3.7%	3,127	4.4%
Honda	318	268	18.7	3.3%	2,489	3.5%
MG	313	589	-46.9	3.3%	2,520	3.5%
Nissan	233	306	-23.9	2.5%	2,208	3.1%
Volkswagen	217	212	2.4	2.3%	1,823	2.6%
GWM	196	199	-1.5	2.1%	2,227	3.1%
Subaru	159	91	74.7	1.7%	1,568	2.2%
Skoda	147	100	47.0	1.5%	1,007	1.4%
Lexus	123	106	16.0	1.3%	1,064	1.5%
BMW	113	131	-13.7	1.2%	1,251	1.8%
Audi	103	82	25.6	1.1%	946	1.3%
BYD	103	358	-71.2	1.1%	718	1.0%
Mini	101	109	-7.3	1.1%	714	1.0%
Mercedes-Benz	84	91	-7.7	0.9%	1,125	1.6%
Jaecoo	61	0	6,100.0	0.6%	157	0.2%
Tesla	57	144	-60.4	0.6%	1,016	1.4%
Omoda	50	0	5,000.0	0.5%	349	0.5%
Volvo	42	33	27.3	0.4%	356	0.5%
Cupra	35	87	-59.8	0.4%	304	0.4%
Peugeot	33	85	-61.2	0.3%	399	0.6%
Land Rover	32	80	-60.0	0.3%	911	1.3%
Polestar	29	61	-52.5	0.3%	146	0.2%
Mahindra	20	20	0.0	0.2%	251	0.4%
Porsche	20	70	-71.4	0.2%	434	0.6%
Isuzu	17	2	750.0	0.2%	187	0.3%
Jeep	12	47	-74.5	0.1%	169	0.2%
KGM	11	0	1,100.0	0.1%	118	0.2%
Jaguar	10	8	25.0	0.1%	185	0.3%
Fiat	9	9	0.0	0.1%	73	0.1%
Lamborghini	8	1	700.0	0.1%	36	0.1%
Opel	8	43	-81.4	0.1%	66	0.1%
Ineos	7	5	40.0	0.1%	52	0.1%
SsangYong	6	3	100.0	0.1%	184	0.3%
McLaren	4	0	400.0	0.0%	13	0.0%
Alfa Romeo	3	1	200.0	0.0%	62	0.1%
Ferrari	3	1	200.0	0.0%	33	0.0%
Yamaha	3	4	-25.0	0.0%	38	0.1%
Can-Am	2	6	-66.7	0.0%	23	0.0%
Others	8	49	-83.7	0.1%	309	0.4%
Total	**9,504**	**10,022**	**-5.2**	**100.0%**	**71,246**	**100.0%**

