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JULY 2021

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Rebates will ‘screw’ car market for rest of year

Industry association sounds warning after government starts interim discount scheme for electric vehicles

PHEVs, such as the Hyundai Ioniq plug-in, left, attract a $5,750 rebate if new, or $2,300 if used, for the rest of this year when registered for the first time. But traditional petrol hybrids, such as the Suzuki Swift, aren’t eligible for discounts until January 1, 2022

The Imported Motor Vehicle Industry Association (VIA) is vowing to ensure the clean-car discount undergoes proper consideration from government officials as it passes through legislation this year.

David Vinsen, chief executive, says the “very short notice” on introducing rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) from the start of this month gave VIA little time to air its concerns with officials.

However, it is determined for its members’ views to be heard before the full clean-car discount scheme is finalised and comes into force from the start of 2022.

VIA held a webinar on June 21 with its members, as well as representatives from the Ministry of Transport (MoT) and Waka Kotahi, to clarify the government’s policies and discuss some of the expected key challenges.

Vinsen adds the latest policy contains no surprises, but the automotive industry has been taken aback by it being introduced before the clean-car standard, which has been the main subject of talks with government departments in recent months.

“I was surprised they announced this feebate scheme because they had indicated they would defer it until after consultation with industry and introduce it later on,” he told Autofile.

“This feebate scheme has been leapfrogged ahead of the fuel-economy standard, also known as the clean-car standard, for which a lot of work has been done.

“Our role is to ensure that whatever is introduced is properly considered and implemented smoothly.

“There’s still some confusion in the industry and the public’s

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GUEST EDITORIAL

Incentives for greener vehicles are welcome

Andrew Caseley says the clean-car scheme is a step towards decarbonising transport

Two years ago, I wrote on this page in Autofile that New Zealand needed to catch up with the rest of the world and introduce a fuel-efficiency standard for light vehicles, so I'm pleased the Energy Efficiency and Conservation Authority (EECA) has been able to support the roll-out of the clean-car programme.

ANDREW CASELEY
Chief executive, EECA

The Climate Change Commission has made it clear how significant an issue transport is as it makes up 47 per cent of our country's total carbon dioxide (CO2) emissions.

If we are to meet our goal of becoming carbon-neutral by 2050, vehicles and the ways we get around must change.

On average, new cars stay in the fleet for 19 years so those coming into our fleet now will most likely still be on the road in 2040 when we need to be two-thirds of the way towards meeting our climate-change targets.

The clean-car programme, which comes into effect on January 1, will include a full set of rebates on low-emissions vehicles and fees on higher-emitters proportionate to their CO2 emissions.

The "carrot" of this package is already here with rebates being offered on electric vehicles (EVs) and plug-in hybrids.

We've already seen an interest surge with EV dealers because price has always been a barrier to uptake, even as people become more familiar with, and favourable toward, this technology.

The move puts New Zealand in step with other countries introducing incentive schemes which have, in turn, given the global market confidence to lean hard into developing EV technology.

According to the International Energy Agency, 18 of the world's top 20 manufacturers have stated plans to increase the range of EV models available, especially SUVs and utilities.

This will be good news for ute drivers, who are currently worried they'll be stung by higher prices. However, they already have options including buying second-hand in New Zealand, which falls outside of the clean-car programme.

It may also encourage them to become more familiar with fuel-efficiency ratings, via EECA's fuel-economy label. There are several utes that hover around 200gCO2/km, which means they will attract lower charges and be cheaper to run.

EECA is responsible for a key part of the government's programme to accelerate the uptake of low-emissions transport in New Zealand via the Low Emissions Vehicles Contestable Fund.

Budget 2021 included a boost in money and expansion in scope for the fund, which will soon become the Low Emissions Transport Fund (LETF).

Full details of the LETF will be announced by September, but it will allow support beyond just road vehicles.

Biofuels will be in scope, which have the potential to reduce emissions from our fleet, and we'll be working to expand and optimise the public EV charging network.

We are looking forward to working with the automotive industry to drive a more efficient, low-emissions fleet.

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Autofile magazine is also available online as a readable file or downloadable as a PDF. Subscriptions are available at Autofile Online – www.autofile.co.nz. Back copies are also available on the website.

Copyright: Published monthly by 4Media Ltd

 ISSN 0112-3475 (print) ISSN 2350-3181 (online)

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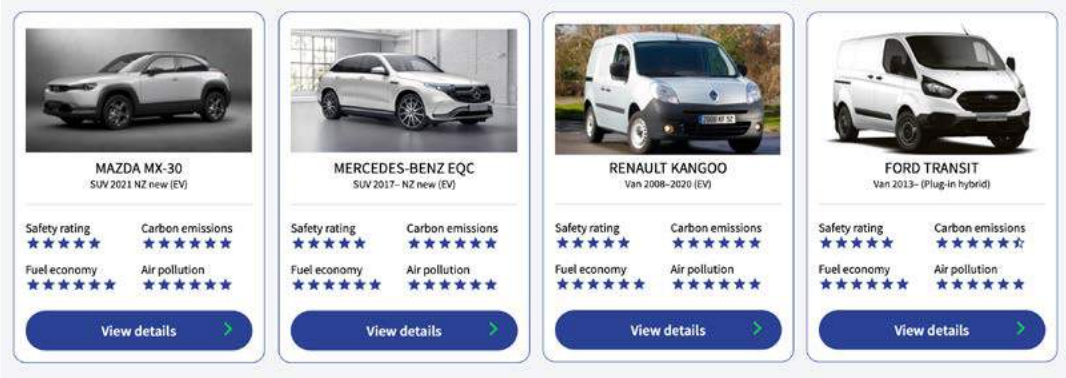
minds between the two schemes. The fuel-economy standard is aimed at wholesale and influencing what importers bring in, while the rebate is aimed at influencing what purchasers buy."

VIA is unhappy at the gap between starting rebates this month and introducing the full clean-car discount programme at the start of 2022 – it fears this will hurt sales of petrol hybrids and low-emissions vehicles (LEVs) in the interim.

There is also disappointment about the delay in implementing the scheme for hybrids, other than plug-ins, because this means a six-month wait for consumers until rebates for them kick in.

"The market will be screwed for the next six months," says Vinsen. "I have no idea why they want to wait an extra six months for applying the rebate to all hybrids. They should do the whole lot in one hit."

The webinar heard the government is initially targeting vehicles that have a plug for reasons of simplicity, while trying to include different variations of hybrids and LEVs would have delayed introducing the rebates.



Waka Kotahi has listed about 80 vehicles entitled to rebates when first registered between July 1 to December 31. Visit www.rightcar.co.nz/clean-car-discount to find out more

Buyers of most hybrids first registered here will be entitled to some cash back under the clean-car discount, the details of which are subject to legislation being passed in the coming months, but for how long remains unknown.

The meeting, which attracted about 50 people, was told that once more consumers start buying EVs, then maintaining discounts for popular hybrids may become too expensive as the feebate scheme is set to be cost-neutral.

Vinsen says it will be interesting to see how a scheme of penalties and incentives plays out across the industry, and what impact it has on consumers' purchasing habits.

He predicts the prices of EVs that attract the rebate will increase, which will effectively swallow up any government discount.

"Everyone is going to end up paying more for the same vehicle than they would today and the money will just go to Japan," says Vinsen.

"People will have an extra $3,000 to spend, which will push the prices up. The rebate will give dealers and importers more purchasing power, but they will be competing against each other and other countries for the same vehicles.

"Ironically, it's going to mean the value of cars with internal combustion engines [ICEs] currently in the fleet is possibly going to go up because ICE vehicles that come in next year are ▶

Discounts explained

The rebate scheme for buyers of electric cars started on July 1 and runs until the end of this year.

The discounts are $8,625 for a new BEV and $5,750 for a new PHEV. For used, they are $3,450 and $2,300 for BEVs and PHEVs respectively.

They apply to vehicles when registered for the first time in New Zealand although those bought before July 1, but not registered until afterwards, also qualified.

They must have a safety rating of at least three stars and must cost less than $80,000, including GST and on-roads.

The sale agreement, plates number and bank account are needed with the registered owner applying online to Waka Kotahi for the discount.

Rebates are paid into that person's bank account within 20 working days. Applications will be accepted until February 28 for vehicles registered between July 1 and December 31.

"If, due to demand, funds are exhausted, no discounts [rebates] will be offered on registrations until funds have been replenished and the scheme reopened," says the agency.

"Only vehicles registered from the restart date will be eligible for rebates. Petrol hybrids are popular, but are not charged from electricity and are therefore not eligible for the July 1 to December 31 rebate."

As for the clean-car discount scheme from 2022, it will consist of rebates and fees for imported vehicles based on their CO2 emission ratings.

Visit www.nzta.govt.nz/cleancar for more information.

☞ VIA's Kit Wilkerson explains the differences between the two-phased roll-out of the clean-car discount and standard – page 18

☞ The MTA's Tony Everett has some advice for car dealers – page 21

going to be increasing in cost.

"This means people are likely to hold onto their old vehicles for longer. In turn, the rebate isn't going to have any significant effect in achieving the government's goals for cleaning up the fleet.

"It's going to be an interesting practical experiment in behavioural economics to see how social engineering can be implemented by government through fees, rebates and incentives."

Vinsen adds VIA will hold more webinars on the clean-car policies as necessary because last month's event shows members want to "understand what's coming at us and how to deal with it".

MORE ACTION NEEDED

The Motor Trade Association (MTA) has welcomed the clean-car discount package, but it believes the government has missed an opportunity to go further by excluding buyers of conventional petrol hybrids from getting rebates.

Greig Epps, manager for advocacy and strategy, says the MTA has been calling for demand-side support for a long time.

It is also pleased safety has been considered with a minimum three-star rating being required for BEVs and PHEVs to attract discounts from now until the end of the year.

That said, Epps believes there are still opportunities to strengthen the package.

"This can be done by making the process easier for consumers, increasing the size of the rebate and focusing on carbon reduction rather than just electrification."

He believes the size of the rebates, which are "proportionately far less" than other countries, may be too low to stimulate demand the government wants.

"New EVs start at about $48,000 and average about $68,000, whereas you can get a really good new petrol car for less than $30,000. The rebate only covers some of that gap.

"We think the government may need to reach deeper into its pockets if it's expecting families to reach into theirs."

The MTA says the rebate scheme, which runs to the end of 2021, could have further lowered emissions had petrol hybrids been included.

Discounts and fees on popular used imports

MAKE	MODEL	FUEL	DISCOUNT/FEE
Mazda	Axela	Petrol	$0
Toyota	Aqua	Petrol hybrid	-$1,860
Mazda	Demio	Petrol	-$770
Suzuki	Swift	Petrol	$0
Toyota	Prius	Petrol hybrid	-$1,390
Subaru	Impreza	Petrol	$2,875
Subaru	Legacy	Petrol	$1,670
Honda	Fit	Petrol	-$600
Volkswagen	Golf	Petrol	$0
Mitsubishi	Outlander	Petrol	$0
Nissan	Leaf	Electric	-$3,450
Nissan	X-Trail	Petrol	$1,670
Mazda	Atenza	Petrol	$0
Toyota	Hiace	Petrol	$2,875
Examples of other used low-emissions vehicles			
Mitsubishi	Outlander PHEV	Plug-in hybrid	-$2,300
Toyota	Prius PHEV	Plug-in hybrid	-$2,300
Honda	Fit Hybrid	Petrol hybrid	-$1,330
Toyota	Estima Hybrid	Petrol hybrid	-$670
Toyota	Prius v (7-Seater)	Petrol hybrid	-$1,310

** source: MoT/NZTA, based on 2020 registration data*

"The Climate Change Commission has acknowledged hybrids will need to be transition vehicles. In terms of available supply, there are fewer than 200,000 EVs in Japan compared with millions of hybrids."

Overall, Epps describes the handling of the clean-car rebate as "haphazard" with businesses and industry associations scrambling on June 13 to make sense of what had been released.

"The financing and leasing sectors have been particularly unsure about how the mechanism of fees and rebates on registration will impact the financing process.

"The speed of the roll-out makes it hard not to take a cynical view that the government was reacting to media focus on the unaffordability of EVs."

Confusion has extended to many in the industry thinking the start date of the clean-car standard had been brought forward.

"It took a few days of engagement by officials to help businesses understand the consumer and registration focus of the rebates as opposed to the importer focus of the standard – that's to say credits and penalties for landing vehicles," Epps told Autofile.

"That dual aspect seems to have been ignored. From 2023, some vehicles will attract both a penalty on import and a fee on registration.

"Also, many people haven't picked up on the announcement 'footnote' that rebates will only be available if there's money still left in the pot.

"However, it is unclear how the public or our industry will know if the rebate tap is about to be turned off.

"Despite the jumbled start, the MTA is continuing to engage with the Ministry of Transport and NZTA on roll-out and implementation."

There also remains the unanswered question of New Zealand's existing fleet of 5.5 million vehicles.

Epps says: "We need people to be thinking about how they keep their vehicles running clean through regular servicing and the government should look at in-service emissions testing.

"Also, it will become increasingly unattractive for dealers to take trade-ins that are no longer desirable. So where do people go to remove their cars from the fleet? More than ever, we need a comprehensive scrappage strategy."

World 'scrambling' for supply

The Motor Industry Association (MIA) says supplying low-emissions vehicles (LEVs) to New Zealand will remain "problematic" for the foreseeable future because worldwide demand is far exceeding volumes from production lines.

While more models that emit fewer carbon dioxide (CO_2) emissions are regularly announced and released globally, their allocation – that's to say, how many of each are available – will mean our market will remain constrained for several years.

"There remains a large gap in the expectation of ministers and officials on the rate of supply to our domestic market," says David Crawford, the MIA's chief executive, on last month's announcement from the government on clean-car discounts. "The whole world is scrambling for LEVs as demand outstrips supply."

The availability of low-emitting commercials is even more of an issue because there are low numbers of such models – be they pure electrics (BEVs), plug-ins (PHEVs) or traditional hybrids.

"We expect more to be announced in coming years. However, they remain expensive and most are likely to exceed the $80,000 threshold for rebates.

"The supply of low-emissions utes is particularly problematic. Most brands will not have such hybrids until around 2024/25 at the earliest. BEV and PHEV utes are expected after that.

Discounts and fees on popular new imports

	MAKE	MODEL	DISCOUNT/FEE
BATTERY ELECTRICS	Tesla	Model 3	-$8,625
	Hyundai	Kona	-$8,625
	Nissan	Leaf	-$8,625
	MG	ZS	-$8,625
	LDV	eDeliver 3	-$8,625
PLUG-IN HYBRIDS	Mitsubishi	Outlander PHEV	-$5,750
	Mini	Countryman PHEV	-$5,580
	Toyota	Prius Prime PHEV	-$5,750
	BMW	i3 Rex PHEV	-$5,750
LOW EMISSIONS	Toyota	RAV4 Hybrid	-$2,340
	Suzuki	Swift petrol	-$2,340
	Toyota	Corolla Hybrid	-$3,210
	Toyota	C-HR Hybrid	-$3,010
	Toyota	Yaris petrol	-$3,620
	Honda	Jazz petrol	-$1,360
	Suzuki	Swift Hybrid	-$3,260
	Toyota	Yaris Hybrid	-$4,290
MID EMISSIONS	Kia	Seltos petrol	$0
	Mazda	CX-5 petrol	$0
	Mitsubishi	Outlander petrol	$0
	Nissan	Qashqai petrol	$0
	Toyota	RAV4 petrol	$0
	Suzuki	Vitara petrol	$0
HIGH EMISSIONS	Ford	Ranger diesel	$2,760
	Toyota	Hilux diesel	$2,880
	Mitsubishi	Triton diesel	$2,760
	Kia	Sportage petrol	$1,210
	Mitsubishi	ASX petrol	$520
	Nissan	Navara diesel	$810

** source: MOT/NZTA, based on 2020 registration data*

"Some brands may bring in low-emissions utes if they can get them produced in right-hand-drive [RHD] configuration."

When it comes to supplying new models, allocation for New Zealand is often tagged onto what Australia receives.

"The larger the market combined with a solid incentive policy greatly enhances our ability to attract LEVs in RHD," explains Crawford.

"If we had all of Australia pushing for LEVs, then it would assist brands making a business case to develop these types of vehicles in RHD."

As for market trends in New Zealand since last month's news of interim rebates until the end of 2021, there has predictably been a lot of consumer interest in new BEVs and PHEVs.

"The three weeks from announcement to the rebate coming into effect was manageable. A month or longer would have been unfortunate because cash flow would have then become an issue.

"Generously, the government allowed dealers who had registered a BEV or PHEV, but had yet to deliver it, to deregister and reregister it on July 1 so the owner could claim the rebate."

Crawford describes the level of rebates offered on new PHEVs and BEVs as "significant" while the full clean-car discount programme, which starts on January 1, follows years of lobbying by the MIA.

"We're pleased the government had the foresight to bring in an interim rebate for BEVs and PHEVs while it takes time to put in place the regulatory law required for the full feebate scheme.

"The level of rebate offered is significant. In our view, it will address in part the lack of affordability because of what new LEVs cost compared to their internal combustion engine-equivalent models."

In addition, rules around allowing the discount when calculating fringe-benefit tax and depreciation will go some way to addressing barriers to the uptake of LEVs by businesses.

On the flipside, there has been some confusion on the mechanics of which models are eligible for rebates.

In addition, some marques remain disappointed and frustrated over ministerial statements on how soon BEV and PHEV utes will be available in New Zealand.

"We have informed them, including the prime minister, several times that certain statements haven't been true," says Crawford. "We consider they have been misleading statements. This has been unhelpful and distracts from the policy's main focus.

