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Age limit suggested to reduce emissions

Restrictions on how old used imports are when allowed into fleet among Toyota NZ's ideas to improve our environment

New Zealand's largest-selling marque has suggested a rolling age ban on used-imported vehicles to support other measures – such as a feebate scheme – to cut emissions from road transport.

Toyota NZ has tabled the idea to the Productivity Commission, which has published its report into achieving a low-emissions economy with its recommendations to be considered by the government.

The company believes an age restriction on used imports will be a more effective way of backing up feebates than another option favoured by the commission – a vehicle fuel standard based on carbon-dioxide (CO_2) emissions.

A feebate scheme would see new and used cars entering the fleet assessed for potential greenhouse gases (GHGs), with low-polluters earning rebates and fees imposed on high-emitters.

The aim of this demand-side approach is to encourage consumers to buy greener vehicles, such as electric cars, hybrids and smaller models, while penalising the likes of gas guzzlers.

Toyota New Zealand says the fleet's age can be shifted downwards at the border

However, action is also being considered on the supply side to prevent high-polluters crossing the border.

The commission feels a standards-based approach will work, but Toyota NZ disagrees – hence its call for an age ban on used imports at seven or eight years, which it says is roughly three years younger than the current average age for used imports.

Alistair Davis, chief executive officer, says: "We have thought about a framework for the transport system to achieve low emissions as needing to address strategies for ensuring low-emissions vehicles enter the fleet, to influence demand and use of those in the fleet, and encourage the exit of high-emissions vehicles."

Toyota NZ was the only marque to make a submission to the Productivity Commission's inquiry, although the Motor Industry Association (MIA), Motor Trade Association (MTA), Drive Electric and the AA also put their views forward.

It contends a feebate scheme is best-suited to the Kiwi market, and should be applied to all stock

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GUEST EDITORIAL

Fleet 'one of oldest in developed world'

Murray Sherwin says a feebate scheme and vehicle fuel standards may lower pollution

MURRAY SHERWIN
Chairman, Productivity Commission

New Zealand's commitment to transition to a low-emissions economy presents a tremendous challenge, but one that's achievable. The Productivity Commission recently released a report advising government on the most efficient way to make this transition.

Unsurprisingly, stopping burning fossil fuels will be critical and, where possible, switching to electricity and other low-emissions fuels. Transport is our largest consumer of fossil fuels and one of our biggest sources of greenhouse gas emissions, which have been rapidly rising as our economy and population has grown.

A transformation of New Zealand's light-vehicle fleet is needed. Currently, our fleet is one of the oldest and dirtiest in the developed world. Unlike most other countries, most vehicle imports are used.

While the lower price of these vehicles has been hugely beneficial for New Zealanders, they have been detrimental in terms of emissions and air quality. And 12 of the top 15 new imports last year were utes and SUVs.

Fortunately, there are already opportunities available to dramatically reduce vehicle emissions, for example through switching to electric vehicles (EVs) or hybrids, and shifting to public transport or cycling. New Zealand's clean electricity system, and potential to significantly expand wind and other low-emissions generation, makes the country particularly well-placed to harness benefits from electrification.

Last month, New Zealand reached a milestone of 10,000 EVs on the road. This is positive. However, the technology still has a way to go and the price of EVs must keep falling to see greater uptake.

Fast uptake is crucial because New Zealanders tend to hold on to their vehicles for longer than in other countries. An average new vehicle entering the fleet today won't be scrapped until about 2040, and will lock in significant emissions over its lifetime.

One of our key recommendations to accelerate uptake is a feebate scheme that applies a fee or rebate to the upfront cost of a vehicle depending on its emissions. This would make EVs and cleaner petrol vehicles more affordable.

Emissions standards can also help to improve the efficiency of vehicles on offer and reduce the risk of New Zealand becoming a dumping ground for older, high-emitting vehicles from overseas. Importantly, these policies could disproportionately burden lower-income households in the short term, and support through the transition will be needed.

Decarbonising New Zealand's transport fleet can help to address climate change, and deliver wider benefits for society, including cleaner air and lower congestion. Achieving the transition will be a challenge and will rely on advances in existing technologies. But with the right policies in place, it can be done.

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entering the fleet and used in place of emissions standards common in other jurisdictions.

The company says a maximum age for used imports would back up feebates as a more easily applied intervention so newer vehicles cross the border and change the fleet's emissions profile if applied with other measures to influence consumer choice.

Davis told Autofile. "Most developed countries don't import a lot of used vehicles, although this is the case in many emerging markets. It makes New Zealand different, but it's not difficult to stop."

Suggesting an age limit for used imports is likely to raise eyebrows in parts of the automotive industry, especially as it has been off the political agenda for some years now.

However, Davis says it isn't a case of leading a crusade or criticising one sector, but among Toyota NZ's ideas to improve the environment.

"The new-car industry fought against used imports 30 years ago, so that horse has long bolted," he adds. "The stance taken by some back then was they would lower the age of vehicles on our roads, but that was never going to be the reality and hasn't happened.

"An age ban isn't about trying to pull the floor from under used imports, but at the moment they lag too far behind when it comes to emissions and safety technology."

Used imports make up a significant proportion of vehicles entering the fleet, and impact on its age and mix. New Zealand's light-vehicle fleet is getting older. Ministry of Transport (MoT) statistics show that in 2016 the average age was 14.1 years – up from 11.8 years in 2000 – while 75 per cent of the light fleet was made before 2009.

Davis believes the ageing of the fleet has been largely caused by used imports with average ages when coming into service getting older.

In 2016, the average age of imports was more than nine years – the oldest since 2000. During the same year, there were more imported used vehicles made in 2005 – that's to say 11 years old – than those imported for any other year of manufacture.

"Newer vehicles of an equivalent size and engine capacity to older ones tend to have lower CO2 emissions," says Davis. "There are potentially significant benefits from reducing the fleet's age.

"MoT analysis suggests lowering it wouldn't reduce emissions because Kiwis have tended to buy larger vehicles as they've become more fuel-efficient.

"The ministry's position appears to assume past consumer preferences will not change. We don't agree. One way of influencing the age of vehicles entering the fleet is a maximum age at importation, which could be periodically adjusted if the government sought to lift expectations in relation to emissions.

"An age limit for imports may not change the size or mix of vehicles entering the fleet, but when combined with other potential policies – such as a feebate scheme – the effect on its emissions profile could be significant."

As for demand-side action, Davis believes a feebate scheme is preferable to a vehicle emissions standard to boost sales of greener vehicles.

While emissions standards are applied in most developed countries, those markets typically only have new vehicles entering the fleet, so it would be problematic for New Zealand to have such a scheme without it also applying to used imports.

"Administering an emissions

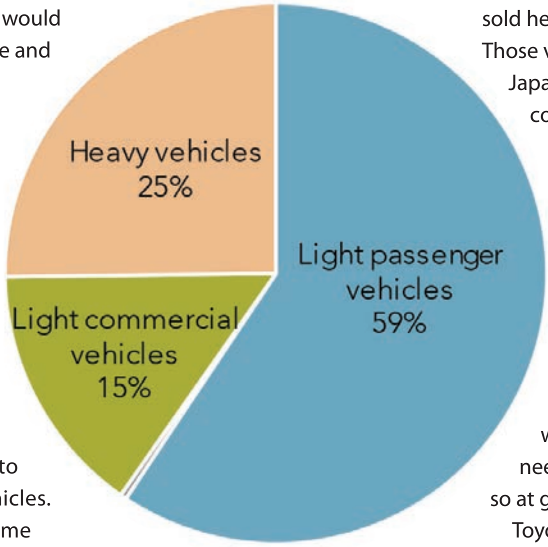
Stacking up numbers

Vehicles made by Toyota represent 25 per cent of New Zealand's fleet. Last year, it sold 33,000 new vehicles and represents a "significant share" of used imports each year.

By 2050, Toyota Motor Corporation aims to reduce CO2 emissions from its vehicles by 90 per cent when compared to 2010, while in New Zealand it's pursuing a 30 per cent decrease in 2005 GHG levels by 2030.

In 2017, there were 177,634 used vehicles registered for the first time in New Zealand compared with 159,872 new vehicles.

"Used imports have played a critical role in driving vehicle-ownership levels over the past three decades, arguably making safer vehicles more accessible to lower-income households," says Alistair Davis, of Toyota NZ.



Emissions from road transport – 2015

scheme with used imports would have significant compliance and enforcement difficulties," he says.

"A feebate scheme could, however, achieve the same objectives of emission standards elsewhere. It would reflect the unique nature of our market.

"Such a scheme, if applied to all imports, would incentivise suppliers and consumers to adopt lower-emission vehicles. It could be applied over time and the comparative simplicity of feebates mean all vehicles would be captured."

THE BIGGER PICTURE

The Productivity Commission's report states 49.2 per cent of New Zealand's GHG emissions come from farming with livestock responsible for 35.3 per cent, of which 68 per cent is cattle methane.

The next biggest polluter is the transport system on 19.1 per cent. Road transport is the dominant source and its emissions have increased substantially since 1990.

In 2015, light vehicles – passenger and commercial – accounted for about 75 per cent of road-transport emissions. Cars were responsible for 59 per cent and light commercials 15 per cent. Heavy vehicles contributed 25 per cent and motorbikes 0.4 per cent.

Looking at these statistics, it comes as no surprise the automotive industry and private-vehicle use are under the spotlight.

Compared to other developed countries, the commission says vehicle-ownership rates in New Zealand are high, public transport use is low and the fleet is old with poor fuel economy.

Population growth and lower prices for fossil-fuel vehicles have caused it to expand. As a result, transport emissions have risen more than any other source since 1990 with road vehicles the main driver.

The commission believes the fast uptake of electric vehicles (EVs) is likely to be essential to achieve a low-emissions economy. "To encourage EV uptake, the government should introduce a feebate scheme, lead on procurement and continue to support development of the charging network," it says.

It's also backing emissions standards as its favoured demand-side intervention to spur uptake and reduce the risk of importing more high-emitting stock.

"Compared to other large-emitting sources, such as agriculture and industrial heat, significant scope exists to mitigate transport emissions in the short term," the report states.

"Transport emissions rose by more than 70 per cent between 1990 and 2016, New Zealand's per-person transport emissions are the fifth highest among OECD countries and private road transport dominates."

TACKLING MAJOR ISSUES

Davis describes the way forward to a low-emissions economy as complex. "We don't support targeting emissions on the supply side. We would like to see a structured improvement of the fleet. We want to see better cars come in, and need to get rid of the worst and oldest cars.

"The previous government was set on leaving it to the free market. When it comes to emissions and safety, this government is more interventionist.

"The average carbon-emissions profile for a used car is now better than new because most new cars sold here are trucks and SUVs. Those vehicles aren't as common in Japan where most used imports come from."

Davis believes there will even be challenges in implementing feebates. "Trucks would get more expensive for tradies and farmers, but there's no such thing as a free lunch. What cars are sold is driven by demand. If you want to control that, there needs to be an appetite to do so at government level."

Toyota NZ also wants more research into using fuel prices to boost the uptake of low-emitters while mitigating effects on low-income households, and strategies to exit high-emitters from the fleet.

"We see it as our responsibility to do the right thing for New Zealand and the environment, and we're offering up something into the mix," Davis told Autofile.

"Overall, the commission's report is good on challenges and pathways. It has now gone to the government and the Zero Carbon Act will be considered in due course. There will be debate on how it acts because it's such a complex issue."

REVIEW OF EMISSIONS

Recommendations in the Productivity Commission's report failed to surprise the MTA and – as stated in its submissions to it and the Zero Carbon Bill – it backs incentivising the uptake of EVs.

"The devil will be in the details," says Greig Epps, industry relationship manager.

"It's a bit early to be throwing out hypothetical numbers and calculations."

The MTA supports a review of existing emissions standards to consider introducing CO2 levels. It stresses any such standards need to be progressively phased in so the sector can adjust operations to meet them through imports and sales, and test them via warrants of fitness and repairs.

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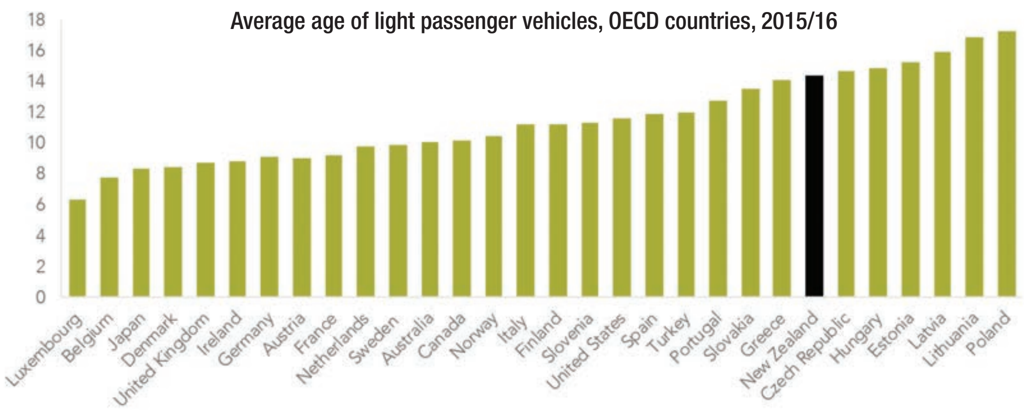


"We have called for a review of emissions for a while and it should involve consultation with industry," says Epps. "It needs to look at standards for cars entering the fleet and those in-service, and how standards are measured.

"We want to be sure there's an adequate transition for consumers and industry to move towards a low-emissions economy. This would mean having clear timelines for new standards.

"The government has discussed a 'just transition'. We feel this is best done by providing consumers and industry with enough time to reduce emissions and change the fleet from internal combustion engines [ICEs] to low-emitters."

Epps stresses the fleet's size and profile may be different in 10 years' time because of technology, better public transport, active modes of travel and more ride-sharing.

"Government initiatives in transport aren't just moving us towards switching the current fleet of ICE vehicles to a similar-sized fleet of low-emissions vehicles."

The MTA supports a review of other financial-incentive models, especially if this ends the situation of some road-using vehicles being exempt from road-user charges (RUC).

It describes a feebate scheme as good in principle because the government needs to move the market as initiatives up to now have been passive, low-level benefits for early adopters. For example, the trial of EVs using priority lanes in Auckland was reported as having little or no effect on uptake.

"How much of a rebate, how much of a fee," asks Epps. "How will this work with other policies to reduce the fleet's age and modernise it, such as an age limit on used imports or removing the exemption from standards for cars more than 20 years old, other than proven collectibles.

"Other policies need to be considered, such as planned annual excise fuel tax rises and suggestions revising the emissions trading scheme could lead to a minimum 23 cents per litre increase in fuel costs.

"The intention is for a feebate scheme to cover its costs by revenue matching expenditure. If other policies affect demand for ICE vehicles, what would be the ultimate fee for each high-emissions vehicle if the numbers coming in reduce? Would this affect the rebate and reduce demand for low-emissions vehicles? We can't say until we see more detail."

CHANGING BEHAVIOUR

The MIA says feebates alongside changes to fringe-benefit tax (FBT) could encourage consumers to make greener choices.

Its submission stated the current means of taxing motorists would need to change, and applying e-RUC should be factored in for all vehicle sizes and fuel types, but its position on that changed at its council meeting in August.

The MIA also opposes a fuel-economy standard based on GHGs because of its ineffectiveness and being difficult to apply to used imports.

"That would be a supply-side intervention," says David Crawford, chief executive officer. "Cost signals will get buried because they will fall on importers as opposed to being visible at first registration in New Zealand.

"The effectiveness of changing consumer behaviour would almost be nil if you limit supply of certain vehicles without influencing directly what people choose to buy. More lasting change and better decisions come when people make purchases and see incentives at that time.

"A feebate would be better because pricing signals are visible when such a system is in place. For example, four-by-four ute buyers would know they are paying a penalty while someone buying a fuel-efficient car would get a rebate.

"It would be important for under and overspends to be shown at point of sale. This would also be an incentive for EVs and plug-ins, and would start knocking down cost differentials."

The MIA wants FBT to be adjusted because most new vehicles are bought by businesses. It could start at 20 per cent, and come down to 15 per cent for plug-in hybrids and 10 per cent for battery EVs. It believes such a sliding scale would tip many investment decisions.

"Our position is feebates and FBT changes will start to change behaviour when people are buying vehicles, and this will accelerate a reduction in average fuel use across the fleet," adds Crawford. "It will be imperative for these price signals to be visible to buyers at point of purchase."

Traders urged to follow legislation

Dealers are being advised to follow legal guidelines for consumer information notices (CINs) with stock they are selling.

VIA (the Imported Motor Vehicle Industry Association) says the Commerce Commission will be enforcing the law on notices, which must be correctly completed and displayed on cars for sale on yards and with online listings.

David Vinsen, chief executive, says: "CIN legislation has largely been enforced when a trader is being dealt with for something else.

"Now the commission will be conducting more site visits and checking adverts on the likes of Trade Me to ensure the law is being followed.

"The CIN is basically prescribed and proscribed in that it must contain specific information. For example, dealers must inform customers – on the window card – that in-vehicle systems can receive national radio without a band extender. But you cannot put on the CIN whether it has ABS or five airbags."

All fields of the CIN need to be completed accurately. To ensure no risk of misrepresentation, VIA advises dealers to state in a separate notice any damage and subsequent repairs to cars whether imported or New Zealand-new.

Traders must also display vehicle fuel-economy labels. A notice needs to be displayed stating "fuel-label unavailable" if that's the case, but an enquiry should be made to establish this via the Energy Efficiency and Conservation Authority's website. Non-compliance leaves traders open to prosecution.

Vinsen adds there have also been concerns about possible misrepresentation if dealers get carried away in the way they describe vehicles.

"Traders need to comply with the Fair Trading Act [FTA] before the vehicle is sold, in advertising and when making enticements, while the Sale of Goods Act needs to be followed when a transaction happens," he told Autofile. "There are also Consumer Guarantees Act obligations after sales.

"There have been concerns about the FTA in regards to inducements to get consumers onto yards with some dealers not being as accurate as they should be. Our advice is to be as factual as possible to avoid being accused of misrepresentation. Traders need to fulfil all legislative obligations."

'COWBOY' DEALERS BANNED

Six people have been banned from being car dealers over the past year because of serious breaches of legislation.

The action has been taken by the Ministry of Business, Innovation and Employment, which says the number of unregistered and "cowboy" traders is increasing.

Those banned must not participate in the business of car trading for five years. Transgressions range from being unregistered to failing to adhere to Motor Vehicle Disputes Tribunal orders.

"The number of unregistered traders is increasing as the sale of cars has become more common since the rise in trading websites," says Stephen O'Brien, registrar of motor-vehicle traders and manager of trading standards.

His team has secured 18 convictions for unregistered trading over a 12-month period. In the past month alone, seven people have been prosecuted and fined for not being registered.

"Our primary objective is to obtain voluntary compliance," adds O'Brien. "When the trader doesn't engage with the registrar – or refuses to comply – we investigate and take necessary action."

Photo: ATL

Supply chain back on-track

Shipping and logistics companies are on an even keel after services were disrupted by Typhoon Jebi hitting western Japan.

Providers affected by the disaster on September 4 included Moana Blue and Automotive Technologies Ltd (ATL) with operations in Kobe significantly damaged.

Matt Battle, general manager, says they were all set to again be fully operational at the start of this month with its repaired heat-treatment facilities being tested.

About 300 vehicles purchased by clients have been subject to insurance claims for total loss, which he says highlights the importance of having policies to cover such events, while a vessel had just loaded from Kobe on August 30 for New Zealand, otherwise the typhoon damage would have been worse.

Before facilities fully came back online at the port, vehicles were staged based on shipment schedules with some units transferred to Nagoya for export processing.

"It has taken a massive effort to get to this stage," Battle told Autofile. "It started with organising the damaged vehicles [pictured top], making the site safe and replacing equipment, including some for heat treatment.

"ATL has been inundated with calls about marine insurance and a big part of all this has been processing claims on behalf of our customers."

