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THE AUSTRALIAN VEHICLE DEALER'S NEWS SOURCE



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CHERY PREDICTS MORE
GROWTH

ANOTHER SUCCESSFUL AADA CONFERENCE AND EXPO



ROBERT BARRY

Hello there,

By the time you read this August issue of *AUTOTALK*, I will be having a much-needed break in (hopefully) sunny Brisbane.

As we have passed the half-year mark, various market players have provided interesting analyses about the state of Australia's new and used car markets.

I hope all those who attended the 2024 AADA conference and expo in Melbourne enjoyed the event and found the speakers engaging and informative.

We've covered some of the sessions in this issue which we thought were most useful for those who didn't attend, particularly the viewpoint from the automotive team at BDO, which I thought was insightful and should be obligatory reading for all dealer principals and dealership owners.

BDO presented some cold, hard, salient facts with astute advice on maximising opportunity, margin, and talent. The summary is on pages 8 and 9 and is worth a moment of your time.

At the time of writing, July VFACTS had yet to arrive, but in New Zealand, the new car market was up 45% year-on-year to more than 6341 units from more than 4347 in the previous period.

Given the discounting occurring at all market levels, it is too premature to

say the Kiwi market is showing signs of recovery. New Zealanders have never had a better time to pick up a battery-electric vehicle as these have been heavily discounted to clear inventory, which takes up valuable space and floorplan finance.

Toyota led the New Zealand market in July 2024 with 980 new car registrations, followed by Mitsubishi (755), Kia (733), Suzuki (480), Mazda (333), Hyundai (266), Honda (233), MG (223), Ford (210) and Volkswagen (210).

In its first month of general sale, the new MG3 hatch captured 96 sales, placing it at number 16 on the top 20 list and the brand in ninth place.

Electric-only brands like Tesla and BYD were absent from New Zealand's top 20 marques in July 2024, which is not surprising given that the electric vehicle market has all but disappeared following the removal of government subsidies.

The top ten nameplates for July 2024 were the Toyota RAV4 (394), Kia Seltos (342), Mitsubishi ASX (311), Suzuki Swift (300), Mitsubishi Outlander (256), Toyota Corolla (130), Kia Sportage (125), Mazda CX-5 (124), Ford Everest (120) and Toyota Highlander (118).

Registrations of 'grey used imports' were up 38% year-on-year to 9003 units in July 2024 from 6497 units in the previous period.

Toyota remained the grey used import market leader in July 2024, with 3288 registrations, slightly up from 3245 in the previous corresponding period.

However, in second place, Mazda recorded 1232 registrations, a marked improvement from 656 units at the same time last year, and Nissan jumped to 1218 units from 860.

Honda was also up. It recorded 800 grey used import registrations in July 2024, up from 553 in the previous corresponding period, and Subaru jumped to 782 units from 199.

BMW followed in sixth place with 292 used import registrations, Suzuki with 253, Mitsubishi with 222, Mercedes-Benz with 173, and Lexus with 167.

The top 10 grey import nameplates in July 2024 were the Toyota Aqua (Prius C) (842), Toyota Prius (702), Toyota Corolla (410), Mazda Axela (Mazda3) (367), Nissan X-Trail (312), Toyota C-HR (306), Nissan Note (298), Mazda Demio (Mazda2) (292), Subaru Impreza (275) and Honda Fit (Jazz) (272).

The Subaru Legacy, which used to dominate the grey import registration tables many years ago, reappeared at number 20 in the July 2024 registration data with 107 registrations.

Who said the used sedan market was dead and buried? Not the Kiwis.

Enjoy your reading this month.

Kindest regards,

Robert Barry
EDITOR *AUTOTALK*

MID-YEAR USED CAR LISTINGS AND SALES SURGE

The Australian Automotive Dealer Association and AutoGrab have released the first Mid 2024 – Automotive Insights Report (AIR).

The data shows that 1,211,484 used cars were listed for sale in the first six months, representing a 25% increase compared to last year, driven by record-high new car sales.

This growing inventory has been accompanied by growing sales, with 1,112,580 used cars sold, an increase of 16% in the same period last year.

"The surge in listings has decreased used car values across every vehicle segment. National weighted average retained values for utes are down 11.8%, SUVs are down 8.2%, and passenger vehicles experiencing the smallest decline, down 5.9%," AADA chief executive **James Voortman** says.

"There is a clear trend of improving used car supply resulting in lower prices, which in turn has led to higher sales," he says.

"This data also demonstrates growth in used cars being listed for sale privately, with the proportion of dealer listings is down 7.5%," AutoGrab chief commercial officer **Saxon Odgers** says.

"The private market share has risen to 67.5% (817,751 listings) compared with 59.9% (576,531 listings) in the prior corresponding year, and private sellers take 13 fewer days to sell compared to dealers.

"The data also shows that dealer sales

remain steady with the average time a dealer takes to sell a vehicle at the 50-day mark, consistent with last year. However, dealer listing price drop statistics are showing an increase from last year, suggesting that the growing supply in the market is being felt by sellers across the board," he says.

"Sales of used hybrids and EVs were strong for the first half of 2024, with both categories growing by around 80%. While both categories experienced a reduction in value, one-year-old hybrids still command a 3.5% higher sale price than their original retail price, while EVs have depreciated by -17% in value," Voortman says.

Toyota is the used car market leader, capturing almost 17 % market share.

The Ford Ranger continues to dominate used car sales with 38,804 units sold YTD, followed closely by the Toyota Hilux with 34,736 units sold YTD. Australian Automotive Dealer Association Ltd.

THE MID 2024 AUTOMOTIVE INSIGHTS REPORT SHOWS THAT:

- Across Australia, 1,211,484 vehicles were listed for sale YTD; in that period, 1,112,580 units were sold.
- Increasing demand for used cars, with sales experiencing a 16% per cent growth compared to last year.
- Sales are up in almost every fuel type, with PHEVs experiencing the largest growth in sales at 112.9%.

- Toyota was the top-selling used car brand with a 16.8% market share, followed by Mazda (8.3%) and Ford (7.9%).
- The Ford Ranger was the top-selling vehicle, with 38,804 units, followed by the Toyota Hilux, which had 34,736 units.

View the [Half-Yearly AIR here.](#)



JAMES VOORTMAN



SAXON ODGERS

GWM DELIVERS 150,000TH VEHICLE IN AUSTRALIA

GWM has achieved 150,000 vehicle sales since its introduction to the Australian market in mid-2009.

The 150,000th GWM vehicle was sold in July 2024 at GWM Geelong (Victoria).

The owner selected a black Haval H6 Ultra to complement her partner's white Haval H6, which she had purchased just weeks earlier.

"We are thrilled to celebrate 50,000 vehicle sales in Australia. This achievement is a testament to the trust and loyalty our customers have placed in us, as well as the hard work and dedication of our local and global teams," says GWM's head of marketing and communications **Steve Maciver**.



We remain committed to strengthening the GWM brand promise by providing exceptional vehicles and increased levels of support to our Australian customers."

GWM Australia now sells eight models, including the Haval SUVs, Tank 4x4,

GWM Ute and ORA EV.

The Australian GWM dealer network now comprises 103 dealers, ensuring that customers from all corners of the country can enjoy the GWM ownership experience wherever they travel.

CAA REPORTS A STRONG FIRST HALF-YEAR FOR DEALERS SELLING USED VEHICLES

Cox Automotive Australia (CAA) has released its used vehicle insights report for the first half of 2024.

The report says dealership used car sales are up 8.4% year-to-date while average selling prices declined 7.8% across the previous 12 months to their lowest point in more than three years.

CAA says this can be partly attributed to improved new and used vehicle supply.

It says the number of vehicles in dealer-used inventories expanded by 10.5% between June 2023 and June 2024.

DEALERSHIP USED VEHICLE SALES:

The first half of 2024 ended strongly, with June recording the highest month of dealer-used deliveries since November 2020.

Sales of passenger cars (sedans, hatchbacks, wagons, coupes and MPVs) grew by 5.1% YoY, and Ute sales rose by 6.4%. However, SUVs did the heavy lifting in growth, up 16.1% by volume.

SUVs accounted for 47.6% of the dealer-used market, traditional passenger cars 31.9%, and light commercials 20.2%.

Electric and plug-in hybrid vehicles accounted for just 0.3% of used sales by dealers over H1. However, volumes were up 90.3% over H1 of 2023, suggesting an uptick in demand.

The top five used vehicles sold by dealers were the Ford **Ranger** (11,728 sales YTD, up 19.4%), Toyota **Hilux** (8473, up 0.5%), Toyota **Corolla** (8242, up a healthy 45.6%), Toyota **RAV4** (6540, up 28.3%), and Hyundai **i30** (5850, up 5.7%).