"Based on feedback from our members, one or two brands are working hard to get in fully electric utes. However, our expectation is PHEV utilities might become more widely available by 2025 and fully electric utes after that.

"There is a range of BEV vans on the market now and we expect more such models will become available in the next 12 to 24 months.

"Speculation by ministers of when models are coming to the market is unhelpful. At worst, it becomes a death knell to business continuity."

The government has ruled out exemptions for utes

Green rebates are 'too soon'

Sales of petrol and diesel vehicles will surge in the coming six months before easing off in 2022 when penalties start being applied to those cars.

That's the view of Greg Hedgepeth, chief executive of Turners Group, who also believes the rebates and clean-car discount announced by the government last month are being introduced too soon and will still leave EVs out of most Kiwis' reach.

"It appears to have been rushed through – probably a year early, with many critical details still yet to be confirmed," he told Autofile.

"Until every relevant aspect of this programme is worked through and clarified to the industry, then it's unclear exactly what impact it will have."

He expects the introduction of feebates on January 1, 2022, which will offer discounts on zero and low-emissions vehicles (LEVs) being registered for the first time, while fees are levied on high-emitters, will influence the market more than the preceding six months of rebates for BEVs and PHEVs.

"I would imagine New Zealand sales of ICE [internal combustion engine] imported vehicles, which will attract fees, will spike up leading up to this date, then drop


Greg Hedgepeth


Chris Stephenson


Hayden Johnston

away in the first quarter of 2022," says Hedgepeth.

"While we have decided to take a 'steady as she goes' approach for the coming months – to find out more information and monitor the situation – we have already seen some dealers pushing the retail pricing of their EVs and PHEVs up by approximately the rebate amount they are set to receive.

"Our research tells us 60 per cent of Kiwis buy cars at $10,000 or below, so this programme will still not make EVs within their reach.

"Additionally, EV Japanese import availability is low, so it will be interesting to see what the retail pricing of imported EVs looks like in the coming months."

He sees few positives in the government's latest policies, but suspects an unintended consequence will be that prices of cars here will increase.

Dealers and finance companies have also been working out how they can complete sales for consumers who, knowing they may receive discounts of more than $8,000, are eyeing vehicles priced above their budgets.

Under the clean-car discount, consumers can only claw back money from the government by applying to Waka Kotahi post-registration. This means lenders must decide if they are prepared to initially bear that extra cost.

The interim clean-car rebates are too narrow because they are focused only on BEVs and PHEVs, says Chris Stephenson, chief executive of the Enterprise Motor Group.

While the business may currently have some Mitsubishi Outlander PHEVs for sale, plug-ins are more expensive than traditional petrol hybrids, which are excluded from rebates this year "so there's nothing in this package to benefit everyday Kiwis".

Stephenson says: "What the government has tried to do is come up with a simple solution to a complex matter, but there are lots of market dynamics involved.

"Consumer reaction is probably going to be one of the more predictable outcomes from this meddling in the market.

"What will happen will become water under the bridge in that people who want to buy EVs this year will do deals now, but that's not for everyday New Zealanders."

As for the full clean-car discount scheme starting in January, Stephenson says that when people's circumstances change – such as needing to purchase larger family vehicles – many prices will have likely gone up by then. Buyers could even end up paying more when replacing like for like.

"Consumers will get a shock next year when prices do increase on a lot of models," says

Stephenson. "Many will find they may have to pay the same for what they bought three years ago.

"I think a lot of energy and effort has been put into the clean-car discount by the government and there could well be minimal returns from it when compared to the expense put into it.

"The dynamics of the used-car market are difficult to comprehend and predict. It seems like the government has seen what may work in other places, such as Europe, and has presumed the same will happen here.

"There are still some technical issues that need to be worked out, such as what finance and insurance [F&I] companies are going to do.

"The F&I industry only has six months to get its head around all of this and that's on top of other legislative changes to deal with this year.

"As for the bigger picture, it's hard to guess how the market will react because the clean-car discount is a poorly designed and executed policy."

Prices in Japan for used electric cars have quickly increased since the government unveiled its rebate scheme last month.

On top of this, there is extra competition for limited stock, while the kiwi's cross-rate with the yen has also been unfavourable for importers.

It means pricing locally will likely have to rise to offset the increases in Japan. Even with rebates applied, EVs may end up with the same sticker prices as they had before the subsidies were announced.

Hayden Johnston, chief executive officer of GVI, which has its head office in Penrose, Auckland, says: "Since Australia has come on-board with EVs, prices have already lifted because they are willing to pay $2,000 to $3,000 more.

"On top of that, used EV prices in Japan have already gone up by some 30 to 40 per cent."

As for available stock, GVI normally sources between 20 and 25 electric cars from Japan per week, but only bought three during the week ending June 20.

The government's rebates announcement being made seven days earlier is no coincidence – when news about subsidies reached Japan, suppliers' prices went up and that's in addition to demand outstripping supply.

"Stock in Japan is severely limited and this has got worse in the past few months," says Johnston. "Reserves at auctions in Japan have lifted and there have been limited numbers of Leafs available for sale each day.

"There are only really two plug-ins available in any volume daily in Japan – the Leaf and Outlander PHEV, although there are some Prius Primes and some its first-generation PHEV versions.

"The currency has also been against us recently with a two-percentage point fall in the week ending June 20 and more car dealers are now getting into EVs.

"Even prices for petrol hybrids, such as the Toyota Aqua, will go up because rebates for that model, which will become available in January, will make it hot property."

Last month saw many EV buyers delay closing deals until July 1 so they could apply for the government's rebates, although some still went through with their purchases "if they needed to".

Johnston, who hopes to sell at least 50 per cent more EVs than usual this month, adds: "It's unfortunate but we've had customers buying high-emitters and sales of them will continue to get stronger as the feebate deadline gets closer.

"The big concern we have is buying EV and low-emitting stock going forward, and we will likely have to change our product mix to include more high-emitters. It's a real shame as we have been fighting hard to go the other way.

"The industry was in a good space before all this happened. Sales of EVs and low-emissions vehicles were up month on month for us, but this has thrown a spanner in the works."

In-service fleet needs tackling

Rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs) have been dominating the headlines.

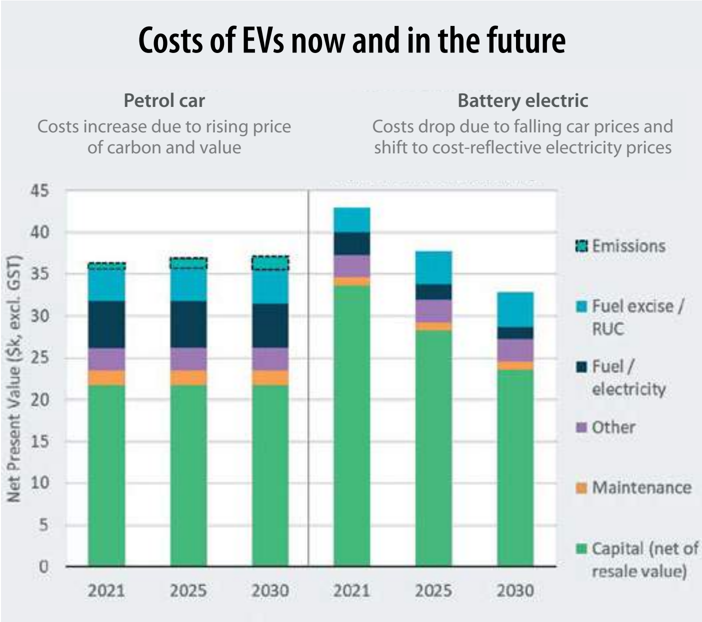
The package now in place runs until January when full feebates, officially known as the clean-car discount, are launched.

Then there will be the clean-car import standard, which the government hopes will result in more low-emissions vehicles (LEVs) being brought into New Zealand.

On top of this, the Climate Change Commission's final advice to government was tabled in parliament on June 9. It's all about how pollution created by the whole of the economy can be reduced and meeting climate-change targets under the Paris Agreement.

The report also makes recommendations on reducing carbon dioxide (CO2) emissions from the fleet, such as banning imports of vehicles with internal combustion engines (ICEs), promoting the uptake of LEVs and developing greener fuels.

Autofile has gauged the views of the Motor Industry Association (MIA), Imported Motor Vehicle Industry Association (VIA) and Motor Trade Association (MTA) about the commission's recommendations.



This graphic shows projected five-year total costs of ownership for a new battery electric car compared with a new car with an internal combustion engine in 2021, 2025 and 2030 (private perspective). Source: Climate Change Commission analysis

NEW VEHICLES

The MIA says the Climate Change Commission's final advice makes some "good suggestions" on regulatory tools to accelerate LEV uptake.

Despite 15,000 submissions, there was talk it would be largely unchanged from its draft.

"However, in terms of transport, there were several changes," says chief executive David Crawford. "Some were helpful, and direct responses to the MIA's submission and those of our members."

These include more emphasis on hydrogen and alternative fuels, and developing a low carbon-fuel market, which "recognises several options will be required to help decarbonise our fleet".

The MIA also notes the commission has altered its views on the rate of BEV uptake.

"The new-vehicle sector would love to sell as many EVs as they want us to," says Crawford. "But this side of 2030, it's highly unlikely we will be able to get enough for them to reach half of light-vehicle imports by 2029.

"In addition, supply constraints of BEVs and plug-in hybrids have been noted, and timelines for EV uptake amended. But they remain optimistic.

"Bulk procurement of electric cars is a welcomed recommendation. But as the world scrambles to buy them, government ability to purchase in bulk is likely to remain constrained for some years."

An upside in the report is "more realistic language" is being used on price parity between EVs and cars with ICEs in that the projected year for this to happen has been pushed out to 2031.

This is more consistent with the MIA's views on LEV affordability, while the commission emphasises getting more fuel-efficient ICEs and traditional petrol hybrids on our roads is the next best thing while EVs become more competitive.

Crawford adds: "The report acknowledges the buying power of other right-hand-drive markets far outstrips ours and this will remain a constraint for some time. It also covers new ownership models, including leasing, to accelerate the update of newer, more-efficient vehicles."

As for the proposal to ban ICEs as soon as 2030 – and no later than 2035 – the MIA describes this as "overly ambitious".

The range of draft policy suggestions have not changed much in the final report, such as the clean-car import standard, feebates, EV incentives, and various tax and accounting measures, such as reductions in fringe-benefit tax, depreciation treatment and tax breaks, "but the language is more conducive to change".

Crawford adds: "The next steps are for the government to consider the report and formally respond later this year.

"That response is set out in the Climate Change Response Act, which requires the government to have set its first three emission budgets out to 2035 and to have released its first emissions reduction plan by the end of 2021."

USED IMPORTS

VIA has praised the Climate Change Commission for recognising there is a limited supply of EVs available overseas for New Zealand.

Chaired by Dr Rodd Carr, it has reduced the number of such cars it expects to be on Kiwi roads for the initial emissions budget period as detailed in its final report when compared to its draft advice.

"We are pleased it appears to have understood the supply constraints around importing electric cars," says David Vinsen, VIA's chief executive.

"There are a limited number of EVs available to us. There's an understanding by the commission and government that supplies are finite from a used perspective."

Vinsen points out Japan's new-vehicle industry has made about 123,000 BEVs, of which around 20,000 are in New Zealand.

"This means, at the very best, there are some 100,000 used EVs in Japan we could possibly source. However, we will be competing with other countries trying to meet their own climate targets, so an already expensive product will become even dearer."

What VIA has welcomed is the commission moving out the target date for imported vehicles to have average emissions of no more than 105g of CO2/km by three years to 2028.

"Changing this target is more realistic and softens the gradient of changes needed. It's not just buying us time, but buying us access into a larger range of better vehicles as they come on-stream."

There are still concerns, however, that tackling what type of cars enter New Zealand is "just tweaking around the edges".

"The commission has taken into account VIA's views about the existing fleet and recognises that once vehicles coming into it have been dealt with, then the government will need to look at the current fleet," says Vinsen.

"The disappointing thing is that dealing with the existing fleet, which is where the problem is, will not be addressed earlier.

[continued on page 12]

Fine-tuning NZ's response to climate change

The MTA and its members are committed to tackling climate change. It must be done in a way that helps Kiwis play their part and doesn't compromise their safety or ability to get together with friends, family and loved ones.

Here's our advice to the Government for driving New Zealand towards a safe, clean future.

1 EVs are part of the solution, not the only solution

EVs are expensive and their supply is limited. Combined with high global demand, this just makes it even harder for the average Kiwi to switch to an EV. It will force them to hold onto older and less safe vehicles or give up driving completely. That's not right!

We need to look at all technologies and incentives that promote lower emissions and not put Kiwis at risk or leave them isolated.

2 Don't forget the existing 5.5 million vehicles

If we're serious about tackling climate change, we need to deal with the 5.5 million vehicles already in NZ. If we focus only on what's imported every year, we ignore 95% of NZ's vehicles.

ALL vehicles should have their emissions tested as part of their regular maintenance, so they're not adding to our climate change challenge.

3 Remove the worst

The average vehicle is kept on the road until it's 20 years old. Typically, they are more polluting and less safe.

We need a plan that deals with how we dispose of these vehicles to make room for a cleaner future.

The Motor Trade Association has been at the forefront of New Zealand's automotive sector for over 100 years. Our 3,800 automotive business members keep Kiwis' vehicles running safe and clean.

For more information please visit **mta.org.nz/driving-change**

mta ASSURED

[continued from page 10]

"They're relying more on changing supply to affect change and that will take a long time.

"It would have been far better, as we have suggested, had the commission focused more on the existing fleet from the outset and worked out how to improve it, thereby encouraging the uptake of more environmentally friendly and safer vehicles."

Overall, Vinsen says if the commission's transport proposals are adopted, they will pose challenges for dealers and other companies in the used-vehicle supply chain.

"The targets suggested in the so-called emissions budgets are going to require too radical a change on too steep a gradient. It will affect the number of vehicles imported and people will have to change business models.

"However, the used-vehicle sector is made up of entrepreneurs. We will source what is required by public demand and legislative requirements while trying to maintain a profitable industry."

While the commission's report sets big-picture carbon budgets, out of that will come different policies.

Vinsen opines: "The industry may end up buying and selling cars to each other in the fleet because there's insufficient numbers that we can bring in and afford.

"As the supply of newer vehicles is limited, it means vehicles already here will stay in the fleet for longer, increase in value, and the fleet will get older, become less safe and less efficient.

"Unless the government seriously addresses the current fleet, it won't achieve any goals it wants, whether they be with regard to safety, fuel economy or models that are more environmentally friendly.

"There's an international movement to make similar changes around emissions so everyone is going to be competing for the same stock – new or used. As a result, there will be a finite number of vehicles available for both sectors."

> **"The logic is simple – import the best available technologies, keep the current fleet clean and get end-of-life vehicles out"**
> **– Craig Pomare**

WHAT'S ON OUR ROADS NOW

The MTA believes the government will need to fine-tune its response to the Climate Change Commission's report to avoid unintended consequences on our roads.

The association and its members support climate-change goals that have been set.

The MTA also welcomes the acknowledgement that a wide range of low-carbon vehicles – such as conventional hybrids – should be part of the transition, there are supply constraints on imports, and that Kiwis need convenient and affordable transport alternatives.

However, chief executive Craig Pomare is disappointed the commission has failed to specifically address the current fleet and removing old vehicles from it.

Unless a co-ordinated and whole-of-life approach is taken to reducing transport emissions – from import through in-service to end of life – the MTA fears the government's Road To Zero Vision, with no one killed or seriously injured in crashes, is at risk.

"We need to address climate change and the safety of New Zealanders, and implement initiatives at every stage in the life of a vehicle," says Pomare.

"The logic is simple – import the best available technologies, keep the current fleet clean and get end-of-life vehicles out.

"If we do this properly, we can reduce emissions and keep Kiwis, especially those who depend on cars but can't afford an EV and don't have alternative transport options, safe on the road."

The MTA estimates that in 2030 the cost of imported vehicles will be about 22 per cent more than today and electric cars will remain at a premium.

"EVs will be out of reach for many and, as a result, they will be obliged to keep their already-ageing cars longer and face a greater risk of involvement in fatal crashes."

A review by the MTA of Waka Kotahi data shows more than 50 per cent of vehicles over 15 years old fail their warrants of fitness.

In the past 10 years, the average age of a vehicle involved in a fatal collision with a contributing vehicle factor was about 13 years old.

A study by the Ministry of Transport in 2016 into fatal crashes concluded victims' vehicles were, on average, significantly older than others involved.

The MTA is disappointed its recommendations to introduce emissions testing to ensure the five million vehicles on our roads are running as cleanly as possible, as well as developing a scrappage scheme, are missing from the final advice to government.

Pomare points out the Climate Change Commission acknowledges in one sentence in its 419-page report that the current fleet should be considered at some stage, but makes no specific recommendations.

The report states: "Once the emissions efficiency of vehicles entering the fleet has been addressed, the government will need to consider actions that address emissions from the existing ICE fleet. This will be important because of the slow turnover of vehicles in Aotearoa."

However, Pomare says: "If we want to refresh the fleet and keep moving emissions lower, we need to make room for newer, cleaner cars by removing vehicles causing the problem."

At an average of 14 years, New Zealand's fleet is old relative to most OECD countries, says the MTA, with the dominance of used imports reducing the cost of ownership for low-income households.

Time called on pilot scheme

Trade Me will halt listings for offshore vehicles from the start of next month.

The decision follows the company running a pilot scheme with Auckland-based Autoport, as reported by Autofile last year.

Jayme Fuller, head of sales at Trade Me, recognises offshore vehicles is an interesting subject for importers, dealers and consumers.