The company has six other facilities in Japan meaning widespread delays weren't an issue. Battle adds: "To further enhance coverage and contingency, we are adding heat-treatment processing at ATL's Shin Moji [Kyushu] facility."

VIA (the Imported Motor Vehicle Industry Association) is strongly advising importers to avoid buying cars damaged by Typhoon Jebi because it's likely they will get flagged.

It has reason to believe a significant amount of such stock is becoming available at auction houses, and has been advised the NZTA is working with the Japanese authorities with officials to travel there to discuss defective vehicles.

In addition to a border-inspection damaged flag, other problems faced by importers of such stock include compliance, repair certification, consumer and Motor Vehicle Disputes Tribunal issues.

Malcolm Yorston, VIA's technical manager, says Kris Faafoi, Minister for Commerce and Consumer Affairs, has "very strongly" indicated all vehicles imported damaged must be flagged to ensure consumers are aware they are write-offs.

"There's a feeling something will be happening soon in this space," he says. "The government may look to tighten the rules from all jurisdictions."

Some importers' business plans are based on bringing in cheaper vehicles, while others focus on higher Japanese auction grades of four to 4.5.

"All we can do is advise what the likely issues with storm-damaged vehicles will be, especially with the minister wanting to inform the public what problems there are with imports. We believe there will be something on the cards with the government indicating this will be the case."

Yorston adds the supply chain for used imports from Japan has almost returned to normal following the typhoon.

"VIA recently had a teleconference with the stink-bug working group, which includes border-inspection companies, and they all reported being back up to speed.

"They have got their heat-treatment facilities up and running, everything seems positive and no one is talking about hold-ups, so hopefully everything is back to normal."

Frank Willett, chief executive officer of Autohub, says all of the company's facilities have been restored to pre-storm status with resources now going into categorising damage to customers' vehicles – from minor to major.

"There are a myriad of issues to address because a significant amount of cars have been damaged," he says. "A lot of exporters set up vehicles on the wharf for separate processes so everyone has been working together on this, while cars affected by hold-ups caused by the typhoon are now coming through."

The storm affected some areas more than others, with Roku Island, Kobe, being badly hit with extensive damage more so than Osaka, which is close by.

There has since been some loading delays for ports in Japan. They reopened on October 1 after operations were suspended as Typhoon Trami made landfall bringing strong winds and heavy rains.

Migrant salesman threatened

A sacked car-yard employee claims he was threatened with deportation if he said anything to a labour inspector deemed unacceptable by his boss.

Shakeel Gill, a worker from India, was taken on by South Auckland Vehicle Imports and issued with two warnings before being dismissed – and unjustifiably so, the Employment Relations Authority (ERA) has ruled.

The case also raised issues around breaches of laws governing the minimum wage, payment systems and holiday entitlement. It resulted in the company being fined $8,000 in addition to paying about $17,000 to its ex-employee.

The ERA said Gill's employment was "affected to his disadvantage" by his employer giving him warnings in August and November 2016 before he was fired. He was appointed by Navin Sharma, co-owner, in December 2015 as a salesman.

The company's head office was in Papatoetoe. Some wholesale transactions were run from there, as well as a repairs and compliance business.

The yard where Gill worked was in the same suburb, but relocated to Manurewa in mid-2016. For most of his employment, the yard was staffed only by him and manager Rupinder Kaur.

In October 2016 – after a tip-off – the Labour Inspectorate visited South Auckland Vehicle Imports and spoke to staff, including Gill, although no enforcement action appeared to be taken.

Gill said Sharma phoned him three times during his interview with the inspector to warn him that if he told her anything unacceptable, he would have him deported. Sharma claimed he called Gill because no-one at the yard answered. He denied pressurising him.

> "Failure to pay the minimum wage is serious"
> – Nicola Craig, ERA

Gill said when the inspector asked for company timesheets, Sharma couldn't provide any as none were completed. On November 3, 2016, Sharma gave Gill and Kaur forms to fill in retrospectively. Sharma said any delay related to the forms being in storage.

In August and November of the same year, Gill was given written warnings about his performance. By this stage, his job included grooming vehicles – previously done externally. Before that, he focused on selling cars, keeping the yard tidy, and taking them out for registration and petrol.

Awards format revised

The AA and NZME's Driven have teamed up to drive forward the country's premier motoring awards.

The panel of judges will pinpoint the nation's 10 top finalists with winners being announced at a cocktail event on December 12.

Stella Stocks, general manager of motoring services, believes the fresh format will ensure winners of the AA Driven Car of the Year Awards have been rigorously tested.

"There will be an action-packed trial of each car, which gives judges the opportunity to score from the driver's seat – and we believe there's no better test than that," she says.

Tony Verdon, editor of Driven, says the chance to evolve the awards was too good to pass up.

"For the first time, Kiwis will be able to go behind the scenes with stories capturing the testing process, as well as bird's-eye videos of cars being put through their paces," he adds.

Stocks, pictured, notes marques are particularly pleased their vehicles will be rigorously tested.

"The phone has been ringing off the hook with manufacturers keen to get vehicles in for judging, which will see the top 10 taking part in comprehensive trials on-road and at Pukekohe Park Raceway this month," she says.

"The criteria for what we believe will form the country's most comprehensive awards means the vehicle must have been launched into the New Zealand market between October 1 last year and September 30 this year – and be available for sale to the public.

"These awards are set to be the highlight of the motoring calendar with a perfect blend of innovation, motoring excellence and expertise."

After the move to Manurewa, Gill took up to three hours to groom vehicle. He couldn't keep up and complained to Kaur, who told him he had to groom stock as the company wasn't doing well.

Gill was sacked on November 30 for issues with his "performance, behaviour, attendance, punctuality, breach of policy and complaints from customers" – reasons also stated in written warnings.

In regards to disciplinary meetings, ERA member Nicola Craig noted evidence was produced by the company regarding setting them up, but it didn't act in a "procedurally fair manner".

She added: "I'm not satisfied Gill was told the subject of discussion, about having a support person or representative, or given opportunity to provide an explanation before the decision was made."

As for his dismissal, another employee phoned Gill to tell him there was work talk about firing him. Four days later, Gill called in sick so he could go to see the labour inspector. Later that day, he was told by Kaur to go into work.

Sharma said the company received complaints about his grooming and sacked him. Although his letter listed performance, behaviour and attendance as grounds, Craig was "not satisfied the reason was to do with grooming".

She said the dismissal happened one day after a second warning with no evidence of further incidents and Gill had insufficient time to improve.

There were procedural issues with the sacking. Gill wasn't given proper notice, a chance to be represented or a chance to explain and have any explanation considered, so he was "unjustifiably dismissed".

As for the company's wider actions, Gill's first employment agreement stated annual and public holidays – and sick, bereavement and parental leave – were "not applicable".

"This appears to have been an attempt to contract out of the Holidays Act," said Craig.

Employees must be given the opportunity to have a support person or representative at disciplinary meetings

"However, this is ineffectual and statutory provisions apply."

The company also failed to keep proper holiday and leave records. Paperwork included the name Alpha Cars, which appeared to be what South Auckland Vehicle Imports "traded under at some stage".

Penalties were sought for breaches of minimum-wage legislation, and failing to keep time and wage records. The maximum for each was $20,000, but the severity and mitigation of the case reduced the total.

"Failure to pay the minimum wage is serious," said Craig. "The discrepancy between that and what Gill received was not insignificant.

"Gill was a migrant worker whose visa depended on his position. He gave evidence he was treated worse than employees in another part of the business who weren't in the same visa situation.

"As he wasn't being paid minimum wage, he couldn't support his family in India. He took out loans and struggled to pay for accommodation, and moved out of his flat at one point because he couldn't afford the rent."

Craig found that time records and log books didn't contain genuine information regarding Gill's work.

She established a reduced provisional penalty of $14,000 for the breaches. As the business was declining when Gill was there, this total was cut to $10,000.

"As for proportionality, there's a need for punishment and deterrence. Looking at all factors, a reduction is needed to $8,000."

Craig considered remedies for personal grievances. Gill found other work, but not until mid-2017. Although Sharma said he wouldn't cancel his visa, when Gill told Immigration NZ he had been sacked his visa was cancelled. This made it difficult for him to find work.

He said he felt humiliated and suffered financial hardship because of the dismissal. It was considered he would be entitled to $3,000 before taking other matters into account.

Gills' job description in the first employment agreement referred to checking cars and water-blasting them. A second, with the title of assistant manager, was more focused on administration, but referred to other duties as assigned.

Craig said: "I consider it wasn't unreasonable to require a sales person or assistant manager at a small yard with few employees to undertake car grooming.

"Gill wasn't happy grooming, which he didn't see as part of his job. He was undertaking that reluctantly and to a reasonable standard on occasions. Although it was suggested grooming was too much on top of other work, it was at South Auckland Vehicle Imports' discretion to make this a higher priority to other tasks."

Due to this, Gill received $1,200 in compensation and $3,744 in lost wages in personal grievances. The company also had to pay him $7,082 in wage arrears, $1,000 commission for selling four cars, $557 in public-holiday pay, $1,152 for alternative holidays and $2,604 in holiday pay.

This was in addition to the $8,000 penalty payable to the ERA for breaching the Minimum Wage Act and the Employment Relations Act.

IN BRIEF

Action planned to limit tax-rise hike on sales

The Japanese government may consider tax breaks for motor-vehicle buyers and other measures to cushion the economic impact from increasing national sales tax from eight to 10 per cent.

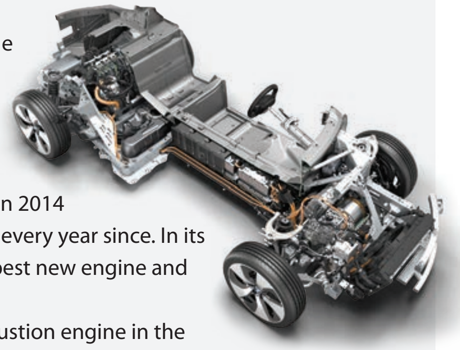
It's anticipated there will be a demand rush before the jump on October 1, 2019, with a drop in consumer demand afterwards.

Prime Minister Shinzo Abe has twice postponed the tax rise after the increase from five per cent in 2014 dealt a blow to private consumption, which accounts for about 60 per cent of the economy.

Some analysts warn the hike will hit spending hard causing sales of big-ticket items, such as cars, to slump. To prevent such a downturn, Abe plans stimulus steps in the annual budget for the next fiscal year.

Tax breaks for buyers may ease the pain for car manufacturers already under stress from the US' tariff threats.

Hybrid system scoops honour for fourth time



The powertrain in BMW's i8 plug-in hybrid electric vehicle won its class for 1.4 to 1.8-litre displacement in the International Engine of the Year Awards.

It came onto the market in 2014 and has topped its category every year since. In its first year, it also earned the best new engine and overall awards.

The three-cylinder combustion engine in the i8 develops 170kW to drive the rear wheels. The electric motor – with output raised to 105kW – sources its energy from a lithium-ion battery to power the front axle.

Ferrari's 3.9-litre twin-turbo V8 was the overall winner for the third time in a row and was judged best engine of the past 20 years.

Use original parts to avoid 'catastrophic' issues

The Motor Industry Association is urging people to only use parts from original equipment manufacturers (OEMs).

David Crawford, chief executive officer, says the advice comes "in response to unfortunate issues arising from the use of third-party parts in repairs or servicing".

Brake failure, catastrophic engine damage and misfiring airbags are some of the serious outcomes that may result from using non-genuine components.

He stresses genuine parts are new, and approved and warranted by OEMs. They ensure vehicles drive, function and protect users as the marque intends.

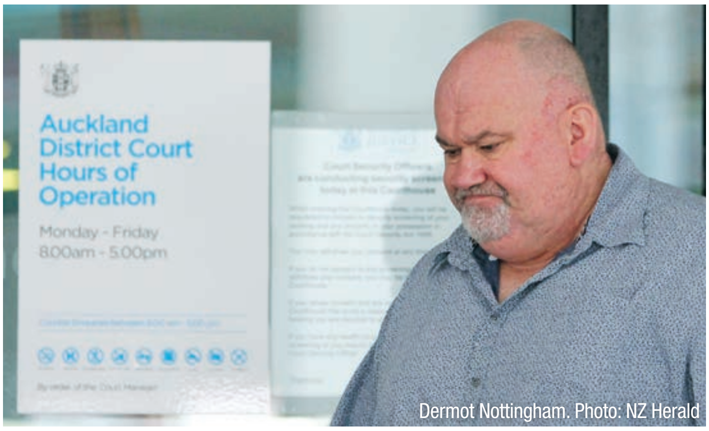
"Owners can only guarantee supply of genuine parts by sourcing them through the vehicle maker's authorised supply chain," says Crawford. "Use anything else and owners may be taking a risk."

Computer giant's decision stokes car talk

Apple's much-rumoured car project may be back on track. It has re-hired an ex-employee who left to work at Tesla. There is speculation he may have joined to help restart the EV project.

Said to be known as Project Titan within the company, Apple's car has been rumoured for years.

At various times, it has been thought to have been working on an entire vehicle, and then shelving that idea to create a computer that marques could include in their products.



Dermot Nottingham. Photo: NZ Herald

'Public interest' in bankruptcy

A judge says there is a public interest in Dermot Nottingham being bankrupted to find out if claims made in court are correct.

Nottingham said creditors had paid him about $2 million yet he was penniless, Auckland High Court heard on September 11.

The Official Assignee at Auckland has since been appointed to oversee the estate of Nottingham. He is well-known in the motor-vehicle industry for his allegations of odometer tampering, which were published in a book in 1998.

After stating he had debts of about $2m, Nottingham tried to avoid bankruptcy – due in part to court costs resulting from failed private prosecutions – by putting a proposal to a creditors' meeting in Auckland on July 4.

A majority with alleged debts of more than $1.5m supported his proposal, but because none provided proof of their claims they were rejected by the court.

Associate Judge Johnston said there was nothing in Nottingham's arguments opposing the application of judgement creditors that persuaded him to exercise discretion by declining to make him bankrupt.

"Nottingham has history of commencing private prosecutions against individuals in which he has been entirely unsuccessful," said the judge.

"These apparently groundless prosecutions have wreaked havoc with the lives of those wrongly accused of criminal activity. If Nottingham's bankruptcy puts an end to this practice on his part, then that's a public good.

"While there may be doubt as to whether all persons who claim to be creditors of Nottingham and filed claims in the context of his proposal I've overturned are all bone-fide, if they are it would seem his creditors have paid to him something in the order of $2m – in cash or value – over recent years. Yet he claims to be penniless.

"There is a public interest in Nottingham being bankrupted so the Official Assignee can investigate his affairs to establish whether these claims are legitimate and, if so, what has happened to the $2m he has received but claims no longer to have."

After the hearing, Peter George, a creditor and blogger, told Autofile: "The bankruptcy should be made public in case there are others with possible claims."

George, of Dunedin, is one of Nottingham's creditors "because he tried to privately prosecute myself, another blogger, the NZ Herald and Otago Daily Times, and costs were awarded to us. He withdrew the charges in June 2016 after 11 months of trying".

He added: "Given his history of litigation, appeals and threats to appeal, this is unlikely to be the end of the matter. But at 3.30pm on September 11, he was adjudicated bankrupt."

Nottingham's bankruptcy was exclusively revealed by www.autofile.co.nz – visit the website for in-depth court reports.

State shows off golden future

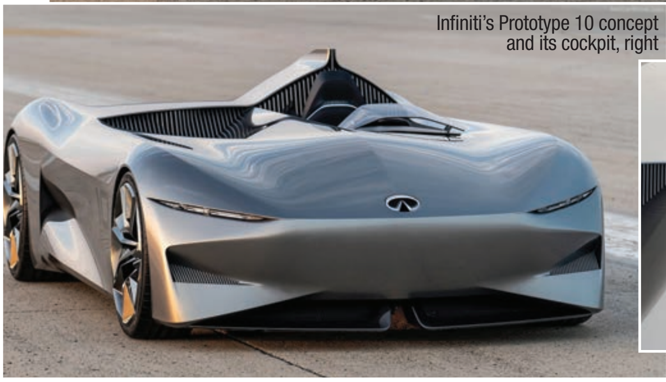
A striking vision of Infiniti's electric future was unveiled by the marque during Monterey Car Week in California.

The event, which is often viewed as America's top automotive gathering, attracts car aficionados from around the globe and is also famous for hosting the Pebble Beach Concours d'Elégance for classics.

And many commentators this year opined Infiniti stole the march on its rivals when it comes to electric vehicles (EVs).

The marque's Prototype 10 concept is a speedster that provides a window into the future of lower-emissions driving.

Infiniti plans to electrify all new production cars from 2021 onwards. It will offer owners the choice of pure battery EVs or high-performance parallel hybrids with e-Power range-extender powertrains.



Infiniti's Prototype 10 concept and its cockpit, right

It says the range extenders in particular will eliminate the need for an external charging source, providing "range confidence" for long journeys.

Rapid acceleration, high speeds and intelligent energy management will be central across future production models.

Flexible platforms will create possibilities for powertrain and chassis layouts with the Prototype 10 showing how an electrified one could fit in a lightweight body.

The concept hints at the potential for Infiniti to adopt rigid, modular platforms with flat floors to underpin all new electrified models, and support a new era of design and packaging.

Modular platforms will enable the marque to apply e-Power and battery EV powertrains in creative ways with chassis of all shapes and sizes – including sedans, SUVs and sports cars.

Electrification will also provide an opportunity to introduce a wider variety of drivetrains, including an all-wheel-drive system underpinned by electric motor technology to help transform perceptions of EV performance and power delivery.

The single-seater Prototype 10 has reimagined the classic speedster with a forward-looking design. The most obvious representation of its performance is its low layout and proportions, with its long bonnet and open cockpit contrasted by a fin behind the driver's seat.

The bonnet flows into the open-air cabin, drawing attention to the driver's seat and large electric-motor cooling ducts.

There's no need for a steering column due to the marque's steer-by-wire direct-adaptive steering providing fast responses to inputs.

The small-diameter wheel follows motorsport principles with a flat lower section and distinct grips for the driver's hands – with no gears to change, an electrified powertrain means fewer physical distractions.

COCKPIT GOES DIGITAL

Mercedes-Benz unveiled the Vision EQ Silver Arrow show car – the one-seater is an homage to the record-breaking W125 from 1937.

It has been conceived with output of 550kW. The thin, rechargeable battery in the underbody has a useable capacity of about 80kWh and enables a calculated range of more than 400km. Side air vents help to cool the power source.

The Vision EQ Silver Arrow

Lamborghini's SVJ 63

The paintwork silver on carbon-fibre exterior is reminiscent of the historic Silver Arrows which, for weight reasons, didn't have a white paint layer. The interior boasts traditional materials, such as leather, polished aluminium and solid walnut.

The digital cockpit points to the future by including a curved panoramic screen with a three-dimensional image of surroundings projected from behind, as well as a touchscreen integrated into the steering wheel.

With the help of artificial intelligence, it's possible to engage in a virtual race against Silver Arrows past and present. For this, a virtual racetrack is superimposed onto the real roadway on-screen and the driver sees the opponent ahead or behind as a "ghost".

There's also a touchscreen on the steering wheel for comfort, sport and sport-plus modes, while sound settings can be configured to a F1 Silver Arrow or Mercedes-AMG V8.

Two extendible rear spoilers act as an air brake by increasing wind resistance when deceleration is desired.

FUNCTIONAL DESIGN

Automobili Pininfarina has released the first official images of its limited-run PF0 electric hyper-car concept following positive private viewings at Pebble Beach.

Michael Perschke, chief executive officer, says: "For a new car company, this US launch was challenging, exciting and rewarding."

Six months before the final PF0 design and name are revealed at Geneva Motor Show in March, feedback indicates demand will outstrip supply for the first production road car designed, produced and branded Pininfarina – a long-held dream of founder, Battista "Pinin" Farina.

The company was announced in Rome in April as the world's newest marque with an ambition to sustainably develop and produce fully electric and ultra-luxury cars.

It says "extreme levels of technology and functional design" lie beneath the PF0 concept's carbon-fibre exterior. It accelerates from 0-100kph in less than two seconds, can break the 400kph barrier and potentially provides a zero-emissions range of more than 480km.