New Passenger Vehicle Sales by Model - October 2024

MAKE	MODEL	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	RAV4	1,354	1,103	22.8	14.2%	7,660	10.8%
Kia	Seltos	543	240	126.3	5.7%	2,914	4.1%
Mitsubishi	ASX	537	123	336.6	5.7%	3,193	4.5%
Mitsubishi	Outlander	429	527	-18.6	4.5%	2,954	4.1%
Kia	Sportage	299	172	73.8	3.1%	1,563	2.2%
Ford	Everest	288	200	44.0	3.0%	1,778	2.5%
Mazda	CX-5	248	171	45.0	2.6%	1,414	2.0%
Toyota	Corolla Cross	215	367	-41.4	2.3%	1,177	1.7%
Suzuki	Swift	204	200	2.0	2.1%	2,326	3.3%
Mitsubishi	Eclipse Cross	199	311	-36.0	2.1%	1,572	2.2%
Toyota	Land Cruiser Prado	189	95	98.9	2.0%	398	0.6%
Ford	Puma	183	148	23.6	1.9%	652	0.9%
Toyota	Yaris Cross	180	359	-49.9	1.9%	1,420	2.0%
Toyota	Corolla	176	178	-1.1	1.9%	1,303	1.8%
Kia	Stonic	170	69	146.4	1.8%	1,457	2.0%
Ford	Mustang Mach-E	143	38	276.3	1.5%	356	0.5%
Kia	Carnival	125	32	290.6	1.3%	519	0.7%
MG	ZS	124	190	-34.7	1.3%	1,275	1.8%
Honda	HR-V	119	0	11,900.0	1.3%	349	0.5%
Nissan	Qashqai	101	70	44.3	1.1%	745	1.0%
Kia	Sorento	99	184	-46.2	1.0%	448	0.6%
Nissan	X-Trail	99	67	47.8	1.0%	978	1.4%
Hyundai	Tucson	97	115	-15.7	1.0%	906	1.3%
Honda	Jazz	95	158	-39.9	1.0%	697	1.0%
GWM	Haval H6	94	60	56.7	1.0%	888	1.2%
Hyundai	Kona	93	64	45.3	1.0%	1,033	1.4%
Mazda	Mazda2	92	19	384.2	1.0%	363	0.5%
Suzuki	Jimny	91	38	139.5	1.0%	932	1.3%
Toyota	Yaris	88	99	-11.1	0.9%	774	1.1%
MG	MG3	87	16	443.8	0.9%	754	1.1%
Subaru	Outback	83	31	167.7	0.9%	624	0.9%
Toyota	C-HR	75	61	23.0	0.8%	550	0.8%
Volkswagen	Tiguan	72	10	620.0	0.8%	636	0.9%
GWM	Haval Jolion	70	27	159.3	0.7%	873	1.2%
Hyundai	Santa Fe	69	53	30.2	0.7%	585	0.8%
Mazda	CX-30	66	81	-18.5	0.7%	345	0.5%
Toyota	Land Cruiser	64	39	64.1	0.7%	422	0.6%
Jaecoo	J7	61	0	6,100.0	0.6%	157	0.2%
BYD	Atto 3	59	246	-76.0	0.6%	307	0.4%
Skoda	Superb	59	4	1,375.0	0.6%	338	0.5%
Suzuki	Vitara	58	61	-4.9	0.6%	350	0.5%
Toyota	Highlander	53	118	-55.1	0.6%	1,183	1.7%
Omoda	C5	50	0	5,000.0	0.5%	315	0.4%
Volkswagen	Golf	50	26	92.3	0.5%	261	0.4%
Honda	ZR-V	49	90	-45.6	0.5%	748	1.0%
Others		1,805	3,762	-52.0	19.0%	20,754	29.1%
Total		**9,504**	**10,022**	**-5.2**	**100.0%**	**71,246**	**100.0%**

Getting behind women's rugby

A dealership in Christchurch has signed up as a commercial partner with Matatū rugby team.

Blackwells Madza has committed to the Super Rugby Aupiki franchise for at least two years with its branding on the players' shorts.

"With a strong wahine base following the Mazda brand, partnering with Matatū made perfect sense," says dealer principal Rob Manning.

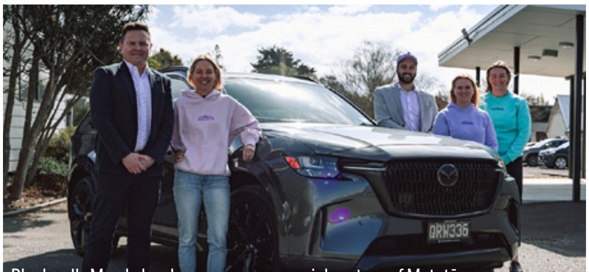
"We are committed to the bright future of women's rugby and all women's sport. We're excited to be part of the journey and look forward to supporting Matatū's success."

Sarah Munro, general manager of Matatū, says the club is "incredibly grateful" for Blackwells Mazda's backing.

"We are both aligned in our excitement about the progression and advancement that continues to be made for women in rugby, and women in sport generally," she adds.

"With the support of Blackwells, we can continue the momentum to provide opportunities for our wahine to play at a professional level, and inspire and empower the next generation to come."

Matatū represents the South Island, specifically the regions covered by the Crusaders and Highlanders, in the Super Rugby Aupiki competition.




Blackwells Mazda has become a commercial partner of Matatū, while Rod Millen's Asia-Pacific Rally Championship-winning Mazda 323 has been on show at the Christchurch dealership

Sales fall

Registrations of new cars came in at 9,504 last month – down by 5.2 per cent compared to 10,022 in October 2023. The best-selling model was Toyota's RAV4 with 1,354 followed by the Kia Seltos with 543. Next up were Mitsubishi's ASX and Outlander with 537 and 429. Kia's Sportage was fifth on 299.

Last month's most popular marque was Toyota with 2,420 units. Next up were Kia on 1,299 and Mitsubishi with 1,174.

Meanwhile, a Kiwi racing legend's car was on display at Blackwells last month. The four-wheel-drive Mazda 323 was previously owned by Rod Millen, who competed in many motorsports.