"Trust is our number-one offering to Kiwis, and our motors listings' terms and conditions are in place to protect shoppers," she says.

"From time to time, we might run a pilot to conduct research on customer experience – as we did with Autoport – to ensure we are growing and changing with preferences of Kiwis, and how they want to research and buy cars.

"These types of pilots are common in online portal businesses, and are running 100 per cent of the time at Google, eBay, Amazon, AutoTrader and the like.

"Following our offshore vehicle pilot, and as of August 1, 2021, we will no longer have any offshore cars listed on Trade Me."

Fuller adds Trade Me's terms and conditions drive its governance. For motor-vehicle listings, its policy states: "You may only sell a vehicle that is offshore if you are a registered vehicle trader.

"If you are a registered trader and you want to sell a vehicle that is offshore, you must hold clear authority to sell the vehicle and ensure it is in transit to New Zealand before you are able to list it. You must also clearly indicate such vehicles are offshore or in transit in the listing."

Fuller adds: "We are going to continue to review car-shoppers' needs, including buying from offshore, and will make continued improvements to support what Kiwis want while supporting car dealers and the automotive industry in New Zealand more broadly."

In February 2020, Autofile magazine reported all registered dealers might have been able to have offshore listings on Trade Me if the Autoport pilot scheme was successful.

"If we see a genuine demand from buyers for these types of vehicles, we'll be looking at how we can make this work for all of our dealers," Alan Clark, head of Trade Me Motors, said at the time.

"There are still a lot of things for us to work through before we could offer this to all dealers. We're going to see how this trial goes and then look at what we do in future."

All listings by Autoport had to state the vehicle was offshore, subject to the same criteria as any other registered trader and offer a money-back guarantee if the buyer was unsatisfied.

How Autofile reported the story in February 2020

Jacanna's new base in west Auckland

Bigger is better as company moves

A logistics company has expanded its car-handling operations and will be taking on extra biosecurity work after moving into a new site in west Auckland.

Jacanna Customs & Freight was previously based in Portage Road, New Lynn, but has shifted a short distance to Astley Avenue.

The move has seen its warehouse space grow from about 600 square metres to 3,000sqm, and with the new yard covering 8,000sqm the company can now handle more of its work in-house.

Blair Cosford, chief executive officer, says the new warehouse is effectively split into three areas – a general cargo warehouse and third-party logistics, a merchandise warehouse, and a bulk warehouse used for car and oversized cargo storage.

He notes the latter will be converted to handle the processing of imported vehicles and Jacanna is also among a number sites to have been approved in principle by the Ministry for Primary Industries (MPI) to be a transitional facility under a new biosecurity regime.

"Coming into this facility has also allowed us to install an MPI-approved wash bay," adds Cosford. "It means we can handle vehicles and other risk cargo that comes in by container and needs to be treated in accordance with MPI regulations.

"We were already a transitional facility for general cargo, and had to be approved to accept and then unload containers coming to this site.

"We have also gained approval for the treatment of containerised import vehicles. The containers originate from our main trade lines, such as Singapore, the UK, and the US.

"Because of that experience, we pretty quickly gained approval for the new Biosecurity NZ process for imports coming from Japan."

The business has four vehicle transporters and, with a number of compliance centres and dealers close by, it will be able to swiftly dispatch vehicles once they have completed biosecurity checks.

Cosford says Jacanna started to gradually shift its operations to the new site at the end of last year before officially opening on February 22.

"We were on the Portage Road site for only five years, but due to the growth in business we outgrew the site's capacity a lot faster than originally anticipated.

"Previously, we had outsourced some warehousing functions but this move allows us to bring that work in-house. This is good because it means we only rely on our service and can adjust as we need to rather than relying on others."

Industry movers

Alex Gibbons

ALEX GIBBONS has been unveiled as chief executive officer of the Colonial Motor Company.

The appointment has been made because Graeme Gibbons, who will stay on as a director, is retiring on September 30 from the position he has held for 31 years.

Alex is currently general manager at Colonial. He is involved with property development, strategic planning and working with dealer principals.

He first joined the company in 2015 when he was responsible for developing systems for marketing and sales at Southpac Trucks.

June Gibbons

Two years later he shifted into the group's head office in Wellington to initially work on dealership information systems. Prior to that, he was employed at Sanitarium Health and Wellbeing Company after graduating with a master's in marketing management.

Paul Stephenson

Alex will be supported by June Gibbons, group manager of people, process and technology, and Paul Stephenson, group manager of finance.

June will be responsible for the group's dealership support functions. She started with Colonial in 2016 as an accountant for Stevens Motors in Lower Hutt and then became chief financial officer of both Wellington dealerships.

She was involved in integrating Capital City Motors and Stevens Motors into one dealership for the region in 2020, and moved to head office late last year.

Paul was chief financial officer of a privately owned aged-care provider before joining Colonial in 2019. Jack Tuohy continues as company secretary.

DAVE COWAN has been appointed as national sales manager of Oxford Finance, a division of Turners Automotive Group.

He is responsible for driving new growth and opportunities via the dealer distribution network.

Cowan has joined Oxford Finance from SsangYong LDV NZ where he managed its retail finance and leasing operations for almost three years.

He started out in the automotive industry as a mechanic in his family-owned workshop in Melbourne 20 years ago.

Cowan then he worked as a finance and insurance business manager at metropolitan dealerships in Melbourne and Esanda Finance before heading across the Tasman for a role at UDC Finance looking after key manufacturer relationships.

TAKAYUKI KIMURA has become managing director of Maserati for Asia-Pacific.

Kimura, pictured, is now leading all the marque's operations in the region, which includes New Zealand and Australia, except for China.

He has replaced Luca Delfino, who has taken on responsibility for the Maserati FuoriSerie personalisation programme at the company's headquarters in Modena, Italy.

Kimura was previously president and chief executive officer of Groupe PSA Japan. Both companies are part of the Stellantis group.

His car-industry career started with Toyota in 1987, and he has also worked for Lexus, Nissan and Volvo.

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

ATNZ

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Welcome to ATNZ !

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Are you a registered motor vehicle dealer looking for the best quality cars from Japan? Then look no further than ATNZ.

ATNZ is a Kiwi-owned and operated company, with full sales and support services here in New Zealand. Highly experienced auction teams operating in Japan chase the highest quality cars at the best prices.

Backed by our exceptional administration and operational staff in the Philippines, ATNZ will deliver the right cars for your dealership.

Counting cost of clean cars

Statistics published by the Ministry of Transport (MoT) indicate a feebate scheme based on the emissions ratings of new and used light vehicles registered for the first time in 2020 would have created a surplus of at least $130 million for the government.

This is despite officials and ministers stating the programme will be cost-neutral with fees charged on higher-polluting models paying for the rebates on greener cars.

Under the clean-car discount proposal consumers face rebates of up to $8,625 for new vehicles and $3,450 for used, while fees for high-emitters are set to be capped at $5,175 and $2,875 respectively.

The information from the MoT, which was sent out on June 13, notes the cash sums are indicative at this stage and subject to legislation being passed.

However, it details rebates or fees that would have applied to vehicles sold in 2020, along with how many would have fallen into the "zero band" attracting no discount or penalty.

An Autofile analysis of the calculations shows the clean-car discount scheme would have recorded a surplus of at least $133.3m based on last year's figures – and it could have been as high as $292.5m.

The MoT's figures fail to break down how many of the vehicles sold were new or used, so the actual surplus would likely have come out somewhere between the two extremes.

If all last year's sales had been new imports, the government would have paid out $129.4m in discounts, as opposed to $51.8m if all registrations were for used vehicles.

At the same time, it would have received $344.3m in fees had consumers only bought new vehicles, or $262.7m for used imports.

While the government expects to see low and zero-emissions vehicles account for a larger share of the market following

Emissions and feebate schedule

EMISSIONS: (gCO2/km, 3P-WLTP TEST)	NEW IMPORTS DISCOUNT OR FEE (GST INCL)	USED IMPORTS DISCOUNT OR FEE (GST INCL)	2020 SALES OF NEW AND USED IMPORTS
0	-$8,625	-$3,450	3,992
20-50	-$5,750	-$2,300	487
60	-$5,530	-$2,210	55
70	-$5,020	-$2,010	686
80	-$4,500	-$1,800	20
90	-$3,990	-$1,590	4,917
100	-$3,470	-$1,390	5,214
110	-$2,950	-$1,180	2,825
120	-$2,440	-$980	6,307
130	-$1,920	-$770	8,494
140	-$1,410	-$560	7,514
150-190	$-	$-	65,350
200	$810	$810	20,721
210	$1,380	$1,380	12,559
220	$1,960	$1,960	19,164
230	$2,530	$2,530	9,919
240	$3,110	$2,875	11,388
250	$3,680	$2,875	9,012
260	$4,260	$2,875	11,375
270	$4,830	$2,875	11,131
280-340	$5,175	$2,875	14,825
TOTAL			**225,955**

This breakdown of sales for new and used light vehicles in 2020 reveals how many would have been entitled to rebates or faced penalty fees. Source: MoT

recent policy announcements, the variance between rebates and fees appears to be a considerable way from balancing each other yet.

Of the 225,955 vehicles sold in 2020, according to the MoT, only 18 per cent – or 40,511 – would have attracted a rebate of between $560 and $8,625.

In contrast, 53 per cent, or 120,094 units, would have been hit with levies of between $810 and $5,175. The remaining 18 per cent, or 65,350 imports, would have been in the "zero band".

The MoT says it expects between 30 and 40 per cent of vehicle sales in 2022 will attract a fee, and between 31 and 42 per cent a rebate depending on the level of behavioural change caused by the discount.

The government has budgeted more than $300m to cover establishing the clean-car discount, and also fund six months of rebates for battery electric vehicles (BEVs) and plug-in hybrids (PHEVs), which started this month.

> **"The scheme will be managed over time to balance revenue and expenditure"**
> **– Peter Mersi**

Peter Mersi, chief executive of the MoT, says the revenue level of the clean-car discount is designed to pay for the rebates and costs that Waka Kotahi incurs in delivering the scheme.

He acknowledges there may be imbalances between quarters and years, and the intent is for the upfront funding provided to also be recovered over time.

"The set-up cost is expected to be $6.8m with the bulk of this incurred during the 2021 calendar year," he explains.

"This will come from the $301.8m Crown funding provided through the 2021 budget. This will be repaid through fees on higher-emitting vehicles over time."

When questioned about Autofile's calculations of the likely surplus the scheme will generate, Mersi says the government anticipates it will soon have to pay much more in rebates.

"In 2020, approximately two per cent of vehicle imports were BEVs and PHEVs," he notes.

"In 2022, when rebates are available on EVs, PHEVs, and hybrids and low-emitting vehicles, we expect a different distribution due to behavioural change. That means a greater quantity of rebates are expected to be paid out.

"The sales of EVs, PHEVs and other low-emission vehicles are expected to rise, and the proportion of high-emitting vehicles reduce. The scheme will be managed over time to balance revenue and expenditure."

If a surplus does occur, he says that money will be used to repay the upfront Crown funding, set-up costs or be kept in reserve for the payment of future rebates.

The MoT expects to release its own cost projections for the feebate, and other clean-car policies, over the coming months but anticipates the discount scheme will be self-funding.

"It is intended to be cost-neutral over time – ie that the funding provided upfront in 2021 will eventually be repaid later in the decade," adds Mersi.

"The timing for repayment of the upfront Crown funding will depend on market dynamics and future decisions by the government of the day on the size and nature of fees and rebates."

He says the cash from this year's budget is designed to "comfortably support" the scheme before it can be financially sustainable in its own right and avoid interruption of rebates, which would cause disruption to consumers and vehicle sellers. It may only be used for rebates and ongoing operating costs for the scheme.

However, should a shortfall of money arise "the government could choose to update the rebates and fee levels and which vehicles they cover, in order to reduce the expenditure level and or increase the funding level". If there is no funding left Waka Kotahi will pause the issuing of rebates until 2022.

Phased roll-outs for clean cars

I spent a week last month mostly trying to explain the difference between the clean-car discount (CCD) and clean-car standard (CCS), and that the former has not replaced the latter.

The recently announced discount really should be viewed as two different initiatives, one which I have dubbed the "interim CCD", which started on July 1 and ends on December 31. The other is the "real CCD", which takes effect on January 1, 2022.

The interim CCD and real CCD have some distinct features, so it's useful to think of them as similar but different.

The reason for having two different programmes is one of necessity. The government wanted to move quickly, but does not yet have legislation in place to allow the collecting of fees.

The interim CCD is only a subsidy and not a feebate. It is payable to the purchaser of a newly imported vehicle.

The subsidy has pre-defined amounts based on whether the vehicle is new or used and whether it's a plug-in electric vehicle (EV) or plug-in hybrid. The key word here determining eligibility is "plug-in", meaning it draws power from the grid.

The interim CCD is expected to close at either the end of this year or when it runs out of money, whichever occurs first.

At the start of next year, the real CCD comes into effect assuming the legislative requirements are met.

The real CCD will be a feebate scheme. That means the programme is designed to be cost-neutral with subsidies or rebates on low-to-no-emitting vehicles offset by fees on higher-emitters.

The real CCD will continue to target purchasers of vehicles with rebates and fees payable at time of registration.

Unlike the interim CCD, the real CCD will cover all light vehicles. All low-to-no emitting models – whether EV, hybrid or other – will be eligible for a rebate at time of registration. Similarly, all higher-emitting vehicles will require the payment of a fee at registration.

The exact amount of the rebate and fee will be based exclusively on the amount of carbon dioxide (CO_2) the vehicle emits with a target being roughly aligned with the target of the clean-car standard (CCS), but with frequent re-evaluations to assure cost-neutrality.

The CCS, on the other hand, will target importers, not buyers. Due to how the standard is being implemented incrementally, I have had to explain the effects of each separately.

I dubbed them phase one and phase two. Both will require vehicle details to be lodged with Waka Kotahi, and any fees to be paid prior to finalising compliance and MR2As issued.

KIT WILKERSON
Policy adviser and analyst
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The first stage of the CCS was announced to come into effect at the start of 2022, but we are expecting actual implementation to occur closer to August. It will run until December 31, 2022.

The CCS' first phase will require importers to register with tools developed for the standard and to start recording information on imports.

There will be no credits or penalties applied, but vehicles crossing the border during this time will help the government understand where it should set initial targets for the standard's second stage.

> **"The feebate scheme is designed to be cost-neutral"**

The goal of the first stage is to get importers registered, and provide education and familiarisation. This, it is hoped, will ease the transition to the second phase of the CCS.

One notable effect that will occur during this time is a requirement for all vehicles imported from Japan – with the exception of EVs and hybrids – to have been tested using the JC08 or newer emissions test from July 1, 2022.

Vehicles tested using the older 10/15 mode test will no longer be suitable for importation except, again, hybrids and EVs.

Finally, January 1, 2023, is the date when the second stage of the CCS comes into effect.

This will provide to the importer penalties and credits based on the difference between a weight-adjusted and government-mandated CO_2 target and emission values.

Waka Kotahi will provide easy-to-access and quick-to-use calculators so importers can know their obligations for any given model.

In the CCS, unlike the CCD, no-to-low emitting vehicles will not be rewarded with money. Rather, credits are non-liquid and can only be used to offset future penalties or traded to other importers.

As I currently understand it, the government doesn't intend to be involved in the conditions leading up to credit trading, but it will provide tools to empower importers to both track credits over time and transfer them to other importers as they see fit.

Once the second stage of the CCS comes into effect, only importers registered through these new tools will be able to import vehicles.

Failure to comply or for providing misleading information can result in a penalty of up to $75,000 and deregistration from the system – in effect an import ban – for up to five years.

While this article is only a brief summary of the CCS and CCD, the details are much more complicated. Hopefully, however, understanding the differences and general roll-out can assist the industry in planning for the effects.

Feel free to contact VIA if we can assist in answering any questions.

Agency raises inspections bar

Waka Kotahi is demanding border inspections for vehicles coming here to be "protected from inappropriate influence" after appointing five organisations to perform such duties.

Automotive Technologies Ltd (ATL), Bordercheck and JEVIC NZ, along with NZ Biosecurity Services and Independent Verification Services, have taken up new appointments, which started this month.

All have been appointed for five years with the exception of NZ Biosecurity Services, which has been granted a three-year contract.

The application process for border-inspection organisations (BIOs) began in late 2019 and was more robust than previous rounds as the transport agency steps up regulatory oversight.

Eight companies applied and Waka Kotahi is still working through the appointment process with two of them, while one organisation chose not to progress its bid.

Nigel Grindall, owner of ATL, says it has been an opportunity to review company procedures and led to the production of a detailed document that "essentially makes up a large part of our operating manual".

"It has taken a while to get to this point, but it's better the NZTA has taken the time to do a thorough and proper job rather than meeting an arbitrary deadline."

He adds there will now be more auditing requirements, but welcomes these as "raising the benchmark" and keeping standards high.

"It's essentially the same as our own internal auditing with the NZTA keeping a closer eye on what we're doing. That makes a lot of sense and will give outcomes that are good for New Zealand, the agency and people buying cars.

"It's all stuff any inspection organisation should be doing anyway. Apart from facilitating getting that material to the agency, it shouldn't add much to our workloads.

Nigel Grindall   Keisuke Nagashima   Euan Philpot

"Conflict-of-interest points are also something the NZTA has put a fair bit of focus on. It's good to review those, not just obvious ones but also looking at relationships that inspectors have with customers and their ability to be influenced by people.

"Having measures in place around that is welcome because it protects our staff and company from any undue influence."

Keisuke Nagashima, director of Bordercheck, is delighted at his company being appointed as a BIO for the first time and says it feels like it has been a long time coming.