A single dynamic strip of light cascades from the front of the car to replace traditional headlights, while the cockpit is focused around a "vanishing point" concept for the main dashboard display.

FIRST-YEAR HOMAGE

Lamborghini's Aventador was unveiled during Monterey Car Week after claiming its position as the Nürburgring-Nordschleife production-car record holder by completing the 20.6km lap in 6:44.97 minutes.

Its production is limited to 900 units, but more of a talking point was the special-edition SVJ 63, which made its world debut on the concept lawn at the Concours d'Elegance. It's a nod to the marque's founding year of 1963 and will be limited to 63 units worldwide.

With its optimised powerplant making it the most powerful series production V12-engined vehicle produced to date by Lamborghini, the SVJ 63 features an increase in power to 566kW at the maximum of 8,500rpm. It outputs 720Nm of torque at 6,750rpm.

It accelerates from standing to 100kph in 2.8 seconds and from 0-200kph in 8.6 seconds. A top speed of more than 350kph is complemented by a braking distance of 100kph to zero in 30 metres.

Pininfarina teased the PF0 electric hyper-car

A tri-dimensional air outlet on the hood directs airflow, improves drag and downforce, and alludes to the aerodynamic purpose of the SVJ's design.

The SVJ's new rocker adopts the Y-theme found in Lamborghinis while resembling shapes in jet-fighters. The enhanced powertrain features a titanium intake valve with a new-shape intake runner, with a modified intake cylinder head duct for higher flow co-efficient.

Its four-wheel-drive system has improved torque split to maximise traction and agility, with its higher stability allowing a further three per cent of torque to be sent to the rear axle compared to the SV.

Electronic stability control has been enhanced for improved cornering, while ABS has been tuned for improved grip. The first customers will take delivery of the new SVJ at the beginning of 2019 with suggested retail prices starting at about NZ$558,000.

Going the distance with range

How far will it go on a full battery is the first question most dealers of electric vehicles (EVs) get asked. It's complicated to answer because it depends on many things.

The size of the traction battery matters most. It's measured by how much energy it can store when fully charged and is usually expressed in units of kilowatt hours (kWh).

New Zealand's most common EV is the first-generation Nissan Leaf. It came out as a 24kWh model in late 2010, but graduated to 30kWh in 2016. Its second generation was released this year with a 40kWh battery. At the other extreme is a Tesla Model X (P100D) with a 100kWh battery.

People often short-circuit things by referring to battery size in kW rather than kWh. Avoid this because it's the quickest way of losing street cred when a knowledgeable buyer walks onto your forecourt to buy one.

Saying a Hyundai Ioniq has a 28kWh battery is a bit like giving the tank size of a combustion vehicle, but there's a complication – an EV's "tank size" shrinks as the battery ages.

Just as you have to charge your cellphone more as it gets older, so too the EV battery's energy-holding capacity gradually fades.

Range depends partly on the battery's state of health (SoH) – the percentage of the energy-holding capacity it can still hold.

My 24kWh Leaf was made in June 2015. It now has a SoH of 94.6 per cent, so has lost 5.4 per cent of its maximum range in 3.25 years.

About 2.7kWh of battery capacity is held in reserve for protection, so my 24kWh Nissan could discharge about 21.3kWh of energy when brand new. Three years on, it can deliver 21.3 x 94.6 per cent, or 20.1kWh from a full charge.

That's just the battery half of the story. The final range is also determined by energy efficiency while driving measured as km/kWh, so when buyers ask how far an EV goes on a full range, stress it depends a lot on how, where and when they intend to drive it.

Henrik Moller, co-founder, Flip The Fleet

The "lead foot" costs the owner of a combustion vehicle a lot in extra petrol and increased maintenance bils, but most drivers probably never notice or don't care.

The waste from erratic driving and fast pick-up are more important in an EV because its range is often comparatively short. For example, efficiency is lower on hilly terrain and when carrying a heavy load.

Energy efficiency, and therefore range, is lower the more you go south in New Zealand, particularly during winter. The cold squeezes an EV's performance partly because drivers use heaters, wipers and lights more. Range also declines more in the south because of some basics of chemistry – batteries don't work as well when they are cold.

It's important for car dealers to quiz prospective buyers how far they need to travel during winter.

For example, I live in Dunedin. My Leaf's average efficiency in summer is around 6.6km/kWh, so I can go 20.8kWh x 6.6 km/kWh, which comes to 138km on a full charge.

I'm also a wuss. I like having the seat and steering-wheel warmers on when it's cold. I average around 5.8km/kWh in winter, which gives me a winter range of about 120km – or 13 per cent less than in summer.

Finally, few people run their battery to nearly flat. Most recharge when it falls to 20 per cent of full charge and certainly by 10 per cent. Unless an owner likes living near the edge, few will regularly rely on the full capacity of the car as calculated above. They need some breathing space.

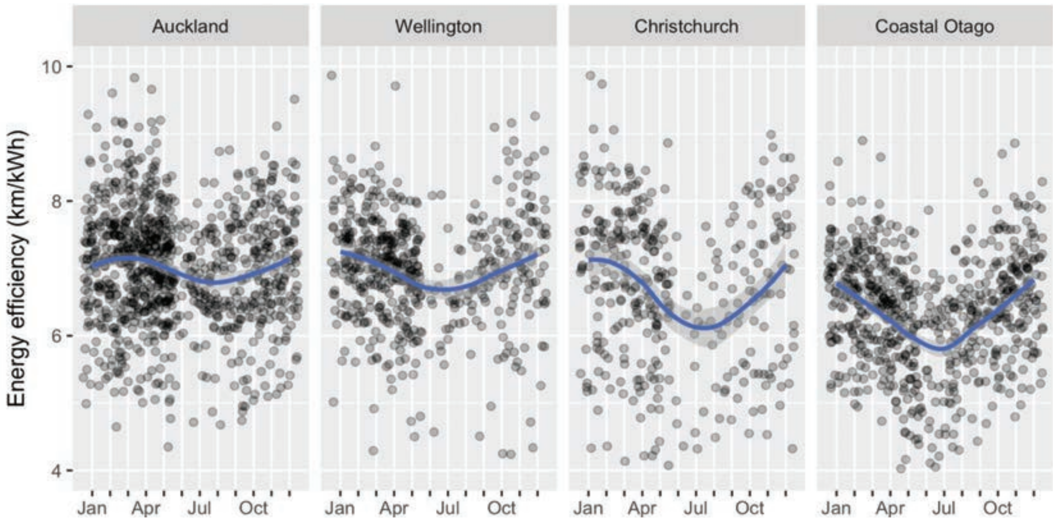
All this means it is important car dealers communicate clear and realistic expectations about how far an EV will go.

It would be ideal to lend the car, or a courtesy vehicle of about the same battery SoH, to your client for a week before sealing the deal. That way the customer can measure efficiency and range during normal routines and be more confident.

Estimating realistic range will become much less important as batteries get bigger and better.

But in the meantime, one thing is for sure – relying on the manufacturer's global-range estimate from sales specs is a recipe for trouble down the track. EVs are a tad more complicated than that.

ENERGY EFFICIENCY OF EVs BY SEASON



Hundreds of EV owners report their energy-efficiency statistics each month to Flip The Fleet's database. Each graph dot is one record. There's a huge scatter around the line for the average.

Boost for electric cars from survey

Market research carried out for the Energy Efficiency and Conservation Authority (EECA) shows Kiwis' perceptions of electric vehicles (EVs) have improved over the past few years.

The three key measures used in the EECA's Consumer Monitor are familiarity, favourability and confidence in EVs to meet needs – and they have all increased since the survey started in the fourth quarter of 2016.

When asked how they would rate their familiarity with EVs, 14 per cent of people replied they knew about them "very well or quite well". This was for the period from April to June 2018, and compared to 12 per cent between October and December 2016.

There was a bigger proportionate rise in another category when asking how favourable or not people's overall opinions or impressions of EVs were. Fifty-seven per cent replied "very or mainly favourable" – up from 47 per cent over the same timescale.

The third question was to what extent were respondents confident EVs could meet their needs, and 49 per cent responded "very or somewhat confident" between April and June 2018. That was up by seven per cent on 42 per cent from October to December two years ago.

An extra question asked how likely people were to consider buying differently powered vehicles when making their next purchases.

Consideration of battery EVs increased significantly – up from 19 per cent in October to December 2016 to 33 per cent in April to June 2018. The other results over this period saw plug-in hybrids jump from 25 to 33 per cent, while hybrids rose from 29 to 34 per cent.

Conversely, there were one per cent increases for people considering petrol and diesel vehicles – up to 75 and 26 per cent respectively.

The way the EECA asks questions is different to other surveys on the same subject, but it says putting the same questions over a lengthy period of time gives a good indication of how people's perceptions have changed.

Meanwhile, New Zealand has passed a milestone on its journey to a low-emissions transport system with more than 10,000 EVs now registered. Five years ago, the total was 210 units.

Andrew Caseley, the EECA's chief executive, is delighted by this growth. "Momentum is building from a very recent standing start. Ten thousand EVs is a small beginning, but New Zealanders are embracing this technology and growth will only accelerate."

KIWIS UP FOR SWITCH

Energy company Mercury believes New Zealanders are ready to go electric and that should prompt manufacturers to send models to these shores.

Julia Jack, chief marketing officer, says keys to hitting the government's target of 64,000 EVs by the end of 2021 are a greater choice of models and a strong second-hand market.

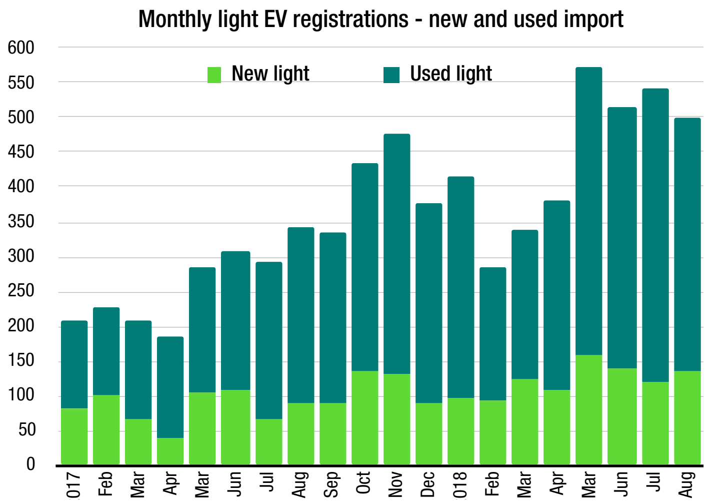
Government and businesses are considered fundamental to the used market with about 65 per cent of new vehicles purchased by this group.

She says businesses have made progress, including a collective of more than 30 corporates being committed to transitioning at least 30 per cent of their fleets to plug-in by 2019.

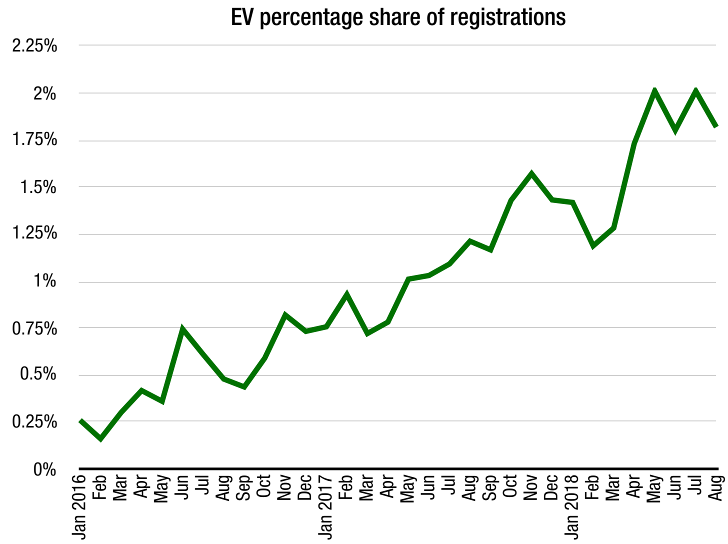
Light EV ownership

	Pure electric		Plug-in hybrid	
Individual	5,061	70.4%	1,398	56.8%
Company	1,572	21.9%	1,016	41.3%
Other	553	7.7%	46	1.9%

"Other" owners are typically central, regional or local government



Source: MoT, September 9



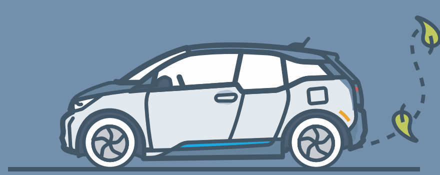
Top 5 EV models
listed on Trade Me this month:

- **Nissan Leaf**
- **Nissan e-NV200**
- **BMW i3**
- **Tesla Model S**
- **Hyundai IONIQ**

Average listing price
for the month:

$22.4k

Eye on EVs



trademe motors

* Figures as per the end of **September 2018**

Analyst eyes up industry's future

A data centre supporting the imported fleet to connect with New Zealand's roading infrastructure in order for used imports to operate on our roads.

"I have no doubt that will be the case," says Kit Wilkerson on the future of VIA (the Imported Motor Vehicle Industry Association), where he is policy adviser and analyst.

"Data management is a major challenge for the industry. Cars of the future may have autonomous functions, artificial intelligence and safety features that require infrastructure to work on our roads.

"We have to ensure New Zealand supports that even if VIA has to manage it."

Wilkerson says it's too early to know if imported used cars will need modifications when they arrive on our shores to link into our future infrastructure or if the country will adopt Japan's.

"It's one of the things we just don't know and is one of the challenges we face – figuring out what to do at the right time to keep the doors open for the industry as technology changes.

"All of our source jurisdictions – Europe, Japan and Australia – will be using different technologies to support their fleets.

"Ultimately, it's an engineering problem that could create opportunities for business because New Zealand globally leads attempts to harmonise these technologies due to our liberal importation laws.

"It may be software that we will have to change, but it may be copyrighted or protected by manufacturers and they may not give us access to it. There may be an opportunity to retrofit imported vehicles with safety features. We allow parallel imports, so we're one of a few nations that has to deal with these problems first. Any solutions we come up with we could export to other parts of the world."

In his four-and-a-half years with VIA so far, Wilkerson believes he has helped it become more

Kit Wilkerson giving a presentation at the T-Tech transport innovation conference hosted by ITS NZ in Auckland earlier this year

forward-thinking – although the organisation was forward-facing before in that it knew it needed someone to advise it.

Now it has roles with government leadership groups working on future technology policies and intelligent transportation systems (ITS).

"VIA is one of the most relevant industry associations when someone wants to talk about the future," he says. "It's well-prepared

> "I don't see EVs as just being optional, they're inevitable. In the next 20 years, almost all available cars will be electric"

for any issues that may come from the development of new technology in Japan or elsewhere, as well as being informed about policy that would be appropriate to face those challenges.

"It's a great team and I'm enjoying the opportunity to do good. I've learned a lot about business in general so far, and see Malcolm Yorston and David Vinsen as mentors. Generally, I find people in the industry are innovative and forward-thinkers."

As for challenges facing the automotive sector, Wilkerson says it's the same thing facing every industry – the increasing rate of change. In addition, society is starting to recognise problems in using technology that will require social change.

"How that will happen is up in the air. We're talking about the sharing economy, such as with Airbnb, and we will start to see more of that with vehicles."

That may result in a drop in vehicle ownership, which would be difficult for the industry because "if people don't need cars, they're not going to buy cars".

On the flipside, Wilkerson says there's nothing to stop people from, for example, ride-sharing right now, which is one of the models being discussed to maximise transport.

"They could have done that years ago. But people just don't like to share their personal space. There are people who will want to continue driving. That said, you will get later generations who have never driven a car and they may eventually be the only people on the roads."

Wilkerson believes reducing noxious gases and CO2 emissions will be a challenge. "The best way to do that is to replace poorly maintained vehicles in our fleet, but no one has figured out a cost-efficient way to do that."

He says the industry has become more forward-facing. "For me, it has been exciting to watch players step up and become involved in electric vehicles [EVs].

"It's a technology even the new-car guys were hesitant to sell here. The used-car industry, normally seen as an impediment to uptake, is leading the way in some new technologies. I don't see EVs as just being optional, they're inevitable. In the next 20 years, almost all available cars will be electric."

As for a driverless future, Wilkerson is loath to predict when autonomous vehicles (AVs) will become mainstream.

"I think we're only one or two breakthroughs from having them as a viable option. However, we don't know when that will happen – if ever.

"In limited application, we will have AVs as a convenience. But in the near future, autonomous parts of cars will be used as safety features.

"The vehicle may be able to drive itself but, because of liability issues, manufacturers will not be prepared to turn that on for quite a while and many jurisdictions wouldn't allow it."

Wilkerson suggests there will be businesses managing fleets of driverless cars in the future, a hypothetical being Uber without the driver. And when the shift to AVs does occur, ownership models will change.

"We'll see a bigger change from

Kit Wilkerson attended the ITS World Congress 2018 held in Copenhagen last month – read his report on page 22

mobility as a service and shared ownership versus what we have today than we will with AVs, at least in the near future."

The first AVs will likely be driverless shuttles on set routes, such as designated motorways lanes separate from humans.

"What if we built a two-lane highway that follows the KiwiRail track down the length of the country for AVs? Autonomous freight trucks could use that because no driver is needed. The truck will get on the AV road in Auckland and come off in Wellington. Then a driver will meet the truck and drive it through the capital to deliver the goods.

"Now you're talking about a shift in an ownership model for freight. People could use private AVs on this motorway as well because it would have the right infrastructure. Rather than putting infrastructure on every road, we could put it on corridors."

Wilkerson describes AVs as the tip of the iceberg in regards to ITS. "The iceberg has only got bigger and the rate of change will accelerate. That's just the new normal everywhere with systems finding smarter ways to do things.

"We will find faster and, hopefully, better ways of doing things. One of the risks is that the first alternatives developed and sold to us may not be the best options. They may just be driven by commercial opportunities, rather than optimal solutions."

Socially, the fast rate of change could go either way – positive or negative.

"Take AVs, for example. They could become so convenient that every household owns as many AVs as there are people living in a house because they're so cheap.

"For example, my child needs to go to gymnastics and I don't need to drive her because my autonomous car can do that. So, I own an AV to shuttle my children around. Ownership models like that could expand the fleet's size.

"This could be the first time when we could have average occupancy of cars on roads of less than one because half are returning from dropping someone off at a destination. There's no parking anymore because businesses have decided AVs don't need it or are going to pick someone else up.

"So what does that do to problems such as congestion? If we still have human drivers on the road at this point, we will have stop-and-go traffic that could compound it or it could be a silver bullet. It depends on how society adopts it.

"It will depend on lots of things, such as the cost of vehicles. There could be business models whereby manufacturers stop selling cars and have partnerships with Lyft or Uber, or create their own companies and become service providers.

"Then we're doing a shared economy owned by original equipment manufacturers [OEMs], which will compete with each other to provide the best service."

In such a scenario, there would be an opportunity for someone to parallel import AVs to provide their own service.

"Even with that model, it doesn't mean the end of our industry. They could roll this out fast in Japan, so there would be a chance for us to do this in New Zealand before our OEMs. We could be a frontrunner. It's exciting and scary."

Looking ahead in the technology space, one of Wilkerson's greatest fears is how people's data could be used.

"More data will be collected off us in the future. It could be analysed and used against us to make a profit by selling things back to us. We're much more susceptible to it than we think we are. I'm a big advocate of privacy rights."

Autofile readers will be aware Kit Wilkerson was due to join the Energy Efficiency and Conservation Authority in November. He has since decided to stay on at VIA – visit www.autofile.co.nz to find out more.

Driving solo

Kit Wilkerson has become fascinated with the potential of small EVs being developed, such as one in Sweden called the Uniti One.

"These are small cars designed for one person. They wouldn't be legal on our roads, which is unfortunate, but I understand the safety concerns.

"There's an argument to be had for these vehicles. I can see myself in one of them – just myself and digital screens all over the place. A single-seater – kind of like riding a motorbike, but with more protection and stability."

