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HOW NOT TO LAUNCH AN EV BRAND IN AUSTRALIA?



ROBERT BARRY
EDITOR **AUTOTALK**

Hello there,

The bumpy arrival of the BYD Atto 3 electric SUV into Australia shows that not everyone can replicate the Tesla business model and that the distributor/franchise dealer arrangement is still one that works soundly.

Sydney-based Nexport Pty Ltd signed an agreement with BYD Auto Industry Co., Ltd (BYD) on February 12, 2021 to partner in the distribution of BYD electric passenger vehicles in Australia and New Zealand.

Nexport said it would be selling the cars direct to consumers through its online sales platform; **EVDirect.com.au**.

Managing director **Luke Todd** said **EVDirect.com.au** would deliver the cars directly from the factory to the buyer, and it would start pre sales in July 2021.

In December 2021 EVDirect announced it had partnered with independent service provider **Mycar.com.au** to manage new car deliveries and maintenance for BYD vehicles.

It said eight Mycar locations would participate in the program initially, with 30 to be added after March 2022. EVDirect said Mycar technicians were being trained in the maintenance requirements of BYD cars, and several workshops would have dedicated bays for the servicing and delivery of its electric vehicles (EVs).

"The partnership makes sense for us and enables EVs to be rolled out in large volumes nationally," Todd added.

EVDirect.com.au launched the Atto 3 to the Australian market online on February 19, 2022.

It said all features, pricing, warranty and delivery times for the new Atto 3 would be available on its website and it encouraged buyers to email expressions of interest with their name and contact number to the website by 12pm on February 19, writing the word "Loyalty" in the subject line.

Then in late February Nexport/EVDirect announced it had signed a memorandum of understanding (MOU) with new car retailer Eagers Automotive.

The arrangement was to form a new entity in which Eagers will have a 49% stake and hold a franchise agreement for at least five years, allowing the Atto 3 to sold through its dealerships as well as online.

Around March 8 EVDirect told buyers that online orders needed to be confirmed by March 11, 2022 for July delivery.

In late June 2022, **EVDirect.com** confirmed the partnership with Eagers following the completion of franchise documentation.

EVDirect.com said the relationship with Eagers would allow the completion of plans to provide a dedicated BYD sales experience as well as after-sales facilities in selected parts of Australia.

In late August 2022, EVDirect and Eagers launched the website bydautomotive.com.au as the brand's new virtual showroom and online hub where consumers could access information on all models and services.

The BYD Automotive website also announced it was preparing 11 Experience and Delivery Centres across the country.

But the new website was met with outrage from some order holders. The confirmation of the warranty program and the eight year scheduled servicing price of up to \$3090 saw pushback from disgruntled customers on social media platforms, with some threatening to cancel their Atto 3 order.

Observers picked apart the warranty confirmed by BYD Australia, set at six years and 150,000km for the vehicle and eight years and 160,000km for the battery.

That contrasted with the seven years and unlimited mileage for the car and seven years 160,000km promised originally.

While the initial response from the distributor was "we won't make a cent from the servicing", a week later it backflipped and announced a revised schedule indicating the eight-year servicing cost had been reduced by 23%, to \$2390.

BYD Australia also said existing Atto 3 order holders will get a year's free servicing.

Meanwhile in New Zealand the Ateco Group has just launched the Atto 3 to critical acclaim from the motoring media and selling more than 448 cars in August through its newly established retail network, proving that an established business model is more than capable of successfully launching a new market entrant.

Food for thought,

Enjoy your reading this month.

Best regards,

Robert Barry
EDITOR **AUTOTALK**

CAR BUYERS SHUN BRAND LOYALTY

Australians are shunning established brand loyalties as global supply chain issues and stock shortages impact purchasing decisions.

Coupled with inflation and the rising cost of living, new trends have emerged in place of traditional buying patterns, meaning marketing approaches must adapt quickly.

Those are the findings of research by CarsGuide Media which indicates marketers need to adapt as Australians begin seeking products and services beyond typical brands and channels.

The new and used vehicle markets provide a snapshot of the broader issues facing marketers as paradigm shifts occur and usual buying patterns are disrupted.

Stock shortages have driven new car prices higher, with more than one-third (29%) of Australians surveyed saying they've delayed selling their vehicle, with most (66%) holding on to their vehicle for more than three years.

In the used car market, where prices have increased a record 65% year-on-year in the first half of 2022, many buyers (29%) believe that the higher used car prices make it more economical to buy new, out of step with the traditionally separated used and new car markets.

Additionally, used buyers considering new cars are more open to alternative brands from companies who have product readily available with 33% of used car buyers saying they're more likely to consider an alternative brand compared to 29% of new car intenders.

"The current economic conditions have created the perfect storm for consumers to consider products and services that they've previously overlooked," says **Jodie Smith**, CarsGuide Media's head of partnerships automotive.

"This changing landscape demands a shift in the way we market and sell to consumers as more traditional avenues won't reach cohorts who are transcending conventional boundaries whether they're buying cars, vans or motorcycles.

"Marketers need to adapt to the rapidly changing landscape with more targeted campaigns to reach newly emerging cohorts and subsets that these unique

circumstances have produced. They must target beyond their traditional base."

THE RISE OF BRAND SWITCHERS

This volatile economic climate has a profound impact on more traditional marketing approaches, where trusted, dependable brands previously outperformed products and services from companies that consumers haven't considered previously.