"We have been MPI-approved up until now and it's good to now get our systems and inspectors up to play with what Waka Kotahi expects," he told Autofile.

"The whole process has given Bordercheck the ability to put further procedures in place that we may not have initially thought of and, with these notices of appointment, all BIOs are now in the same boat.

"Considering the impacts of Covid-19 and other disruptions over the past year, the agency has done what it can to the best of its ability to get everything under way by July 1."

Euan Philpot, chief executive of JEVIC NZ, is pleased the transport agency has responded to industry feedback by lengthening the maximum appointment times to five years, which creates greater certainty for BIOs.

He adds: "Under the new notice of appointment, Waka Kotahi requires additional reporting information and we are working with our customers to meet this requirement."

The appointment process was different to previous rounds as the agency seeks to strengthen its regulatory oversight of border-inspection activities following a review of the sector in 2019.

"To ensure imported vehicles are safe, the inspection functions need to be rigorous and protected from inappropriate influence," says Sue Hardiman, senior manager of vehicle and driver licensing.

"The organisations we have appointed have demonstrated through the process that they are highly competent organisations. They have shown strength in inspection, information, quality assurance and managing conflicts of interest.

"We expect high professional standards at all times, particularly with protecting the independence and impartiality of inspections. We also expect the organisations to be expert and vigilant in self-monitoring their inspection activities."

Waka Kotahi says it will maintain oversight of the companies through a compliance team created last year.

The month that was... July

July 20, 1998

LTSA wades into import debate

The organisation that could make or break the attempts by so-called renegade distributors to import new vehicles had itself publicly entered the fray.

The Land Transport Safety Authority (LTSA) said importers shouldn't assume recent changes in legislation on parallel importing meant they could bring any car they liked into New Zealand.

Only imports from Australia, Japan, the US and EU automatically qualified under our vehicle-safety standard regulations.

LTSA director Reg Barrett said every vehicle intended for on-road use in New Zealand must comply with the regulations and it was up to the importers to establish that a vehicle met the required standards before it could be certified.

He was reported as saying that if a company wanted to import, it should first go to the LTSA and have the vehicle cleared before purchasing and shipping it.

Barrett added he was concerned about the "arrogance" of some dealers who he described as "fly-by-nighters" and "quick-buck experts".

The LTSA's comments on compliance were seen in some quarters as a clear warning to some dealers, such as one who was intending to import 14 new BMWs from Malaysia.

July 13, 2007

Exhaust-emissions submissions sent

The Independent Motor Vehicle Dealers' Association (IMVDA) and the Motor Trade Association (MTA) lodged their final submissions on a proposed land-transport rule relating to vehicles' exhaust emissions.

Submissions were prepared after extensive consultation with members, automotive industry groups and a study of material provided by the Ministry of Transport (MoT).

The associations had also jointly commissioned the NZ Institute of Economic Research to conduct research on the proposed rule.

When results of the research were finalised, a supplementary submission would be filed before the cut-off date of August 6.

The IMVDA's submission stated: "We support the government's aim of reducing pollution and achieving improvements in New Zealand air quality.

"We strongly support the general principle of improving the fleet and reducing the average age of vehicles in it."

The MTA said Kiwis would hold onto their older cars for longer, the average age of the fleet would increase and emissions would worsen.

July 7, 2006

Climate change decision close

The transport sector was to come under close scrutiny with the government announcing a more aggressive attempt to improve New Zealand's energy efficiency with decisions due to be made by the end of 2006.

David Parker, Minister for Climate Change, had just released a cabinet paper on "the way ahead" for climate-change policy.

With the commitment date for the 2012 Kyoto Protocol fast approaching, the government appeared to still be scrabbling for options to control carbon-dioxide emissions in this country.

One of the regimes discussed in the paper was the controversial option of a rolling age ban.

The Motor Industry Association, which strongly advocated a seven-year rolling age limit for used imports, supported the announcement.

Perry Kerr, chief executive, said: "We believe the government has run out of options for initiatives to reduce the environmental and safety impacts of New Zealand's fleet. There is only the age restriction left as an option.

"With no age restriction, importers are getting vehicles as old as they are allowed to purchase – as seen with four-wheel drives with 78 per cent being aged over nine years in spite of advancements made in newer models."

July 16, 2009

Car-crushing law: change demanded

Members of New Zealand's motoring industry expressed concerns over aspects of proposed plans to crush vehicles of boy racers who were repeat offenders.

"So-called 'confiscation and destruction' is a blunt instrument that may provide some satisfaction, but it provides no protection for innocent parties holding securities over vehicles," said Andy Cuming, of the MTA.

Police Minister Judith Collins said in May 2009 that the government had lost patience with drivers who used their vehicles in an anti-social manner, and put the safety of the public and police at risk.

The Vehicle and Confiscation and Seizure Bill aimed to get the worst of them off the road by taking away their cars permanently. Crushing would be a last resort for those with three serious offences over four years.

The MTA believed "confiscate and sell" would better recognise and protect interests that otherwise innocent parties had in a vehicle.

Cuming said: "If a vehicle was sold instead of crushed, it would in most cases realise value that would contribute to recovery of towage, impounding and selling costs, recovery of security interests and payment of any traffic-offence fines."

Swift reaction by entrepreneurs

As much as it was a surprise to hear the clean-car discount announcement on the afternoon of Sunday, June 13, it was no surprise to see the resulting reactions in the general media and – more specifically – to answer questions from dealers in the week that followed.

By the Tuesday, many traders who play in the electric vehicle (EV) space had already sold their stock and were searching Japanese auction sites for replacements.

That came with some surprises as well. It seemed like demand had jumped and prices had increased, and by amounts not dissimilar to the rebates being offered in New Zealand.

In those first few days, it looked like "the market'" had simply packaged up the government provided rebate and sent it directly to auctions in Japan.

Time will tell if that is a long-term effect or whether it was just a short-term market over-reaction.

Later in that same week, much of the conversation had morphed into new directions with a series of largely self-answering questions along the lines of, "what the hell", "have I got this right", "what do I do now" and "is it okay if I do this".

In hindsight, it was exactly what one would expect from an industry characterised by entrepreneurs. The usual patterns played out – pick up what was said, look for the angles and move to fill gaps, if any exist.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

So yes, quicker than a politician could blink, plans fell into place up and down the country, and common courses of action were taken.

These included easing back on hybrid purchases for a few months because they will be hard to sell until we roll into the new year, which is when will they become eligible for inclusion in the rebate programme.

Then there was the buying-up of a few higher carbon dioxide (CO_2) emitting vehicles and registering them into dealer stock before they incur fees from January.

Some observers might regard these sorts of reactions as contrary to the common good. Conversely, dealers might say they are simply predicting market reaction and doing the best by their customers.

Both perspectives have merit, but in the bigger scheme of things the next few months will count for little.

So, let's recap. The clean-car discount is a feebate scheme directed toward buyers. Phase one, which started on July 1 for battery EVs (BEVs) and plug-in hybrids (PHEVs), sees substantial rebates drawn from a $302 million government fund set aside for this.

Consumers buying BEVs or PHEVs can then claim the respective subsidy directly from the NZTA.

Phase two will roll out on January 1, 2022, when hybrids will join the rebate side of the programme and higher CO_2-emitting models with ratings of 192g/km or more attracting fees prior to first registration.

The scheme will be self-funding at that stage with fees collected feeding the rebates.

That said, people who buy a rebate-attracting vehicle will need to closely monitor the status of the "rebate pool" to ensure funds exist. Get it wrong and they could miss out. It sounds bizarre, but that's the way it's prescribed at present.

Customers buying high-CO_2 vehicles will have to make the respective payments directly to the NZTA before registration can be completed.

Dealers' sticker prices will need to be "feebate exclusive" because any applicable feebate – positive or negative – will be post-purchase.

However, traders will need to ensure they inform customers about the impact of the feebate scheme.

Given substantial lead times that exist with some models at present, it would be wise to include some sort of alert notice on the vehicle offer and sale agreement, albeit in general terms.

Such notice might help address any discussions that could later arise at the time of delivery. It's important to note that feebate specifics might be subject to change, so keep any coverage at a high level only and avoid citing specific amounts.

Also, if the vehicle is being financed, questions about how to factor in those impacts will need to be considered. Dealers need to talk with their finance partners for guidance on that front.

The announcement and timing of the feebate scheme came as a surprise to lenders as well, so traders need to be understanding if they are still getting their heads around how to accommodate this new influence on the car market.

From track to city driving

McLaren believes its new high-performance hybrid powertrain in the Artura will set a benchmark in the supercar sector.

The petrol-electric system delivers acceleration of 0-100kph in three seconds. Verified figures also show it takes just 21.5 seconds to clock 0-300kph.

Engineers at the marque wanted to create a powertrain that allows the vehicle to perform across a range of driving experiences, from everyday urban journeys to track-day sessions.

They have created a new, ultra-compact, three-litre, twin-turbocharged V6 petrol engine that features a 120-degree "hot vee" configuration.

The angle of the twin-turbocharged M630 unit helps keep the Artura compact. A 180-degree angle was considered, but dismissed because it would raise the height of the crankshaft and the car's centre of gravity.

McLaren says minimising weight was key to the design with the cylinder head and block using 3D printed cores among its innovations.

Generating 430kW and 585Nm of torque, the all-new V6 is 190mm shorter and 220mm narrower than McLaren's twin-turbo four-litre V8 and 50kg lighter.

A lightweight, compact Axial Flux E-motor enhances the driving experience with torque infill, and this allows for zero-emissions and electric-only running for up to 30km.

The engine powers the rear wheels via a new eight-speed seamless shift transmission that has also been designed for optimised packaging.

The Artura's V6 is designed not just for compact packaging and efficiency, but also to increase driver engagement.

Shared crank pins enable a short and stiff crankshaft that allows the M630 to redline at 8,500rpm.

Its refined engine has been designed with the chain drive at the rear, and with ancillary noises reduced so the occupants only hear the V6's distinctive intake and exhaust notes routed via particulate filters to reduce emissions.

The gear cluster has been reduced in length by 40mm. This has been helped by using a nested clutch rather than a parallel unit and removing a reverse gear, with this function achieved instead by the e-motor spinning in the opposite direction.

Providing the electric-only capability is a 7.4kWh five-module lithium-ion energy-dense battery pack.

The hybrid battery sits on a cooling manifold, which is shared with the electric heating, ventilation and air-conditioning system also used to control cabin temperature.

Incorporating technology first developed for the McLaren Speedtail, the batteries are thermally controlled by utilising dielectric oil – a technology also used to keep the e-motor at operating temperatures that deliver the highest level of performance.

An integrated power unit acts as a DC-DC converter for the vehicle's 12-volt system, further reducing weight by removing the need for a separate alternator and on-board battery charger.

Fully integrated into the Artura's lightweight architecture chassis, the battery pack is positioned low down in the car behind the driver, incorporated into the floor and protected on three sides by the main carbon-fibre structure and from behind by the engine.

This positioning also helps to optimise both centre of gravity and the polar moment of inertia, benefitting dynamic agility.

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Taking two-and-a-half hours to charge from 0-80 per cent using an EVSE socket, the battery is managed so that it never truly runs out of power because there is always something retained for reversing or starting the engine, even when parked for extended periods.

Energy harvesting is achieved purely from the internal combustion engine to maintain brake-pedal feel, yet the battery can be charged from low to 80 per cent within minutes under normal driving conditions.

The Artura boasts a 430kW turbocharged V6 paired with an electric motor

'Super' power with pure electric

Kia says its EV6 will feature super-car performance, an "extra long" range and ultra-fast charging ability.

The marque's first dedicated battery electric vehicle (BEV) is due to go on-sale later this year with registrations of interest now being taken.

"It's an exciting car and its size is ideally suited to the New Zealand market," says Todd McDonald, managing director of Kia NZ. "The wheelbase is similar to that of our Sorento large SUV, so it will be spacious and comfortable."

While the EV6 has a long wheelbase of 2,900mm, the exterior dimensions are still compact with short overhangs.

It comes with 520 litres of boot space with the second-row seats in place. With that row of seats folded down, stowage capacity increases to about 1,300l.


The EV6 AWD GT version can make the 0-100kph dash in 3.5 seconds

There is also an additional 52l of space under the bonnet in two-wheel-drive (2WD) models and 20l with AWD variants.

Kiwi buyers will be offered a range of options, including long-range 77.4kWh and standard-range 58kWh high-voltage battery packs.

The 2WD 77.4 kWh EV6 can travel more than 510km on a single charge on the WLTP combined cycle.

The 77.4kWh pack is paired with a 168kW electric motor powering the rear wheels, and for AWD models a 239kW electric motor powers the front and rear wheels. The latter produces 605Nm of torque, enabling the EV6 to accelerate from 0-100kph in 5.2 seconds.

The 58kWh EV6 can accelerate to 100kph in 6.2 seconds with a maximum 605Nm of torque available on the AWD version.

Its battery pack is paired with a 125kW electric motor powering the rear wheels, and for AWD models a 173kW electric motor powers the front and rear wheels.

Equipped with 430kW dual motors, the top-of the-range GT has maximum 740Nm torque from its twin electric motors mounted front and rear.

The AWD GT version accelerates from 0-100kph in 3.5 seconds and can reach a top speed of 260kph.

The EV6's charging system is flexible thanks to an integrated charging control unit. This offers a new vehicle-to-load function that discharges energy from the battery.

For daily use, the BEV is charged overnight at home. However, it offers 800 and 400-volt charging without the need for extra components or adapters – from 10-80 per cent in 18 minutes or a top-up for 100km of range in about four-and-a-half minutes.

Exclusive to Kiwis

Styling improvements and greater versatility feature in a variant based on the JX version of the fourth-generation Suzuki Jimny.

Available in limited supply and exclusive to New Zealand, the Safari is distinguished by a black ARB Base roof rack with side trade rails and wind deflector.

It also has a heritage grille, front-window weather shields, mudflaps front and rear, large rear-cargo tray and variant decals on the rear-wheel disc cover.

The Safari comes with larger section Maxxis Bravo 980 all-terrain 215/75R15 tyres fitted to black steel rims.

Launched with a recommended price of $29,990 plus on-road costs, it is additional to the range that also has the standard JX manual and Sierra with manual or automatic transmission.

Among the Safari's safety systems are two sensors comprising a monocular camera and a laser sensor that can detect a risk of collision with a forward vehicle or pedestrian.

It then alerts the driver with an audible and visual warning, deploys brake assistance or alternatively applies strong automatic braking.

A 1.5-litre, double overhead camshaft four-cylinder engine with variable inlet camshaft timing powers the Safari and is mated to a five-speed manual gearbox.

The JX Safari

Bringing fresh blood into racing

He's been a stalwart of off-roading and has "spannered" for none other than Kenny Smith in Formula Ford circuit racing.

He has also competed in the old Nissan Sentra one-make track series – one of the most successful New Zealand touring-car categories of all time.

Richard Crabb is living the dream and it has been made even more special by sharing it with the next generation of Crabbs, his sons Fergus and Arrin.

The commitment to speed is strong in this racer. In an off-road career spanning two centuries, he has climbed from the 1,600 class up to unlimited class-one cars, and now to a massive V8 contesting punishing championship events and standalone "sprint enduro" races in Australia.

And he has also had some epic accidents along the way.

Pushing hard at the Taupo 1000 two-day event some years ago, he was evacuated by helicopter after crashing so hard that he tore bark off a pine tree three metres up its trunk.


The driving force behind Crabb Racing. From left Arrin, Richard and Fergus

When off-road racing was a demonstration class at the Battle of Jacks Ridge in December 2020, Crabb ran his big Aussie car and misread the landing over a massive uphill jump, which was part of the bespoke course.

The impact hardly bent his vehicle, but the enormous vertical punch of landing on its base plate just under his seat broke his back, putting him in hospital for weeks.

"That one really hurt and it took a while to get right afterwards," recalls Crabb. "Luckily, we had invested in decent seats, which helped manage the impact."

Last month he was back in the car for the famous Finke Desert Race out near Alice Springs in Australia.

"Crabb Racing committed to the Finke partly because of Covid-19 and it was the only international entry thanks to the pandemic," he explains.

"The other Kiwi crews couldn't commit early enough to be there. But it's all about getting out there and doing it – and no virus is going to stop us doing that."

Crabb has also given back to motorsport. As the drivers fronting off-road's premium class racing grids became progressively older and with few new drivers rising into the ranks, there was some concern that the sport was facing its own Boomer crisis.

To bring new blood into the sport, he instigated the youth KiwiTruck category that has revitalised the rapidly ageing off-road championship grids.

Beginning with tiny Asian kit cars, he created the KiwiTruck category using a template from the US, wrote a set of rules and watched it take off.

New Zealand had been importing full-sized race cars and trucks from America for years. Now, for the first time, a whole youth racing category was brought across the Pacific and it took off.

A group of excited parents gathered around and helped to make things happen. Local constructors, including Buckley

Richard Crabb racing to victory in class three at the Stadium Off-Road Championship in February


As third driver in the Crabb Racing team, Arrin is a top talent in KiwiTrucks

Fergus Crabb in front of FT-50s

Fergus leading class three at West Melton near Christchurch in 2019. He's about to take to the circuit in an ex-TRS FT-50 single-seater

Racing and Cougar Race Cars, built KiwiTrucks here while others brought trucks in from the US.

The vehicles are now built into the national championship with grids of up to 24 at some events.

Young racers in the main classes today have mostly risen through the youth category. For example, Harry Hodgson (Challenger VW class), Dyson Delahunty (UTVs), Holly Russell (Class 7 VW) and Crabb's older son Fergus (Class 3 1600s) have all come up from through the youth ranks.