A useful metric to gauge demand is Average Selling Days. Used dealers, on average, took 37 days to sell passenger cars, 40 days to sell SUVs, and 41 days to sell utes. The selling days average for EVs was 48 days.

DEALERSHIP USED VEHICLE PRICING:

The Cox Automotive Australia Dealer Delisted Price Index tracks movements in used car selling prices over time, commencing at 100 points in December 2019.

The CAA Index was 131.8 at the end of June 2024, denoting a market-wide average selling price on used cars that was 31.8% higher than before the COVID period, including CPI.

This figure is down 7.8% from the Index's end of H1 2023 and 11.0% from the market's peak of 148.1, which hit in August 2022, when shortages were most pronounced.



38.8% of all sold used vehicles had a price change (discount) between listing and sale, an average of 7.1% per vehicle.

BREAKING DOWN PRICE INDEXES BY VEHICLE SEGMENT AND AGE REVEALS SOME NOTABLE PATTERNS:

Namely, passenger vehicle prices are the most inflated compared to pre-COVID levels (141.8) and SUVs the least (124.4).

The steep increase in new passenger car prices is creating space for used models to stay elevated on the Price Index, and their declining sales in the new market are limiting the supply of quality used passenger cars, inflating the prices dealers can sell them for.

A clear pattern also shows that older vehicles are more expensive than pre-COVID, driven by high demand for older and cheaper cars amid the cost-of-living squeeze.

For example, used passenger cars and SUVs aged 2-4 have Price Indexes of 127.3 and 119.5, respectively, whereas those aged 8-10 have Indexes of 158.2 and 129.1, respectively.

Another way to map the drop in accurate used vehicle prices since the market peaked two years ago is to track average resale values (RV%) across age brackets and segments.

We observe that conventional passenger cars aged 2-4 years on average sold for 81.9% of their original price in June, compared to 91.6% back in June 2022. SUVs aged 2-4 had an average disposal RV of 80.3% in June 2024 compared to 92.9% in June 2022, and Utes aged 2-4 declined from 102.0% to 84.4% over the past two years.

These RV% figures are based on age, and apparent discrepancies depend on the make, model, and kilometres travelled.

USED VEHICLE SUPPLY FOR DEALERSHIPS:

The used vehicle inventory tracked in

the CAA database is 10.5% higher now than last year, though available used stock declined 2.1% between May and June 2024.

For context, the number of used vehicles in its dealer database is now about 30% greater than at the height of shortages in 2022.

The vehicles in the healthiest supply were the Ford **Ranger** (4052) and the Toyota **Hilux** (2528).

CAA measure the balance between supply and demand using a metric called Market Days' Supply, with 70 days being the retail benchmark. The MDS is 63 days from 61 at the half-yearly point of 2023.

Some 47.5% of listed used vehicles are SUVs, 30.8% are passenger cars, and 21.2% are light commercials. Just 0.5% of listings are EVs or PHEVs. However, stock levels climbed 56.3% year over year, pointing to improved availability.

MORE ON USED EVS

The availability of second-hand EVs and PHEVs under two years expanded 48.4% YoY, whereas the stock of used EVs aged 2-4 years nearly tripled YoY (up 291.2%).

The average delisted price of a lightly used EV or PHEV aged under two across H1 declined from \$70,994 in June 2023 to \$53,058 in June 2024, down 25.3%, driven by the influx of affordable Chinese EVs and Tesla's ongoing price cuts.

To that end, the average RV% of used EVs and PHEVs aged 2-4 years fell to 61.3% in June 2024, down from the 70.9% average just 12 months ago.

While EVs still have the longest average selling days – between 46 days and 53 days, depending on age and stage – and the worst average RV%, it's essential to add the caveat that the sample size of available data is small and, therefore, prone to volatility.

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MANHEIM REPORTS HEALTHY HALF-YEAR VOLUME

Manheim says its wholesale auctions were up a healthy 40.3% YTD to the end of June, with May and June 2024 being the two best months by volume since the middle of 2020.

The top five vehicles through the auctions over H1 were the Ford Ranger, Toyota Camry, Isuzu D-Max, Toyota Corolla, and Toyota Hilux. Sales of 2–4-year-old ex-fleet Toyota RAV4s grew 588.2% YoY as new supply improved and turnover kicked off. Most were hybrids.

There was an almost even spread between passenger cars (33.2% of wholesale volume), SUVs (34.5%) and light commercials (32.3%). EVs and PHEVs accounted for a tiny 0.1%, with most fleet models still on their original

owner.

The predominant source of vehicles sold at the Manheim national public auctions came from fleet management firms, government and corporate fleets, and dealer trade-ins.

Manheim also saw growth in OEM vehicles – late-model ex-company cars sold to dealers in closed auctions.

The Manheim Price Index is 134.2, down 9.1% year over year and 20% since mid-2022.

This means fleet sellers and wholesale buyers should note that average prices at the auctions have been down about 20% in two years, which is essential when setting reserves and procurement budgets.

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NICHOLLS CROWNED BEST 2024 ISUZU UTE TECHNICIAN

Central Victorian Isuzu Ute technician **Sam Nicholls** has been judged the winner of the 2024 Isuzu Ute Australia (IUA) national skills contest.

Nicholls triumphed over seven other finalists to secure the lead seat at the upcoming I-1 Grand Prix in Bangkok, Thailand, in May 2025.

Tristen Wilson of Geraldton Isuzu Ute took second place in the national skills contest and will join Nicholls on the world stage in Thailand next year. Southland Isuzu Ute technician **Glenn Punch** took third place in the competition.

A group of 50 technicians was nominated from the Isuzu Ute dealer network to attend the national skills contest. After a comprehensive online test, the top eight moved on to the head-to-head finals hosted at the IUA head office on June 5 and 6, 2024.

Across the two days, the eight finalists completed six challenges, ranging from advanced engine diagnosis to vehicle inspection concerns.

Each trial simulated difficulties similar to what the technician may experience in their service centre and on the world stage at the upcoming international I-1 Grand Prix.

"The contest was one of the best I have been involved in, showcasing the exceptional talent of Isuzu Ute technicians from across Australia," IUA senior aftersales learning and

development manager **John Jones** says.

"I want to thank all the contestants for their hard work and dedication; their performances were outstanding, and the competition was incredibly close."

"This is just the first step for the winners. They have a lot of work ahead of them as they prepare for the 2025 I-1 Grand Prix, but I am confident that they will continue to excel with their skill and determination."

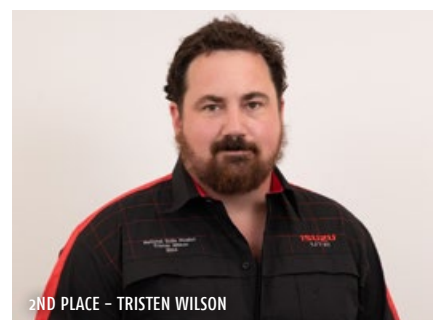
The technician's road to the I-1 Grand Prix through the national skills contest starts with completing a Bronze Certification, the first step towards Silver, Gold, and Master Certifications.

These technical qualifications combine practical experience and training program competency and are only attainable through the completion of IUA's technical training curriculum, facilitated in Melbourne and Brisbane.

For three decades, the I-1 Grand Prix has showcased and recognised tenacious talent from around the globe, with Team Australia a regular top contender.

In addition to the calibre of talent seen through the IUA technical training program, Blacklocks Isuzu Utes' Peter Carter won the 2022 I-1 Grand Prix, besting 42 finalists from 21 countries in the 17th international competition.

Nicholls and Wilson are undertaking their Gold Certifications as they continue to hone their skills in



preparation for the world stage. They hope to secure Australia's first consecutive win in the global technical competition.

BDO: THE ROAD AHEAD TO 2027 FOR AUSSIE DEALERS

For their AADA presentation, BDO automotive partners **Mark Ward, Randall Bryson, and Sam Venn** focused on the top five risks and opportunities for car dealers in Australia in the next two years and the strategies they should consider.

The BDO partners say the New Vehicle Emission Standard (NVES) and China present the top risk and opportunity for dealers. They say the NVES will challenge all OEMs and accelerate new market entrants. Still, the opportunity is that new car dealers will need to be selective about new franchises that complement existing franchises, people, and prime marketing areas (PMA).

A dual-used vehicle market presents the following risks and opportunities for dealers. BDO believes ICE and BEV/Hybrid used cars will stream into two very different market dynamics. It says dealers must have a focused strategy when playing to their strengths in used vehicles, and maintaining strict discipline and moving with the market will be essential.