"This car has a lot of history in rally motorsport in New Zealand," enthuses Manning.

"We had it here after current owner Ross McKay reached out. He had the iconic vehicle on display in most motorsport-related museums before it made its way back to Christchurch.

"It's also 35 years since it won, so it wasn't a bad way to commemorate one of the most successful Mazdas in Kiwi history."

Visit www.autofile.co.nz for an in-depth article on the restoration of Millen's Asia-Pacific Rally Championship-winning 323.

SPENDING SET TO DROP

A further downward revision for economic growth for the years ending March 2025 to March 2027 is being predicted by the New Zealand Institute of Economic Research (NZIER).

Annual average forecasts point to no increase in GDP until March next year before lifting to 2.2 per cent in 2026, reflecting expectations for "sluggish" growth over the coming year.

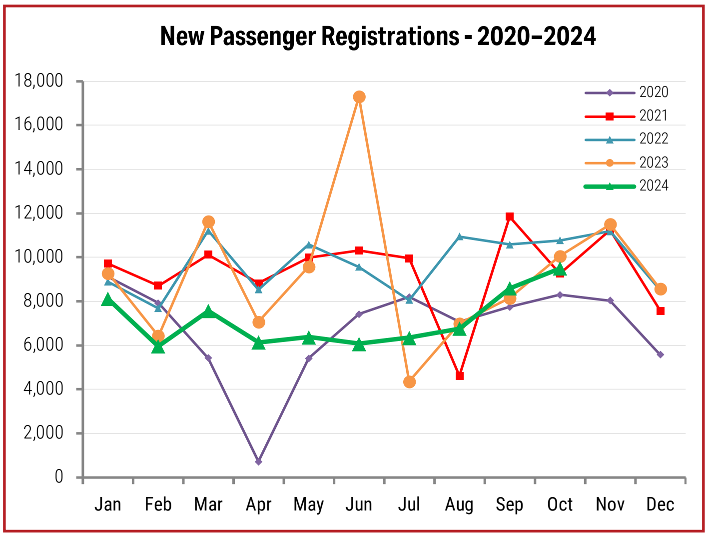
Beyond 2025, lower interest rates are expected to support a recovery in local economic activity.

Forecasts for household spending suggest a deteriorating outlook with average growth being revised downward from 0.5 to 0.2 per cent for 2025 because consumers have reduced discretionary expenditure, reports the NZIER.

The outlook for inflation has been forecast at 2.3 per cent by March 2025 and staying near two per cent in subsequent years, while the trade-weighted index for the New Zealand dollar has been revised downward until 2027.

Stats NZ cites a drop in vehicle and parts retailing as among the factors for GDP falling by 0.2 per cent in the June quarter when compared to this year's first three months. It follows a 0.1 per cent rise in the March quarter.

Downwards drivers for the quarter-on-quarter result included retail trade and accommodation industries' GDP production falling by 1.3 per cent over that period.



New Passenger Vehicle Sales by Motive Power - October2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Full battery electric	648	2,031	-68.1%	6.8%	4,834	6.8%
Plug-in hybrid electric	345	935	-63.1%	3.6%	2,403	3.4%
Non plug-in petrol hybrid	3,566	2,936	21.5%	37.5%	25,077	35.2%
Petrol	4,195	3,352	25.1%	44.1%	32,958	46.3%
Diesel	750	768	-2.3%	7.9%	5,972	8.4%
Others (includes non plug-in diesel hybrid, fuel cell)	0	0	0.0%	0.0%	2	0.0%
Total	**9,504**	**10,022**	**-5.2%**		**71,246**	

Advice on used-van imports

The Imported Motor Vehicle Industry Association (VIA) has reminded it members about the compliance process for class changes, particularly 14-seat vans being converted into 12-seaters.

It says the NZTA has emphasised to vehicle-inspecting organisations and inspectors of its preferred approach to way things are done.