The Uniti One

Maximise your online dealership

What I'm going to focus on here is your website, which is not only the face of your business but also the beginning of the experience with your dealership for any prospective customers who land on it to learn more about your business and cars they are interested in.

Once they arrive on your website, you really want them to spend us much time there as possible – and better still, convert them through to making an enquiry or visiting the dealership.

Your customer shouldn't learn anything new when they visit your dealership that they didn't already see, read, experience on your site, other than the personal experience and vehicles being as good as you said they would be.

The other component is the experience you provide your prospective customer on their cellphone. There are endless statistics out there, but whichever way you cut it the majority of your customers visit your website on a mobile device. Therefore, it's critical to ensure this experience is simple, easy and informative.

In this day and age when such a large percentage of vehicle browsing is done online, your website is there to act as a credible reference to your business for those customers who are checking you out from other listings sites, or have visited your website organically from their own research or referral from a friend.

Your website should also act as a hub that everything points towards, whether it be other forms of advertising with Google and Facebook through to customer-relationship management components.

MARK GREENFIELD
Motorcentral

Whichever source your customers interact with your business online from, they all need to bring them back to your world, your website.

Your website has to also do as much as it can of what you do when you are face to face with your customer.

It is the opportunity to deliver an experience to your clients, present to them vehicles that suit their needs and create an easy path for them to engage with your dealership, make an enquiry, book a test drive, apply for finance or simply see where you are and call in for a visit.

It's really not all that different from the pre-internet past when they would walk or drive from dealership to dealership in search of a vehicle they liked, or they came across a highly effective sales person they couldn't help but buy a car from.

The only difference today is they have the tools to view thousands of cars and hundreds of dealerships in a matter of minutes or hours, in some cases 24/7, without the need to be persuaded by any smooth-talking or instant rapport-building sales person or dealership environment they instantly trust.

Therefore, it's got to be conveyed online as best you can in a short space of time, and not just your website. It needs to be consistent across everything you do no matter where they may engage with your business or see some advertising you are presenting.

I cannot stress enough how much the human element needs to be presented online more than what it is today in many businesses.

Websites are a low-cost investment for the value they can offer car dealers

Show your face, talk to a camera, and build trust and familiarity with your customers in the space they are doing all of their homework.

Once they get to your dealership, they have already chosen which two they are visiting, so getting this right online ensures you will be one of those.

Websites are a low-cost investment for the value they can offer your business and prospective buyers. It's the online face of your dealership, it's open all hours and is there for many years to come with renovations and upgrades along the way.

Businesses are quick to spend hundreds of thousands of dollars on physical yards and advertising, yet overlook what they need to do online.

Websites will continue to play an even bigger role for businesses as technology continues to evolve. The team at Motorcentral continues to develop and deliver websites with features and functionality that are viewed by many as unparalleled in value in New Zealand.

Our team understands dealerships, their customers and the needs of both. Regardless of who your website is built by, just ensure it portrays your dealership, your people and your vehicles online in a way that's consistent with the experience on the ground.

If you want to learn more about Motorcentral's websites, which are compatible with most dealer management systems, phone our team on or 0800-623-687 or email dealersolutions@motorcentral.co.nz.

On agenda at world congress

I've been working to identify opportunities and risks for our industry in the world of intelligent transportation systems at the ITS World Congress 2018 in Copenhagen.

This column is a rundown on some of my observations bearing in mind the theme of "quality of life".

POWER OF CYCLING

This year's event saw a major shift away from discussing autonomous vehicles towards a solution that can be implemented today – cycling.

It's being promoted as the ideal solution to several problems, including unfit populations, and pollution and emissions.

Copenhagen itself has embraced this solution. As I walked to the convention centre, I saw more people commuting into the city by bike than by car.

To facilitate this, the city has been developing three separate, but complementary, "roadway spaces" for cars, bicycles and pedestrians. The cycleways even have their own traffic lights.

There's also quite a bit of research into connecting bikes to gain the same benefits we anticipate for a connected network of cars – everything from intelligent real-time routing, to better data-driven planning of infrastructure.

Considering most cars on New Zealand's roads only have a single occupant, imagine the effect on Auckland's motorways if even one-quarter of commuters opted to cycle.

GOING CARBON NEUTRAL

Every policy, solution and technology discussed had an underlying "green" mobility agenda. It's obvious reducing carbon emissions is a major part of the agenda, even if not explicitly stated.

I suppose climate change has the potential to negatively impact the quality of many lives, so mitigating the impact assures a continued quality of life.

PROVIDERS FIND NICHE

Mobility as a service (MaaS) continues to diversify with more providers finding their niches and the number of companies developing automated vehicles is growing.

At this event, several original equipment manufacturers (OEMs) and even mapping companies displayed mock-ups of their future MaaS vehicles.

ONE PERSON ON-BOARD

Electric vehicles are the best way to decarbonise transport, but their uptake faces several challenges, such as new infrastructure, cost and range concerns. One solution proposed by many OEMs and start-ups is a new form of vehicle called an "L-class" in the EU.

The "L" stands for light as these vehicles are smaller than cars, ranging from scooters to enclosed tricycles or even quadricycles. Most are designed as single-passenger vehicles.

This might sound absurd, but considering most vehicles only

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carry one passenger at any time, this is a valid solution for most trips. Being smaller and lighter, these vehicles have a comparatively higher range and are much cheaper than traditional cars.

New Zealand has not yet recognised these vehicles as roadworthy options, but I suspect this will change as the rest of the world continues their uptake and enjoys their benefits.

FREIGHT GOING ELECTRIC

Commercial freight has become a hot topic – Elon Musk has promised us the future will be full of self-driving electric trucks. Until that's realised, many nations are looking for other ways to electrify freight.

In recent trials, the cheapest was overhead lines over a single lane on motorways. This would work similarly to electric trains and buses many Kiwis are familiar with.

Equipping main arterials like this would cater to hybrid vehicles that could use the power to drive as well as charge batteries. While the wires are probably too high above the ground to be of use to cars, it would be ideal for buses and other commercial vehicles.

WORKING TOGETHER

I attended many sessions discussing ways the private and public sectors can co-operate to develop solutions.

This is important since technology is evolving faster and faster. Policy makers need to empower new technology and encourage its safe uptake.

ITS CONNECT

The biggest risk to our industry I've found is the increased range of vehicles that may be equipped with ITS Connect.

It's a technology developed in Japan for the Japanese market, transmitting communications to and from vehicles on 760MHz. The risk for us comes from the fact this frequency in New Zealand has been sold to telecommunications companies, so it's illegal to import goods that can broadcast on it.

Previously, this technology was only sold as a manufacturer option in specific Toyota vehicles in Japan, such as its Lexus RX and Crown.

Toyota has now announced this range has been extended – as of September 2018 – to include the Lexus LS, RS and NX, Alphard, Vellfire, Prius and Prius PHV. It's also now a dealer option in the Noah, Voxy, Esquire, Harrier, C-HR, Camry and Corolla Sport.

VIA has advised the industry to avoid these vehicles. If necessary, ITS Connect devices could be disabled or removed.

The problem is identifying which vehicles have it because it's only an option. Passive detection tools are unreliable because the broadcast capability can be turned off by the seller in Japan, leading to false negatives.

VIA will continue to explore options for identifying these vehicles, and further opportunities and risks in emerging technology.

Industry movers

STEVE TE WAITI has joined AHG NZ as group finance and insurance manager – with 30 years' automotive experience under his belt – from being head of sales at BMW Financial Services.

His sales and finance roles have been drawn from a diverse career spanning dealership and industry positions, such as credit controller, business development manager and used-vehicle sales manager.

About half of Te Waiti's career to date has been with UDC Finance. His most recent role there was national distribution manager overseeing branded finance for various marques, such as Ford, Mazda and Honda.

KYLE AVERY has been appointed as business development manager for Provident Insurance based out of Hamilton.

He has a wealth of experience in the industry and was previously national sales manager with Autosure NZ. Avery took on that position at the start of 2016 having worked for the company for about 13 years where his other roles included regional sales manager and account manager.

Barry Nicholson

Chris Briggs

BARRY NICHOLSON has been appointed as general manager of ORIX New Zealand.

Formerly national sales and marketing manager for the vehicle leasing and finance company, he has taken over the position from Chris Briggs.

Before joining ORIX NZ, Nicholson was an executive manager with Autosure NZ, a division of Vero Warranty at the time, for about two years. This was preceded by senior sales and marketing positions at Fleet Partners NZ and Custom Fleet.

Briggs will still retain an overview of ORIX NZ while focusing on his other ORIX Australian responsibilities. He says: "I've enjoyed guiding ORIX NZ over the past decade or more, but it's time to hand over to a locally based general manager to steer the company into the future."

CHRISTO BANNINK is the new dealer principal of Manukau Hyundai in South Auckland.

He first joined AHG NZ in January 2018 as fleet sales manager at John Andrew Ford, and has more than 18 years' experience in the automotive industry here and overseas. Bannink's previous roles include operations manager at CablePrice, regional sales manager for Auckland with Penske Commercial and used-car manager at Eastland Toyota in Gisborne.

He also spent 14 years at Hyundai Automotive Holdings, South Africa, building his career from sales executive through to sales manager before becoming dealer principal from 2007-15.

SIMON McMANUS has become the first executive officer for ITS New Zealand.

He has been tasked with leading its growth and implementing a business plan, which seeks to help members address transformation and disruption from technology, new models and transport modes.

In the past six months, McManus has led the rebrand and relaunch of ITS NZ's annual summit as T-Tech and has grown its membership base.

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

NZ labour market report

WILL ALLAN
Hello Monday

The term "brain drain" dates back to the mid-2000s. Now the constant belief is there's a talent shortage in our country.

This opinion has also worked its way into dealerships. However, I believe there are good people out there but they may not know your business exists.

Having spoken to a few dealer principals and hiring managers, finding talent is a constant challenge they seem to face.

Why is this? I don't doubt them, nor do I think their situations are unique to their environment. I did ask how they were attracting people and managing their existing talent. I got mixed feedback and some cynicism there are other forces at work out of their control.

My immediate thought was, "do something about it", but I kept that to myself as I'm not in their business every day to know the challenges as well as they do.

So, I want to share some views and ideas that may be useful to help you look at talent at your dealership differently, and do something that can potentially remove the anxiety and challenge of attracting and retaining talent.

You know already your best resources for talent are your existing people you bring on. You go through quite an exercise to hire them.

It's only fair to them and yourself that you ensure you have a development programme that keeps their skills relevant to your business, the industry and customers.

This programme starts from your on-boarding and induction to their progression over time. On day one, they need to know they've made the right decision to join you.

Training and development are musts for every organisation, and it has to be constant to keep energy and excitement going.

Every year, you are selling new or different vehicles. When that happens, you should get everyone involved in seeing your range of stock, find out about vehicles' features and benefits, go for a test drive and experience the joy of being in your latest forecourt arrival.

One person in the administration team or a technician in the workshop may know someone who could buy one or more of your latest models, so now they become advocates of your business.

When this happens, they start talking highly about why it's so great to be a part of your team. Straight away, you may get people wanting to come and be part of your success story.

This can help with recruitment problems. Good people will only recommend good people, similar to your best customers recommending your service.

Here are some quick wins.

Set up a talent matrix. This is a simple spreadsheet with everyone's name, and all of their skills and knowledge. Where the gaps are, you fill with training or you go and recruit.

Provide mentoring or one-on-one coaching. These allow you to have good conversations with your team members about how they're going and what help they need. Don't wait for the end-of-year review. Keep sessions regular and up to 15 minutes.

Build an internal development programme. If you're struggling to find good technicians or sales people, develop your own programme that allows for growth and development. You may already have the skills internally.

Reinforce learning. Keep your people interested in your business this way as well by getting them involved in new products and services.

Training and development is an obvious must for any company. By having good conversations with your people about their development and progression, they naturally become more aware of what your business does and it helps you to identify talent.

Protecting your customers

The truth is most of us are underinsured and this is being talked about in the media right now.

We neglect to update our insurances to match our current liabilities. Most of us believe we will get around to evaluating our insurance needs later – when we have more time, more money or more possessions. "Later" seldom comes until illness, injury or death meets us head-on.

Don't try to "sell" an insurance product, instead share a plan to protect your customer's new loan. Offer your client payment protection insurance (PPI).

It's estimated that 97 per cent of New Zealanders have, as their only source of income, their ability to work. If their loans were to become a burden to them or their family during a period off work due to a covered event, this protection would come in very handy.

COLIN MARSHALL
Direct sales & marketing manager
Protecta Insurance

The responsible lending code states you must give your customers the opportunity to purchase products that will try to safeguard their ability to repay their loans. It is better for your clients to have it and not need it, rather than need it and not have it.

PPI is a tailored insurance plan that safeguards the customer's good credit in the event he or she cannot make payments due to injury, illness, bankruptcy, redundancy, death or terminal illness, hospitalisation or due to caring for a family member.

It pays in addition to other insurances the customer may have through work or another provider. This protection is something that will provide continuation of the loan repayments or freehold title of the vehicle for the family during a time of need and stress.

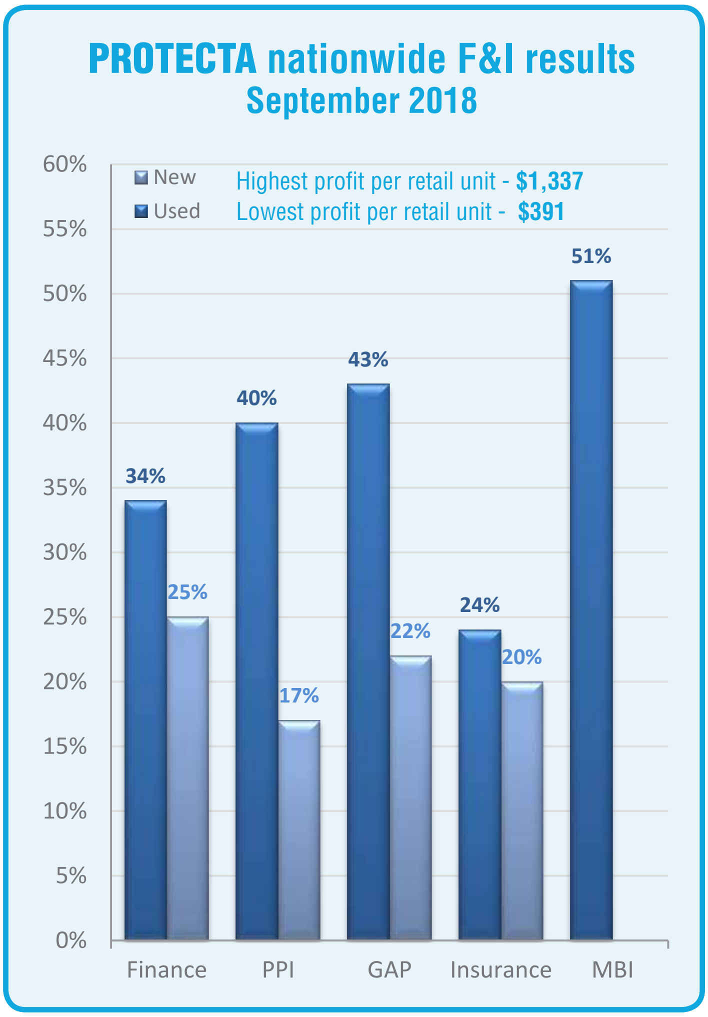
Present the benefits of this valuable plan to everyone. Your buyers have the right to make the choice for themselves. How can they make an informed decision without knowing all the facts and benefits?

> "Present the benefits of PPI to everyone. Your buyers have the right to make the choice for themselves"

Your goal should be to ensure you offer PPI to 100 per cent of your customers 100 per cent of the time, and keep your presentation of this insurance consistent and simple.

Customers will not want to default on their finance and potentially have their vehicles repossessed, so they will want protection if they become unable to make their loan payments. It doesn't make a significant difference in the payments, but could have a significant impact on their lives.

It's not a secret. We're happy to share our experience. If you would like training or more information about how easy PPI is to sell – and if you would like to have more satisfied customers – please contact your local Protecta Insurance sales consultant.



The month that was.... October

October 25, 1999

Cleaning status quo likely to stand


autofile
Car Cleaning Status Quo Likely To Stand – MAF
ALLIED FINANCE
Dealer Finance Specialists

The issue of where used imports should be cleaned – in New Zealand or Japan – had led to a bitter dispute.

There were threats of legal action between shippers competing in the lucrative multi-million-dollar vehicle-carrying business.

The dispute had involved the Imported Motor Vehicle Dealers' Association taking a strong stand in favour of offshore cleaning. This led to concerns the issue was giving "greenies" ammunition that could halt the used-imports trade.

However, the revised import health standard (IHS) issued by the Ministry of Agriculture and Forestry (MAF) was unlikely to mandate offshore cleaning over doing this onshore.

Spokeswoman Dr Ruth Frampton said MAF's findings showed the risk of gypsy-moth infestation was no better managed either way. The ministry, therefore, saw no reason to mandate one method over another.

"There are risks with either process," she said. "Cars inspected and cleaned offshore might become infested during the one to 12-day period prior to shipping.

"It's our intention to issue a revised standard for 60 days' consultation with the public, although the final decision rests with a MAF chief technical officer according to the Biosecurity Act."

October 31, 2008

Company ceases motor finance


autofile
GE ceases motor finance

The past week was another turbulent one for the automotive industry with GE Money among major financing companies announcing market withdrawal or consolidation.

GE Money stated that it would cease offering home loans through third parties and motor finance across Australasia. This was the result of volatility and increasing costs of funds on global and local wholesale markets.

Of the company's 4,500 employees, about 335 positions would become redundant over the next 12 months. There was no impact on its retail store finance, credit cards, personal loans and insurance businesses.

Mike Cutter, president and chief executive officer, said the unprecedented conditions meant GE Money had to be more selective in allocating capital and needed to ensure a decent return on investment.

He added: "Home lending and motor finance are capital-intensive businesses, and we've had to accept the returns at present no longer justify the cost."

October 7, 2005

Title security warning over stock


autofile
Title security warning
LIVE FROM JAPAN

Wholesalers, dealers and financiers were scrambling to protect their interests after the collapse of high-profile dealerships Venture 4x4 and DriveTime.

Finance companies had general security agreements over assets of both traders, but there was a potential fight brewing over the ownership of vehicles seized from yards at their demise.

An advert in Autofile warned registered traders not to deal with, or dispose of, 64 vehicles from Venture 4x4 because they had money security interests listed on the personal property securities register (PPSR).

At issue when a dealership was placed in receivership was ownership of stock provided by a third party in giving extended payment terms to the trader.

One finance company executive said: "The waters become murky even if vehicles had been on the PPSR when traded or on-sold to the public. This will be the first real test of the PPSR. There's now no fidelity fund to protect buyers."

October 3, 2008

Long-term policy required


autofile
Long term policy needed

Major issues were facing the new-vehicle industry as the country was heading towards a general election.

There were concerns they couldn't be solved in the short term by some changes in government policy, even if they were radical.

"The outstanding issue is the troubled economic times we're moving into," said Andy Cuming, Motor Trade Association spokesman. "It took a while for the New Zealand market to slow in 2008, but it has finally succumbed to those same pressures that had been affecting other sectors of the economy for some time."

He said credit availability and tight spending habits would choke volumes, while profits would suffer as the market continued its shift towards smaller models. It seemed the industry didn't expect specific action, whoever won the election, to improve the new-vehicle industry.

There were still concerns about possible increased costs from the government imposing fuel-economy standards for imports and the industry wanted clarity regarding the reduction of vehicle emissions.

Steve Prangnell, general manager of sales and operations for Toyota NZ, said: "It [emissions] seems to be up in the air at the moment. It affects how we would like to plan for the future as far as knowing where we're heading with new model range pricing and so on."

Support for agency's recall action

The NZTA is turning its attention to non-alpha Takata airbags, including passenger side airbag inflators

The Motor Industry Association (MIA) has welcomed the NZTA's decision to impose the deadline of November 1 on unremedied non-alpha Takata airbags in used imports.