Fergus' younger brother Arrin is one of the hot youth J-class racing talents at Stadium Off-Road Championship events in Manukau, south Auckland.

Recently, Richard Crabb partnered with Fergus and some mates to run in the 24 Hours of Lemonz enduro race at the Hampton Downs circuit.

With a strong performance on the track to his credit, Fergus has started his own business doing race modifications for the drift enthusiasts. He's also preparing to get to grips with an FT-50 race car from the Toyota Racing Series (TRS) with an aim of entering the Formula Open series this coming summer.

"Fergus really impressed us with his speed at Hampton Downs and he now wants to move into circuit racing, so when the chance came up to buy the TRS car we jumped at it."

Crabb bought two of the vehicles, one of which is chassis number 001.

"The guys at Toyota Gazoo Racing have been really helpful with advice and support, so we have the cars tucked away in the shed along with wheels and tyres and a heap of spares," he told Autofile.

Familiarisation sessions at Hampton Downs are planned as soon as the Crabb Racing family team has washed the red dust of Finke out of their overalls.

Conditions cause chaos

Hayden Paddon is drawing closer to taking out the 2021 Brian Green Property Group New Zealand Rally Championship.

He won the 158km Stadium Finance Rally South Canterbury on June 19 as mechanical woes struck many of his key rivals.

Paddon survived slippery conditions amid a drama-filled event on fast gravel roads.

Defending champion Ben Hunt was second in his Subaru coming in 3:25.9s behind Paddon. Regan Ross was third in a Ford Fiesta R5.

Robbie Stokes went out in the 17km first stage when his Ford Fiesta AP4 overheated. Off-road champion Raana Horan was in the running, but went off after special stage eight.

One of Paddon's key rivals, Josh Marston, hit a cow and damaged his Holden Barina AP4 too badly to continue.

Emma Gilmour in her Suzuki and Kingsley Jones, driving a Skoda, went out on the day's second stage with mechanical failures.

The championship heads north to Hawke's Bay this month with the final round being Rally Coromandel in September.

Hayden Paddon carefully tackles a rain-swollen ford mindful of the NZ rally championship title at stake. Photo Geoff Ridder

Admin error over model's description breaches law but compensation denied

The case: The buyer wanted $4,000 in compensation from the trader after claiming her Hyundai i30 was incorrectly described an Elite variant on sales documents. The dealer said its description was taken from the NZTA's motor-vehicle register and it was priced as an entry-level model.

The decision: The tribunal found that the purchaser hadn't proven there was a reduction in value of her car below the price paid for it because of any misdescription.

At: The Motor Vehicle Disputes Tribunal, Palmerston North.

Background

Judith Boylan sought $4,000 in compensation from Hautapu Motors Ltd in respect of a Hyundai i30 she purchased on January 13, 2020, for $24,990.

She said it wasn't the PD 2.0 Elite 2.0P variant described in its consumer information notice (CIN) and the vehicle offer and sale agreement. Instead, it was an entry-level model.

Craig Steffensen, Hautapu Motors' manager, agreed the car wasn't an Elite but denied knowingly misdescribing the car.

He said Hautapu Motors took the description from the motor-vehicle register (MVR) run by Waka Kotahi.

The case

At the hearing, Boylan admitted she didn't know what the word "Elite" in the model description meant, and was unaware at the time of the difference between one and a "non-Elite".

She confirmed – apart from the sales documentation reference and on the vehicle licence tag on its front windscreen – that no oral or written representations were made by Hautapu Motors that it was an Elite prior to sale.

Subsequently, Boylan learned such a model had leather seats, a keyless ignition and a glove-box feature.

She confirmed that before buying the i30 she was aware her car didn't have the features distinguishing an Elite variant from an entry-level i30.

About nine months after purchase, Boylan took her car to a Hyundai dealer in Palmerston North for servicing and was told it was an entry-level model.

Steffensen agreed the car wasn't an Elite, but denied knowingly misdescribing the car because Hautapu Motors took its description from the MVR.

Moreover, he denied the reference to the vehicle being an elite model influenced the sale price. Rather, the price was influenced by the car's features.

Hautapu Motors referred to schedule two of the Consumer Information Standards (Used Motor Vehicles) Regulations 2008, which prescribe the information required to be typed or written on the CIN.

The car dealer must state the make and model as recorded on the MVR maintained under the Land Transport Act.

However, compliance with these regulations is not necessarily a defence to a failure to describe the vehicle accurately, which can be a breach of section nine of the Consumer Guarantees Act (CGA) or the Fair Trading Act (FTA).

Boylan said she had queried the matter with Hyundai New Zealand, which confirmed with her that the vehicle had been misdescribed on the MVR as an Elite model.

The marque, nevertheless, stated the car was sold by the dealership as a new vehicle at the entry-level price.

Hyundai NZ had subsequently arranged for the model description for Boylan's car to be corrected on the MVR.

The finding

No one disagreed the vehicle had been incorrectly described in sales documentation as an Elite model.

The tribunal found the sales documents' description didn't match Boylan's car resulting in a breach of section nine of the CGA.

Also, its description was a false and misleading representation that the vehicle was of a particular model, which was in breach of the FTA's section 13.

However, even though Boylan had established breaches of both of these acts, the tribunal had to decide whether she was entitled to compensation.

In theory, she was entitled to reject the vehicle. But the adjudicator noted it wouldn't have allowed Boylan to do so because a long time had passed since she purchased it and during that time she had driven more than 14,000km in the car.

Under the CGA, Boylan had to prove she had paid too much for the vehicle.

She wanted $4,000 in compensation based on information she received verbally from Hyundai NZ as the difference between the 2018 $39,990 new price of the i30 Elite and the $35,990 entry-level model.

However, Boylan was unable to provide further evidence that there had been a reduction in value of her car below the price paid for it due to the misdescription.

The tribunal accepted Steffensen's evidence that Hautapu Motors priced the vehicle based on the features it had. Boylan said that if the vehicle hadn't been described using the word "Elite", she would have "haggled more" for a further price reduction and would have walked away if her haggling had been unsuccessful.

However, there was no evidence she would have obtained a comparable entry-level i30 at a lower price.

The tribunal concluded Boylan hadn't established there was any reduction in value of her car below the price paid attributable to its misdescription, so her claim for damages under the CGA failed.

In order to obtain relief for a breach of the FTA, it was necessary for her to prove she "suffered, or is likely to suffer, loss or damage by conduct" in contravention of that legislation.

While Boylan had established misleading conduct, she hadn't established she was misled by that conduct and she failed to establish that the misdescription was the cause of any loss or damage.

Order

The application was dismissed.

Trader diverted buyer to use insurance policy instead of providing legal remedy

The case: The buyer wanted to reject her 2017 hybrid Nissan Note after its battery pack failed 14 months after purchase. The trader advised the purchaser to use her mechanical breakdown insurance (MBI) to replace it.

The decision: The tribunal ruled the dealer should have provided its customer with a remedy under the Consumer Guarantees Act (CGA) rather than diverting her towards her insurance policy. It upheld the buyer's application to reject the vehicle and ordered the trader to pay her $21,245.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Sarah de Pont wanted to reject the 2017 Nissan Note E-Power X hybrid she purchased for $18,495 from Giltrap Nissan in July 2019.

The vehicle's battery pack failed in October 2020 and needed replacement.

De Pont considered the issues to be a failure of a substantial character under the terms of the CGA, so she was entitled to a refund of the car's purchase price.

The trader agreed the battery pack had failed and a new one was needed. It advised her to use her MBI policy to cover the bulk of the $15,000 cost of this and offered $2,500 towards that.

The case

Both parties agreed that the Note's battery pack had failed about 14 months after purchase and needed to be replaced, and that any repair would be expensive.

Giltrap Nissan obtained an estimate of $15,000 for a new pack from Nissan and a $6,900 estimate for a refurbished battery pack.

De Pont provided an estimate of $5,100 plus GST for a second-hand battery pack.

After the defect was diagnosed, the trader didn't assume liability for the repair under the CGA as she believed it should have.

As a result, De Pont thought she needed to use the MBI policy she bought with the vehicle to pay for any repairs.

The buyer's policy had a claim limit of $10,000, which De Pont had been reassured by the trader when she purchased the insurance would be more than enough to cover replacing the battery pack.

As for the shortfall, the trader proposed both parties each contribute $2,500 towards the cost of replacing the part.

De Pont was then told that it would take about two months to repair the car, so she spoke with Giltrap Nissan employee Paul Loftus about the company purchasing it from her.

She said Loftus verbally agreed the trader would be prepared to buy the car back.

De Pont then went ahead and paid $2,500 plus a $250 insurance excess to the trader towards the cost of the new battery pack because she thought Giltrap Nissan had agreed to purchase the Note from her at a reasonable price.

She said that she was prepared to forego her $2,750 contribution if she received a fair price for the vehicle.

But when Giltrap Nissan offered only $12,000 for the Note, which was much less than expected, she then filed her claim with the tribunal seeking to reject the vehicle and recover the purchase price.

The finding

In determining if the Note had been of acceptable quality in regard to section six of the CGA, the tribunal firstly stated any buyer of a two-year-old hybrid that had travelled 65,785km at the time of sale, which was high mileage for a car of that age, should understand the hybrid battery pack would degrade and require replacement as the vehicle aged.

The buyer also needed to understand that the protections in section six of the act were not indefinite.

The tribunal took into account the vehicle's price, age and mileage at the time of sale, the length of time and distance travelled before the battery needed replacing.

It found the Note hadn't been as durable as a reasonable consumer would consider acceptable because such a person would expect the battery pack to last much longer before having to be replaced.

The tribunal was satisfied the vehicle wasn't of acceptable quality and that a reasonable buyer – fully acquainted with the true nature and extent of the defective battery pack – wouldn't have purchased it.

After considering the evidence presented at the hearing, the tribunal wasn't satisfied De Pont ever agreed to allow the trader to rectify the battery pack fault, with a contribution from her, in satisfaction of any claim she might have arising from that defect.

Instead, the evidence showed De Pont believed Giltrap Nissan had agreed to purchase the Note from her at a reasonable price and her contribution towards the replacement battery was a goodwill gesture intended to facilitate that buy-back deal.

That agreement didn't eventuate and the tribunal decided De Pont hadn't waived any right for a remedy under the consumer legislation.

The tribunal ruled she was entitled to a refund because the defective battery pack was a failure of a substantial character.

De Pont was, therefore, entitled to recover all amounts paid in respect of the Note, which was the $18,495 purchase price and the $2,750 she paid towards the new battery.

The tribunal also stated she should never have been asked to contribute money for a new battery pack because the defective part was a breach of the guarantee of acceptable quality.

In addition, the trader should have provided De Pont with a remedy under the CGA rather than diverting her towards her MBI policy.

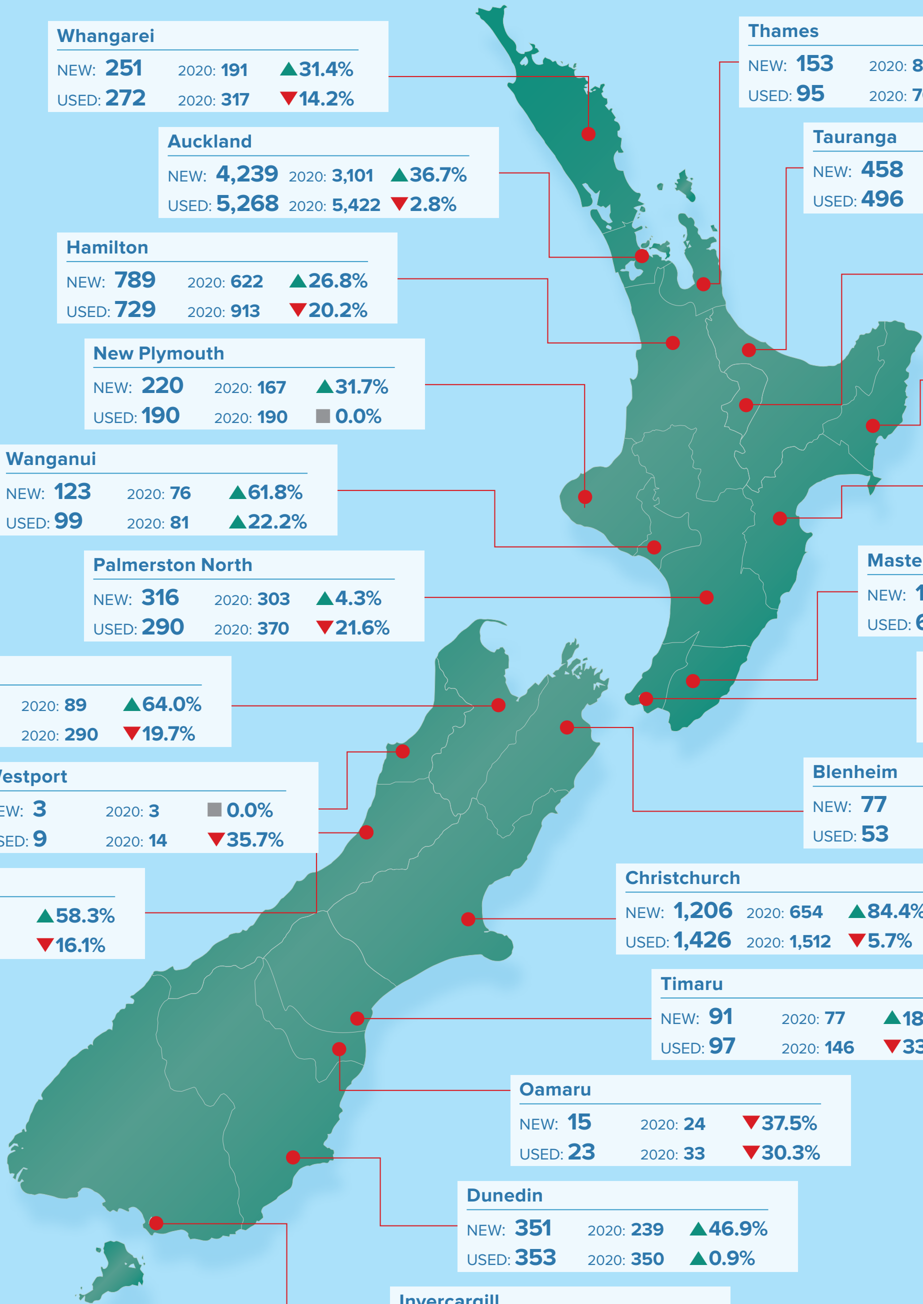
Order

The rejection was upheld and the dealer had to compensate the buyer to the tune of $21,245.

Around the Country — June 2021

Total new cars	
10,305	
2020: 7,413	▲ 39.0%

Total imported used cars	
11,256	
2020: 11,962	▼ 5.9%



			2020	
Whangarei	NEW:	251	191	▲31.4%
	USED:	272	317	▼14.2%
Thames	NEW:	153	88	▲73.9%
	USED:	95	76	▲25.0%
Auckland	NEW:	4,239	3,101	▲36.7%
	USED:	5,268	5,422	▼2.8%
Tauranga	NEW:	458	411	▲11.4%
	USED:	496	575	▼13.7%
Hamilton	NEW:	789	622	▲26.8%
	USED:	729	913	▼20.2%
Rotorua	NEW:	164	93	▲76.3%
	USED:	179	103	▲73.8%
New Plymouth	NEW:	220	167	▲31.7%
	USED:	190	190	■0.0%
Gisborne	NEW:	55	44	▲25.0%
	USED:	80	94	▼14.9%
Wanganui	NEW:	123	76	▲61.8%
	USED:	99	81	▲22.2%
Napier	NEW:	306	218	▲40.4%
	USED:	271	297	▼8.8%
Palmerston North	NEW:	316	303	▲4.3%
	USED:	290	370	▼21.6%
Masterton	NEW:	104	98	▲6.1%
	USED:	65	95	▼31.6%
Nelson	NEW:	146	89	▲64.0%
	USED:	233	290	▼19.7%
Wellington	NEW:	1,041	705	▲47.7%
	USED:	758	844	▼10.2%
Westport	NEW:	3	3	■0.0%
	USED:	9	14	▼35.7%
Blenheim	NEW:	77	56	▲37.5%
	USED:	53	48	▲10.4%
Greymouth	NEW:	19	12	▲58.3%
	USED:	26	31	▼16.1%
Christchurch	NEW:	1,206	654	▲84.4%
	USED:	1,426	1,512	▼5.7%
Timaru	NEW:	91	77	▲18.2%
	USED:	97	146	▼33.6%
Oamaru	NEW:	15	24	▼37.5%
	USED:	23	33	▼30.3%
Dunedin	NEW:	351	239	▲46.9%
	USED:	353	350	▲0.9%
Invercargill	NEW:	178	142	▲25.4%
	USED:	244	161	▲51.6%