According to BDO, the new car gross includes risk and opportunity. It says the declining gross margin of the latest vehicles exposes new-gross-oriented dealers. However, balance is critical to ensure consistency of sales rate. It says dealers have an opportunity to get back to basics with an emphasis on the gross pool.

BDO says peak expenses and talent management are the fourth risks and opportunities dealers should consider. It says expense bases are at an all-time high following COVID-19 profitability, and dealers should embrace a 'wartime' mentality on talent to ensure non-performing employees don't absorb bottom-line profit.

Technology forms the fifth risk and opportunity for dealers. BDO says they have made considerable investments in technological development; by embracing change, employees want to do their best work with the best available tools.

A RENEWED FOCUS ON STRATEGY

BDO says strategies will be essential for dealerships to prove future profitability. It offers a five-pillar strategy: define, measure, analyse, improve, and control, which dealers can establish and refine during execution.

1. Define a dealership strategy that is consistent with customer demands and OEM products. This strategy has multiple levels. What has changed



for your dealership post-COVID, and what are the short- to medium-term challenges?

- 2. Measure and identify unique dealership characteristics critical to achieving benchmark performance.** How does it fare against static factors such as PMA demographics, franchise, and the scale of the business?
- 3. Analyse dealership results produced at a granular level to develop and design alternatives.** There is only a foundation for making decisions with sound financial management and administrative practices.
- 4. Design better processes and practises to improve gaps identified in ongoing monthly accounts (dealership analysis).** What can improve talent management and customer retention and promote a performance culture?
- 5. Set managerial controls that ensure consistent performance where deviations from process are quickly corrected.** Benchmark performance is the result of a relentless focus on detail.

BOOMING NEW CAR MARKET

In the six months to June 2024, Australians bought 51,512 more new cars than in the six months to June 2023. Of these, 29,066 were additional Toyota sales, 40% were RAV4, and 11,440 were additional Ford sales, of which 59% were Ranger.

Fleet and business customers accounted for 55% of the additional 51,512 new vehicle sales.

However, on June 30, 85% of new vehicles sold year to date came from the top 15 OEMs, while 55% of the OEMs had fewer sales than the comparable period.

According to BDO, 36 OEMs are battling one another for 15% of a 1.2 million

unit market, making for incredibly competitive trading.

BDO says fleets return to the market in a lower gross environment, which is excellent for a business because it balances all the dealer groups.

Sales of Battery Electric Vehicles (BEV) and Hybrids (HEV) increased by 55,111 units in the six months to June, representing a 22% market share compared to 7% in 2020. HEV sales have grown 53% compared to 2023. BEV sales grew 6% to 7127 units, of which 4000 were the BYD Seal, but Tesla sold 2461 fewer units in the six months to June 30, 2024 than in the previous corresponding period.

FINANCIAL PERFORMANCE 2019 TO 2024

Across the five years 2019-2024, pre-COVID to post-COVID, the ratio of new to used cars sold by OEM dealers has stubbornly remained at 2.5:1, according to BDO. Furthermore, it says:

- Gross as a percentage of sales was 11.7% pre-COVID (2019), 16.8% at peak-COVID (2021-23) and 14.9% post-COVID (2024).
- Finance and Insurance as a percentage of gross was 11% (2019), 9.1% (2021-23) and 12.3% (2024).
- Other income as a percentage of gross was 21.6% (2019), 6.7% (2021-23) and 11.5% (2024).
- Expenses as a percentage of gross were 126.5% in 2019, 88.5% in 2021-23, and 100.8% in 2024.
- Net profit as a percentage of sales rose from 0.7% in 2019 to 4.6% in 2021-23 and fell to 3.5% in 2024.
- Parts gross remained at 24.5% (2019), 24.3% (2021-23), and 24.6% (2024), as did service gross, 68% (2019), 68.9% (2021-23) and 67.4% (2024).

to page 09...

...from page 08.

- Front end: Back end gross orientation moved from 42/58 in 2019 to 62/38 in 2021-23 to 55/45 in 2024.
- The gross profit per new vehicle, including aftermarket and holdback, rose from \$1870 in 2019 to \$5400 in 2021-23 and has fallen to \$3966 in 2024.
- Used vehicle gross profit per unit rose from \$1930 in 2019 to \$4350 in 2021-23 and fell to \$2930 in 2024.
- Finance income per new vehicle retailed has grown from \$730 in 2019 to \$870 in 2021-23 to \$925 in 2024.
- Finance income per used vehicle retailed fell from \$575 in 2019 to \$550 in 2021-23 but rose to \$615 in 2024.

LOWER ORDER BANK EQUALS LOWER GROSS.

BDO believes the pipeline of new vehicle orders artificially inflated the average gross during peak COVID. That tide has turned, and as the order bank retreats, so does the gross margin on new vehicle sales.

For a dealership with a \$100 million turnover and selling 1500 new vehicles, net profit as a percentage of sales has fallen from \$4.6 million (4.6%) in 2021-23 to \$3.5 million (3.5%) in 2024.

Front-end gross profit on new and used cars has fallen from \$10.248 million (61%) in 2021-23 to \$8.195 million (55%) in 2024, but back-end gross profit on parts and service has risen from \$6.552 million (39%) in 2021-23 to \$6.705 million (45%) in 2024.

Employee expenses as a percentage of gross profit were 48.6% of \$8.164m or \$5585 per new vehicle sale in 2021-23 and are 51.7% of \$7.703m or \$5269 per new vehicle sale in 2024.

Floorplan expenses are a percentage of gross profit. They were 3.6% of \$604,800, or \$414 per new vehicle sale, in 2021-23, rising to 7.8% of \$1.1622m, or \$795 per new vehicle sale, in 2024.

GROW SALES AND GROSS FASTER THAN EXPENSES.

BDO advises dealers to grow sales and gross faster than expenses by increasing throughput or decreasing footprint. They need to trim underperformance and champion high-achievers.

It also says dealers must consider process and technology and that the current remuneration structures promote the right behaviours. Dealers must also understand the balance of OEM volume incentives and the margin and floorplan cost trade-offs.

Finally, BDO says dealers must focus on managing cash, debtors, and creditor payment obligations and target a working capital ratio 1.2:1.



NVES IMPACT ON DEALERS

BDO says OEMs with high market share and brand strength will better withstand the impact of NVES than those with lower market share, which are susceptible to new market entrants.

It says large-scale, mature networks such as Toyota, Mazda, and Ford and those with deeper roots in their prime marketing areas (PMA) will better defend against price rises and or supply constraints. BDO says making money fixes everything. High profitability and cash reserves allow a dealer to meet challenges and maximise opportunities.

It also says front-end deficits will need to be countered by a robust back-end. Service maturity and the extent of the developed car park will be critical in the short term.

BDO anticipates a surge in demand in the fourth quarter of 2024 immediately prior to a revised costing implementation for the NVES on January 1, 2025, and July 1, 2025. This will aid dealers in clearing excess inventory holdings.

It says initial modelling and historical precedent suggest that the consumer market would take at least two years to fully adjust to increased vehicle pricing or a rapid EV transition.

BDO says that during this normalisation period, customer retention risk is high as the market adjusts to new entrants and revised offerings. A residual risk of margin loss exists, which equalises with diversification.

Volume and margin top-up will be critical to dealers in the two years to 2027. They will replace any reduction in income and shoring up cash flow for acquisition opportunities as smaller dealer groups face increasing pressure.

FURTHER NVES IMPACTS

BDO believes dealers will see a 19% reduction in monthly new car volume, a 20% compression in new vehicle margin, a 20% reduction in total expenses, a 15% increase in used gross margin and a 33% decline in profit before tax.

It says supply and demand will

impact sales turnover for medium-risk dealers, and stock management will be critical. Depending on the OEM, supply constraints during the rapid EV transition may be protracted. ICE-focussed OEMs will likely pass on increased costs from the NVES policy, which will reduce market competitiveness.

According to BDO, new OEM or ancillary margin contributors will be critical to replace new car compression. It says the acquisition appetite remains strong and will accelerate in 2025 and 2026 as smaller dealers struggle to maintain profitability. As seen recently with Chery, MG, and JAC Utes, new market entrants will also play a key role. JAC listed 51 Australian dealerships before a single retail vehicle arrived for sale.

However, the NVES model allows for a comparable reduction in selling (variable) expenses. BDO says rent expenses and managing the required investment for the EV transition will pressure overall profitability. It says tight expense control is a vital benchmark factor; however, saving the way to success is not a viable option for dealers to ensure adequate cost ROI.

BDO anticipates an initial sharp increase in used vehicle demand when NVES goes live. It says buying quality pre-owned cars will be more challenging as trade-in opportunities decline. Price volatility will be prevalent as the new vehicle market adjusts to a greater number of electric vehicles, and used EV strategies will remain high-risk as residual values remain volatile.