It has been lobbying for some time that all vehicles with open safety recalls shouldn't be permitted to go through New Zealand entry compliance and enter the fleet.

"Many Japanese vehicles are affected by this and used importers have put systems in place," says David Crawford, chief executive officer of the MIA. "We also welcome NZTA action to ensure this happens."

The MIA has experienced other issues with call-backs. A lot of work was done in May and June to identify used imports affected by the mandatory recall for alpha Takata systems at a vehicle identification number level.

"We've now been working on getting systems in place for affected vehicles deregistered here and then have these flagged on the motor-vehicle register when reregistered. We need to be able to track them so these recalls are closed out."

Marques have been writing to owners of affected vehicles still subject to recalls three or four times, by post and email, and using social media and visiting their homes in person.

After exhausting all ways of contacting them, the MIA says they then need to get a letter from the government warning them they risk not getting warrants of fitness next time around.

Crawford says the mandatory recall notice issued by Kris Faafoi, Minister of Commerce and Consumer Affairs, requires importers to take certain action, but there comes a stage when their obligations end because some owners choose not to get remedial work done.

"We need an end process in place so the industry isn't penalised in such circumstances when the deadline of November 2019 comes around for mandatory Takata recalls to be completed," he told Autofile. "Ideally, we should have a tried and tested system in place this side of Christmas.

"When it comes to recalls on New Zealand-new vehicles being closed out, we're down to the last few per cent for some marques."

Meanwhile, used-vehicle importers have been warned to avoid bringing in any with non-alpha Takata airbags recalls yet to be closed out – or face lengthy delays for parts before they can be complied.

Border-inspection organisations will be required to identify and report on vehicles inspected fitted with these systems and on Takata airbag call-back lists from source countries. If any are found, they will be damage flagged with "open airbag recall" added to the notice.

"It's critical to ensure airbag recalls on overseas purchases are closed out before importation," says Malcolm Yorston, technical manager of VIA (the Imported Motor Vehicle Industry Association), especially as there are likely to be supply issues with component availability for certain makes and models with non-alpha systems.

"When Japanese manufacturers and agents haven't got the parts, they cannot close out the recalls," says Yorston. "If BMW and Mercedes-Benz don't stock parts overseas, you cannot expect the marques here to have them.

"We understand there could be delays of one to two years, so our advice is get recalls closed in Japan. No time limit has yet been set on non-alpha recalls being closed out and vehicles already in the fleet can still be traded. But dealers don't want flagged $24,000 imports sitting on yards waiting for inflators to turn up for a few years."

Japanese vehicles still in Japan and subject to recalls are online at www.jaspa.or.jp/portals/recallsearch/index.html while VIA can provide help for Mercedes-Benz and BMW. Links can also be found at www.autofile.co.nz.

The association has been advised used stock of these two marques is still crossing the border with outstanding non-alpha recalls.

"We recommend buyers check the status of all BMWs before purchase in Japan," says Yorston. "More than 11,000 BMWs are affected by Takata recalls there.

"Because marques in New Zealand have no information on these arrivals, there will be major delays if importers leave them to be rectified here as replacements will have to be sourced from overseas."

Vehicles from other countries, such as Australia, Singapore, the US and UK, have to be checked against official sites in those jurisdictions.

The process for non-alpha airbags isn't part of the mandatory recall for Takata's alpha systems, but the NZTA enforcing the Land Transport Vehicle Compliance Rule 2002.

Section 6.4 states vehicles and components are required to be in safe tolerance of the original equipment manufacturer's specifications, and inspectors need to certify vehicles as safe to be operated.

Some technical stuff

The NZTA has issued details about checking the call-back status for non-alpha Takata airbags and has updated its vehicle inspection requirements manual accordingly.

"Border-inspection organisations – Automotive Technologies Ltd, ATJ, JEVIC and Independent Verification Systems – and NZ Biosecurity Services will provide data regarding open safety recalls on vehicles they inspect," it states.

"Reasonable efforts will be made to assure they provide accurate information. All responsibility for any vehicle remains with the importer."

If on a call-back list overseas, and evidence from the marque or jurisdictional authority that the recall has been completed is unavailable, vehicles will be damage flagged from November 1.

"At entry certification, if a vehicle is presented with a damage flag and notes stating 'open airbag recall', it is not to be passed until evidence is provided from the New Zealand manufacturer's agent the airbags have been replaced."

SPEED DIARY

5 - 6 Oct
- **World Touring Car Cup** - Wuhan, China

6 Oct
- **Formula One Qualifying** - Suzuka, Japan
- **NASCAR Xfinity Series** - Dover International Speedway, USA

6 - 7 Oct
- **RallyX Nordic Series** - Tierp, Sweden

7 Oct
- **MotoGP** - Chang International, Thailand
- **Formula One** - Suzuka, Japan
- **NASCAR Cup Series** - Dover International Speedway, USA

13 Oct
- **DTM** - Hockenheimring, Germany

13 - 14 Oct
- **Superbikes** - Autodromo Villicum, Argentina
- **World Rallycross Championship** - Estering, Germany

14 Oct
- **NASCAR Cup Series** - Talladega, USA
- **DTM** - Hockenheimring, Germany

19 - 21 Oct
- **Australian Supercars** - Gold Coast, Qld

20 Oct
- **Formula One Qualifying** - Austin, USA
- **NASCAR Xfinity Series** - Kansas, USA

21 Oct
- **Formula One** - Austin, Texas, USA
- **MotoGP** - Twin Ring Motegi, Japan
- **NASCAR Cup Series** - Kansas, USA
- **GT3 Cup of Nations** - Sochi, Russia
- **TCR Europe Series** - Barcelona, Spain

25 - 27 Oct
- **Superbikes** - Losail, Qatar

25 - 28 Oct
- **WRC** - Rally Spain

26 - 28 Oct
- **World Touring Car Cup** - Suzuka, Japan

27 Oct
- **Formula One Qualifying** - Mexico

27 - 28 Oct
- **Red Bull Global Rallycross Championship** - Lydden Hill

28 Oct
- **Formula One** - Mexico
- **MotoGP** - Phillip Island, Australia
- **NASCAR Cup Series** - Martinsville, USA

2 - 4 Nov
- **Australian Supercars** - ITM Auckland SuperSprint, New Zealand

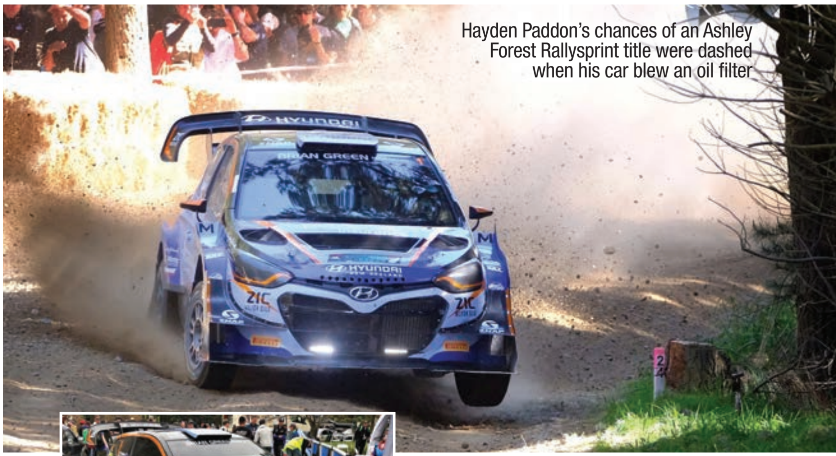
3 Nov
- **NASCAR Xfinity Series** - Texas, USA

4 Nov
- **NASCAR Cup Series** - Texas, USA

Course record bid blown

It's probably just as well Hayden Paddon has good news coming through on the World Rally Championship front and sealed this year's New Zealand Rally Championship title with a round in hand.

That's because the 30th annual Ashley Forest Rallysprint saw him slip out of contention in the top 16 round.



Hayden Paddon's chances of an Ashley Forest Rallysprint title were dashed when his car blew an oil filter

Just when it looked as though Paddon was going to romp through the semi-finals and win the event, his heavily modified Hyundai i20 AP4+ rally car dropped its oil filter, instantly dumping a full complement of engine oil onto its sump guard and into the gravel.

The car, nicknamed "Barry" by its crew, sported a massive aerodynamics package in the style of the 1980s Group B rally cars.

This and a tweaked engine setting had given Paddon confidence he could break the current course record and get down to a 52-second run.

Paddon's did not finish came just after defending Ashley Forest champion Sloan Cox spun his "monstered" Mitsubishi Evo 8 out of the event on the uphill section of the 1.7km course.

Cox set the course record, at 54.96 seconds, last year. His car weighs about 1,000kg and produces 500kW at the wheels.

Alister McRae won the event with a 55.35 run in his Vantage Aluminium Subaru Impreza to become the first international driver to take the win.

Kiwi hangs on as contest enters final days

Marcus Armstrong is in the midst of a maelstrom of talented single-seater racers all desperate to make their mark before the FIA Formula Three Championship ends.

Because 2018 is the final year of F3 in its current form, every driver in the 24-strong field is jostling for position with an eye to the evolved championship next year when the GP3 and F3 competitions are joined together.

At the penultimate round in late September, Armstrong scored a fourth, a second and then a fifth in the final race to finish behind one-time leader Dan Ticktum, of the UK.

Marcus Armstrong is ready for a final push in the European F3 series

On the points table, Ticktum was overtaken by Mick Schumacher, who won two of three races at the Red Bull Ring.

Thanks to the did not finish in race two, Ticktum – though second – now falls within reach of Armstrong, raising the prospect of a Prema Powerteam one-two.

The final round of the championship is in mid-October on the 4.5km Hockenheimring, regularly a round of the Formula One World Championship.

Transforming off-road trucks

Bryan Chang has been around New Zealand's off-road racing scene for a fair while.

The Otago-born Cantabrian has been vice-president of the governing body among a number of other roles, and the experience he brings to the sport is widely acknowledged.

Chang is also a committed racer, running his Chevrolet Silverado-bodied rear-wheel-drive (RWD) truck in the 4WD Bits unlimited class where its four-cylinder turbo engine and Jaguar gearbox consistently outrun the "big banger" V8 and four-wheel-drive trucks.

He has run at all but one of the world-famous Race To The Sky events staged by Grant Aitken and, more recently, Tony Quinn at the Lee family's Snow Farm on the Crown Range near Queenstown.

He has taken part at every Taupo 1000 off-road race since the flagship two-day event started in the early 1990s, and has logged the most starts and runs of any off-road racer at the Ashley Forest Hillclimb – although usually required to run as a demonstration entry.

Chang has taken his truck – and its predecessor – to countless class wins and national class titles, and his son Owen secured the outright title in the truck a few years back.

It hasn't stopped. Just a few weeks ago, he won the southern unlimited class title in two days of racing against a potent RWD Ford Ranger V8 and Toyota Hilux turbo, and at Labour Weekend he will grid up at West Melton near Christchurch to do battle for national honours.

This is an influential man, arguing his point at executive level passionately, and just as often acting as an ambassador for off-road racing at displays and shows around the country.

His influence extends further. Nine years ago, Chang built New Zealand's first ProLite off-road race truck. The ProLite class was devised in the US and is part of the truck scene over there, but he saw its potential for here.

"American trucks generally are a bit big for Kiwi tracks and trails, and the sport here's a bit 'run what ya brung', so when I saw the plans for the ProLite were available online I thought this would be a chance to build something others could pick up and use," he says.

Mapped out on his garage floor, the new truck quickly took shape. A box spaceframe chassis takes loadings from the mechanical components and also from the vehicle's comprehensive rollover cage.

"And yes, we've tested the cage a couple of times, so I know it works real well."

The previous truck – a Ford Falcon backed by GT Radials that looked like Mad Max had attacked one of the company's shop utes – was powered by a turbo V8.

With the new build's aim being to create a light, fast and agile truck, Chang went for a turbo four-cylinder engine developing "enough" power, driven through an immensely strong Jaguar four-speed transmission.

"One of the cool things about this sport is that it leaves so much scope for racer engineers to create and run what they think will win. The ProLite plans just put a race-tested framework around what each driver thinks will get them across the line."

Off-road racer Bryan Chang

> **"This sport leaves so much scope for engineers to create what they think will win"**

Following the Chang ProLite's racing debut, a flood of similar projects popped up and a similar number of racers imported built trucks from the US. All are now running in the 4WD Bits unlimited class at national championship level.

"V8, four-cylinder, four-wheel drive, rear-wheel drive – you name it, someone's done it. This has become a transformation of the truck classes and it's not over yet."

The likely next step is the creation of a truck race series at Puhinui near Manukau, where fields of 10 or more ProLites will race for "proper" cash prizes.

"Kevin Hall and the Counties Manukau club have been working away to make that happen. It's close to fruition now. Then ProLites will be able to race at national championship level and also in the separate Stadium Grand Prix-style competition Kevin and his helpers will run."

Bryan Chang in action with his ProLite truck.
Photo: Donna Gedye

Chang's previous ride was a turbocharged V8 Ford Falcon ute

Faults with vehicle accumulated over time insufficient to justify its rejection

The case: The buyer's new Mercedes-Benz began to shudder while being driven at more than 50kph. She wanted to reject it saying its faults were of a substantial character and should have been more quickly repaired. The dealer said it had remedied the problems within a reasonable timeframe.

The decision: The tribunal found the car's faults breached the acceptable quality guarantee as laid down in the Consumer Guarantees Act (CGA), but the dealer had fixed the issues, which were difficult to diagnose, in time. The buyer's application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Renji Wu purchased a new Mercedes-Benz C200 for $74,500 from Gulf Motor Holdings, trading as Mercedes-Benz North Shore, on March 20, 2016.

Eighteen months later, the car was diagnosed with a faulty torque converter and another part connected to this system, which caused it to shudder at speeds of between 50kph and 70kph. Mercedes-Benz Botany repaired the fault when this was discovered.

In January 2018, the C200 was diagnosed with a fault with its engine control unit (ECU), which also caused it to shudder and lose power.

Wu rejected the car, saying Mercedes-Benz North Shore failed to repair the faults within a reasonable time and the faults amounted to a failure of a substantial character.

However, the franchised dealership disputed Wu's claim. It contested the problems were repaired within a reasonable time as stated in the CGA and they weren't substantial.

The case

Around April 2017, Wu noticed her C200 was vibrating and losing power from 50-70kph. She had it assessed by Mercedes-Benz North Shore on April 6, but no fault was found.

In September, she again noticed the car was shaking badly and losing power. She took it to Mercedes-Benz Botany, which – after a week of testing – found a fault with the transmission. It replaced the torque converter and its torque converter lock-up clutch solenoid.

In January 2018, when the C200 had travelled less than 16,000km, it again began to shudder and lose power. The engine-management light also came on the dashboard. Mercedes-Benz North Shore found a problem with the ECU and replaced it.

Wu claimed she was entitled to reject the car under the CGA because the faults were of a substantial character and the trader had failed to remedy the issues within a reasonable time.

She said the transmission repairs took more than three weeks, which was the same amount of time it took to replace the ECU.

The finding

The tribunal found that both faults with the Mercedes-Benz breached section six of the CGA, which covers the guarantee of acceptable quality.

It was also satisfied both faults indicated the car hadn't been as durable as a reasonable consumer would find acceptable.

Wu claimed she was entitled to reject the vehicle under the consumer legislation because the trader had failed to repair the Mercedes-Benz's faults within a reasonable time.

Although the two repairs took more than six weeks to finish, the tribunal wasn't satisfied the dealer had failed to fix them within a reasonable time.

The tribunal's assessor said the problems would have been difficult and time-consuming to diagnose and repair. The ECU repair had a 10-day delay because a part had to be ordered from Singapore.

Wu said she also wanted to reject the car because its faults were of a substantial character under the CGA, but the trader told the hearing that customers did understand that new cars might not be fault-free.

Craig Innes, dealer principal of Mercedes-Benz North Shore, said that was why the manufacturer's warranty was important for buyers of new vehicles.

The tribunal wasn't satisfied that two faults within two years of purchase gave the buyer the right to reject the car.

Under the CGA, it had to consider whether the faults were significant enough that a reasonable consumer wouldn't have purchased the vehicle. It found the transmission fault was relatively minor and the vehicle was still driveable.

Wu also agreed with the trader for the transmission to be repaired, so she had already obtained a remedy under the CGA and, therefore, was unable to reject the car because of that problem.

The tribunal's assessor said ECU faults were not uncommon in modern vehicles because control modules were susceptible to damage caused by heat and vibration.

It could take some time to diagnose a problem with an ECU. However, once diagnosed, these modules were easy to replace.

The tribunal wasn't satisfied that the ECU fault was so serious that a reasonable consumer wouldn't have purchased the car.

Further, "but only by a slim margin", the tribunal said it wasn't satisfied that the faults – when considered together – amounted to a failure of a substantial character.

Although the tribunal was satisfied that a reasonable consumer would be starting to have concerns about the durability of the C200, it was unsatisfied that a reasonable person would have reached the point of losing all confidence with the car.

On that basis, the tribunal found that the accumulated faults with the vehicle were not sufficient to allow Wu to demand a refund under section 18 of the CGA.

Order

Wu wasn't entitled to reject the car under the terms of the CGA. Its faults weren't of a substantial character and had been fixed within a reasonable timeframe, so her application was dismissed.

Company sought no legal advice about existence and effect of exclusion clauses

The case: A fuel-injector fault caused significant damage to a Hyundai H1's engine. The trader claimed it wasn't liable for repair costs because the buyer contributed to the problem by continuing to drive the vehicle despite warning signs, and both parties had contracted out of the Consumer Guarantees Act (CGA).

The decision: It was ruled the purchaser was entitled to recover compensation for the vehicle's reduction in value. The trader was ordered to pay $9,228 to the buyer.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Ampure Ltd purchased a 2009 Hyundai H1 van for $14,990 from Tamaki Ltd, trading as Grange Motor Company, on December 20, 2016.

In February 2017, the vehicle's engine suffered significant damage caused by a faulty fuel injector.

Following discussions with Tamaki, Anpure had the van repaired in September 2017 at a cost of $16,353. It applied to the tribunal to recover the cost of the van's fault assessment and repair.

Tamaki said it wasn't liable for those costs. It said Anpure caused or contributed to the significant engine damage by continuing to drive the van when early-warning signs were present. It also said it wasn't given a reasonable opportunity to assess the vehicle or perform any repairs.

The case

Tamaki Ltd told the tribunal the CGA might not apply to the transaction because both parties were in trade and had contracted out of the legislation.

The vehicle offer and sale agreement (VOSA) contained an acknowledgement that the two companies had agreed to opt out of it.

The tribunal considered if it was fair and reasonable that the parties were bound by the exclusion clause.

The agreement was in Tamaki's standard form and its terms didn't appear to have been subject to negotiation.

Neither party sought legal advice, which the tribunal said would be unusual before purchasing a $14,990 vehicle.

However, it was relevant to the authorities' assessment of fairness and reasonableness that Anpure Ltd received no advice, either from a lawyer or Tamaki, on the existence and effect of the exclusion clauses. Anpure said the VOSA's two such clauses were never pointed out and it didn't sign off on them.

As a result, the tribunal was satisfied the parties hadn't validly agreed to contract out of the CGA.

In February 2017, the van's engine failed. Anpure had it assessed by Gleye and Parlane Engine Reconditioners, which found it required reconditioning.

The tribunal's assessor said the damage was caused by a leaking fuel injector, which caused the engine oil to become contaminated with diesel, reducing the oil's lubricating properties and rapidly wearing components.

Tamaki's spokesman, Vincent Cook, told the hearing Anpure ignored early-warning signs that the van had an issue with the injector and, by continuing to drive it, caused avoidable damage. However, Anpure said its staff saw no obvious signs of a fault.

The assessor said it was likely the van was emitting excess white smoke from its exhaust due to the fault, but it could be difficult to detect.

The finding

The tribunal considered Anpure Ltd's use of the van to be consistent with the manner in which a reasonable consumer would have used the vehicle.

Therefore, it ruled its fault breached the CGA's guarantee of acceptable quality, and a reasonable consumer wouldn't expect this problem to be present in a vehicle of that price, age and mileage within two months of delivery during which time the purchaser had driven about 3,000km.