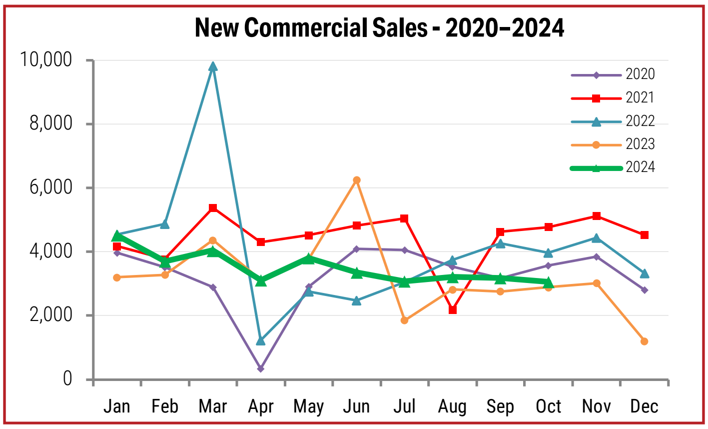
The agency has clarified that used imports must first be assessed as per the description on their Japanese deregistration papers.

This means 14-seaters must be presented for the compliance process as MD2 class vehicles using an 80kg per-seat calculation.

"We suggest importers request the NZTA review the chassis rating before presenting the vehicle for compliance as the actual gross vehicle mass [GVM] will be higher than on the Japanese export certificate," VIA says.

"If the vehicle fails the weight-capacity test with 14 seats, importers can ask their compliance provider to seek permission from the NZTA to remove two seats and process the vehicle as a 12-seat MD1 class using a 68kg per passenger calculation. Generally, the NZTA can grant this permission within a reasonable timeframe.

"You should also be familiar with the GVM of the models you are sourcing from Japan to be comfortable they will meet requirements under New Zealand's heavier per-passenger calculation – New Zealand's 80kg versus Japan's 55kg for MD2 vehicles only."



SECTORS FEEL STRAIN

The global impacts of the Covid-19 pandemic are still working through the system in parts of the motor-vehicle industry.

That's particularly the case with the supply of heavy trucks,

New Commercial Sales by Make - October 2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Ford	820	823	-0.4	26.8%	10,722	30.6%
Toyota	801	865	-7.4	26.1%	8,301	23.7%
Mitsubishi	251	98	156.1	8.2%	3,796	10.8%
Mercedes-Benz	210	138	52.2	6.9%	897	2.6%
Isuzu	164	156	5.1	5.4%	2,062	5.9%
Nissan	147	56	162.5	4.8%	1,705	4.9%
Iveco	94	55	70.9	3.1%	381	1.1%
Volkswagen	86	100	-14.0	2.8%	999	2.8%
Hino	67	64	4.7	2.2%	507	1.4%
Scania	62	62	0.0	2.0%	562	1.6%
Fiat	55	53	3.8	1.8%	464	1.3%
LDV	45	60	-25.0	1.5%	596	1.7%
Fuso	32	111	-71.2	1.0%	768	2.2%
GWM	31	0	3,100.0	1.0%	221	0.6%
Volvo	21	28	-25.0	0.7%	337	1.0%
Foton	20	13	53.8	0.7%	151	0.4%
Kenworth	18	23	-21.7	0.6%	235	0.7%
DAF	17	12	41.7	0.6%	237	0.7%
Hyundai	16	26	-38.5	0.5%	384	1.1%
Renault	16	20	-20.0	0.5%	200	0.6%
Others	91	126	-27.8	3.0%	1,563	4.5%
Total	**3,064**	**2,889**	**6.1**	**100.0%**	**35,088**	**100.0%**

New Commercial Sales by Model - October 2024

MAKE	MODEL	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Ford	Ranger	732	792	-7.6	23.9%	9,456	26.9%
Toyota	Hilux	652	677	-3.7	21.3%	6,319	18.0%
Mitsubishi	Triton	251	98	156.1	8.2%	3,794	10.8%
Mercedes-Benz	Sprinter	202	126	60.3	6.6%	749	2.1%
Nissan	Navara	147	56	162.5	4.8%	1,705	4.9%
Toyota	Hiace	130	163	-20.2	4.2%	1,535	4.4%
Ford	Transit	88	31	183.9	2.9%	1,266	3.6%
Isuzu	D-Max	85	56	51.8	2.8%	1,148	3.3%
Iveco	Daily	81	35	131.4	2.6%	278	0.8%
Fiat	Ducato	55	53	3.8	1.8%	463	1.3%
Volkswagen	Amarok	48	73	-34.2	1.6%	674	1.9%
Isuzu	N Series	36	44	-18.2	1.2%	414	1.2%
GWM	Cannon	31	0	3,100.0	1.0%	221	0.6%
Hino	500	31	30	3.3	1.0%	208	0.6%
Isuzu	F Series	31	39	-20.5	1.0%	381	1.1%
Hino	300	27	23	17.4	0.9%	205	0.6%
Volkswagen	Crafter	23	19	21.1	0.8%	190	0.5%
LDV	Deliver 9	21	11	90.9	0.7%	259	0.7%
Toyota	Land Cruiser	19	21	-9.5	0.6%	419	1.2%
Scania	R660	17	10	70.0	0.6%	90	0.3%
Others		357	532	-32.9	11.7%	5,314	15.1%
Total		**3,064**	**2,889**	**6.1**	**100.0%**	**35,088**	**100.0%**

says Alex Gibbons, chief executive officer of Colonial Motor Company.