It says a reduction in earnings is mainly inevitable in the near term unless dealers are proactive.

According to BDO, stubbornly high expense bases and inventory levels will only persist if dealers proactively manage required investments and sales strategies. Retaining balance sheet strength will be vital to absorbing volatility and taking advantage of acquisition opportunities to de-risk medium/high-risk sites.



CHERY TIGGO 8 PROM MAX INTERIOR

SUPPORTING DEALERS IS VITAL TO MARKET GROWTH AND HAPPY CUSTOMERS

Chery Motor Australia chief operating officer **Lucas Harris** says supporting a dealer network with service consumables and collision repair material is vital to market growth and a positive customer experience.

Harris can speak with authority on the matter. He began his automotive career as an apprentice technician for a family-owned Toyota dealership. He has been at the coalface and understands the needs of after-sales teams in local dealerships nationwide.

"We cover 98% of the bill of materials for our range of vehicles in Australia, and around \$20 million in inventory is sitting in a parts and service distribution centre in Melbourne," says Harris.

"All warranty decisions are made here in Australia, and if customers ever want to talk directly to us, rather than a dealer, we offer our own locally resourced contact centre and helpline.

"Aftersales is critically important to any brand, not just a new market entrant; how can people build trust in a brand if it can't supply, and they end up with a vehicle off the road," he says.

Harris says while the brand is content with its sales performance of more than

10,000 units in the last 14 months and more than 1000 sales in June 2024, more would have been good, too.

"Our dealers have made a significant investment in our brand, and we've still got a big job to do to build more customer awareness of it," Harris says.

He also says family-owned and operated dealerships still have an important role in the Australian new car market and hopes they will continue to survive and thrive.

"For new car buyers, there is something very special about meeting the person whose name is on the building, and I hope that we will continue to support such dealers with a compelling line-up for their customers," Harris says.

Harris believes Chery Motor Australia will achieve its next 10,000 units around March or April next year, as more new models are in the pipeline.

According to Harris, thanks to its global parent, the brand is well-resourced to meet the requirements of the New Vehicle Emission Scheme (NVES), which kicks off next year. However, he says distributors are still waiting to see the final details of the regulations from the federal government.



LUCAS HARRIS

He says there is a massive void in the \$20k to \$30k drive-away segment of the market, and Chery Motor Australia wants to target this with the new Tiggo 4 as its more affordable entry point to the brand.

Harris says the forthcoming Tiggo 4 crossover will offer much of the same technology as its larger siblings.

The Chery Tiggo 8's fragrance system has become popular among ride-share operators; Harris says Uber drivers love it.



MG ZS SUV FROM \$34,990 DRIVE AWAY

MG MOTOR RELEASES AUSTRALIA'S STRONGEST WARRANTY

Starting August 1, MG will offer a 10-year/250,000km warranty across its entire fleet and a price reduction on the MG4 range.

In addition, MG will implement new pricing changes across its range, with the ZS EV (MY23 Excite) repriced in its latest campaign to be the most affordable EV across the market from \$34,990 Drive away, Australia-wide, for a limited time.

MG Motor's chief commercial officer, **Giles Belcher**, says brand confidence was a top concern for new-car buyers, which highlighted that a more extended warranty period can assist with this.

"If you're looking for value and peace of mind from a new car purchase, the length and quality of the factory warranty should be as important as the horsepower. Our new 10-year warranty for EVs, PHEVs, Hybrids, and petrol range is the best and strongest in the market," Belcher says.

"We are listening to our customers. We do think a longer warranty is more attractive, and it also reiterates trust in our cars, mainly our EV range, which now starts at \$34,990 Drive

Away thanks to the latest campaign we're running on our ZS EV Excite as well as the MSRP reduction on our entire MG4 range.

"From August, every new MG vehicle purchased in Australia, from the MG3 to the HS, MG4 and more, will be covered by what we believe is the strongest factory warranty in the business.

"MG's ten-year warranty delivers unmatched peace of mind and ensures



PETER CIAO AND GILES BELCHER PRESENT THE MG CYBERSTER IN SYDNEY

you are fully supported on every journey. When it comes time for our customers to upgrade their cars, we want them to turn to us first. We have a stack of great products in the market and more on its way, so we want people to try us sooner than later," Belcher says.

In addition to this monumental announcement, the cost of driving an electric vehicle (EV) is set to go down for hundreds of thousands of people after MG Motor Australia decided to make EVs more affordable than ever.

With the introduction of a national driveaway price campaign on the MG ZS EV Excite, MG Motor Australia's chief executive, **Peter Ciao**, says MG is once again providing the best choice for Australians switching to EV motoring.

"MG has been leading the charge with attainable electric vehicles since the launch of the local award-winning ZS EV and MG4. With reduced nationwide drive-away pricing on some of our range Australia-wide, we maintain our leadership position in this space."

"MG is putting customers first by ensuring all road users can access a wide range of affordable zero-emission vehicles thanks to a special National Driveaway Price Campaign on our ZS EV Excite at a very affordable \$34,990 Driveaway (01/08/24) during August," he says.

Pricing in Australia will be effective from August 1, 2024, for the range (excluding on-road costs and dealer delivery charges), which is as follows.

JULY MSRP AUGUST MSRP

MG 4

Excite 51 **\$37,990**
Excite 64 **\$41,990**
Essence 64 **\$44,990**
Essence 77 **\$50,990**
X-Power AWD **\$55,990**

ZS EV

Excite **\$34,990*** Drive Away promotion
Essence **\$41,990**
Long Range **\$46,990**

EOIN O'BRIEN APPOINTED AUDI AUSTRALIA HEAD OF SALES

Audi Australia appointed Eoin O'Brien as Head of Sales, effective June 1, 2024, following Steve Cloete's transfer to Audi in South Korea as Executive Director.

O'Brien brings 13 years of brand experience, having held positions in marketing, product planning, regional sales, national sales planning and operations in Australia and his native Ireland.

His achievements include launching the Audi Sport brand in Australia in 2015 and supporting numerous key model launches throughout his tenure with Audi Australia, highlighting his ability to drive performance and growth within the organisation.

"Eoin's knowledge of the brand, combined with his strong leadership and innovative approach, positions him perfectly to drive our sales strategy forward," Audi Australia director **Jeff Mannering** says.

"His proven track record and strong relationships with our dealer network and AUDI AG are invaluable attributes already in place for success in this position."

"Recognising performance from within our business, Eoin's long-standing commitment and loyalty to Audi are a testament to his credibility and expertise. We look forward to seeing the continued growth and success of the Audi brand under his leadership," Mannering says.

In his role, O'Brien will focus on maintaining market stability and enhancing dealer relations, ensuring that Audi's sales operations remain robust and competitive.

"I am honoured to take on this new role and excited to lead the talented sales team at Audi Australia," O'Brien says.

"Together, we will continue to innovate and strive for excellence, delivering



EOIN O'BRIEN

outstanding results and upholding Audi's commitment to quality and customer satisfaction.

I look forward to building on the strong foundation established by my predecessor and the broader sales team and continuing to work closely with our dedicated team and dealer network," he says.

AUXO SOFTWARE NOW SUPPORTING TJEKVIK KIOSKS IN AUSTRALIA

Automotive service and repair software supplier Auxo has signed a new partnership agreement with self-service kiosk supplier Tjekvik to market its products in Australia and New Zealand.

Auxo will support 50 Australian dealers already utilising the technology and will begin rolling out the kiosks to dealerships and service centres in New Zealand, beginning with the Auto Sports Group-owned sites.

Auxo Software chief executive **Terry Allen** says the kiosks allow customers to provide pre-service instructions, select added-value items, sign their authorisation, and securely drop off their keys using dedicated secure lockers.

The same kiosks can collect keys once the work is completed.

"It's no stretch to say this will transform the customer experience," Allen says.

"The combined Auxo software and Tjekvik digital solutions will help even more dealers provide the best customer and staff experience. Shorter wait times, simplicity in giving instructions, and a smoother process are just some benefits," he says.

Tjekvik co-founder and chief executive **Christian Mark** says most aftersales customers arrive at dealerships during peak periods in the early morning and late afternoon, leading to queues.

"Tjekvik's solutions enable service customers to avoid these queues by allowing them to check how, when, and where they want in their vehicles, whether online at home or via easy-to-use touchscreen kiosks at the dealership," Mark says.

"This creates a better experience for customers while also enabling service advisors to spend more time with those customers who require additional support," he says.



TERRY ALLEN



CHRISTIAN MARK

JET CHARGE COMPLETES ROLLOUT TO TOYOTA AUSTRALIA DEALER NETWORK

JET Charge, an EV infrastructure company, has completed the rollout of the country's biggest EV dealer charging network.