The tribunal also found the failure was of a substantial character and no reasonable person would have bought the van knowing the extent of the faults that would arise within two months of purchase.

Anpure wanted to recover the engine-fault assessment and repair costs.

When considering the buyer's application, the tribunal found it wasn't entitled to a remedy under section 18(2) of the CGA because it didn't give Tamaki Ltd a reasonable opportunity to repair the van.

However, because the fault was substantial, Anpure could obtain compensation under section 18(3) of the act for any reduction in the van's value below the purchase price.

In determining the reasonable cost of repair, the tribunal accepted Tamaki's submission there was "betterment" in the repairs performed by Anpure and it paid more for the remedy than was reasonable.

Several of the van's key engine components were replaced with new parts. On that basis, Anpure was entitled to recover significantly less than it spent on the repair.

It paid $16,353 to have the engine reconditioned, which exceeded the van's value, when there were more economical repair alternatives.

A replacement engine of similar mileage could have been purchased and fitted for about $8,400 at trade rates or for $10,500 at retail rates.

The tribunal didn't think it was reasonable for Anpure to seek the full cost of an expensive repair when a reasonable, cheaper alternative was available.

Instead, it awarded the cost of the repair at trade rates because Anpure should have given Tamaki an opportunity to repair the van and – if it had – the dealer would have installed the replacement engine for a lower amount.

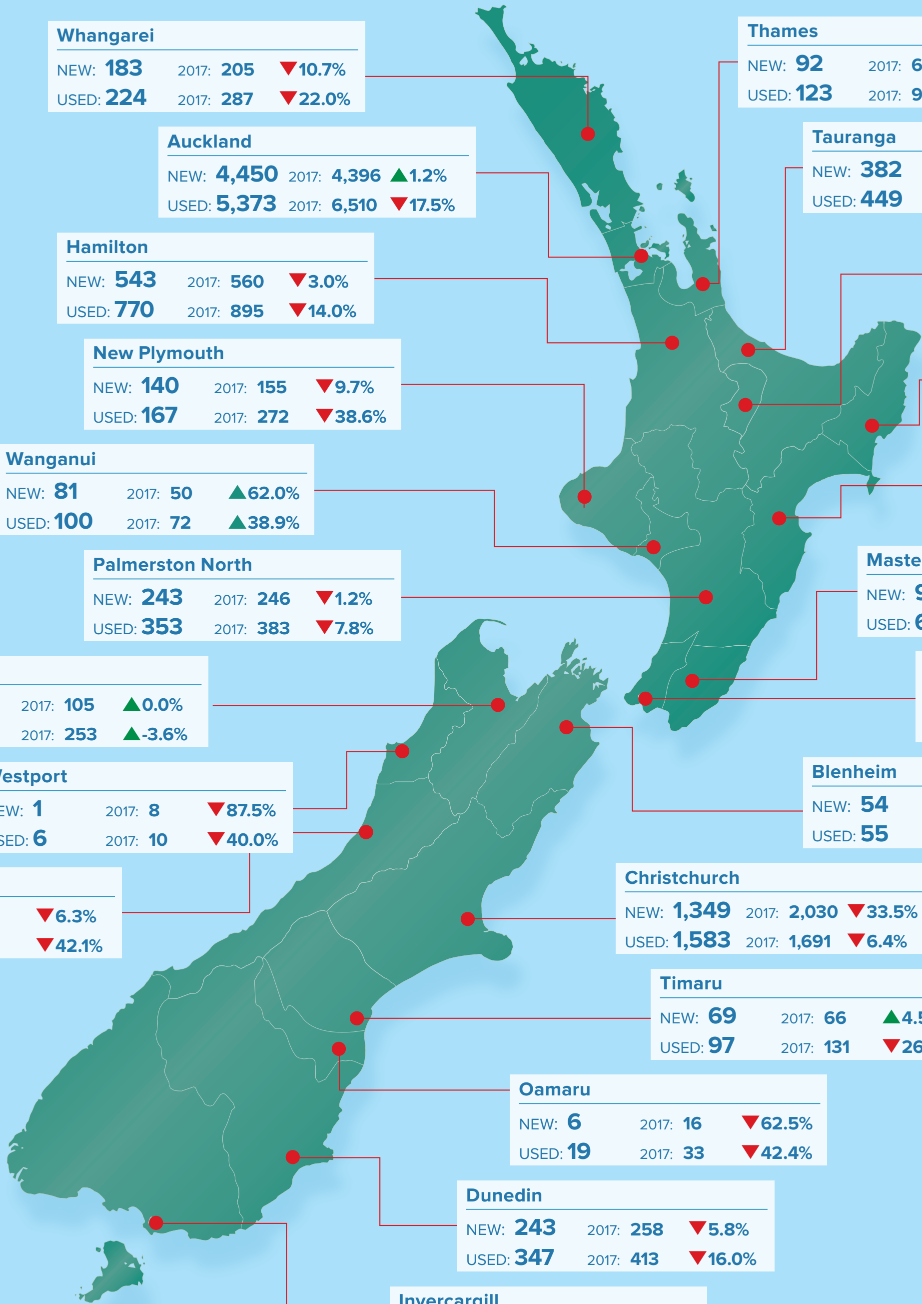
Under the CGA, Anpure was also entitled to recover the cost of having the damage assessed.

Order

Tamaki Ltd was ordered to pay $8,400, which was the reasonable cost of replacing the engine at trade rates, and $828 for the assessment of damage accessed by Anpure Ltd.

Total new cars	
9,431	
2017: 9,855	▼4.3%

Total imported used cars	
11,533	
2017: 13,645	▼15.5%



Region			2017	
Whangarei	NEW:	183	2017: 205	▼10.7%
	USED:	224	2017: 287	▼22.0%
Thames	NEW:	92	2017: 62	▲48.4%
	USED:	123	2017: 99	▲24.2%
Auckland	NEW:	4,450	2017: 4,396	▲1.2%
	USED:	5,373	2017: 6,510	▼17.5%
Tauranga	NEW:	382	2017: 394	▼3.0%
	USED:	449	2017: 613	▼26.8%
Hamilton	NEW:	543	2017: 560	▼3.0%
	USED:	770	2017: 895	▼14.0%
Rotorua	NEW:	134	2017: 68	▲97.1%
	USED:	184	2017: 198	▼7.1%
New Plymouth	NEW:	140	2017: 155	▼9.7%
	USED:	167	2017: 272	▼38.6%
Gisborne	NEW:	39	2017: 40	▼2.5%
	USED:	78	2017: 74	▲5.4%
Wanganui	NEW:	81	2017: 50	▲62.0%
	USED:	100	2017: 72	▲38.9%
Napier	NEW:	229	2017: 244	▼6.1%
	USED:	237	2017: 263	▼9.9%
Palmerston North	NEW:	243	2017: 246	▼1.2%
	USED:	353	2017: 383	▼7.8%
Masterton	NEW:	94	2017: 58	▲62.1%
	USED:	60	2017: 82	▼26.8%
Nelson	NEW:	105	2017: 105	▲0.0%
	USED:	244	2017: 253	▲-3.6%
Wellington	NEW:	841	2017: 708	▲18.8%
	USED:	836	2017: 1,050	▼20.4%
Westport	NEW:	1	2017: 8	▼87.5%
	USED:	6	2017: 10	▼40.0%
Blenheim	NEW:	54	2017: 58	▼6.9%
	USED:	55	2017: 62	▼11.3%
Greymouth	NEW:	15	2017: 16	▼6.3%
	USED:	33	2017: 57	▼42.1%
Christchurch	NEW:	1,349	2017: 2,030	▼33.5%
	USED:	1,583	2017: 1,691	▼6.4%
Timaru	NEW:	69	2017: 66	▲4.5%
	USED:	97	2017: 131	▼26.0%
Oamaru	NEW:	6	2017: 16	▼62.5%
	USED:	19	2017: 33	▼42.4%
Dunedin	NEW:	243	2017: 258	▼5.8%
	USED:	347	2017: 413	▼16.0%
Invercargill	NEW:	138	2017: 112	▲23.2%
	USED:	195	2017: 197	▼1.0%

Imported Passenger Vehicle Sales by Make - September 2018

MAKE	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,423	3,234	-25.1	21.0%	26,076	23.0%
Nissan	2,318	2,538	-8.7	20.1%	21,738	19.2%
Mazda	1,990	2,220	-10.4	17.3%	18,595	16.4%
Honda	1,215	1,335	-9.0	10.5%	11,636	10.3%
Subaru	636	785	-19.0	5.5%	6,429	5.7%
Suzuki	613	688	-10.9	5.3%	6,123	5.4%
Mitsubishi	478	438	9.1	4.1%	3,862	3.4%
BMW	456	616	-26.0	4.0%	4,682	4.1%
Volkswagen	382	427	-10.5	3.3%	3,526	3.1%
Audi	220	302	-27.2	1.9%	2,246	2.0%
Mercedes-Benz	179	264	-32.2	1.6%	2,011	1.8%
Ford	87	101	-13.9	0.8%	870	0.8%
Lexus	87	87	0.0	0.8%	827	0.7%
Volvo	65	66	-1.5	0.6%	592	0.5%
Chevrolet	50	55	-9.1	0.4%	449	0.4%
Jaguar	42	63	-33.3	0.4%	427	0.4%
Holden	34	59	-42.4	0.3%	344	0.3%
Land Rover	33	40	-17.5	0.3%	349	0.3%
Mini	30	39	-23.1	0.3%	296	0.3%
Jeep	24	30	-20.0	0.2%	260	0.2%
Chrysler	22	22	0.0	0.2%	177	0.2%
Dodge	21	31	-32.3	0.2%	284	0.3%
Hyundai	18	30	-40.0	0.2%	221	0.2%
Porsche	16	36	-55.6	0.1%	199	0.2%
Peugeot	9	14	-35.7	0.1%	137	0.1%
Pontiac	7	4	75.0	0.1%	45	0.0%
Cadillac	6	11	-45.5	0.1%	47	0.0%
Kia	6	9	-33.3	0.1%	74	0.1%
Renault	6	15	-60.0	0.1%	87	0.1%
Lincoln	5	1	400.0	0.0%	21	0.0%
Rover	5	2	150.0	0.0%	27	0.0%
Alfa Romeo	4	4	0.0	0.0%	34	0.0%
Daihatsu	4	11	-63.6	0.0%	80	0.1%
Maserati	4	9	-55.6	0.0%	31	0.0%
Chrysler Jeep	3	2	50.0	0.0%	16	0.0%
Others	35	57	-38.6	0.3%	502	0.4%
	11,533	**13,645**	**-15.5**	**100.0%**	**113,320**	**100.0%**

Imported Passenger Vehicle Sales by Model - September 2018

MAKE	MODEL	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	628	626	0.3	5.4%	5,588	4.9%
Nissan	Tiida	584	543	7.6	5.1%	5,001	4.4%
Suzuki	Swift	540	600	-10.0	4.7%	5,193	4.6%
Mazda	Demio	500	485	3.1	4.3%	4,467	3.9%
Honda	Fit	468	470	-0.4	4.1%	4,454	3.9%
Toyota	Prius	354	263	34.6	3.1%	2,886	2.5%
Nissan	Leaf	299	182	64.3	2.6%	2,321	2.0%
Subaru	Legacy	284	397	-28.5	2.5%	3,084	2.7%
Toyota	Wish	271	325	-16.6	2.3%	2,589	2.3%
Mitsubishi	Outlander	268	255	5.1	2.3%	2,161	1.9%
Mazda	Premacy	255	221	15.4	2.2%	2,088	1.8%
Volkswagen	Golf	253	254	-0.4	2.2%	2,243	2.0%
Mazda	Atenza	238	291	-18.2	2.1%	2,377	2.1%
Toyota	Vitz	225	213	5.6	2.0%	2,341	2.1%
Subaru	Impreza	206	176	17.0	1.8%	1,694	1.5%
Nissan	Note	189	194	-2.6	1.6%	1,796	1.6%
Nissan	Dualis	186	193	-3.6	1.6%	1,677	1.5%
Honda	Stream	156	134	16.4	1.4%	1,389	1.2%
Nissan	X-Trail	145	152	-4.6	1.3%	1,161	1.0%
Toyota	Blade	139	154	-9.7	1.2%	1,504	1.3%
Toyota	Corolla	131	174	-24.7	1.1%	1,541	1.4%
Toyota	Auris	128	155	-17.4	1.1%	1,455	1.3%
Nissan	Skyline	116	139	-16.5	1.0%	1,357	1.2%
Mazda	Verisa	112	102	9.8	1.0%	1,042	0.9%
Toyota	Mark X	108	254	-57.5	0.9%	1,743	1.5%
Honda	Odyssey	105	169	-37.9	0.9%	1,102	1.0%
Toyota	Aqua	104	40	160.0	0.9%	746	0.7%
Honda	CRV	104	124	-16.1	0.9%	1,034	0.9%
Nissan	Bluebird	100	134	-25.4	0.9%	1,056	0.9%
Nissan	March	93	109	-14.7	0.8%	880	0.8%
Nissan	Serena	91	63	44.4	0.8%	592	0.5%
Mazda	MPV	88	236	-62.7	0.8%	1,387	1.2%
Toyota	Ractis	83	92	-9.8	0.7%	901	0.8%
BMW	320i	82	111	-26.1	0.7%	921	0.8%
Nissan	Fuga	77	72	6.9	0.7%	653	0.6%
Others		3,823	5,543	-31.0	33.1%	40,896	36.1%
Total		**11,533**	**13,645**	**-15.5**	**100.0%**	**113,320**	**100.0%**

Sales 'hit' by no-deposit deals

A dealer who has been in the industry for about 50 years says smaller businesses such as his have been hit by no-deposit loans taking buyers out of the market for longer spells than in the past.

Jock Munro, owner of Jock Munro Motors in Thames, also believes trade has been slow in recent months because some finance companies are charging too-high rates.

But while offering no-deposit finance "has boosted things along", he doesn't think it's the right thing to do.

Munro told Autofile: "People can go and buy a $10,000 car with no deposit. However, when they drive off they actually owe $15,000 over a six-year period.

"It's ridiculous and takes a customer out of circulation for five or six years. Many people don't want to keep the same vehicle for that long. Even when people buy a new car, they don't want it for six years – they want to get the next new model.

"If buyers want to change their cars, you offer $6,000 on a trade-in, but they still owe $8,000 on the car. Everyone who buys a vehicle on no-deposit takes the next sale out of circulation.

"If you take that across New Zealand, then no-deposit finance has taken a lot of sales out of circulation because buyers have overcommitted themselves. They can't get out of what they have signed up for and can't change their car.

"As a result, small dealers, such as myself, are struggling and some of the bigger dealers are too."

Munro, who stocks New Zealand-new cars as well as Japanese imports, buys privately and from a few other dealers from his Walter Street premises in the centre of town.

"My cars are less than $10,000 and I insist on a deposit," he says. "But buyers can go down the road and buy a vehicle on no-deposit from other dealers.

"If they paid a deposit, then they could get something back when they come to sell the vehicle. After financing a no-deposit car, some people find if it breaks down they have no money to fix it."

Munro describes New Zealand as "completely full of used cars", but enthuses about having Toyota's Signature Class facility in Thames.

"They probably have more than 100 used cars here that have gone through that place," he says. "They have been brilliantly brought back to life and are waiting to be sold by dealers.

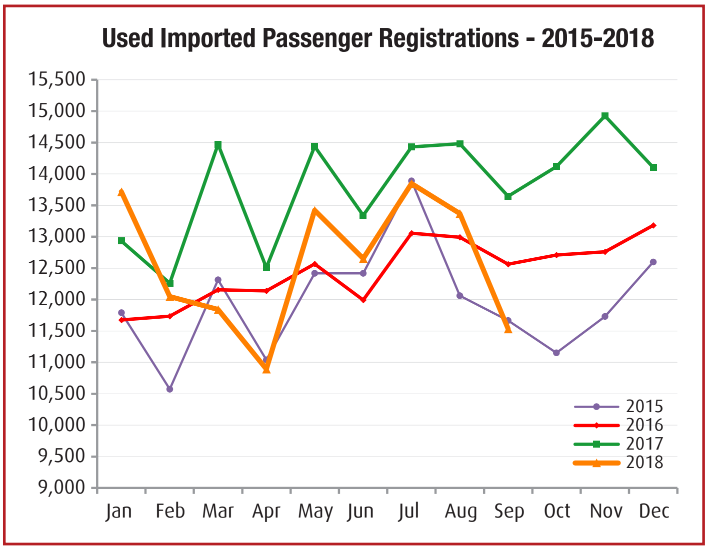
"But we have too many cars – both second-hand and new – coming into New Zealand. And the government decided to make it harder for owners of older cars to get warrants of fitness a while ago to try to get them off the road."

Munro says he has now told many people he can only give them $300 to trade in their old vehicles and they should take them to the wrecker's down the road instead.

"The past six months have been pretty tough for me, but I think business is starting to pick up and I don't have a lot of money tied up in cars like some big dealers do.

"The second-hand market is becoming quite lucrative because the new-car dealers have sold so many vehicles that they now have too many trade-ins. They want to get rid of them and start discounting them all.

"That gets all the second-hand dealers in a dither. There are sales people in Auckland just working on commission, so they really have to sell cars."



Offering up a different point of view on finance is John Hutchinson, dealer principal at Team Hutchinson Ford in Christchurch.

He notes some buyers returning to the market after 10-odd years need finance or small top-ups, such as $7,000 over 12 months, while others can walk in and buy what they want without a loan.

"The cost of borrowing is so reasonable and you don't have to think about a warrant of fitness on new cars for three years," he says.

"I've always thought people buying used cars, especially in the mid-price range and particularly if purchasing on finance, should consider a new car even if it's an extra $200 a month.

"That's because of the benefits you get with new cars. In four or five years' time when you have paid the vehicle off, it's only a four or five years old. However, if you buy a three-year-old car, when you come to sell it it's a seven-year-old vehicle."

Last month's statistics indicate trading conditions continue to be tough for car dealers.

There were 11,533 used-imported passenger vehicle registrations recorded in September, a decrease of 15.5 per cent – or by 2,112 units – on the same month of 2017.

That brought the year-to-date total to 113,320, a decrease of 9,190 units – or by 7.5 per cent – compared to the same nine-month period last year.

Tightening up in tough times

An importer of higher quality vehicles from Japan believes the market will stay tough in the short term and is focusing on closer ratios.

Karl Mirbach owns Cordion Motors in Mount Wellington, Auckland. His dealership mostly sells used European models priced up to $20,000 with some sales falling in the $40,000 to $80,000 bracket.

Mirbach, who buys grade 4-4.5 cars from Japan but also trades local vehicles, says it has been a little more difficult to get the vehicles he wants compared to the past few months.

"Stock is always available, but sometimes you just have to pay a bit more for it, which isn't what you want," he told Autofile. "However, if you want certain vehicles, you have to stretch for it from time to time. If it's grade 4-4.5, then it's basically quality."

He says 30-40 per cent of his sales are to out-of-town buyers, such as those in Wellington and the South Island.

"There's still some negativity in the market. There are traders around here whose business is slow. The longer that goes on, the more dealers will pack up and leave the industry. Then there's more business for you. I started Cordion Motors in 1983, so we've been through times like this before. You have to tighten up your operation and ensure closing ratios are good. We get a fair bit of repeat business, which does help.