Southpac has experienced a significant bulge of long-awaited stock arrivals. In turn, this pushed truck inventory to record levels in 2023/24, and was a major contributor to its increased borrowings and interest costs.

"While some customers had been waiting up to three years for trucks to arrive, local bodybuilding capacity couldn't be upscaled to meet such a spike in demand – not just from Southpac but numerous other operators," says Gibbons.

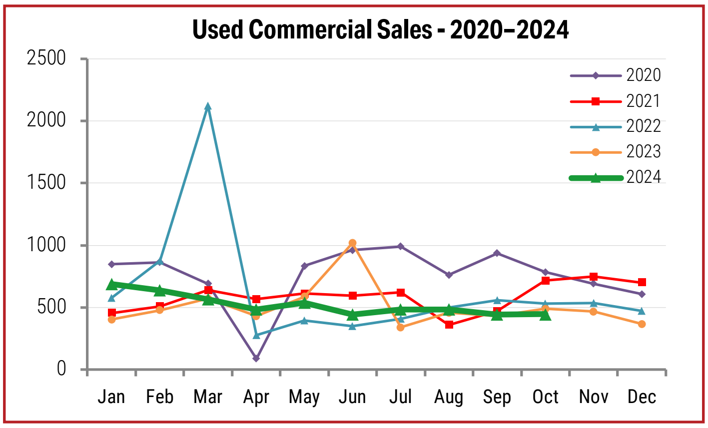
While the team at Southpac found ways to modify processes and increase productivity where possible, "dealing with such a quantum of trucks is inefficient and comes with substantial holding and processing costs".

Despite supply-chain challenges, the brand experienced a strong trading year and remains on track to continue reducing inventory to more sustainable levels.

While it maintains a strong market share, Colonial's tractor and agricultural equipment dealership, Agricentre South, continues to operate in a depressed market.

National tractor sales dropped by 28 per cent for the current calendar year to June 30 with the South Island down more than the national average. During this time, it has focused on managing inventory and supporting an agricultural community "doing it tough" in Otago-Southland.

As for the launch of JAC Motors, Colonial's importing and distributor subsidiary, New Zealand Automotive Ltd, has been undertaking product testing locally and fine-tuning specifications with the factory in China to ensure "the right models at the right price" are delivered here.



RANGER LEADS THE WAY

There were 3,064 new commercials registered in October, which was up by 6.1 per cent from 2,889 during the same month last year.

The total for used-imported commercials was 444 for a decrease of 9.2 per cent from 489 units.

The Ford Ranger was the best-selling new model with 732 registrations. Toyota's Hilux came second with 652 and Mitsubishi's Triton was third on 251.

The Ranger and Hilux have sold 9,456 and 6,319 units this year respectively.

Used Commercial Sales by Make - October 2024

MAKE	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	220	232	-5.2	49.5%	2,645	50.6%
Nissan	91	113	-19.5	20.5%	1,102	21.1%
Hino	34	35	-2.9	7.7%	295	5.6%
Isuzu	22	28	-21.4	5.0%	264	5.0%
Ford	14	9	55.6	3.2%	207	4.0%
Mitsubishi	14	21	-33.3	3.2%	194	3.7%
Daihatsu	7	4	75.0	1.6%	56	1.1%
Chevrolet	5	5	0.0	1.1%	42	0.8%
Fuso	5	2	150.0	1.1%	28	0.5%
Suzuki	5	8	-37.5	1.1%	65	1.2%
Volkswagen	5	3	66.7	1.1%	43	0.8%
UD Trucks	4	6	-33.3	0.9%	22	0.4%
Mercedes-Benz	3	2	50.0	0.7%	24	0.5%
Fiat	2	1	100.0	0.5%	24	0.5%
LDV	2	0	200.0	0.5%	11	0.2%
Mazda	2	4	-50.0	0.5%	61	1.2%
Studebaker	2	0	200.0	0.5%	2	0.0%
AM General	1	1	0.0	0.2%	3	0.1%
Citroen	1	0	100.0	0.2%	4	0.1%
Dodge	1	0	100.0	0.2%	21	0.4%
Others	4	15	-73.3	0.9%	116	2.2%
Total	**444**	**489**	**-9.2**	**100.0%**	**5,229**	**100.0%**