Over the past 18 months, JET Charge has supplied and installed EV charging hardware at 244 metropolitan and rural Toyota dealerships in every state and territory.

"We have provided a nationwide charging solution to ensure that the market entry of Toyota's BEV, the bZ4X, has been as smooth as possible," says JET Charge co-founder **Tim Washington**.

"Between 8–10% of all new car sales in Australia are hybrid or EV, so Toyota dealers must be confident in selling this new technology and able to provide customers with the same ease-of-purchase as with any vehicle purchase."

JET Charge's approach to launching a new BEV gives dealers the confidence to sell EVs and provides customers with a charging solution that removes uncertainty.

In February, Toyota Motor Corporation Australia (TMCA) launched their first BEV, the bZ4X.

JET Charge took the challenge of EV charging away from the dealership by providing input into Toyota's training on EV product advice and process and offering one-on-one dealership product guidance. When bZ4X launched, dealers were armed with the hardware and technical knowledge to confidently market and sell Toyota's first BEV.

JET Charge also ensured that Toyota customers have a convenient pathway to at-home EV charging. As Toyota's approved aftermarket supplier of EV hardware, JET Charge supplies two charging cables with every bZ4X.

Toyota Australia spokesperson **Sean Hanley** says the partnership with JET Charge further underlined Toyota's commitment to decarbonisation.

"By investing in charging facilities at 244 metro and rural locations across the country, our dealers have been well equipped to support the sale and service of battery-electric vehicles," Hanley says.

"Earlier this year, we launched the bZ4X and will launch at least two more BEVs by the end of 2026. This



charging network is important to help our customers lower tailpipe carbon emissions and ensure no one is left behind," he says.

TOYOTA RAV4 CELEBRATES 30 YEARS AND 500,000 DELIVERIES

The Toyota RAV4 is celebrating a double milestone in Australia, passing 500,000 customer deliveries and marking the 30th anniversary of its local introduction.

Official sales figures reveal that the RAV4 reached a cumulative total of 501,546 local sales by the end of June, marking the model's third decade on sale.

Toyota says the RAV4 is the best-selling SUV in this country since its July 1994 debut and the only vehicle in its class to post half a million sales here.

The first 100,000 sales took more than 11 years to reach, but the most recent 100,000 deliveries took fewer than three years.

The halfway point of 250,000 RAV4

SUVs was reached after more than 21 years on the market, yet the RAV4 has now doubled that total in fewer than nine years – or more than twice as fast.

Over the model's 30-year history, demand has averaged above 16,700 cars per year. The car's best five years of sales have all occurred in the past five years.

The RAV4 is on track to set another full-year sales record in 2024, with its January–June tally at a new high of 25,405 cars. This total includes 5857 sales in April, of which 5504 were Hybrid Electric vehicles (HEVs) – both of which were records.

Hybrid variants were introduced with the fifth-generation RAV4. Since then,



hybrids have accounted for 72.4% of all RAV4 sales in Australia. They have dominated the model's local sales since the start of 2020, accelerating to a record share of 94.2% this year.

Local customers account for approximately 3.5% of the 14 million RAV4 SUVs sold worldwide, even though Australia's population is just one-third of the global total.

In July 2020, the RAV4 made automotive history in Australia by becoming the first SUV to become the country's best-selling vehicle.

The following month, RAV4 again entered the record books when its hybrid sales outsold every vehicle available in Australia.

GM PUSHING AHEAD WITH CADILLAC LYRIQ LAUNCH

In spite of the local decline of electric vehicle sales, General Motors Australia and New Zealand are pushing ahead with the Australasian launch of the mid-size Cadillac Lyriq SUV.

General Motors Australia and New Zealand managing director **Jess Bala** hosted a briefing for the Australasian media to introduce Cadillac's global performance manager, **Marcy White**, and to discuss the vehicle's engineering before its market launch in the fourth quarter.

The Lyriq will compete for market share against the Audi Q8, BMW iX, Lexus RZ450e, and Mercedes-Benz EQE SUV, all of which the brand benchmarked during the development of its new luxury electric SUV.

However, Bala is confident and says it is the right time to launch the brand and confirmed that more electric Cadillacs are in the pipeline in the second and third quarters of 2025.

She says phase one of the brand launch will create Experience Centres in major metropolitan cities such as Auckland, Brisbane, Melbourne, and Sydney. Phase two will see an expansion of the network.

Bala says Cadillac pop-ups will start within the next two months, and the brand is on track to launch sales.

When asked about the Cadillac customer experience, Bala says the brand will offer as much or as little personal contact as the buyer requires through an omnichannel sales platform.

Bala says Cadillac will tailor a delivery experience for buyers domiciled outside the regions with Customer Experience Centres.

"We want to set ourselves apart through the vehicle and the customer experience, and in activation terms, we are looking at everything regarding the brand offer," Bala says.

She admitted that the Cadillac brand has not enjoyed much exposure in the Australasian market but is well recognised for its heritage.

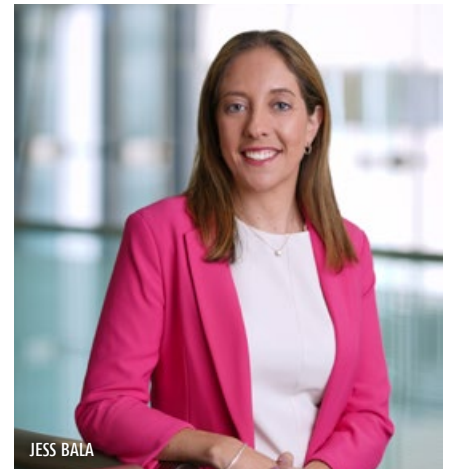
"There's a brand heritage. When we bring the cars to market, there will be small Easter eggs that enthusiasts will enjoy," she says.

FINAL SPECIFICATION?

A 23-year GM employee, **Marsella (Marcey) White**, is the Global Vehicle



MARCEY WHITE



JESS BALA



CADILLAC LYRIQ

Performance Manager of Cadillac's EV crossover lineup. She currently leads a team of engineers responsible for ensuring Cadillac's EVs meet customers' performance expectations in energy, vehicle dynamics, noise and vibration, thermal, and charge performance.

She is a confessed petrolhead with a manual C7 Corvette Grand Sport. However, she says working on the Lyriq program has been enormously gratifying, especially on the Milford Proving Ground in Michigan, which offers 300 miles of testing roads.

The Lyriq has also been subjected to hot and cold weather testing in Europe, North America and the Southern Hemisphere Proving Ground in Cardrona, New Zealand.

White confirmed that the Lyriq would come to the Australian and New Zealand markets with an all-wheel-drive platform, but she couldn't confirm which global suspension package it would arrive with; she says it's more than likely the set-up developed for the European markets.

However, White did confirm that the North American Lyriq, in all-wheel-drive format, has a 102kWh traction

battery that can accept DC charging up to 190kW.

The North American Lyriq AWD SUV offers 373kW of power, 650Nm of torque, and up to 494km of range. Its 50:50 front/rear weight distribution enables responsive and dynamic handling, according to White.

She says Cadillac has focused on imbuing the Lyriq with technology to accentuate its standing in the premium luxury electric SUV segment. For example, the 19-speaker audio system has active noise cancellation to minimise resonance in the cabin, but the Lyriq also has a vehicle exterior sound system (VESS) for obvious reasons.

The battery, drive train, and climate air conditioning all share the same energy recovery system, which White says contributes up to 10% more to the Lyriq's driving range. A pre-conditioning system allows the battery to be optimally set up for charging when required.

The final specification and pricing of the Lyriq for Australasia are yet to be confirmed.

FORECASTING THE AUSTRALIAN CAR PARC

As the first half of the year ends, it's a good time to reflect on the changes we're seeing in the automotive market and how these might play out through the rest of 2024 and beyond.

Whilst we incorporate a range of factors in the model, three macro trends will significantly impact the Australian market in the years ahead.

Each of these is also an important consideration and input as we produce the 5th Edition of the Fifth Quadrant New Vehicle Sales & Car Parc Forecasts.

NVES LAUNCHED, EVS AND HYBRIDS TO FOLLOW

The New Vehicle Efficiency Standard (NVES) is now legislated and will launch on January 1, 2025. This will profoundly impact manufacturer-ranging decisions and ideal sales volumes, bringing lower-emitting vehicles into the Australian car park and helping electric vehicles step beyond early adopters and into the mainstream.

This shift may take more time than first thought, though. The time lag between the scheme starting and introducing penalties gives manufacturers a window to clear stock of their existing (higher-emitting) vehicles. At the same time, they plan for future range updates.