Imported Passenger Vehicle Sales by Make - June 2021

MAKE	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	3,194	2,789	14.5	28.4%	17,635	28.4%
Mazda	1,566	1,924	-18.6	13.9%	8,617	13.9%
Nissan	1,385	2,084	-33.5	12.3%	8,317	13.4%
Honda	1,051	1,127	-6.7	9.3%	5,498	8.8%
Subaru	889	866	2.7	7.9%	4,568	7.4%
BMW	619	538	15.1	5.5%	3,148	5.1%
Volkswagen	511	433	18.0	4.5%	3,019	4.9%
Mitsubishi	468	487	-3.9	4.2%	2,641	4.3%
Audi	349	296	17.9	3.1%	1,816	2.9%
Suzuki	278	475	-41.5	2.5%	1,572	2.5%
Lexus	252	183	37.7	2.2%	1,214	2.0%
Mercedes-Benz	204	184	10.9	1.8%	1,120	1.8%
Ford	72	86	-16.3	0.6%	371	0.6%
Volvo	58	83	-30.1	0.5%	407	0.7%
Jaguar	36	42	-14.3	0.3%	225	0.4%
Land Rover	46	48	-4.2	0.4%	270	0.4%
Jeep	31	39	-20.5	0.3%	169	0.3%
Chrysler	26	12	116.7	0.2%	112	0.2%
Dodge	26	29	-10.3	0.2%	132	0.2%
Chevrolet	24	35	-31.4	0.2%	172	0.3%
Holden	24	40	-40.0	0.2%	125	0.2%
Porsche	21	14	50.0	0.2%	154	0.2%
Mini	20	44	-54.5	0.2%	157	0.3%
Hyundai	19	19	0.0	0.2%	129	0.2%
Peugeot	15	5	200.0	0.1%	85	0.1%
Kia	8	16	-50.0	0.1%	66	0.1%
Citroen	6	5	20.0	0.1%	34	0.1%
Cadillac	5	3	66.7	0.0%	17	0.0%
Lancia	5	0	500.0	0.0%	7	0.0%
Renault	5	8	-37.5	0.0%	27	0.0%
Bentley	4	0	400.0	0.0%	23	0.0%
Maserati	4	1	300.0	0.0%	8	0.0%
Rolls-Royce	3	0	300.0	0.0%	7	0.0%
Skoda	3	3	0.0	0.0%	12	0.0%
Aston Martin	2	2	0.0	0.0%	7	0.0%
Others	27	42	-35.7	0.2%	246	0.4%
Total	**11,256**	**11,962**	**-5.9**	**100.0%**	**62,127**	**100.0%**

Imported Passenger Vehicle Sales by Model - June 2021

MAKE	MODEL	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Aqua	764	416	83.7	6.8%	4,237	6.8%
Mazda	Axela	537	648	-17.1	4.8%	2,962	4.8%
Toyota	Prius	410	348	17.8	3.6%	2,517	4.1%
Nissan	X-Trail	387	226	71.2	3.4%	2,058	3.3%
Honda	Fit	385	470	-18.1	3.4%	2,165	3.5%
Mitsubishi	Outlander	296	272	8.8	2.6%	1,657	2.7%
Mazda	CX-5	280	148	89.2	2.5%	1,222	2.0%
Subaru	Legacy	254	287	-11.5	2.3%	1,309	2.1%
Toyota	Corolla	244	214	14.0	2.2%	1,353	2.2%
Subaru	Impreza	243	315	-22.9	2.2%	1,374	2.2%
Mazda	Demio	224	377	-40.6	2.0%	1,612	2.6%
Mazda	Atenza	219	255	-14.1	1.9%	1,059	1.7%
Suzuki	Swift	218	387	-43.7	1.9%	1,250	2.0%
Toyota	Mark X	197	107	84.1	1.8%	1,076	1.7%
Honda	CR-V	163	106	53.8	1.4%	780	1.3%
Nissan	Skyline	148	153	-3.3	1.3%	681	1.1%
Honda	Odyssey	142	76	86.8	1.3%	728	1.2%
Toyota	Blade	140	178	-21.3	1.2%	781	1.3%
BMW	320i	131	115	13.9	1.2%	652	1.0%
Subaru	Forester	129	105	22.9	1.1%	688	1.1%
Mazda	Premacy	117	197	-40.6	1.0%	689	1.1%
Nissan	Fuga	115	77	49.4	1.0%	533	0.9%
Nissan	Serena	112	139	-19.4	1.0%	609	1.0%
Nissan	Note	100	203	-50.7	0.9%	643	1.0%
BMW	116i	99	80	23.8	0.9%	524	0.8%
Toyota	Estima	88	51	72.5	0.8%	330	0.5%
Toyota	Camry	85	45	88.9	0.8%	381	0.6%
Ford	Crown	83	42	97.6	0.7%	388	0.6%
Subaru	XV	81	43	88.4	0.7%	356	0.6%
Audi	A4	79	71	11.3	0.7%	410	0.7%
Subaru	Exiga	71	39	82.1	0.6%	372	0.6%
Lexus	IS250	71	35	102.9	0.6%	343	0.6%
Toyota	Sai	70	31	125.8	0.6%	396	0.6%
Audi	A3	69	63	9.5	0.6%	380	0.6%
Nissan	Leaf	66	212	-68.9	0.6%	1,079	1.7%
Others		4,439	5,431	-18.3	39.4%	24,533	39.5%
Total		**11,256**	**11,962**	**-5.9**	**100.0%**	**62,127**	**100.0%**

Revamp of biosecurity delayed

A new system for the verification of imported used vehicles has gone live despite some transitional facilities for contaminated cars still waiting to gain government approval.

The Ministry for Primary Industries (MPI) announced on April 23 it was revamping its onshore procedures after deciding not to send Biosecurity New Zealand staff back to Japan.

Those changes were due to all be in place by July 1, but that timeframe has been relaxed with officials now hoping it will be fully operational within the next month.

Central to the new approach is that vehicles will no longer be held on a vessel for further inspection if any contamination is discovered. Instead, importers can have the consignment taken from the port to approved transitional facilities.

However, a number of audits and approvals for those transitional facilities had not been completed by the start of July and the MPI now hopes to carry out that work over the coming weeks.

Officials also hope the measures will cut the time to clear vehicles from ports, which post-Covid has seen the turnaround for some roll-on, roll-off vessels blow out to up to 11 days.

"We plan to work closely with industry over the next few weeks to ensure the new processes are introduced as smoothly as possible," says a spokesman for Biosecurity NZ. "If there are any approval delays, we will deal with affected vehicle consignments on a case-by-case basis."

The MPI was considering eight applications from transitional facilities and expected to approve six in the first few days of July – three in Auckland, and one each in Wellington, Nelson and Lyttleton.

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (VIA), welcomes the government showing flexibility to allow progressive implementation of the new system beyond the July 1 target date.

"VIA has been involved in discussions with senior MPI officials on behalf of the BIOs [border-inspection organisations]," he told Autofile.

"The industry has come to the party. It has done everything required of it and is pretty much ready to go. Most have been approved in principle, but can't be signed off until the MPI has completed its audits of the transitional facilities.

"We're pleased with the collaborative nature of the process and this result is a very pragmatic move.

"Overall, it's a satisfactory outcome to the relocation of the verification process from Japan back to New Zealand, which was really disruptive on all parts of the supply chain including shipping lines, the BIOs in Japan, MPI staff and the ports."

The new system will put extra pressure on BIOs to ensure cars heading our way meet biosecurity standards and they have been trialling it, in parallel with the previous way of operating, since May 1.

Vinsen says: "Very few vehicles are being failed under the new procedure. There's a high degree of confidence that the system is working and will work, and not too many vehicles will need to go to transitional facilities, but we need to be prepared for the eventuality if they do."

The Biosecurity NZ spokesman adds the fresh approach has already helped reduce discharge times for ro-ros because vehicles are less likely to be rejected and require further decontamination.

He says the two biosecurity systems have worked well together over the past two months and no issues had been raised by industry.

Automotive Technologies Ltd (ATL) is one of the BIOs making the transition between the old and new approaches, and owner Nigel Grindall says the MPI has been working well with companies on reducing biosecurity risks.

"The consequence of a failure to any offshore systems means we're highly motivated to do a good job in Japan and keep standards high," he adds.

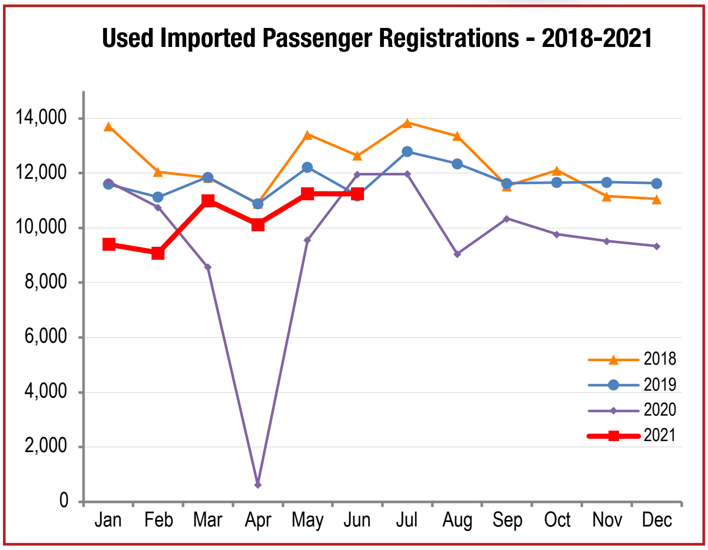
"We have always been supportive of more checks and audits, and to work smarter with the government to get the best outcomes. We know with good quality regulation we can get the right outcome and do not get high-risk contaminants coming into the country."

Slight sales drop

There were 11,256 used-imported passenger vehicles sold for the first time in New Zealand during June. That was down by 5.9 per cent from 11,962 in the same month of last year.

The Toyota Aqua was once again the top model with 764 sales. Mazda's Axela was second with 537 registrations, while the Prius was third on 410.

Nissan's X-Trail and Honda's Fit completed the top five on 387 and 385 respectively. Toyota was the top-selling marque with 3,194 units followed by Mazda with 1,566.



Tackling issues for industry

The Imported Motor Vehicle Industry Association (VIA) has been involved in a plethora of issues over the past year.

Many of 2020/21's headlines were dominated by the government's clean-car proposals, Covid-19 and subsequent issues with the supply chain.

However, VIA has also been involved in research, consultations and submissions on many other matters affecting the used-imports industry.

In particular, it has dealt with product stewardship in relation to batteries in general and those for electric vehicles (EVs), tyres, greenhouse gases, oil and actual vehicles.

Other matters include the 760MHz bandwidth and intelligent transport systems, the Takata airbag recall, vehicle-type approvals, the restructuring of motor-industry training, lost and delayed deregistration papers, and entry certification.

Chief executive David Vinsen also flags up proposals to move Ports of Auckland or its car-importing activities, implementing the final phase of the electronic stability control rule and changes to the vehicle inspection requirements manual.

He describes VIA's new set-up following a restructuring last year as "working very well".

Feedback from members is that they are pleased with what has happened, and there will now be a focus on improving communications on non-urgent issues and other matters between council meetings.

"With urgent issues our alerts are timely and succinct, and council meetings are a chance to debate and hear good speakers.

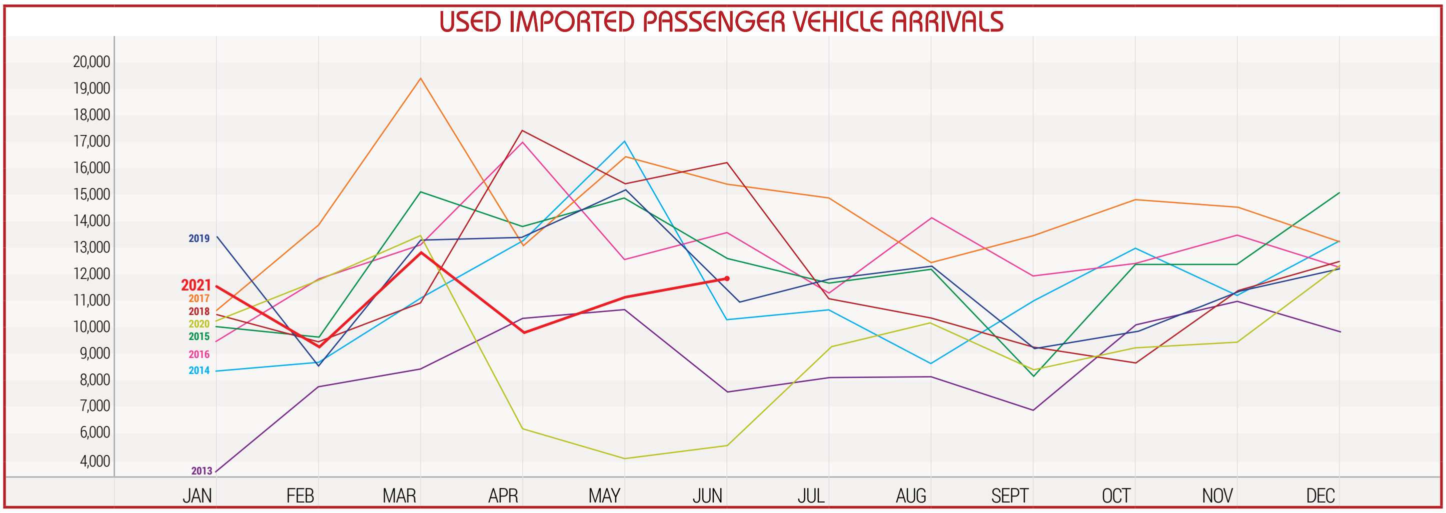
"But in between we plan to move to a decent customer management relationship system, develop a better website and make better use of social media."

VIA's annual general meeting towards the end of May was the first to be held under the association's new constitution and structure.

A new council was put in place, which is largely made up of people who were on it previously, and the same board has been reappointed for another year with technical manager Malcolm Yorston appointed as secretary.

IMPORTS INCREASE

There were 11,942 used passenger vehicles imported into New Zealand last month. Of those, 11,296 came from Japan.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2021								2020		2019	
	JAN '21	FEB '21	MAR '21	APR '21	MAY '21	JUN '21	JUN SHARE %	2021 TOTAL	2020 TOTAL	MRKT SHARE	2019 TOTAL	MRKT SHARE
Australia	300	283	264	289	315	271	2.3%	**1,722**	4,185	3.9%	5,148	3.6%
Great Britain	106	123	138	125	147	161	1.3%	**800**	690	0.6%	894	0.6%
Japan	10,877	8,744	12,152	9,255	10,451	11,296	94.6%	**62,775**	100,994	92.9%	132,494	93.8%
Singapore	128	140	165	137	141	90	0.8%	**801**	1,846	1.7%	1,678	1.2%
USA	30	33	24	100	79	61	0.5%	**327**	480	0.4%	664	0.5%
Other countries	30	36	25	42	34	63	0.5%	**230**	468	0.4%	340	0.2%
Total	**11,471**	**9,359**	**12,768**	**9,948**	**11,167**	**11,942**	**100.0%**	**66,655**	**108,663**	**100.0%**	**141,218**	**100.0%**

Lenders given insufficient notice

Finance providers have been coming to terms with not losing out when providing loans or leasing arrangements to consumers opting for cars entitled to rebates.

The Financial Services Federation (FSF) was taken by surprise when the government gave less than three weeks' notice of plans to offer money back on EVs and PHEVs from July 1.

Lyn McMorran, executive director, says most vehicles on our roads are financed by FSF members, but there was no official consultation before the clean-car announcement.

She adds leasing providers work with "government, large corporates – a lot of the people likely to want to bring in EVs", but risk losing out because of the discounts.

"While the legal owner might be the leasing company, its first registration is in the name of who has leased it," explains McMorran.

"The company that owns the car legally wouldn't qualify for the rebate. It could pay $60,000 for a Nissan Leaf, for example, but the $8,000 refund would go to whoever is driving it.

"The problem for the leasing company is what that vehicle is worth. When it's brought back, assuming that's fairly early on in the leasing, it is probably not worth what they've paid for it. It has depreciated by $8,000 from when registered."

She says finance companies providing consumers loans for 100 per cent of a car's cost have similar concerns.

"They have a $60,000 vehicle with a $60,000 loan against it, but the consumer gets the $8,000 so it's now only worth $52,000."

McMorran adds FSF members have raised issues about rebates and her organisation has been frantically trying to get to grips with the system.

She adds there was also an initial lack of clarity about who to talk to in government with the Ministry of Transport appearing to be the lead agency for the scheme, but Waka Kotahi handling the rebates.

"You would think they would have done the logistical work before making the announcement. We had no notice whatsoever. It caught everyone blindsided."

TRADE DROPS OFF

Dealers sold 17,476 second-hand cars to the public last month. That was down by 20.7 per cent compared to June 2020's total of 22,051 units.

Trade-ins came in at 13,733 for a decrease of 10.6 per cent compared to 15,355 over the same period.