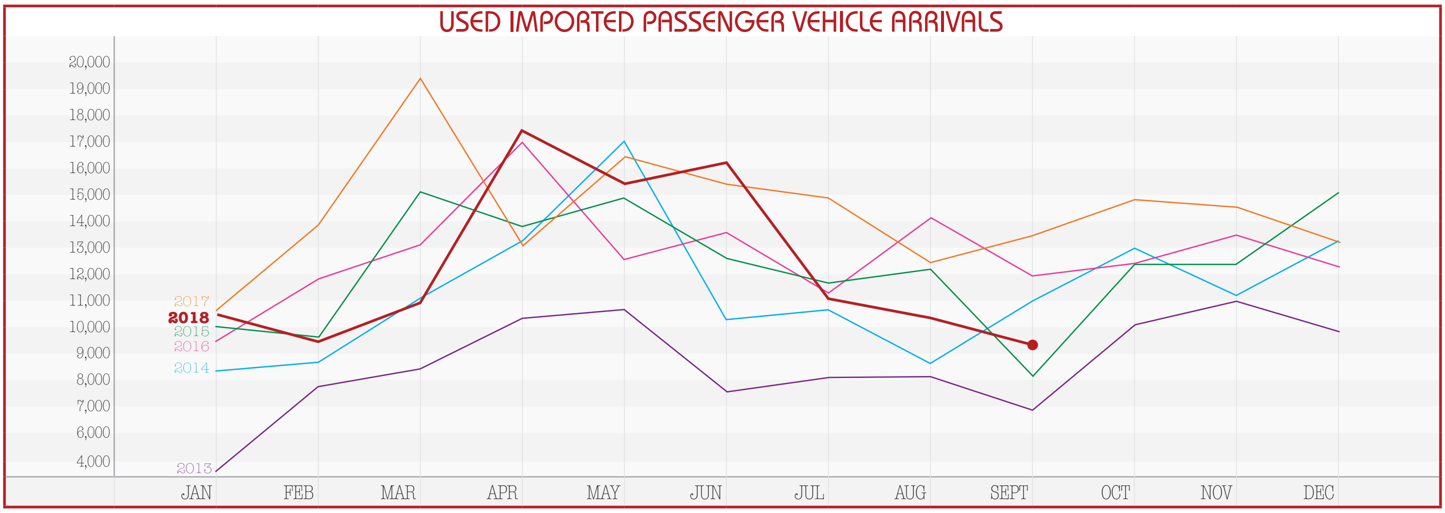
"Things will remain tough in the short term. But if you take a positive view to tighten things up and ensure you're doing everything right, you should get through okay. It's a reminder you have to be a lot more accurate doing your job to make it all work."

As for last month's statistics, 9,260 used passenger vehicles were imported into New Zealand, the second lowest monthly total so far in 2018.

This brought the year-to-date total to 110,440 units, which is a decrease of 18,498 units – or by 14.35 per cent – compared to the same nine months in 2017.

There was a significant drop in units from Japan in September with 8,591 crossing our border – down by 4,092 or 32.3 per cent on the same month in 2017 – and the figures were down in most countries New Zealand imports from.

Used light-commercial vehicles also fell last month – by 22.3 per cent to 455 units compared to September 2017.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2018 JAN '18	FEB '18	MAR '18	APR '18	MAY '18	JUN '18	JUL '18	AUG '18	SEP '18	SEPTEMBER MARKET SHARE	2018 TOTAL	2017 TOTAL	2017 % SHARE	2016 TOTAL	2016 % SHARE
Australia	435	360	375	335	384	340	326	343	297	**3.2%**	**3,190**	5,540	3.2%	5,151	3.4%
Great Britain	123	63	94	82	77	70	73	77	92	**1.0%**	**751**	2,173	1.3%	1,537	1.0%
Japan	9,681	7,014	10,020	18,775	14,748	15,339	10,390	9,699	8,591	**92.8%**	**104,257**	160,822	93.8%	143,080	93.7%
Singapore	132	111	95	124	128	99	123	123	143	**1.5%**	**1,078**	1,202	0.7%	1,231	0.8%
USA	80	102	99	104	97	86	104	74	108	**1.2%**	**856**	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	18	30	32	30	18	29	**0.3%**	**310**	387	0.2%	438	0.3%
Total	**10,479**	**7,686**	**10,772**	**19,438**	**15,464**	**15,961**	**11,046**	**10,334**	**9,260**	**100.0%**	**110,442**	**171,543**	**100.0%**	**152,712**	**100.0%**

Sales, trade-ins volumes soften

There was an easing in sales of second-hand cars last month with 17,826 units sold by traders to members of the public.

This was a decrease of 10.69 per cent on August, but only down by 1.3 per cent on the same month of last year.

Trade-in numbers also fell. There were 12,487 public-to-dealer transactions, which was down by 4.5 per cent on September 2017 and by 1,931 units on August.

Once again, Thames had the highest number of trade-ins – up by 118.1 per cent with 229 units traded compared to 105 during September 2017.

As for public-to-public sales, 41,311 units changed hands during September, which was down by 3.9 per cent on the same month in 2017.

Raeowna Rush, retired owner of Derwent Car Sales in Oamaru, which recently closed, says many second-hand car dealers were hit hard by the stink-bug crisis earlier this year.

"I was in the business for 40 years and you realise things do come right, but that was different," she says. "We were only a small importer of used cars, but one of our vehicles took three months to come from Japan.

"These days there are no sales patterns and it's very hard to gauge what sells. Smaller cars and SUVs have come into their own.

"We sold a lot when it came to Nissan's Tiida and Dualis. Oamaru has an ageing population and people want small fuel-efficient cars or SUVs because they are easy to get in and out of."

John Hutchinson, of Team Hutchinson Ford in Christchurch, says: "We're getting a lot of trades, which we always like.

"They are predominately Fords, but other makes as well. There's no particular model, it's a smattering of everything really."

Hutchinson has recently seen a lot of older trade-ins from people who haven't bought new cars in 10 or 12 years.

"They're coming back into the market because of the low prices of new cars," he says. "The market is so competitive and pricing is so good. Money is cheap to borrow, so everything's stacked up for the buyer.

"On paper, you would think used imports should slow down because new cars are so affordable, but it doesn't seem to work that way."

SECONDHAND CAR SALES - September 2018

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	SEPT'18	SEPT'17	+/- %	MARKET SHARE	SEPT'18	SEPT'17	+/- %	SEPT'18	SEPT'17	+/- %
Whangarei	572	613	-6.7	3.21	1,931	1,915	0.8	221	265	-16.6
Auckland	6,096	6,391	-4.6	34.20	14,016	14,783	-5.2	4,875	5,177	-5.8
Hamilton	1,461	1,484	-1.5	8.20	3,273	3,592	-8.9	1,056	1,069	-1.2
Thames	302	250	20.8	1.69	646	539	19.9	229	105	118.1
Tauranga	864	907	-4.7	4.85	1,922	2,224	-13.6	546	558	-2.2
Rotorua	401	307	30.6	2.25	999	837	19.4	132	81	63.0
Gisborne	145	167	-13.2	0.81	377	395	-4.6	47	74	-36.5
Napier	687	638	7.7	3.85	1,395	1,466	-4.8	386	387	-0.3
New Plymouth	367	419	-12.4	2.06	962	1,014	-5.1	156	227	-31.3
Wanganui	298	176	69.3	1.67	593	478	24.1	189	125	51.2
Palmerston North	788	838	-6.0	4.42	1,610	1,760	-8.5	738	777	-5.0
Masterton	222	175	26.9	1.25	444	393	13.0	109	103	5.8
Wellington	1,561	1,585	-1.5	8.76	3,053	3,144	-2.9	1,084	1,108	-2.2
Nelson	283	310	-8.7	1.59	977	991	-1.4	171	225	-24.0
Blenheim	169	173	-2.3	0.95	393	385	2.1	90	93	-3.2
Greymouth	73	81	-9.9	0.41	179	223	-19.7	37	35	5.7
Westport	6	23	-73.9	0.03	31	94	-67.0	0	0	0.0
Christchurch	2,129	2,116	0.6	11.94	4,836	5,065	-4.5	1,674	1,811	-7.6
Timaru	211	212	-0.5	1.18	519	593	-12.5	102	112	-8.9
Oamaru	37	60	-38.3	0.21	112	184	-39.1	3	15	-80.0
Dunedin	730	730	0.0	4.10	1,899	1,889	0.5	384	438	-12.3
Invercargill	424	405	4.7	2.38	1,144	1,015	12.7	258	289	-10.7
NZ Total	**17,826**	**18,060**	**-1.3**	**100.00**	**41,311**	**42,979**	**-3.9**	**12,487**	**13,074**	**-4.5**

autoPLAY Smart Digital Tools

New Passenger Vehicle Sales by Make - September 2018

MAKE	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	1,955	2,320	-15.7	20.7%	13,239	16.7%
Mazda	812	875	-7.2	8.6%	7,627	9.6%
Mitsubishi	766	647	18.4	8.1%	5,722	7.2%
Holden	626	1,006	-37.8	6.6%	5,634	7.1%
Kia	592	556	6.5	6.3%	5,368	6.8%
Hyundai	566	531	6.6	6.0%	5,325	6.7%
Suzuki	562	552	1.8	6.0%	5,130	6.5%
Honda	489	295	65.8	5.2%	4,166	5.3%
Ford	468	673	-30.5	5.0%	4,379	5.5%
Nissan	456	390	16.9	4.8%	3,430	4.3%
Volkswagen	366	297	23.2	3.9%	2,976	3.8%
Subaru	325	292	11.3	3.4%	2,836	3.6%
Mercedes-Benz	191	163	17.2	2.0%	1,711	2.2%
Audi	175	205	-14.6	1.9%	1,508	1.9%
Jeep	143	89	60.7	1.5%	1,094	1.4%
Skoda	133	111	19.8	1.4%	1,244	1.6%
BMW	129	196	-34.2	1.4%	1,396	1.8%
Lexus	81	66	22.7	0.9%	610	0.8%
Volvo	72	35	105.7	0.8%	495	0.6%
Land Rover	69	106	-34.9	0.7%	851	1.1%
SsangYong	68	43	58.1	0.7%	544	0.7%
Peugeot	57	91	-37.4	0.6%	741	0.9%
Haval	42	6	600.0	0.4%	397	0.5%
Jaguar	39	35	11.4	0.4%	306	0.4%
Tesla	36	19	89.5	0.4%	211	0.3%
Mini	35	59	-40.7	0.4%	513	0.6%
Porsche	34	22	54.5	0.4%	289	0.4%
Renault	23	14	64.3	0.2%	198	0.2%
Isuzu	20	25	-20.0	0.2%	225	0.3%
Citroen	17	32	-46.9	0.2%	183	0.2%
Alfa Romeo	15	11	36.4	0.2%	98	0.1%
Yamaha	10	8	25.0	0.1%	71	0.1%
Seat	9	6	50.0	0.1%	96	0.1%
Bentley	8	4	100.0	0.1%	43	0.1%
Infiniti	7	2	250.0	0.1%	20	0.0%
Others	35	73	-52.1	0.4%	545	0.7%
Total	**9,431**	**9,855**	**-4.3**	**100.0%**	**79,221**	**100.0%**

New Passenger Vehicle Sales by Model - September 2018

MAKE	MODEL	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Corolla	872	957	-8.9	9.2%	4,088	5.2%
Toyota	RAV4	366	516	-29.1	3.9%	2,943	3.7%
Kia	Sportage	323	314	2.9	3.4%	2,534	3.2%
Mitsubishi	ASX	317	236	34.3	3.4%	1,755	2.2%
Mazda	CX-5	288	253	13.8	3.1%	2,830	3.6%
Suzuki	Swift	275	205	34.1	2.9%	2,365	3.0%
Mitsubishi	Outlander	254	235	8.1	2.7%	1,820	2.3%
Toyota	Yaris	219	305	-28.2	2.3%	1,379	1.7%
Nissan	X-Trail	212	157	35.0	2.2%	1,314	1.7%
Nissan	Qashqai	193	198	-2.5	2.0%	1,627	2.1%
Honda	HR-V	189	123	53.7	2.0%	877	1.1%
Holden	Commodore	161	231	-30.3	1.7%	1,321	1.7%
Mazda	Mazda3	153	147	4.1	1.6%	1,459	1.8%
Volkswagen	Tiguan	151	125	20.8	1.6%	1,339	1.7%
Mazda	CX-3	146	111	31.5	1.5%	1,043	1.3%
Hyundai	Santa Fe	143	93	53.8	1.5%	1,117	1.4%
Hyundai	Tucson	142	180	-21.1	1.5%	1,445	1.8%
Honda	CRX	138	49	181.6	1.5%	1,248	1.6%
Toyota	Highlander	135	262	-48.5	1.4%	1,753	2.2%
Ford	Escape	128	219	-41.6	1.4%	1,077	1.4%
Mitsubishi	Eclipse Cross	125	0	12500.0	1.3%	1,188	1.5%
Subaru	XV	117	73	60.3	1.2%	948	1.2%
Holden	Equinox	116	0	11600.0	1.2%	626	0.8%
Hyundai	Kona	112	0	11200.0	1.2%	1,310	1.7%
Holden	Captiva	109	165	-33.9	1.2%	1,517	1.9%
Honda	Jazz	105	64	64.1	1.1%	1,414	1.8%
Ford	Focus	100	122	-18.0	1.1%	1,199	1.5%
Volkswagen	Polo	95	46	106.5	1.0%	537	0.7%
Toyota	Landcruiser Prado	93	24	287.5	1.0%	712	0.9%
Subaru	Outback	91	136	-33.1	1.0%	1,100	1.4%
Mazda	Mazda2	87	103	-15.5	0.9%	936	1.2%
Suzuki	Vitara	85	109	-22.0	0.9%	933	1.2%
Subaru	Forester	78	40	95.0	0.8%	322	0.4%
Toyota	Camry	77	90	-14.4	0.8%	578	0.7%
Toyota	C-HR	73	61	19.7	0.8%	644	0.8%
Others		3,163	3,906	-19.0	33.5%	29,923	37.8%
Total		**9,431**	**9,855**	**-4.3**	**100.0%**	**79,221**	**100.0%**

Top 3 Sources for Leads, Test Drives and Sales - New Zealand Dealerships

LEADS

Source	Change
Web - Dealer	9.0% (down)
Web - Classified	6.5% (down)
Brand	2.0% (up)

TEST DRIVES

Source	Change
Web - Dealer	4.6% (down)
Direct	11.4% (up)
Brand	1.7% (up)

Electric SUVs on the charge

Two marques competing in different parts of the market are delighted with pre-orders of electric vehicles (EVs) arriving next year.

Audi NZ is giving would-be buyers of its first fully electric car – the E-tron – the chance to make production deposits even before the announcement of its price and specifications, which should be confirmed around Christmas.

And Kia Motors NZ received more than 700 pre-registrations by the end of September for its Niro EV, and that total is growing daily.

Dean Sheed, general manager of Audi NZ, describes the E-tron's global unveiling last month in San Francisco as "a long time coming". Some of his team attended the launch with TVNZ's Seven Sharp film crew on location resulting in a five-minute segment aired on September 21.

"We have plug-in hybrids, but this is our first 100 per cent battery EV and it just happens to be an SUV," he says. "The world has an insatiable appetite for SUVs at the moment.

"They make up more than 55 per cent of New Zealand's passenger vehicle market, so if you're going to launch a disrupter then putting an electric model into this segment makes sense.

"The E-tron sits on a platform that will become the basis of future electric models. When you don't have the normal content of a petrol or diesel car, you can repackage the interior. The battery pack covers almost the entire floor area."

If people want to be among those first 100 customers, Audi NZ is accepting $2,000 deposits to reserve a build slot.

"That's not a deposit because we will firm that price towards Christmas," explains Sheed. "We will build the car in the first quarter of 2019 and should be able to deliver it by mid-year."

In less than a week, the marque received 50 deposits for build slots. "Being a premium SUV, it will be well over $100,000. Our sweet spot for the Q7 is about $140,000 to $150,000, so the E-tron will be around that or more, but probably high $100,000s.

"We have the factory watching what we're doing and I don't have much of an issue selling the first 100. It's how many I can get after that. I will have to fight for more volume for Kiwis and I'm happy to do that.

"Different countries have different adoption rates with New Zealand having a strong willingness to turn to EVs, which is fantastic. We're now getting critical mass around the country. The change is happening at a more visible level and you have more brands with electric models."

Dan Stowers, manager of marketing services with Kia Motors NZ, says the marque received more than 700 pre-registrations by the end of September for its Niro EV – and that total is growing daily.

"The level of interest is more than we expected and shows Kiwis are ready for the next generation of electric car, such as the Niro EV," he told Autofile.

"We knew there was interest in the EV since the plug-in and hybrid versions were launched earlier in the year. The level of demand for all three variants is encouraging and we think Kiwis are ready to start making the transition to vehicles with lower emissions.

"We anticipate global demand for the Niro EV will be high, but we'll be doing all we can to secure stock to fulfil orders. Being a practical size, it will be one of the first pure-electric compact SUVs on the New Zealand market.

"It will be a game-changer and will put a fully electric SUV within reach of more Kiwis. We're seeing interest at dealerships with people asking about range, battery size and warranty, charging options, price and launch date.

"This was one of the reasons we opened pre-registrations. They allow us to provide interested customers with information as soon as we can.

"Overall, business has been good this year and we're seeing continued growth. Traditionally, we see an increase in the last quarter with rentals being registered. We're expecting a good result with the new 2019 Sportage and Rio in dealerships."

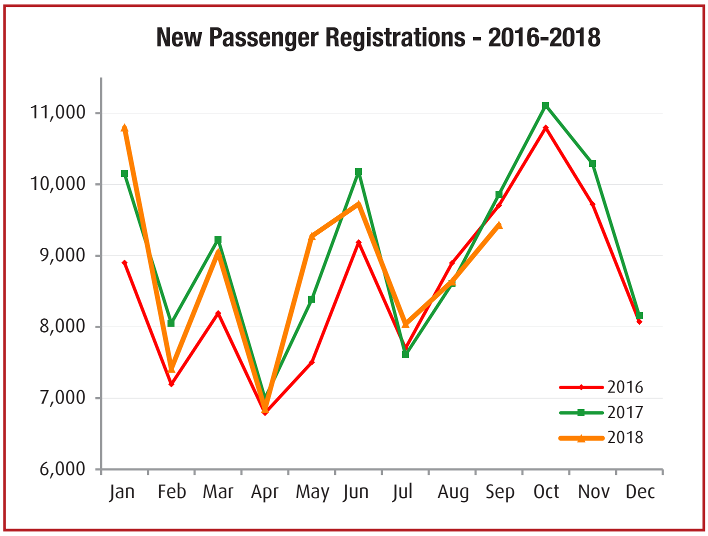
As for September's market, registrations of new passenger vehicles came to 9,431. This was down by 4.3 per cent – or 424 units – on the same month of 2017.

However, when compared to August, imports of new cars recorded a 9.2 per cent – or 792-unit – increase.

Last month's registrations raised the year-to-date total to 79,221, which was a slight increase of 0.2 per cent or 162 units on 79,059 sales during 2017's first nine months.

Toyota retained the market-leader position for new passenger vehicle registrations with a 20.7 per cent market share for the month thanks to 1,955 registrations.

It was followed by Mazda with 8.6 per cent of the market and 812 sales, and Mitsubishi with 8.1 per cent and 766 sales.



Hilux lagging further behind Ranger

The Ford Ranger has extended the lead over its nearest rival to virtually claim the crown of New Zealand's most popular ute with three months of the year to go.

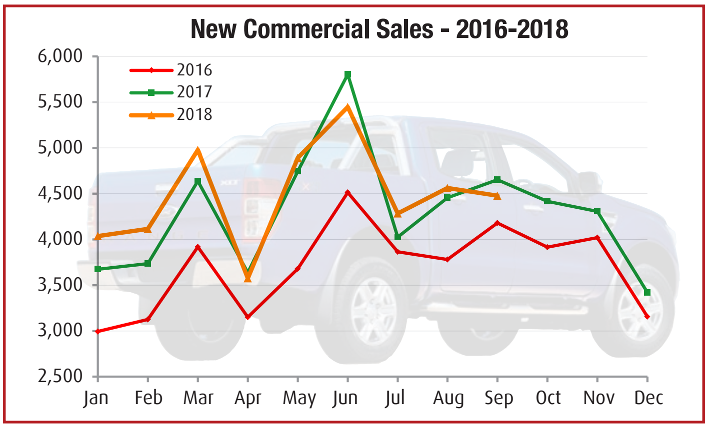
The Ranger sold 802 units last month for a year-to-date total of 7,432, while the Hilux had a 15.7 per cent drop in sales to 667 and is second on 5,956 units.