Looking beyond this, though, while we have already seen hybrid and electric vehicles eroding share from petrol, manufacturers will need to introduce lower-emission alternatives to some of

the diesel workhorses currently present on Australian roads.

Given that many Australians remain wary of transitioning to fully electric vehicles, we expect Hybrids and Plug-In Hybrids to remain compelling options here through the rest of this decade.

SUBSEGMENT SHIFT

Australians might love their Utes, but SUVs have the spotlight. This segment has more than doubled over the last ten years, with more than 5 million on the road today. The NVES will challenge this trend, as the emissions on many current-generation medium and large SUVs will exceed what's workable within the new framework.

Manufacturers will likely be forced to raise prices or drop models (if an electric or Hybrid option is unavailable).

We are also expecting to see the drive for efficiency underpin a continued shift towards Small SUVs – while this subsegment barely existed in 2014, we see it overtaking Large SUVs by 2030.

IS 1.2M THE NEW NORMAL?

COVID significantly strained the industry's ability to import new vehicles into the country, creating a significant backlog for many OEMs and dealerships. This led to the average wait time for a new car peaking at 159 days in August 2022 (Source: [pricemycar.com.au](https://www.pricemycar.com.au)).

Increased import volumes and clearing back orders significantly influenced the market, which cracked 1.2 million



BY BRAD RIPPS
FIFTH QUADRANT
ACCOUNT MANGER

new vehicle sales in 2023. Still, average wait times are now down to 65 days, and economic conditions continue to weaken.

The market has historically been able to rely on fleet buyers to help make up for weaker consumer confidence. Still, the latest edition of the Fifth Quadrant SME Tracker shows a significant reduction in vehicle purchase intentions (with businesses instead focused on cost reduction).

In the short term, sales will likely remain solid (at the expense of margin as OEMs and dealerships use incentives to move existing vehicle stock), but this will likely impact the future. Therefore, while we forecast the 2024 market to exceed 1.2m again, we see a slight downturn in 2025 as import volumes are reduced.

GMSV HEADS TO SYDNEY INTERNATIONAL BOAT SHOW

GM Speciality Vehicles is an official event sponsor at this year's Sydney International Boat Show to showcase the brand's range of Chevrolet Silverado tow vehicles.

The 2024 model year range includes the Chevrolet Silverado ZR2, LTZ Premium, and the new Heavy Duty. All three models are available for viewing as part of the GMSV display.

A brand new MY24 Corvette will also grace the event.

"The Chevrolet Silverado offers unparalleled performance, and models

can haul more than four tonnes, making it the perfect vehicle to tow boats of all shapes and sizes," says GM Australia and New Zealand managing director **Jess Bala**.

"Now, with several updates to the new Model Year 24, the Silverado HD has more developments that build upon its established heavy-duty truck versatility.

"These include powertrain upgrades, a commanding new physical presence paired with an overhauled interior, enhancements to its revolutionary trailering technology and infotainment system, plus active safety technology



upgrades," she says.

The GMSV new model portfolio is available for viewing on stand number 308A.

POLESTAR SYDNEY SPACE RELOCATING TO ARTARMON

Polestar is ramping up its retail presence with a new flagship Space in Australia's biggest city for the arrival of the Polestar 3 and Polestar 4 SUVs.

The new Polestar Space in Artarmon on Sydney's Lower North Shore opens in September. It will be pivotal in expanding the brand in one of Australia's most in-demand residential and commercial corridors.

Polestar's second flagship retail concept is joining Chadstone in Melbourne's inner-east, which opened in 2022. The Pacific Highway location will cater to St Leonards and Chatswood's rapidly expanding satellite CBDs and Sydney's North Shore.

Polestar Australia will also relocate its Head Office from North Ryde to the second floor of the new Polestar Sydney Space.

"The second half of 2024 is shaping up as an incredibly exciting time for Polestar here," says Head of Polestar Australia **Scott Maynard**.

"Firstly, we are growing from a one-car to a three-car company, with the spirited Polestar 3 SUV and Polestar 4 SUV Coupé joining the Polestar 2



fastback. In addition, we're opening a flagship retail Space in Sydney, which expands our retail presence in Australia's most populous city."

"To align the timing like this gives Polestar Australia huge momentum and a fantastic platform for growth for the rest of 2024 and beyond."

The new Polestar Sydney Space follows the design ethos of other Polestar Spaces in Australia and worldwide. It is a retail concept which seeks to support visitors on their journeys of discovery and understanding.

Polestar Sydney has been styled

to reflect Polestar's brand values and minimalist design philosophy. The Space gives visitors a relaxing environment to learn about and engage with Polestar and its vehicles, with highly-trained Polestar specialists on hand to answer any questions.

Visitors will also be able to take a test drive of the Polestar 2 Fastback, the Polestar 3 SUV and, later this year, the Polestar 4 Coupé directly from the multi-storey Sydney Space, which also has a new vehicle preparation centre on the first floor and basement parking for visitors.

INCHCAPE TO RELAUNCH FOTON UTE IN AUSTRALIA

Foton International has appointed Inchcape Australia to market its new-energy vehicle (NEV) and internal combustion engine (ICE) utes, vans, and light-duty and medium-duty ICE trucks from the fourth quarter of 2024.

Foton Mobility Distribution Limited, an Australian company that markets Foton Hydrogen and Battery Electric Buses, will continue to market the Foton T5 electric light-duty truck.

Initially, Inchcape will focus on growing the presence of Foton's light-duty trucks and re-launch the brand's new generation utes into the Australian market.

Foton vans will be introduced to the local range within the following year. The product pipeline for the Australian market also includes electrified Foton utes and vans.

Inchcape brings established distribution

knowledge, local market insights, and digital capabilities to deliver the partnership's customer experiences.

Foton brings its manufacturing relationship with engine supplier Cummins, transmission supplier ZF, and a partnership with Daimler in designing and producing its flagship Auman medium-duty truck.

"This partnership builds upon the momentum of the strategic acquisitions, joint ventures, and distributorships won by Inchcape across the Asia-Pacific region throughout the past year, further demonstrating Inchcape's commitment to its Accelerate strategy," says Inchcape APAC chief executive **Ruslan Kinebas**.

"As Inchcape continues growing its global distribution footprint as the undisputed number one distribution partner of choice, I look forward to welcoming our new distribution

partner, Foton, in Australia."

"The addition of the Foton distributorship enables Inchcape to diversify its portfolio by entering entirely new segments of the Australian market, including utes, vans, and light-duty trucks, and further strengthen our presence in the light commercial vehicle segment," says Inchcape Australasia chief executive **Colin Christie**.

"Foton's partnership with Inchcape will strengthen our presence in the local market," says Foton International vice president **Damon Xu**.

"Australia is a core market in Foton's global strategy, and we will continue to deliver on our expertise in quality-driven development and technological innovation, which has earned Foton leadership in trucks, across the Asia-Pacific and Latin American regions."

THE REFORESTED AYR RACECOURSE



TOYOTA DEALERSHIP CELEBRATES 25TH YEAR OF SUPPORTING NATIONAL TREE DAY

Toyota Australia and its dealerships recently celebrated 25 years of support to Australia's most significant annual tree-planting events, Planet Ark's Schools Tree Day and National Tree Day.

Planet Ark organised Schools Tree Day and National Tree Day on Friday, July 26, and Sunday, July 28. Local Toyota dealerships nationwide assisted local schools, councils, and community groups with planting activities.

131 Toyota dealerships participated in Schools Tree Day and National Tree Day events across Australia this year. They provided gear for planting days, including hats, gloves, tree guards, seedlings, and vouchers.

More than five million volunteers have rolled up their sleeves in the past 25 years to participate in these annual tree-planting events, contributing to planting 27 million native trees, shrubs and grasses nationwide.

Queensland-based Don West Toyota has been involved in National Tree Day for 25 years and has been pivotal in regenerating several planting sites in the heart of Ayr.

Dealer principal **Darren West** says the first planting site took place at the Ayr Racecourse and has been completely transformed, which is a testament to what can be achieved when a community comes together.

"Originally, it was a racecourse with no trees, but now it's just full of gum trees. We've planted many trees there over the years, and the once-barren site is now filled with eucalyptus, bottlebrush, and various other native species, providing a backdrop for wedding photos and a serene escape for locals," he says.

"Today, the old Ayr Racecourse stands as a lush, green oasis, and it's hard to believe that you can't see through the track anymore because it's filled with trees, a stark contrast to its racing days."

Clare Valley Toyota in South Australia is marking 23 years of support for National Tree Day, while Bill Robertson Toyota (QLD), Torque Toyota (QLD), Nyngan Toyota (NSW), and Ian Weigh Toyota (QLD) are all celebrating 20 years of support.