Used Commercial Sales by Model - October 2024

MAKE	MODEL	OCT'24	OCT'23	+/-%	OCT'24 MKT SHARE	2024 YEAR TO DATE	2024 MKT SHARE
Toyota	Hiace	174	189	-7.9	39.2%	2,013	38.5%
Nissan	NV350	51	69	-26.1	11.5%	692	13.2%
Toyota	Regius	26	19	36.8	5.9%	286	5.5%
Hino	Dutro	24	29	-17.2	5.4%	212	4.1%
Nissan	NV200	17	6	183.3	3.8%	114	2.2%
Isuzu	Elf	15	17	-11.8	3.4%	186	3.6%
Nissan	Caravan	13	15	-13.3	2.9%	167	3.2%
Toyota	Dyna	13	14	-7.1	2.9%	156	3.0%
Ford	Ranger	9	2	350.0	2.0%	76	1.5%
Fuso	Canter	9	13	-30.8	2.0%	140	2.7%
Hino	Ranger	8	3	166.7	1.8%	59	1.1%
Daihatsu	Hijet	7	4	75.0	1.6%	56	1.1%
Isuzu	Forward	5	7	-28.6	1.1%	49	0.9%
Suzuki	Carry	5	8	-37.5	1.1%	61	1.2%
Nissan	Atlas	4	5	-20.0	0.9%	52	1.0%
UD Trucks	Quon	4	4	0.0	0.9%	11	0.2%
Fuso	Shogun	3	0	300.0	0.7%	12	0.2%
Nissan	Navara	3	4	-25.0	0.7%	21	0.4%
Volkswagen	Amarok	3	1	200.0	0.7%	18	0.3%
Ford	F-100	2	0	200.0	0.5%	11	0.2%
Others		49	80	-38.8	11.0%	837	16.0%
Total		**444**	**489**	**-9.2**	**100.0%**	**5,229**	**100.0%**

Problems loom with campervans

Rise in imports

Imports of new cars last month totalled 8,433. This was up by 21.3 per cent when compared to 6,954 units in September, but was a decrease of 21.6 per cent from 10,751 recorded in the same month a year ago.

Registrations of 9,504 new passenger vehicles were completed last month, which was 10.8 per cent more than September's total. However, it was down by 5.2 per cent from 10,022 units in October 2023.

The numbers have resulted in the stock of new cars still to be registered falling by 1,071 last month to 74,768. Daily sales, as averaged over the previous 12 months, stand at 250 units per day – down from 301 a year earlier.

September's results mean stock at-hand has fallen to 299 days if sales continue at the current rate. In the same month of 2023, it came in at 253 days.

The Rental Vehicle Association (RVA) says revisions to rules governing freedom camping are causing significant concerns across the industry.

While there has been some relief with a change to allow unventilated cassette toilets in campervans, there are still challenges.

"These are chiefly the requirement for those toilets to be permanently fixed and proposed timelines to enact the changes," says Ben McFadgen, the RVA's chief executive.

"They remain as December 7, 2024, for rentals and June 7, 2025, for privately owned vehicles.

"However, the government has now signalled it intends to extend the timeline for private vehicles by up to 24 months, which we believe will cause more inequity in an already diverse campervan market. There will be radically different vehicles on the road for a long period of time.

"It will likely also lead to an increase in cheaper private vehicles being bought and sold at airports by backpackers, the very scenario these regulation updates intended to remedy."

The ventilation requirement for cassette toilets was removed in August and "shouldn't have been there in the first place".

McFadgen explains: "It cost the industry hundreds of hours in admin because of a lack of understanding by the regulators. They were advised about the unsustainability of requiring cassette toilets to be ventilated. They did it anyway.

"It's been changed except we now have small unventilated chemical toilets permanently fixed into campers. They will be a nightmare to clean and keep sanitised.