Overall, there were 4,477 new commercials sold in September – down by 3.8 per cent on the same month of 2017 for 40,366 registrations so far in 2018.

John Hutchinson, dealer principal at Team Hutchinson Ford in Christchurch, can see why the new Rangers are so popular after driving one of them home.

"These utes drive just like cars," he says. "You have that SUV feeling of sitting up high off the road and, lifestyle-wise, you can do everything you want. There are lots of reasons why double-cab utes have been so successful."

Looking ahead to new market entrants, Hutchison describes the Raptor as a "niche product, a real sports utility".



He told Autofile: "There will be people who will buy a Raptor who probably haven't owned a ute before. They will be attracted to the model because it's unique due to its styling, suspension and handling package. It will attract a new buyer, but there will be some spill-over from the Ranger.

"We've had a lot of pre-sales. Once people start seeing it on the road, that's when sales will really kick in. It will be a game-changer."

Craig Brook, general manager of Southern Honda in Dunedin, says: "There has been a big surge in commercial sales in the South Island. But if farmers have locked their cheque books away, that will make a difference."

New Commercial Sales by Make - September 2018

MAKE	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	989	1,153	-14.2	22.1%	8,053	19.9%
Ford	901	875	3.0	20.1%	8,372	20.7%
Mitsubishi	452	373	21.2	10.1%	3,431	8.5%
Isuzu	299	321	-6.9	6.7%	2,760	6.8%
Holden	287	380	-24.5	6.4%	3,595	8.9%
Nissan	254	267	-4.9	5.7%	2,858	7.1%
Mazda	201	205	-2.0	4.5%	1,631	4.0%
Fuso	133	83	60.2	3.0%	712	1.8%
Volkswagen	132	133	-0.8	2.9%	1,456	3.6%
LDV	126	110	14.5	2.8%	1,447	3.6%
Mercedes-Benz	113	125	-9.6	2.5%	884	2.2%
Fiat	111	157	-29.3	2.5%	714	1.8%
Hyundai	80	75	6.7	1.8%	581	1.4%
Hino	60	63	-4.8	1.3%	540	1.3%
SsangYong	32	38	-15.8	0.7%	359	0.9%
Iveco	26	19	36.8	0.6%	217	0.5%
Volvo	25	23	8.7	0.6%	236	0.6%
Alexander Dennis	24	0	2400.0	0.5%	113	0.3%
Scania	23	20	15.0	0.5%	201	0.5%
Kenworth	23	20	15.0	0.5%	244	0.6%
Others	186	212	-12.3	4.2%	1,962	4.9%
Total	**4,477**	**4,652**	**-3.8**	**100.0%**	**40,366**	**100.0%**

New Commercial Sales by Model - September 2018

MAKE	MODEL	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	802	781	2.7	17.9%	7,432	18.4%
Toyota	Hilux	667	791	-15.7	14.9%	5,956	14.8%
Mitsubishi	Triton	451	373	20.9	10.1%	3,430	8.5%
Toyota	Hiace	290	337	-13.9	6.5%	1,821	4.5%
Holden	Colorado	279	353	-21.0	6.2%	3,534	8.8%
Nissan	Navara	254	267	-4.9	5.7%	2,858	7.1%
Mazda	BT-50	201	205	-2.0	4.5%	1,631	4.0%
Isuzu	D-Max	197	195	1.0	4.4%	1,878	4.7%
Fiat	Ducato	111	154	-27.9	2.5%	711	1.8%
Ford	Transit	99	94	5.3	2.2%	940	2.3%
Hyundai	iLoad	78	71	9.9	1.7%	561	1.4%
Mercedes-Benz	Sprinter	74	110	-32.7	1.7%	563	1.4%
Volkswagen	Amarok	73	85	-14.1	1.6%	750	1.9%
LDV	T60	64	36	77.8	1.4%	657	1.6%
Isuzu	F Series	45	56	-19.6	1.0%	352	0.9%
LDV	V80	40	58	-31.0	0.9%	457	1.1%
Isuzu	N Series	38	39	-2.6	0.8%	321	0.8%
Hino	500	35	38	-7.9	0.8%	269	0.7%
Volkswagen	T6	34	22	54.5	0.8%	363	0.9%
Toyota	Landcruiser	32	25	28.0	0.7%	275	0.7%
Others		613	562	9.1	13.7%	5,607	13.9%
Total		**4,477**	**4,652**	**-3.8**	**100.0%**	**40,366**	**100.0%**

Accessing used utes difficult

A company is notching up success by moving into the second-hand market for utilities, but sourcing them can be a tricky business.

Julian Stone, general manager of Buy Right Cars, says: "Last month was fairly challenging and the used market has been a bit flat for a few months.

"Enquiries are there, but they are a little soft and there's not the urgency that's normally in the market. I'm unsure if it's because everyone has been listening to talk about a drop-off in business confidence. It's not as easy as we would like, but we're doing okay."

Stone says the business, which has nine branches in Auckland and one in Hamilton, is doing well with used commercials.

"We've sold vans in the past, but utes are a new area. It can be hard to compete with new car manufacturers especially in the winter with Fieldays deals running and discounting like crazy.

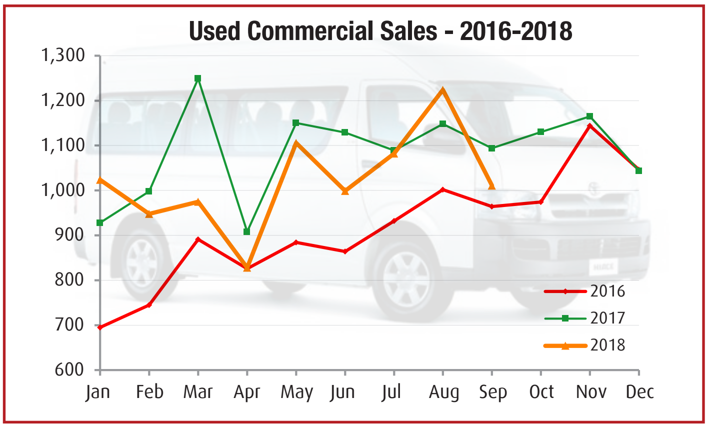
"We're trying to get as many used utes as we can, but they aren't easy to find. We get them from other dealers, as trade-ins and buying through auction houses."

Stone believes a big issue moving ahead will be how people react to rising petrol prices, although he has yet been a big shift towards smaller and more economical vehicles.

"The government is pushing people towards more fuel-efficient cars," he says.

"I don't think electric vehicles have the range yet or are priced well-enough to help people suffering the most. It's going to take time to change."

There were 1,011 used commercials sold last month – down by 7.6 per cent compared to September 2017 and also down 17.4 per cent against August this year.



Used Commercial Sales by Make - September 2018

MAKE	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	489	526	-7.0	48.4%	4,152	45.1%
Nissan	187	217	-13.8	18.5%	1,919	20.9%
Mazda	62	67	-7.5	6.1%	542	5.9%
Isuzu	61	67	-9.0	6.0%	521	5.7%
Hino	37	20	85.0	3.7%	313	3.4%
Mitsubishi	36	39	100.0	3.6%	318	3.5%
Ford	31	47	-34.0	3.1%	357	3.9%
Chevrolet	17	18	-5.6	1.7%	163	1.8%
Holden	16	23	-30.4	1.6%	175	1.9%
Suzuki	14	4	250.0	1.4%	52	0.6%
Fiat	9	4	125.0	0.9%	149	1.6%
Dodge	7	9	-22.2	0.7%	54	0.6%
Volkswagen	6	9	-33.3	0.6%	44	0.5%
GMC	4	5	100.0	0.4%	39	0.4%
Mitsubishi Fuso	4	2	200.0	0.4%	35	0.4%
DAF	3	4	100.0	0.3%	23	0.3%
Iveco	3	2	50.0	0.3%	27	0.3%
Daihatsu	2	2	0.0	0.2%	51	0.6%
Great Wall	2	1	100.0	0.2%	16	0.2%
Hyundai	2	0	200.0	0.2%	11	0.1%
Others	19	28	-32.1	1.9%	236	2.6%
Total	**1,011**	**1,094**	**-7.6**	**100.0%**	**9,197**	**100.0%**

Used Commercial Sales by Model - September 2018

MAKE	MODEL	SEPT'18	SEPT'17	+/- %	SEPT'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	366	374	-2.1	36.2%	3,172	34.5%
Nissan	Caravan	56	76	-26.3	5.5%	600	6.5%
Mazda	Bongo	52	56	-7.1	5.1%	438	4.8%
Toyota	Regius	51	67	-23.9	5.0%	326	3.5%
Nissan	NV350	37	24	54.2	3.7%	288	3.1%
Isuzu	Elf	36	35	2.9	3.6%	306	3.3%
Nissan	Vanette	35	29	20.7	3.5%	248	2.7%
Toyota	Dyna	32	31	3.2	3.2%	303	3.3%
Nissan	NV200	25	48	-47.9	2.5%	380	4.1%
Nissan	Atlas	22	13	69.2	2.2%	194	2.1%
Hino	Dutro	22	6	266.7	2.2%	140	1.5%
Toyota	Toyoace	18	17	5.9	1.8%	155	1.7%
Toyota	Hilux	15	20	-25.0	1.5%	110	1.2%
Mitsubishi	Canter	14	18	-22.2	1.4%	140	1.5%
Suzuki	Carry	13	4	225.0	1.3%	47	0.5%
Isuzu	Forward	13	21	-38.1	1.3%	114	1.2%
Mitsubishi	Delica	10	9	11.1	1.0%	53	0.6%
Holden	Colorado	9	11	-18.2	0.9%	71	0.8%
Ford	Ranger	9	12	-25.0	0.9%	124	1.3%
Hino	Ranger	9	8	12.5	0.9%	128	1.4%
Others		167	215	-22.3	16.5%	1,860	20.2%
Total		**1,011**	**1,094**	**-7.6**	**100.0%**	**9,197**	**100.0%**

‘Downturn’ in buyer confidence

Various factors may have come into play for a fall in trade of new vehicles in some parts of the country compared to this time last year, including a drop in consumer confidence.

Craig Brook, general manager of Southern Honda in Dunedin, says car sales around the city appear to have been challenging over the past few months. That said, the dealership is well-stocked with new and used vehicles.

“We are getting back to basics, which is concentrating on direct-marketing campaigns,” he says. “It will change. I’ve seen sales come and go over the 26 years I’ve been here, so it’s nothing new. The past two years for new cars have been very good for us.

“We do things differently at Honda. We use our database so our retention sales are really high, but in the past eight weeks we’ve noticed a fall-off in that area.”

Brook thinks there has been a general downturn in buyer confidence because the business has done nothing differently in the past eight weeks than what it normally would have done in the past 24 months.

“I can’t say why new car sales have slowed, it could be winter or the government. But sales of used cars have been good and we are trading used Hondas. I don’t have to buy cars because we get good trade-ins.”

The dealership’s service department has been busy, while some people have been taking advantage of Honda’s low-finance deal on a new CR-V.

“We sold a number of CR-Vs in September,” Brook told Autofile. “Television marketing Honda NZ is doing will start to kick in shortly because it has only been out for a few weeks. We’ll start to see results from that in the next two weeks.”

Dean Sheed, general manager of Audi NZ, describes business as being solid during 2018.

“We have a good range of high-performance cars with the RS4 selling well – we will close out the year with more than 100 sold and our SUVs have also been going well,” he says. “The premium market has slowed this year in line with business confidence, but the quantum is still there on the back of four to five years’ growth.”

There were 10,641 new passenger vehicles imported during September. This was up by 39.6 per cent on the same month of last year when 7,620 units crossed the border, but was down by five per cent when compared to 11,202 in August.

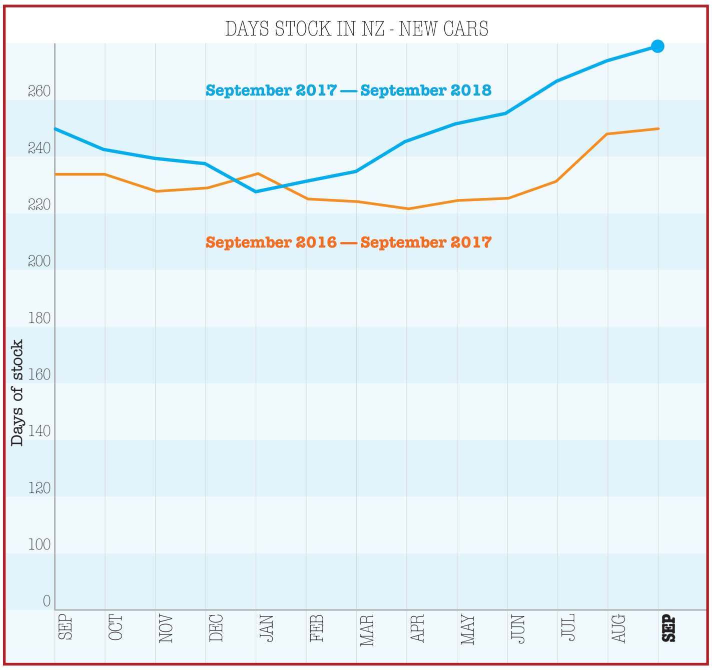
Registrations of new cars last month held steady on 9,431 units, which was a decrease of 4.3 per cent on the same month of last year when the total was 9,855. However, registrations rose by 9.2 per cent from 8,693 in August.

When taking into account last month’s total for cars being imported minus registrations, there was a variance of 1,210 units for a further increase of stock on-hand to 83,155 units to create a new high. That total means there are now 279 days of stock on-hand or 9.2 months’ worth if sales continue at the same rate.

August’s daily average sales dropped slightly at 298 – three days higher than the same month of last year, but down one on July and August this year. Year to date, 91,175 new cars have entered the country, while 79,221 have been registered for a variance of 11,954.

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
Sep ‘17	7,620	9,855	-2,235	71,716	295	243
Oct ‘17	10,473	11,109	-636	71,080	296	240
Nov ‘17	9,825	10,289	-464	70,616	297	237
Dec ‘17	8,736	8,151	585	71,201	298	239
Jan ‘18	8,086	10,798	-2,712	68,489	299	229
Feb ‘18	7,281	7,415	-134	68,355	298	230
Mar ‘18	9,954	9,050	904	69,259	297	233
Apr ‘18	10,268	6,848	3,420	72,679	297	245
May ‘18	12,102	9,275	2,827	75,506	299	252
Jun ‘18	10,138	9,725	413	75,919	298	255
Jul ‘18	11,503	8,040	3,463	79,382	299	265
Aug ‘18	11,202	8,639	2,563	81,945	299	274
Sep ‘18	**10,641**	**9,431**	**1,210**	**83,155**	**298**	**279**
Year to date	**91,175**	**79,221**	**11,954**			
Change on last month	**-5.0%**	**9.2%**		**1.5%**		
Change on Sep 2017	**39.6%** MORE IMPORTED	**-4.3%** LESS SOLD		**16.0%** MORE STOCK		



Welcome fall in stock levels

Imports of used cars have fallen for the third month in a row. A total of 9,260 used passenger vehicles crossed the border last month – down by 30.8 per cent on September 2017. It was also down by 1,074 units on August's 10,334 and 1,786 units on July's 11,046.

Year to date, 110,440 used-imported cars have come into New Zealand and 113,320 units have been registered resulting in a decrease in used car stock of 2,880.

Stock on-hand sits at 31,722 units – down by 9.7 per cent on September 2017. That means there's 74 days of unregistered stock on-hand.

Kit Wilkerson, policy analyst and adviser with VIA (the Imported Motor Vehicle Industry Association), believes the automotive sector will have no choice but to embrace changes on the horizon – and that's going to affect what is supplied to the market and influence consumer's spending patterns.

These will be likely to include a decrease in demand for personal vehicles due to ride-sharing, different ownership models and driverless vehicles.

"It's a challenge the industry will have to face because if people don't need cars, they aren't going to buy cars," he told Autofile.

"There's also an opportunity to continue selling as many vehicles as possible to get rid of the old fleet and we need to work out how to do that. Every nation's fleet is getting older because cars are designed to last longer, so why throw away a perfectly good one.

"The biggest problem is those that are poorly maintained. They tend to be the older stock, but I don't want to demonise old vehicles because many are well-maintained. Another challenge is cars of today are made to last 400,000km."

Electric vehicles (EVs) are always on the agenda and Wilkerson believes New Zealand is on-track to meet uptake targets.

"The Ministry of Transport did a lot of research before its EV goals were announced," he says. "They were in-line with expectations of consumers' buying power and supply from other jurisdictions, so I think they're realistic.

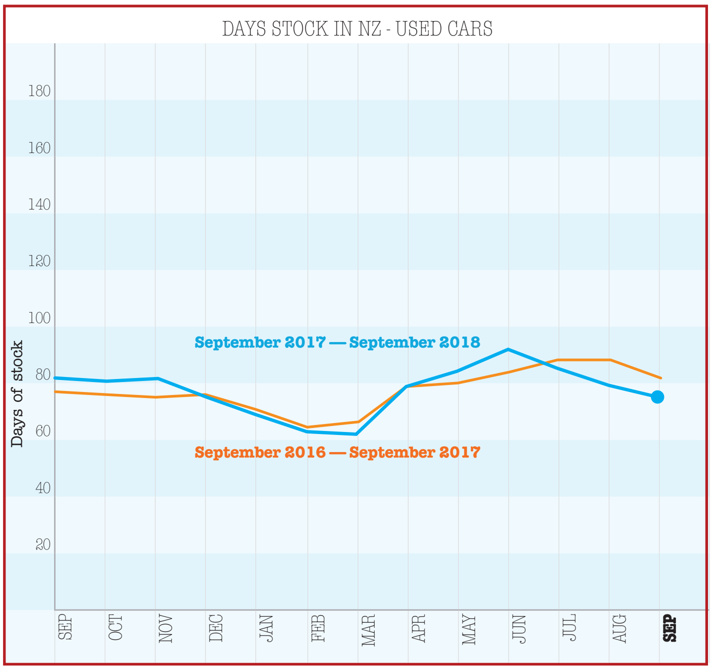
"We're taking advantage of benefits buyers get in foreign jurisdictions when importing used EVs, while my conservative estimate is for all new cars to be electric within the next 10 to 15 years."

Julian Stone, general manager of Buy Right Cars, says: "We do stock New Zealand-new cars, not just imports. It has been a difficult year getting imports in with stink bugs and all sorts of things.

"We didn't have many cars in Osaka during the typhoon – most were further north – but it has affected some businesses."

Stone, who predicted a further decrease in used-imported cars arriving during September and October, adds: "Trade Me is about as full as it has ever been, so dealers will clear stock they have so there won't be as many cars coming in from Japan while they do that."

Craig Brook, of Southern Honda in Dunedin, says: "We're lucky to have our price promise, which is why we sell good second-hand cars. We get good money for used Hondas and can pay more for trade-ins because we don't discount on new. But used dealers I talk to in Dunedin say they aren't selling too many cars."



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
Sep '17	13,378	13,645	-267	35,141	442	80
Oct '17	14,866	14,118	748	35,889	445	81
Nov '17	14,642	14,924	-282	35,607	451	79
Dec '17	13,097	14,102	-1,005	34,602	454	76
Jan '18	10,479	13,719	-3,240	31,362	456	69
Feb '18	7,686	12,048	-4,362	27,000	455	59
Mar '18	10,772	11,841	-1,069	25,931	448	58
Apr '18	19,438	10,893	8,545	34,476	444	78
May '18	15,464	13,420	2,044	36,520	441	83
Jun '18	15,961	12,651	3,310	39,830	439	91
Jul '18	11,046	13,847	-2,801	37,029	438	85
Aug '18	10,334	13,368	-3,034	33,995	434	78
Sep '18	**9,260**	**11,533**	**-2,273**	**31,722**	**429**	**74**
Year to date	**110,440**	**113,320**	**(2,880)**			
Change on last month	**-10.4%**	**-13.7%**		**-6.7%**		
Change on Sep 2017	**-30.8%** LESS IMPORTED	**-15.5%** LESS SOLD		**-9.7%** LESS STOCK		