Planet Ark chief executive **Rebecca Gilling** says Toyota Australia and its dealer network have been invaluable to the National Tree Day program since it became a major sponsor in 1999.

"We could not have achieved the results we have through the National Tree Day program without Toyota Australia's ongoing support of Planet Ark and the many dealerships that have supported community planting events around the country."

"Our relationship over the last quarter



DEALER PRINCIPAL DARREN WEST

century is unique in terms of its length and closeness and is a testament to Toyota's care for building a greener future in Australia," Gilling said.

Toyota Australia chief marketing officer **Vin Naidoo** says Toyota and its dealer network are proud to celebrate its 25th year supporting Planet Ark.

"The ongoing support through this important partnership demonstrates Toyota's commitment to sustainability and maintaining our native Australian environment," Naidoo says.

"As we mark this impressive milestone, we encourage all Australians to get outdoors in nature and plant a native tree or shrub to contribute to the 27 million trees already planted," he says.

For those who can't attend Planet Ark's National Tree Day events this year, another way to connect with nature is through donations to The Seedling Bank – a program launched in 2019 that supplies native seedlings to schools and community groups around Australia.

ANCAP EXAMINES LANE SUPPORT SYSTEM USABILITY

ANCAP Safety has initiated a new testing program to examine the real-world driver experience and usability of lane support systems.

The project is designed to intentionally capture the steering force, intervention timing, and correction severity of Lane Keep Assist (LKA) and Emergency Lane Keeping (ELK) on star-rated vehicles.

This additional examination looks beyond a vehicle's ability to intervene and prevent unintentional side-swipe, head-on, or run-off-road crashes as determined through ANCAP's official star rating assessments. Instead, it focuses on the sophistication and integration quality of lane support systems (LSS) from various vehicle brands and models.

ASPECTS INTERROGATED THROUGH THIS RESEARCH PROGRAM INCLUDE:

Vehicle path and position

Is the autonomous intervention smooth and intuitive?

Steering angle and velocity

Is the intervention response exhibited through gradual change, or are there rapid, sharp, unnecessary or jerky steering inputs?

Steering torque

Is the vehicle's response brutal for the driver to override, leading to a feeling of loss of control?

Lateral vehicle acceleration

Is the sideways force experienced by the driver severe and unnatural?

This research follows ANCAP's feedback from consumers who are concerned that the safety systems fitted to their new cars provide an adverse driver experience.

A pilot group of vehicles has been tested against a baseline 'positive reference' vehicle, and early insights show clear room for improvement.

"This research project is a proactive step ANCAP has taken to help vehicle manufacturers improve the functionality, calibration and integration of their active safety systems," ANCAP chief executive **Carla Hoorweg** said.

"Good system design and properly tuned systems are critical to consumer acceptance, and the aspects we've examined with this research are those that manufacturers should already be factoring into their systems.

"The pilot group of vehicle models we've assessed has been assembled from direct consumer feedback, where a specific list of models was identified as offering a reasonably rudimentary response. Unfortunately, these vehicles' behaviour makes consumers question the benefits of these systems and, in some cases, turn them off.

"We don't want these systems to be badged as 'annoying' and switched off.



"We want to demonstrate the differences in vehicle behaviour and, by sharing these results, encourage manufacturers to improve their systems. This will improve their customers' acceptance of these systems.

"We saw a great example of manufacturer response to this type of feedback last week with Mitsubishi rolling out an update to its Driver Monitoring System to improve the driving experience of its Triton," she says.

The results of this pilot project will be shared with manufacturers and used to inform refinements to ANCAP's upcoming 2026-2028 test protocols and criteria.

Additional vehicle models will be examined against the same research criteria over the year, with full results to be released once the broad program of work is complete.

PORSCHE BEGINS CAYENNE EV TESTING PROGRAM

Porsche has commenced its test program on the upcoming fourth-generation fully-electric Cayenne SUV prototypes.

Simultaneously, Porsche is developing its hybrid and combustion engine models. Up to and beyond 2030, the Cayenne will be offered with three powertrain variants worldwide.

Porsche says the new fourth-generation Cayenne EV will significantly support its electromobility ramp-up. It is based on a further development of the Premium Platform Electric (PPE) with 800-volt architecture.

After an extended phase of digital development and testing, as well as the first test drives on the proving grounds of the Development Centre in Weissach,

the first camouflaged prototypes of the new Cayenne EV have left the Porsche factory.

"Real-world testing is one of the most important milestones of the development process," says Cayenne Product Line vice president **Michael Schätzle**.

Prototypes will have completed several million test kilometres worldwide by the launch date under extreme conditions.

"This way, we ensure the durability and reliability of the hardware, the software and all the car's functions follow our high-quality standards," Schätzle says. The current third-generation Cayenne will be upgraded further and will continue to be offered alongside the



new EV.

"The Cayenne has always defined the sports car in its segment. In the middle of the decade, the fourth generation will set standards in the segment as an electric SUV," Porsche AG chief executive **Oliver Blume** says.

"At the same time, into the next decade, our customers will still be able to choose from a wide range of powerful and efficient combustion and hybrid models."

"Our product strategy could enable us to deliver more than 80% of our new cars fully electrified in 2030, depending on our customers' demand and the development of electromobility in the regions of the world," says Blume.

STELLANTIS REITERATES ITS COMMITMENT TO AN ELECTRIFIED MASERATI BRAND

Stellantis has taken the unusual step of issuing a public statement reiterating that it has no intention of selling the Trident brand and does not intend to aggregate Maserati with other Italian luxury groups.

It has restated its commitment to Maserati's future as the unique luxury marque within its portfolio.

Stellantis has reaffirmed its commitment to its 14 brands, recalling that each has a 10-year horizon to build a profitable and sustainable business. It recognises that market volatility and temporary situations may cause fluctuations.

It says Maserati is in a transition period towards electrification with its Folgore BEV program: today, the Trident offers GranTurismo and GranCabrio in ICE and BEV versions and Grecale in ICE, mild hybrid, and BEV versions. It confirms that successors of the Quattroporte and Levante are also in preparation.

The statements in this regard do not find any correspondence in the context of Maserati's strategy within the long-term strategic plan "Dare Forward



2030" of Stellantis.

It says Maserati's mission is to write the future of mobility through the best performance in the luxury segment, focusing on its customers' desires. To achieve its goals, the brand precisely targets a particular audience.

Therefore, Maserati is launching a series of initiatives to expand its presence in the global market, strengthen its brand image, and underline the uniqueness of its products. According to Stellantis, Maserati is facing a significant challenge and must remain focused on its objectives in the coming months.

SPINKS TO BECOME THE EDITOR AND HEAD OF CHASING CARS

From October 15, following an extended family holiday overseas, **Jez Spinks** will assume the role of editor and the Head of Chasing Cars.

In the interim, deputy editor **Curt Dupriez** will perform acting editor duties.

Spinks is a former editor of [Drive.com.au](https://www.drive.com.au) and former editorial director of CarAdvice and Wheels Media. He will take over from **Tom Baker**, who is shifting his focus to the legal world. Baker has led the Chasing Cars editorial team since its inception.

"I've admired Tom and the Chasing Cars team, and I especially appreciate the brand's fiercely independent car reviews, both written and video," says Spinks.

"That made the unexpected opportunity to join the team and continue the great work impossible to resist.

"It's been exciting to hear the high ambitions for Chasing Cars, and I can't wait to be part of a great team working together to take this car reviews platform onto even bigger and greater things," he says.

Chasing Cars is backed by the general insurance brand, Budget Direct.

Budget Direct Chief Growth Officer **Jonathan Kerr** says Australian consumers need a genuinely independent car reviews platform.

"As an organisation, we are excited to keep growing Chasing Cars, and we believe that our support, combined



CHASING CARS EDITOR JEZ SPINKS

with Jez's leadership, gives it the foundations to achieve even greater things in the future," he says.



JULY NEW VEHICLE SALES SET RECORDS

The strength in the new vehicle market has continued with a new July record of 99,486 sales, says the Federal Chamber of Automotive Industries (FCAI).

This result is 2.7% higher than the July 2023 one (96,859, which was the previous highest July on record, it says.

Toyota led the market with 22,705 sales in July (its RAV4 was the top selling vehicle with 5933), followed by **Mazda** (8476), **Ford** (7749), **Kia** (6620) and **Hyundai** (6021). **Toyota** led **Ford** with a margin of 14,229 vehicle sales and 14.3 market share points.

The **Ford Ranger** (4915) was the second top seller, then the **Toyota Hilux** (4747), **Toyota Corolla** (2688) and **Toyota Landcruiser** (2464).

The result would have exceeded 100,000 if Tesla and Polestar sales were included in the VFACTS numbers, says FCAI chief executive **Tony Weber**.