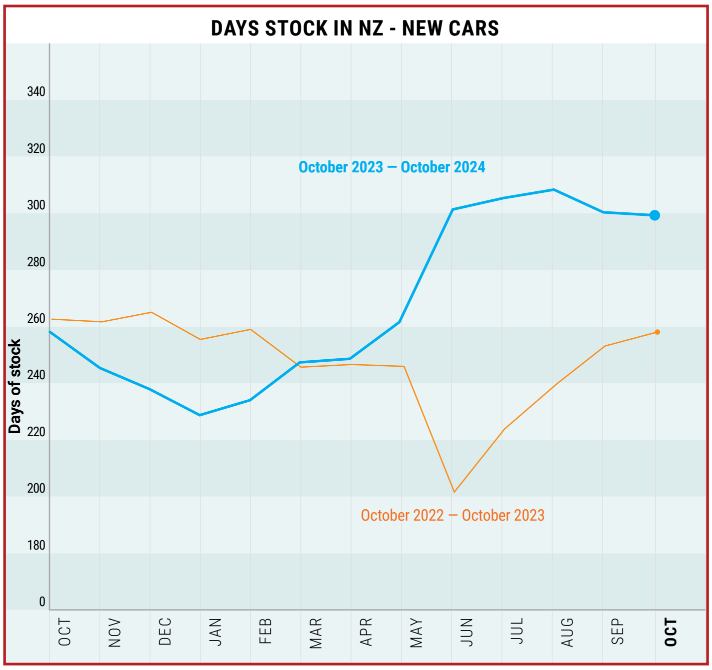
"Operators used to be able to remove toilets and clean them well away from the vehicle. Now they must set up a viable, effective and safe process for in-vehicle cleaning that protects the campervans, operators and travellers. This has the potential to go well south."

McFadgen adds there's also little, if any, evidence showing a permanently fixed loo will be used more or easier than the previous portable chemical toilets.

"There is nothing in the new certifying test requiring the ability to use the toilet with the bed made up. This was a requirement under the previous regulations

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Oct '23	10,751	10,022	729	76,237	301	253
Nov '23	7,825	11,470	-3,645	72,592	302	240
Dec '23	7,435	8,548	-1,113	71,479	302	236
Jan '24	4,154	8,097	-3,943	67,536	299	226
Feb '24	7,608	5,923	1,685	69,221	298	232
Mar '24	8,882	7,538	1,344	70,565	287	246
Apr '24	6,180	6,111	69	70,634	285	248
May '24	7,800	6,352	1,448	72,082	276	261
Jun '24	8,006	6,060	1,946	74,028	245	302
Jul '24	9,313	6,333	2,980	77,008	251	307
Aug '24	7,205	6,750	455	77,463	250	310
Sep '24	6,954	8,578	-1,624	75,839	251	302
Oct '24	**8,433**	**9,504**	**-1,071**	**74,768**	**250**	**299**
Year to date	**74,535**	**71,246**				
Change on last month	**21.3%**	**10.8%**		**-1.4%**		
Change on Oct 2023	**-21.6%**	**-5.2%**		**-1.9%**		
	LESS IMPORTED	LESS SOLD		LESS STOCK		



which helped maintain some form of standard.

"Now that's gone, we're concerned that toilets will be 'permanently fixed', but very difficult – if not impossible – to use. It will be up to certifying authorities to check they still can be if it's even on their radar.

"Regardless, if you consider the proposed timeline for the compliance of rental and private vehicles, we believe there's a major problem looming for tourism."

By mid-October, the number of rentals certified was about 3,000 with between 2,000 and 4,000 to go before December 7.

"We're already hearing of vehicles that have been certified under the new green warrant but falling well short of the new regulations. They are being sold on Trade Me and Facebook. All that's happened is they've fixed the toilet down.

"It's now easier than ever to have your vehicle certified. Some of the work we've seen is shoddy and should never have been passed.

"Operators following the rules and doing it properly are spending $1,000 per vehicle in a tight economy. They are also having to throw away perfectly safe and usable toilets to meet the new regulations."

McFadgen points out there are issues around enforcement. "How is a council inspector going to monitor compliance at a busy campsite during peak season, at night and often in a remote area? We don't think enforcement will be consistent and we're concerned about potential damage to New Zealand's brand.

"Then you look at the confusion in the peer-to-peer rental sector. They're not even clear on the fact that private individuals need a rental-service licence, not just the sharing platform, and their recertifying date of December 7. We think it's going to get messy.