SECONDHAND CAR SALES - June 2021

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
REGION	JUN'21	JUN'20	+/- %	MARKET SHARE	JUN'21	JUN'20	+/- %	JUN'21	JUN'20	+/- %
Whangarei	583	705	-17.3	3.34	1,997	2,315	-13.7	221	267	-17.2
Auckland	6,120	7,155	-14.5	35.02	13,470	15,076	-10.7	5,686	6,154	-7.6
Hamilton	1,367	1,995	-31.5	7.82	3,549	4,375	-18.9	1,054	1,361	-22.6
Thames	279	271	3.0	1.60	612	549	11.5	222	95	133.7
Tauranga	818	1,251	-34.6	4.68	2,245	3,244	-30.8	665	705	-5.7
Rotorua	371	332	11.7	2.12	977	951	2.7	130	101	28.7
Gisborne	156	204	-23.5	0.89	444	478	-7.1	52	41	26.8
Napier	659	784	-15.9	3.77	1,510	1,742	-13.3	474	522	-9.2
New Plymouth	382	505	-24.4	2.19	1,016	1,127	-9.8	217	262	-17.2
Wanganui	252	250	0.8	1.44	675	533	26.6	124	131	-5.3
Palmerston North	832	1,084	-23.2	4.76	1,729	2,202	-21.5	761	1,076	-29.3
Masterton	246	256	-3.9	1.41	503	558	-9.9	87	123	-29.3
Wellington	1,552	2,036	-23.8	8.88	3,145	3,648	-13.8	1,022	1,262	-19.0
Nelson	291	334	-12.9	1.67	1,016	1,222	-16.9	158	185	-14.6
Blenheim	171	228	-25.0	0.98	425	513	-17.2	96	111	-13.5
Greymouth	62	90	-31.1	0.35	166	208	-20.2	46	63	-27.0
Westport	2	28	-92.9	0.01	36	98	-63.3	2	0	0.0
Christchurch	1,948	2,742	-29.0	11.15	4,875	5,770	-15.5	1,870	2,024	-7.6
Timaru	180	289	-37.7	1.03	533	750	-28.9	91	102	-10.8
Oamaru	45	87	-48.3	0.26	139	284	-51.1	5	10	-50.0
Dunedin	745	938	-20.6	4.26	1,917	2,212	-13.3	478	480	-0.4
Invercargill	415	487	-14.8	2.37	1,187	1,286	-7.7	272	280	-2.9
NZ Total	**17,476**	**22,051**	**-20.7**	**100.00**	**42,166**	**49,141**	**-14.2**	**13,733**	**15,355**	**-10.6**

New Passenger Vehicle Sales by Make - June 2021

MAKE	JUN '21	JUN '20	+/- %	JUN '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Mitsubishi	1,415	478	196.0	13.7%	6,909	12.0%
Toyota	1,285	955	34.6	12.5%	7,483	13.0%
Kia	1,019	708	43.9	9.9%	6,581	11.4%
Suzuki	834	514	62.3	8.1%	4,258	7.4%
Mazda	679	561	21.0	6.6%	4,355	7.6%
Hyundai	610	576	5.9	5.9%	3,122	5.4%
Volkswagen	536	334	60.5	5.2%	2,651	4.6%
Nissan	453	408	11.0	4.4%	2,577	4.5%
Honda	358	293	22.2	3.5%	2,151	3.7%
Mercedes-Benz	266	209	27.3	2.6%	1,255	2.2%
MG	244	81	201.2	2.4%	1,591	2.8%
Subaru	226	240	-5.8	2.2%	1,698	2.9%
BMW	225	159	41.5	2.2%	1,091	1.9%
Tesla	222	68	226.5	2.2%	702	1.2%
Haval	212	92	130.4	2.1%	860	1.5%
Land Rover	211	97	117.5	2.0%	867	1.5%
Ford	201	154	30.5	2.0%	1,998	3.5%
Skoda	191	123	55.3	1.9%	890	1.5%
Audi	156	168	-7.1	1.5%	977	1.7%
Jeep	125	70	78.6	1.2%	826	1.4%
Peugeot	118	70	68.6	1.1%	691	1.2%
SsangYong	108	97	11.3	1.0%	522	0.9%
Isuzu	106	30	253.3	1.0%	289	0.5%
Lexus	87	93	-6.5	0.8%	551	1.0%
Mini	77	65	18.5	0.7%	476	0.8%
Jaguar	65	38	71.1	0.6%	285	0.5%
Volvo	42	47	-10.6	0.4%	391	0.7%
Porsche	33	39	-15.4	0.3%	344	0.6%
Cupra	29	0	2,900.0	0.3%	59	0.1%
LDV	29	9	222.2	0.3%	141	0.2%
Citroen	28	21	33.3	0.3%	170	0.3%
Renault	20	14	42.9	0.2%	142	0.2%
Alfa Romeo	16	14	14.3	0.2%	68	0.1%
Mahindra	15	16	-6.3	0.1%	80	0.1%
Seat	11	12	-8.3	0.1%	102	0.2%
Fiat	10	6	66.7	0.1%	56	0.1%
Maserati	9	3	200.0	0.1%	33	0.1%
Bentley	7	7	0.0	0.1%	43	0.1%
Can-Am	5	10	-50.0	0.0%	38	0.1%
Ferrari	5	1	400.0	0.0%	27	0.0%
Yamaha	5	2	150.0	0.0%	32	0.1%
Aston Martin	4	3	33.3	0.0%	36	0.1%
McLaren	4	1	300.0	0.0%	19	0.0%
Lamborghini	2	2	0.0	0.0%	13	0.0%
Genesis	1	1	0.0	0.0%	7	0.0%
Others	1	524	-99.8	0.0%	164	0.3%
Total	**10,305**	**7,413**	**39.0**	**100.0%**	**57,621**	**100.0%**

New Passenger Vehicle Sales by Model - June 2021

MAKE	MODEL	JUN '21	JUN '20	+/- %	JUN '21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Mitsubishi	ASX	740	163	354.0	7.2%	2,661	4.6%
Toyota	RAV4	487	404	20.5	4.7%	2,661	4.6%
Mitsubishi	Outlander	408	158	158.2	4.0%	2,796	4.9%
Kia	Stonic	407	0	40,700.0	3.9%	1,752	3.0%
Suzuki	Swift	289	227	27.3	2.8%	1,673	2.9%
Mazda	CX-5	288	216	33.3	2.8%	1,855	3.2%
Nissan	Qashqai	250	149	67.8	2.4%	1,206	2.1%
Hyundai	Kona	245	159	54.1	2.4%	977	1.7%
Toyota	Highlander	233	61	282.0	2.3%	465	0.8%
Toyota	Corolla	223	271	-17.7	2.2%	1,474	2.6%
Tesla	Model 3	222	54	311.1	2.2%	695	1.2%
Kia	Sportage	210	287	-26.8	2.0%	1,538	2.7%
Honda	Jazz	199	74	168.9	1.9%	695	1.2%
Hyundai	Santa Fe	192	96	100.0	1.9%	974	1.7%
Volkswagen	Tiguan	180	99	81.8	1.7%	897	1.6%
Suzuki	Jimny	166	31	435.5	1.6%	629	1.1%
MG	ZS	162	38	326.3	1.6%	812	1.4%
Nissan	X-Trail	155	179	-13.4	1.5%	1,141	2.0%
Suzuki	Vitara	146	107	36.4	1.4%	740	1.3%
Suzuki	Baleno	141	53	166.0	1.4%	630	1.1%
Volkswagen	T-Roc	123	0	12,300.0	1.2%	435	0.8%
Isuzu	MU-X	106	30	253.3	1.0%	289	0.5%
Kia	Rio	105	94	11.7	1.0%	476	0.8%
Kia	Seltos	102	202	-49.5	1.0%	1,357	2.4%
Haval	Jolion	95	0	9,500.0	0.9%	246	0.4%
Mitsubishi	Pajero Sport	93	25	272.0	0.9%	262	0.5%
Mazda	CX-9	92	68	35.3	0.9%	599	1.0%
Volkswagen	Golf	92	56	64.3	0.9%	440	0.8%
Honda	CR-V	91	55	65.5	0.9%	604	1.0%
Haval	H2	89	66	34.8	0.9%	518	0.9%
Mitsubishi	Eclipse Cross	88	54	63.0	0.9%	788	1.4%
Toyota	Yaris	86	10	760.0	0.8%	680	1.2%
Toyota	C-HR	84	85	-1.2	0.8%	739	1.3%
Mitsubishi	Mirage	82	70	17.1	0.8%	312	0.5%
Subaru	Outback	79	69	14.5	0.8%	651	1.1%
Subaru	XV	75	74	1.4	0.7%	455	0.8%
Jeep	Compass	74	11	572.7	0.7%	378	0.7%
Mazda	CX-30	68	103	-34.0	0.7%	463	0.8%
Mazda	CX-3	67	50	34.0	0.7%	512	0.9%
Skoda	Superb	67	7	857.1	0.7%	187	0.3%
Land Rover	Defender	66	0	6,600.0	0.6%	256	0.4%
Hyundai	Venue	64	35	82.9	0.6%	336	0.6%
Subaru	Forester	60	77	-22.1	0.6%	495	0.9%
Ford	Everest	59	25	136.0	0.6%	391	0.7%
Ford	Puma	57	0	5,700.0	0.6%	539	0.9%
Others		2,898	3,321	-12.7	28.1%	18,942	32.9%
Total		**10,305**	**7,413**	**39.0**	**100.0%**	**57,621**	**100.0%**

Agency clarifies traders' rules

New-vehicle distributors and dealers have been provided with extra guidance on how to deal with stock they require for business purposes when it comes to interim rebates for electric vehicles (EVs) under the clean-car discount scheme.

Waka Kotahi has advised the Motor Industry Association (MIA) that statutory declarations will have to be completed by marques, which are required to be registered motor-vehicle traders (RMVTs) in the same way car dealers need to be.

The declarations mean all RMVTs, when the first registered person of the relevant vehicle, are not eligible to receive a rebate unless the trader owns it and does not sell – and doesn't offer to sell – it to another person within three months of registration.

This applies when the relevant vehicle is being used as a company car, a demonstrator or courtesy vehicle.

In addition, other requirements for receiving a rebate need to be satisfied. These include complying with all regulations set out in the clean-car discount application form and providing supporting documents.

A declaration form for company, courtesy and demonstrator cars will have to be uploaded for completion online as well as, or in place of, a vehicle offer and purchase agreement.

"The transport agency has clearly clarified what can and cannot be claimed for," says David Crawford, chief executive of the MIA.

"This is a reasonable outcome, but it does require some extra admin work. We will continue to discuss the matter with the NZTA to try to make the process for this easier to comply with."

Visit www.autofile.co.nz/extra-information-on-rebates- to find out more about Waka Kotahi's updated guide for car dealers.

FEEBATE FIELDAYS

Tom Clancy, of Ford NZ, says it was "fantastic" to be back at Fieldays after last year's event was effectively cancelled and only ran online.

He adds the government's rebates and clean-car discount were the main topics of conversation for people visiting the marque's site with "not too many people happy about it".

"We had unprecedented demand for the Ranger going into Fieldays and the feebates announcement just added to it," says Clancy.

"It's difficult to say how much the feebate is influencing buying decisions, but we definitely think there will be some extra interest in utes towards the end of the year. The demand was already there and we were looking at a record year for the Ranger, feebate or no feebate."

Clancy says the Escape PHEV attracted plenty of attention and more than 30 orders were placed at the event with deliveries due in September.


Ford NZ exhibited the Escape PHEV at Fieldays

The Mach 1 was also at the event for display purposes, with Ford NZ's consignment of 50 units already sold out.

"That's a vehicle people buy because it's a Mustang. It will be a pain having to pay an extra fee from January for that type of vehicle, but I'm not sure it will change people's behaviour."

Visit www.autofile.co.nz for more Fieldays stories and new models exhibited by marques.

SAFETY AN ISSUE

The chief executive of Toyota NZ says he is "frustrated" the government appears to be taking a backward step on vehicle safety with its rebate scheme for EVs.

Neeraj Lala has spoken of his concerns and says safety – along with availability and affordability – are the three main challenges to transitioning to a greener fleet.

Under the clean-car discount announced on June 13, pure EVs and plug-in hybrids were entitled to rebates from July 1.

Vehicles need to have at least three-star safety ratings to get the rebate. However, Lala points out the government has long been campaigning for consumers to choose models with four or five stars.

"I'm frustrated around the safety-rating aspect because you can't sacrifice safety for low emissions," he says.

"For decades, the Ministry of Transport has been pushing its Safer Journeys strategy and trying to get the road toll to zero. We support that, but the challenge now is it appears a three-star EV is fine when a car with that rating has never been fine. In my mind, that's a step backwards."

Lala notes supply constraints will pose a problem in getting more low-emissions vehicles into New Zealand's fleet and that many EVs "aren't going to be affordable for everyone for some time yet".

"I genuinely believe Transport Minister Michael Wood and his team are listening, and have made real progress," he adds. "We all knew the transition period would be a tough one. We will continue to work with them to make the journey efficient and continue discussing these issues."

RECORD ACHIEVED

Staff at Mitsubishi Motors NZ are celebrating selling a record 2,119 new vehicles last month, which tops the previous high set for a June in 1985 when the company was manufacturing cars in Porirua.

The marque's ASX led the way with 740 registrations, while 569 Tritons and 408 Outlanders were sold. There were also 280 orders for the plug-in hybrid variants of the Outlander and Eclipse Cross.

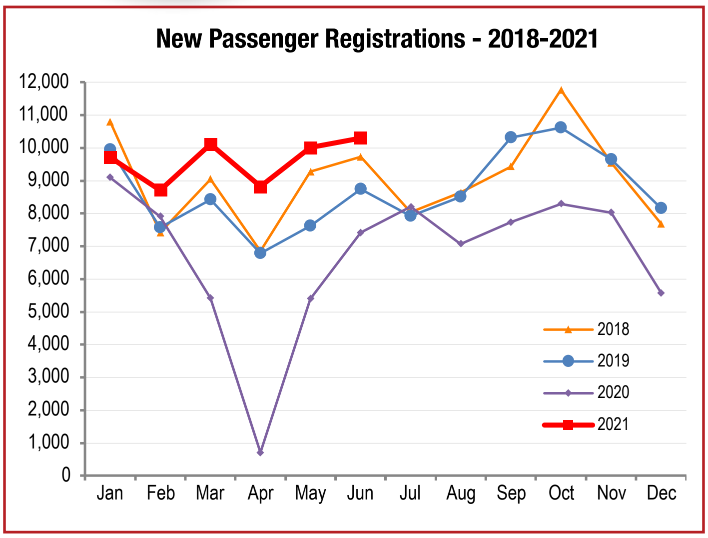
Reece Congdon, head of marketing and corporate affairs, says: "The arrival of Eclipse Cross PHEV in June coincided with the clean-car discount, which has provided a further incentive for the increasing number of drivers for whom more sustainable transport solutions are a key consideration."

Sales jump 39%

There were 10,305 new cars registered last month compared to 7,413 in June 2020 for an increase of 39 per cent.

The best-selling model was the Mitsubishi ASX on 740 units for a market share of 7.2 per cent.

Toyota's RAV4 was second with 4.7 per cent thanks to 487 units, while the Outlander came third on 408 with a four per cent share of the market.



War of words over workhorses

Utes have emerged as the battleground in the clean-car debate with marques and ministers at loggerheads over what low-emissions options will be available and when.

Top-selling models, such as Ford's Ranger and Toyota's Hilux, are staples of the fleet, but will cop hefty penalty fees from January 2022 when the full clean-car discount starts.

Under the proposed feebate scheme, vehicles with high levels of emissions face a levy of up to $5,875 when first registered.

Industry organisations and marques say pure-electric utes are at least two years away and unlikely to be available en-masse until at least 2025.

They have reacted strongly to suggestions from Prime Minister Jacinda Ardern and Michael Wood, Minister of Transport, that leading brands are planning to introduce hybrid or battery-electric utes within the next 18-24 months.

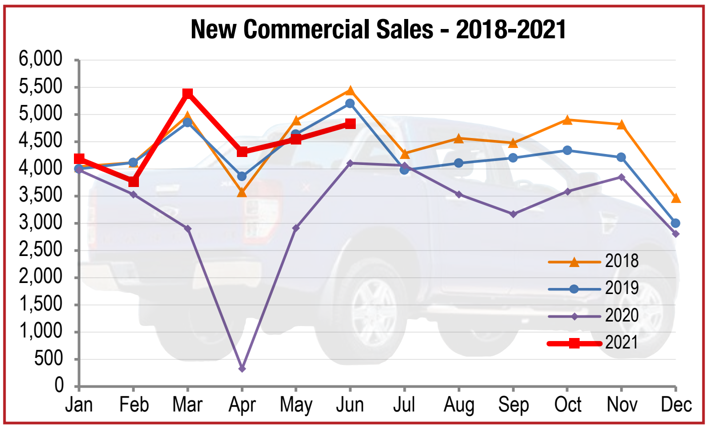
Farmers and tradies are also angry about the potential extra cost when buying work vehicles given there are no suitable alternatives at present. They have called for an exemption, which was ruled out by Ardern at Fieldays last month.

Toyota NZ has no plans to add an all-electric ute to its range for the next few years, but it is moving towards an "electrified" hybrid version of the Hilux.

Neeraj Lala, chief executive, adds: "It is irresponsible to suggest customers stop buying non-electric vehicles immediately until an electric option is available."

Meanwhile, LDV is working on having a battery-electric ute to become available in New Zealand in the next year or two.

As for last month, there were 4,830 new commercials sold in New Zealand, up by 17.7 per cent from 4,103 in June 2020.