"This is a remarkable achievement in an economy featuring widespread cost of living pressures," he says.

"It was also interesting to note that while sales in the Business and Government segments were up 13.7% and 37.5% respectively, Private sales were down 4.2%.

Weber says several important points come from the July result.

"Consistent with trends in many overseas markets, sales of hybrid vehicles are up 88.4% and plug in hybrid vehicles (PHEVs) are up 128.9% compared with July 2023.

"Sales of battery electric vehicles (BEVs)

– with the inclusion of the reported Tesla (2592) and Polestar (103) results – are currently at 6.6% of the market, down from 7% in 2023.

"The hybrid performance is highlighted by the fact that the **Toyota RAV4** was the top selling vehicle for the month. Most RAV4 sales are hybrids," says Weber

"While the first seven months of 2024 have exceeded expectations, the industry remains cautious about the future pending the implementation of the New Vehicle Efficiency Standard coupled with the economic conditions."

Australian Capital Territory new vehicle sales were down 1.4% on July 2023 to 1418, New South Wales was up 2.9% to 30,361, Northern Territory was up 4.9% to 947, Queensland increased 6.2% to 20,937, South Australia increased 4.7% to 6921, Tasmania had a 12% decrease to 1564; Victoria decreased 1.6% to 26,667 and Western Australia increased 8.9% to 10,671.

VFACTS figures show there were 27 selling days in July 2024 – one day more than in July 2023, which resulted in a decrease of 40.7 vehicle sales per day in July 2024.

The Passenger Vehicle market is up by 135 vehicle sales (0.8%) over the same month last year, the Sports Utility Vehicle (SUV) market is down by 413 vehicle sales (minus 0.7%); the Light Commercial market is up by 2463 vehicle sales (12.8%) and the Heavy Commercial Vehicle market is up by 442 vehicle sales (12.8%) versus July 2023.

TOP 10 BRANDS



1. TOYOTA 22,705



2. MAZDA 8476



3. FORD 7749



4. KIA 6620



5. HYUNDAI 6021

4X4 UTES



1. Ford Ranger
4610



2. Toyota HiLux
4125



3. Isuzu Ute D-Max
1859



4. Mitsubishi Triton
1055



5. Toyota Landcruiser
PU/CC
924



6. Mazda BT-50
922



7. Nissan Navara
662



8. GWM Ute
596



9. LDV T60
554



10. Volkswagen Amarok
489

SUV SMALL <\$40K



1. MG ZS
1815



2. Hyundai Kona
1470



3. Mazda CX-30
1263



4. Mitsubishi ASX
1171



5. GWM Haval Jolion
1119



6. Subaru Crosstrek
1068



7. Toyota Corolla
Cross
860



8. Mitsubishi Eclipse
Cross
637



9. Volkswagen T-roc
625



10. Kia Seltos
579

TOP 10 BRANDS



6. MITSUBISHI 5718



7. MG 4101



8. ISUZU UTE 3821



9. SUBARU 3601



10. GWM 3319

AUSTRALIA HYBRID SALES SOAR

Australia's internal combustion engine (ICE) light vehicle market share continues to decline while hybrid new vehicle sales grew strongly in the three months to June 30, says the Australian Automobile Association (AAA).

Hybrid new vehicle sales reached record levels and took market share from both ICE and battery electric vehicles (BEVs), it says.

The AAA EV Index online data dashboard analyses all new light vehicle sales across Australia.

In national new light vehicle sales from Q1 2024 to Q2 2024 with total sales (all engine types) rising 10.25% (from 292,944 to 312,889), ICE sales rose by 3.13% but because total sales rose at a faster rate, ICE market share fell from 78.16% to 75.47%.

BEV sales declined by 0.78% (from 25,552 to 25,353), and market share fell from the previous quarter's record level of 8.72% to 8.10%, while hybrid sales grew by 33.49% (from 35,003 to 46,727), and hybrid market share rose from 11.95% to 14.93%.

Sales figures over the past six quarters show a clear trend of growth for hybrids and BEVs and gradually shrinking ICE market share, but there have been significant quarterly fluctuations, says the AAA.

"Over that time, BEV market share rose from 6.77% to peak at 8.72% in Q1 2024, before declining slightly in Q2 2024, and total BEV sales rose from 17,396 to 25,552 before dipping to 25,353.

"The strongest quarters for total BEV sales and markets share were Q2 2023 and Q1 2024."

BEVs outsold hybrids in the first half of 2023 but since then hybrids have outsold BEVs in four consecutive quarters, says the AAA.

"Total vehicle sales, including ICE vehicle sales, have risen since Q1 2023, with some quarterly fluctuations.

"But over that 18-month period, the ICE share of a growing market has declined by almost 11% (down from 86.40% to 75.47%).

"Over the past six quarters, ICE market share peaked in Q1 2023 (86.40%)

and sales volume peaked in Q4 2023 (248,943).

"In Q2 2024, plug-in hybrid vehicles (PHEVs) and hydrogen fuel cell electric vehicles (HFCEVs) still had very small market shares. "

The AAA says that collectively ICE vehicles, BEVs and hybrids accounted for 98.5% of the quarter's total new light vehicle sales.

In the June quarter, pure ICE vehicles still dominated the small car, small SUV and large SUV market segments with hybrids a distant second, the AAA says.

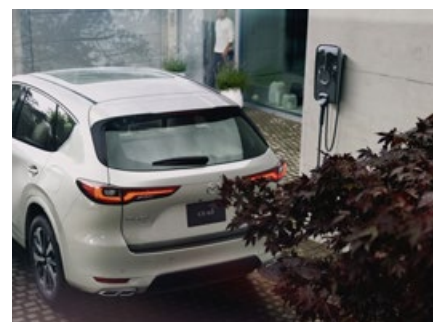
"ICE accounted for more than 99% of utes, more than 98% of vans, and over 97% of people movers sold, but only 18.04% of medium-sized cars.

"BEVs accounted for 46.7% of medium car sales and 27.08% of large car sales, and also performed relatively strongly in the medium SUV segment (11.25% of sales).

"But market share in each of these categories declined slightly from the previous quarter. However, there was growth from low bases in BEV market share of vans (1.77% up from 0.99%) and small SUVs (6.95% up from 4.32%)."

Hybrids sold most strongly among medium cars (34.54%), medium SUVs (28.98%), small cars (17.27%) and small SUVs (14.74%), says the AAA, adding total sales and market share in each of these categories rose from the previous quarter.

The AAA EV Index collates information from multiple national, state and territory sources, including information provided by the Federal Chamber of



Automotive Industries (FCAI) and the Electric Vehicle Council (EVC), used with their permission.

The EVC urges the Federal Government to establish a public vehicle sales dashboard as a free source of data to inform policy, planning and research.

The EVC says its report has been developed as an interim solution and will continue to be expanded and improved on.

Meanwhile, the EVC says Australia is on track to break the annual EV sales milestone of 100,000 sales this year, in spite of tough economic conditions.

Latest VFACTS figures for July 2024 highlight the hybrid trend.

About 18,039 new hybrid sales in total were recorded for the past month across passenger, SUV, and light commercial vehicle categories – up 88.4% from July 2023's 9574. Year-to-date (YTD) about 99,652 hybrids sold, a 108.3% increase on the same time last year (47,844).965

PHEVs accounted for 22091 sales in July 2024, up 128.8% on July 2023's 965 and up 129.8% YTD (from 4547 to 10,488).

ELECTRIC, PHEV AND HYBRID SALES					JULY 2024			
Total Market	Month		YTD		Variance +/- Vol. & %			
	2024	2023	2024	2023	MTH	YTD	MTH	YTD
ELECTRIC								
Passenger	1,603	1,324	23,671	15,965	279	7,706	21.1%	48.3%
SUV Private	5,772	8,763	27,952	28,373	-2,991	-421	-34.1%	-1.5%
Light Commercial Non-Private	28	19	227	97	9	130	47.4%	134.0%
Sub Total	7,403	10,106	51,850	44,435	-2,703	7,415	-26.7%	16.7%
HYBRID								
Passenger Private	4,505	3,014	27,154	13,059	1,491	14,095	49.5%	107.9%
SUV Private	13,464	6,560	72,187	34,785	6,904	37,402	105.2%	107.5%
Sub Total	17,969	9,574	99,341	47,844	8,395	51,497	87.7%	107.6%
PHEV								
Passenger Private	63	43	490	250	20	240	46.5%	96.0%
SUV Private	2,146	922	9,942	4,297	1,224	5,645	132.8%	131.4%
Sub Total	2,209	965	10,432	4,547	1,244	5,885	128.9%	129.4%
Total	27,581	20,645	161,623	92,279	6,936	69,344	33.6%	75.1%