"What we don't understand is what the beef government has with the rental-vehicle industry. What we provide are significantly better maintained and set up compared to private vehicles.

"They're safe, we educate on travelling responsibly and provide 24-hour support to people exploring New Zealand in our vehicles. Yet we're effectively being penalised because of this.

"It's not like we have money growing on trees. The economy is in recession. Tourism forecasts are low. What is it about business that this government doesn't understand?

"It didn't have to be like this either. If the government had listened to industry, and if the Ministry for Business, Innovation and Employment had displayed some common sense on timings, we wouldn't be in this position.

"Now New Zealand is about to compromise its brand again and our economy will take another hit. It's all so unnecessary."

Dip in stock

There were 4,730 used cars imported last month, a decrease of 47.7 per cent from October 2023 when 9,044 units crossed our borders. The latest figure was also down by 6.7 per cent from 5,071 in September this year.

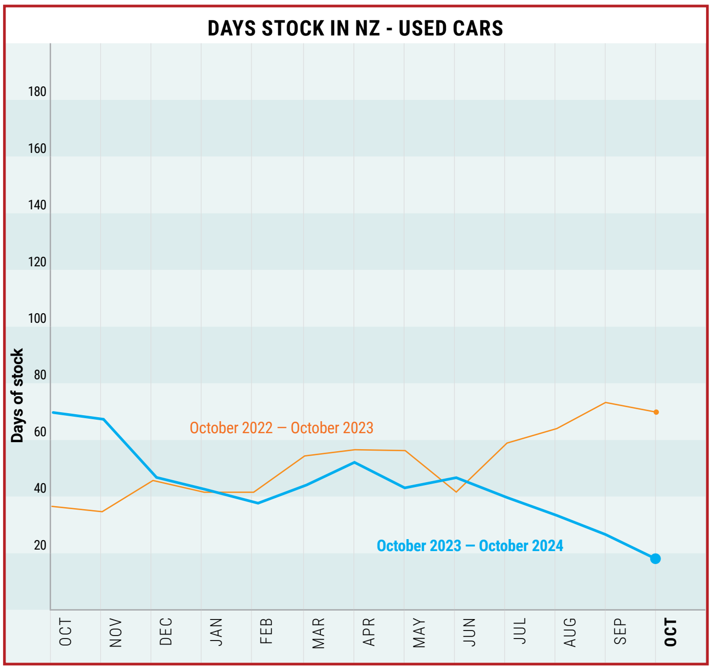
Some 7,319 units were registered in October, which was up by 1.5 per cent from 7,208 in the month before.

October's total was, however, 24.1 per cent lower than the 9,641 units registered in the same month of 2023.

With 2,589 fewer used cars imported than registered last month, unregistered stock on dealers' yards or in compliance shops came to 5,349 units.

This was 73.9 per cent lower than 20,485 units a year ago and down by 32.6 per cent from 7,938 at the end September.

Average daily registrations for October were 291 compared to 292 a year ago and there is 18 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Oct '23	9,044	9,641	-597	20,485	292	70
Nov '23	8,711	9,631	-920	19,565	299	65
Dec '23	7,768	12,798	-5,030	14,535	315	46
Jan '24	8,117	8,903	-786	13,749	320	43
Feb '24	7,457	8,818	-1,361	12,388	323	38
Mar '24	10,353	8,937	1,416	13,804	321	43
Apr '24	11,551	8,723	2,828	16,632	323	52
May '24	6,070	8,879	-2,809	13,823	321	43
Jun '24	7,875	7,823	52	13,875	297	47
Jul '24	7,176	8,994	-1,818	12,057	303	40
Aug '24	6,193	8,175	-1,982	10,075	302	33
Sep '24	5,071	7,208	-2,137	7,938	297	27
Oct '24	**4,730**	**7,319**	**-2,589**	**5,349**	**291**	**18**
Year to date	**74,593**	**83,779**				
Change on last month	**-6.7%**	**1.5%**		**-32.6%**		
Change on Oct 2023	**-47.7%**	**-24.1%**		**-73.9%**		
	LESS IMPORTED	LESS SOLD		LESS STOCK		

IT'S TIME TO SHIFT UP A GEAR

This December, **Protecta Insurance** will be rebranding to **Assurant**. Assurant's global capabilities and technology, combined with Protecta's local talent and over 35 years' experience in auto, will position us to offer you and your customers an even better experience. Contact us today to find out more.

www.assurant.nz | 0800 776 832

ASSURANT®