New Commercial Sales by Make - June 2021

MAKE	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	1,071	714	50.0	22.2%	5,731	21.2%
Toyota	868	920	-5.7	18.0%	6,047	22.4%
Mitsubishi	704	390	80.5	14.6%	3,316	12.3%
Isuzu	448	270	65.9	9.3%	1,905	7.1%
Nissan	384	251	53.0	8.0%	1,869	6.9%
LDV	275	122	125.4	5.7%	1,292	4.8%
Mazda	162	170	-4.7	3.4%	1,248	4.6%
Great Wall	138	54	155.6	2.9%	772	2.9%
Hyundai	135	56	141.1	2.8%	866	3.2%
Volkswagen	101	101	0.0	2.1%	618	2.3%
Fuso	81	61	32.8	1.7%	437	1.6%
Hino	67	40	67.5	1.4%	341	1.3%
Mercedes-Benz	56	148	-62.2	1.2%	330	1.2%
Fiat	50	57	-12.3	1.0%	434	1.6%
Scania	50	26	92.3	1.0%	183	0.7%
SsangYong	31	31	0.0	0.6%	245	0.9%
Iveco	30	28	7.1	0.6%	178	0.7%
Ram	29	21	38.1	0.6%	145	0.5%
Chevrolet	22	17	29.4	0.5%	95	0.4%
Kenworth	20	18	11.1	0.4%	125	0.5%
Others	108	608	-82.2	2.2%	809	3.0%
Total	**4,830**	**4,103**	**17.7**	**100.0%**	**26,986**	**100.0%**

New Commercial Sales by Model - June 2021

MAKE	MODEL	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Ford	Ranger	912	641	42.3	18.9%	5,137	19.0%
Toyota	Hilux	632	595	6.2	13.1%	4,777	17.7%
Mitsubishi	Triton	569	390	45.9	11.8%	3,001	11.1%
Nissan	Navara	384	251	53.0	8.0%	1,869	6.9%
Isuzu	D-Max	321	163	96.9	6.6%	1,406	5.2%
Toyota	Hiace	169	273	-38.1	3.5%	1,002	3.7%
Mazda	BT-50	162	170	-4.7	3.4%	1,248	4.6%
Ford	Transit	159	73	117.8	3.3%	594	2.2%
Mitsubishi	Express	133	0	13,300.0	2.8%	311	1.2%
Great Wall	GWM Cannon	129	0	12,900.0	2.7%	610	2.3%
Hyundai	iLoad	125	54	131.5	2.6%	821	3.0%
LDV	T60	104	48	116.7	2.2%	471	1.7%
LDV	G10	78	38	105.3	1.6%	394	1.5%
Toyota	Land Cruiser	67	52	28.8	1.4%	268	1.0%
Isuzu	F Series	58	48	20.8	1.2%	201	0.7%
Isuzu	N Series	58	41	41.5	1.2%	245	0.9%
Fiat	Ducato	50	57	-12.3	1.0%	434	1.6%
LDV	V80	49	35	40.0	1.0%	236	0.9%
Mercedes-Benz	Sprinter	44	38	15.8	0.9%	268	1.0%
LDV	Deliver 9	43	0	4,300.0	0.9%	171	0.6%
Others		584	1,136	-48.6	12.1%	3,522	13.1%
Total		**4,830**	**4,103**	**17.7**	**100.0%**	**26,986**	**100.0%**

Market set for disruption

Sales of used light commercials will be impacted by the clean-car discount, according to industry experts.

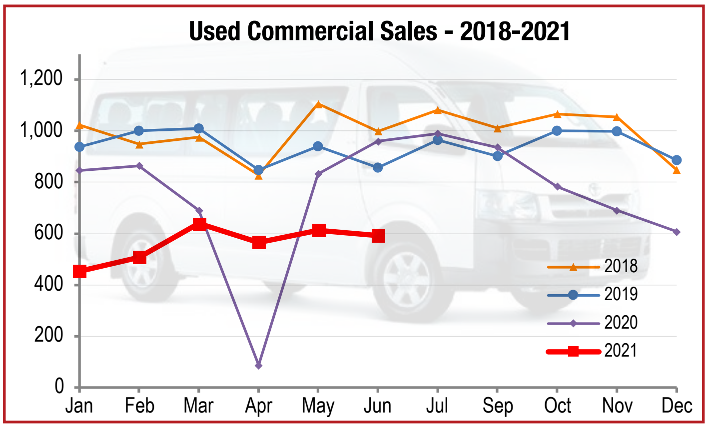
"With regard to high-emitters, many who want to buy utes will still want one given the nature of the New Zealand landscape and the flexibility they provide," says Greg Hedgepeth, chief executive of Turners Group.

"Given there will be no low-emission versions of them available for many years, I suspect they will just pay more to get one."

Hayden Johnston, chief executive officer of GVI, which is based in Auckland, predicts issues will arise later this year when what rebates are available on what models become widely known.

"The last three months of 2021 will be telling," he told Autofile. "So far, there has been a focus on farmers and utes.

"Most people don't know what rules will apply when it comes to normal cars. This will change when a dollar value is placed on them."



Andrew Bayliss, general manager of Great Lake Motor Distributors, says LDV dealers are "gladly" taking trade-ins and used vehicles "are currently selling at a premium".

"Our dealers are in the market for used product because it's difficult to get at the moment," he adds.

"Before the change in the electronic stability control rule last year, a lot of older, high-mileage used vans were coming in from Japan.

"Now that's not happening, we are in the box seat. We have our LDV G10, a small van priced from $29,990, and we've had a lot of demand for the G10 petrol and diesel as well."

There were 593 used commercials registered for the first time last month, which was down by 38.2 per cent compared to June 2020's total of 960.

Used Commercial Sales by Make - June 2021

MAKE	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	257	447	-42.5	43.3%	1,348	40.0%
Nissan	103	230	-55.2	17.4%	511	15.2%
Isuzu	44	41	7.3	7.4%	294	8.7%
Hino	38	39	-2.6	6.4%	249	7.4%
Ford	32	30	6.7	5.4%	172	5.1%
Mitsubishi	24	27	-11.1	4.0%	178	5.3%
Holden	14	12	16.7	2.4%	84	2.5%
Mazda	14	54	-74.1	2.4%	94	2.8%
Chevrolet	13	12	8.3	2.2%	65	1.9%
Daihatsu	5	7	-28.6	0.8%	37	1.1%
Mercedes-Benz	5	2	150.0	0.8%	27	0.8%
Suzuki	5	10	-50.0	0.8%	32	0.9%
Volvo	5	2	150.0	0.8%	13	0.4%
Dodge	4	4	0.0	0.7%	23	0.7%
UD Trucks	4	2	100.0	0.7%	19	0.6%
Volkswagen	4	3	33.3	0.7%	39	1.2%
Fiat	3	11	-72.7	0.5%	44	1.3%
Kenworth	3	3	0.0	0.5%	11	0.3%
Renault	3	4	-25.0	0.5%	11	0.3%
Fuso	2	1	100.0	0.3%	5	0.1%
Others	11	19	-42.1	1.9%	113	3.4%
Total	**593**	**960**	**-38.2**	**100.0%**	**3,369**	**100.0%**

Used Commercial Sales by Model - June 2021

MAKE	MODEL	JUN'21	JUN'20	+/- %	JUN'21 MKT SHARE	2021 YEAR TO DATE	2021 MKT SHARE
Toyota	Hiace	179	331	-45.9	30.2%	902	26.8%
Nissan	NV350	47	46	2.2	7.9%	217	6.4%
Toyota	Dyna	32	26	23.1	5.4%	198	5.9%
Isuzu	Elf	27	25	8.0	4.6%	189	5.6%
Hino	Dutro	25	31	-19.4	4.2%	182	5.4%
Nissan	Atlas	18	11	63.6	3.0%	80	2.4%
Nissan	Caravan	17	59	-71.2	2.9%	88	2.6%
Ford	Ranger	17	14	21.4	2.9%	73	2.2%
Toyota	Toyoace	17	25	-32.0	2.9%	105	3.1%
Mitsubishi	Canter	16	13	23.1	2.7%	119	3.5%
Isuzu	Forward	12	12	0.0	2.0%	61	1.8%
Toyota	Regius	11	54	-79.6	1.9%	51	1.5%
Holden	Commodore	8	3	166.7	1.3%	28	0.8%
Toyota	Hilux	8	8	0.0	1.3%	45	1.3%
Hino	Ranger	7	6	16.7	1.2%	48	1.4%
Holden	Colorado	6	6	0.0	1.0%	51	1.5%
Ford	F-150	6	2	200.0	1.0%	32	0.9%
Nissan	Navara	6	6	0.0	1.0%	28	0.8%
Chevrolet	Silverado	6	4	50.0	1.0%	20	0.6%
Mazda	Titan	6	10	-40.0	1.0%	37	1.1%
Others		122	268	-54.5	20.6%	815	24.2%
Total		**593**	**960**	**-38.2**	**100.0%**	**3,369**	**100.0%**

Marque revamps agency model

Honda New Zealand is now operating an e-commerce platform for selling vehicles.

It announced proposed operational changes in February and spent two months consulting with its independent agents.

This has resulted in an expanded national network comprising eight Honda NZ-owned and 10 independent Honda stores, six independent service stores and three authorised service centres.

The stores resemble previous dealerships and allow customers to experience and buy new vehicles.

However, sales are directly with Honda NZ, and buyers receive full servicing, and genuine parts and accessories.

Previously, Honda NZ owned seven branches and had 17 independent agents.

Nobuya Sonoda, managing director, describes the revamp as a "significant evolution".

He says: "We are grateful to all our agents that have signed on to deliver this new model from Kaitaia to Invercargill. The changes reflect the best of our traditional agency model while introducing an e-commerce platform that affords customers to browse and purchase completely online or to start online and finish in-store.

"What we are doing is challenging ourselves to polish the experience we provide so it's seamless and easy to follow."

The online store enables buyers to build and purchase new Hondas, either partially or end to end.

Sonoda adds plans to go online were well-advanced before Covid-19 struck, but the pandemic has "reinforced the importance of having a multi-channel sales model to meet the changing needs and expectations" of buyers.

"Thanks to NZ Post e-commerce research, we know about 305,000 New Zealanders shopped online for the first time in 2020. And in total we spent about $6.8 billion online – around $1.2b more than in 2019.

"This change builds on Honda's unique price promise, which eliminates the need for haggling."

As for the wider automotive industry, spending on motor vehicles and parts were strong in the year following the country's first Covid-19 lockdown, according to Stats NZ.

Retail sales values hit $3.83b in the March 2021 quarter, which was $740 million – or 24 per cent – higher than $3.09b in the first three months of the previous year.

Daily sales climb

Imports of new cars in June came in at 12,094. This was 179.8 per cent more than in the same month of 2020 and 14.2 per cent higher than May's 10,590 units.

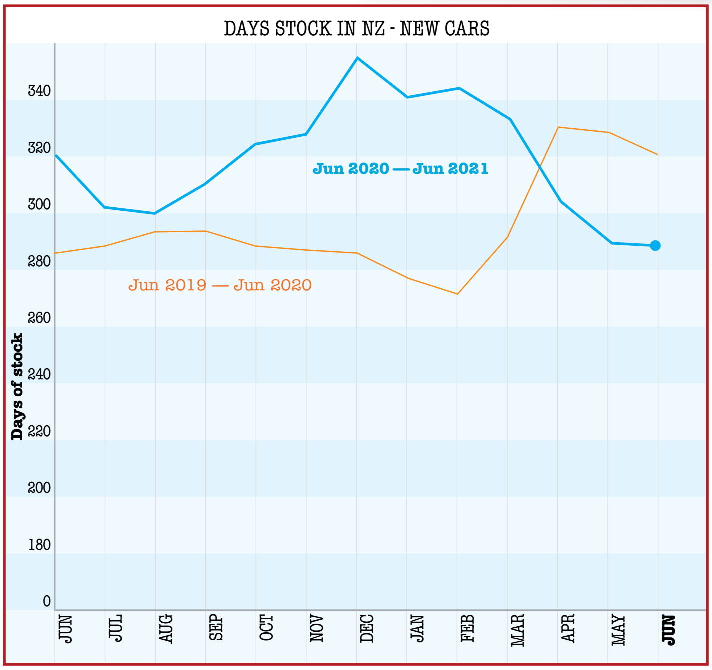
Registrations of new passenger vehicles totalled 10,305 last month, which was up 39 per cent from 7,413 in June 2020 when the impact of Covid-19 was affecting businesses. It also represented an increase of 2.9 per cent from 10,012 units in May.

The numbers have resulted in the stock of new cars still to be registered increasing by 1,789 to 80,956. Daily sales, as averaged over the previous 12 months, stand at 281 units per day, the highest since February 2020 when it was 284.

June's results mean stock at-hand has dropped to 288 days, or 9.5 months, if sales continue at the current rate. In the same month of 2020, the figures were 320 days, or 10.5 months respectively.

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
Jun '20	4,322	7,413	-3,091	79,783	250	320
Jul '20	4,321	8,200	-3,879	75,904	250	303
Aug '20	5,371	7,072	-1,701	74,203	246	301
Sep '20	8,313	7,735	578	74,781	239	312
Oct '20	8,998	8,296	702	75,483	233	324
Nov '20	7,483	8,029	-546	74,937	229	328
Dec '20	9,452	5,572	3,880	78,817	222	356
Jan '21	7,031	9,712	-2,681	76,136	223	341
Feb '21	10,547	8,710	1,837	77,973	225	346
Mar '21	11,091	10,112	979	78,952	238	331
Apr '21	8,462	8,825	-363	78,589	260	302
May '21	10,590	10,012	578	79,167	273	290
Jun '21	**12,094**	**10,305**	**1,789**	**80,956**	**281**	**288**
Year to date	**59,815**	**57,676**	**2,139**			
Change on last month	**14.2%**	**2.9%**		**2.3%**		
Change on Jun 2020	**179.8%** MORE IMPORTED	**39.0%** MORE SOLD		**1.5%** MORE STOCK		



Dealers need to reassess business

A car dealer with 35 years' experience in the industry says traders will have to live within their means to get through the fallout of Covid-19.

"Those with a lot of debt and big leases may have to re-evaluate what they are doing, says Craig Gilbert, owner of Craig Gilbert Motors in Timaru.

"However, for guys like me, it's how you make your living, what you do and you need to live within your means."

He adds 2007 to 2009's global financial crisis was a more difficult time to be in business than during the current pandemic.

"It was the hardest time for me because I was trying to expand, so the timing was bad.

"So far, New Zealand has been lucky because we've been isolated from coronavirus outbreaks and our government acted quickly to keep it out, so apart from lockdowns we have carried on close to normal.

"There was a buying frenzy after the first lockdown. People seemed to re-evaluate their lives and decided what was important to them when it ended. They went out and did something about that."

Gilbert says the post-lockdown buying uplift only ended at the end of March or early April 2021.

"People have become more conservative and selective with their buying. They are no longer buying anything that's in front of them. Millions of dollars that we would normally spend offshore was spent in New Zealand, which wasn't a bad thing.

"Kiwis bought the motorbikes, jet-skis, boats and caravans and classics they had always wanted, perhaps because they thought the pandemic would get serious here and it could have been the only chance they had."

As for electronic stability control (ESC), Gilbert says: "Most of the public don't understand regulations importers have to follow.

"The rule change has stopped cheap little cars being imported. It hasn't affected me because I don't sell them. As time goes on, vehicles coming in with ESC will eventually become more affordable.

"At the moment, it hurts a bit. My competitors in the area still have plenty of stock, so I'm assuming they are getting what they need from somewhere."

Gilbert adds Covid-19 hasn't changed buyer behaviour that much – the same makes and models are still popular – except for extra demand for classic cars after the first lockdown. ⊕

Stock levels rise

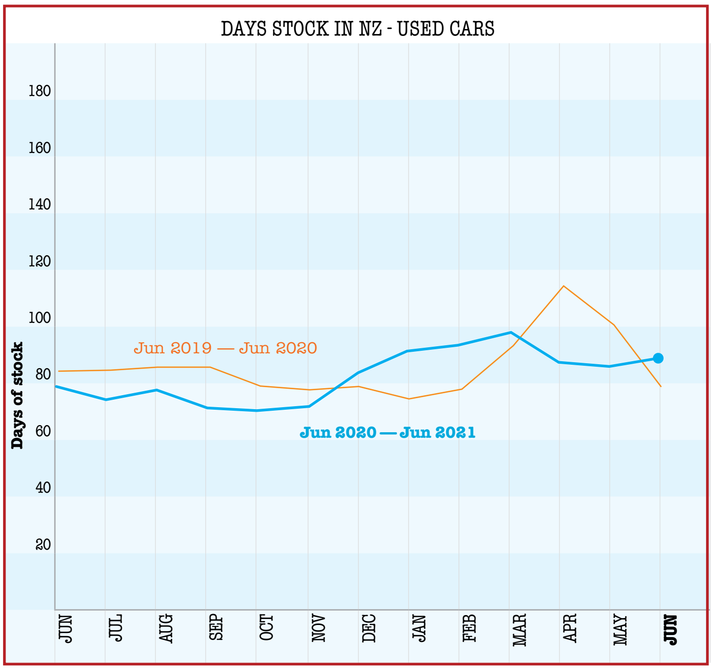
There were 11,942 used cars imported in June for an increase of 6,921 units, or by 137.8 per cent, on the same month of 2020 when the impact of the coronavirus pandemic affected import levels.

Last month's figure was also up 6.9 per cent on the 11,167 units imported in May this year.

A total of 11,256 units were sold during June, which compared to 11,962 in the same period a year ago. The latest tally was only one vehicle less than the 11,257 units sold in May.

With 686 more used cars imported than registered last month, it brought stock sitting on dealers' yards, or in compliance shops, to 29,703 units. This was 8.5 per cent, or 2,319 cars, higher than at the end of June 2020.

With current average daily sales dropping to 335, there are 89 days' stock remaining.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Jun '20	5,021	11,962	-6,941	27,384	342	80
Jul '20	9212	11975	-2763	24621	340	72
Aug '20	10,098	9,054	1,044	25,665	331	78
Sep '20	8,358	10,339	-1,981	23,684	327	72
Oct '20	9,064	9,763	-699	22,985	322	71
Nov '20	9,553	9,523	30	23,015	316	73
Dec '20	12,138	9,334	2,804	25,819	310	83
Jan '21	11,471	9,404	2,067	27,886	304	92
Feb '21	9,359	9,096	263	28,149	299	94
Mar '21	12,152	11,008	1,144	29,293	306	96
Apr '21	9,948	10,134	-186	29,107	332	88
May '21	11,167	11,257	-90	29,017	337	86
Jun '21	**11,942**	**11,256**	**686**	**29,703**	**335**	**89**
Year to date	**66,039**	**62,155**	**3,884**			
Change on last month	**6.9%**	**0.0%**		**2.4%**		
Change on Jun 2020	**137.84%** MORE IMPORTED	**-5.9%** LESS SOLD		**8.5%** MORE STOCK		