As a result, successful marketers are moving with their audience across a multitude of businesses to promote convenience and value.

"This is a significant opportunity for challenger brands to develop a relationship with customers who were seemingly previously out of reach," Smith says.

"The acceptance of less traditional brands has been seen in supermarkets, for instance, who've reported increased interest and experimentation with products or brands outside of those originally sought.

"People are now more often having their brand preferences challenged as they become more pragmatic, meaning marketers must follow them by adapting their messaging and broadening the scope of their activity.

"Not only that, as the economic environment becomes more uncertain, marketers need to be smarter with how they allocate their media investment to ensure they're reaching their key markets as efficiently as possible.

"To help, CarsGuide's Audience Match allows brands the opportunity to focus on their most profitable customers, and those that share common audience characteristics, while suppressing existing customers that may be less inclined to upgrade due to a recent purchase or age of their current vehicle."

One in three new car buyers say that if their first preference isn't available immediately, they'll buy an alternate vehicle brand, rather than waiting on delivery of their preferred car.

Brands suffering stock shortages probably are seeing a decline in interest.

Though some are willing to wait for their car to become available (29%),



JODIE SMITH

most intenders are open to new brands with only 16% not wanting to learn about alternate brands that have stock available now.

"According to the research, the biggest opportunity for brands is to target outside of their current customer base," says Smith.

"Standing still at a time like this will see many miss a fantastic opportunity, especially for challenger brands, who can leverage this window to win conquest customers and generate trust, acceptance and brand loyalty for the future."

AUSTRALIANS TAPPING COVID SAVINGS

Though the rising cost of living is beginning to hit Australians' back pockets, COVID-19 lockdowns also provided many consumers with the opportunity to save more than usual, leading to increased financial security.

"We're seeing this clearly with 53% of new car buyers and 61% of used buyers accessing their piggy bank to fund their upgraded wheels," says Smith.

"The fact that the majority of buyers are ready to buy means that the time from consideration to purchase is more rapid than before.

"It's critical that both private sellers and dealerships have their vehicle seen far and wide for a faster sale – again, beyond traditional bases – as buyers are primed and want to purchase, with a willingness to transact that we haven't seen before."

More than half of new car intenders (56%) are dipping into their personal savings to make their purchase.

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SUPPLY CRISIS FRUSTRATES NEW CAR BUYING

New research indicates that soaring interest in new car purchases in Australia is being frustrated by the global vehicle supply crisis.

Half (51%) of Australian adults would buy a car before 2024 if supply chain problems did not impact stock levels.

This finding comes from a survey of 1018 Australian adults, commissioned by Australian finance platform Money.com.au.

In the last two years, the global automotive industry has suffered severe supply chain disruptions – specifically semi-conductor chip shortages which are expected to extend into 2023 and beyond.

It's estimated that the world was 2.2 million cars short in the first half of this year, while in Australia new car sales were more than 10% below historical averages.

From the survey, **Money.com.au** found a higher proportion of younger age groups were in the market for a new car before 2024 – 59% of 18–34-year-olds, compared with 38% of over 50s.

It also revealed two-thirds of Australians (68%) would rather buy a secondhand car than sit on a waitlist for a lengthy period.

Specifically, 29% said they would buy a used car if the waitlist for a new car was more than three months, 27% would purchase a used car if they had to wait six months for a new one, and 12% would do so if the waitlist was more than a year.

Secondhand vehicles in Australia are



now 14.2% higher than last year.

A third (32%) of Australians said they're willing to wait as long as necessary to buy the new car they want.

Money.com.au spokesperson **Helen Baker** says the survey results echo the sentiment among Australians she speaks to.

"Many of my own clients are willing to wait for a new car, with a significant proportion turning over their cars as frequently as every two to three years, even if they're not in need of an upgrade.

"While the choice to purchase a new vehicle is dependent on one's financial situation, savings and overall car usage, it's important to remember that it's a depreciating asset," Baker adds.

"Younger Australians are likely more willing to purchase a used car for this reason, as they may not have the funds built up for a large purchase

or are prioritising other purchases or investments, such as their first property.

"During the pandemic, many Australians also likely hit pause on large essential and non-essential purchases.

"Now that we're returning to a sense of normalcy, despite rising costs, people are considering those purchases again."

Baker says she sees a growing trend of individuals, particularly those approaching retirement, seeking large, functional vehicles over luxury ones, including camper vans, as their next significant purchase.

"Many are committing to such vehicles due to a desire to travel around the country now that borders are open and allow for more free movement."



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"Interestingly, that number goes up for higher priced cars, with those with budgets over \$80k, 7% more likely (63%) to fund their new car with savings," Smith says.

This readiness to buy is also reflected in the used car market where the average budget is \$30,555, just shy of the record average transaction price of \$33,000 set in the first quarter of this year.

As the economic climate impacts buyer behaviour, marketers have the chance

to tap into new cohorts and convert Australians previously sceptical of challenger brands, Smith says.

"For established brands, it means responding rapidly to remain effective, and ensuring that more consumers have a pragmatic reason as well as an emotional pull for your offering."

THE RESEARCH

CarsGuide's Stock shortages and purchase triggers survey was conducted in June 2022 and surveyed more than

750 Australians planning to buy a new car within 12 months to understand the impact of stock shortages on car buyers and intenders and explore the opportunities that may present to OEMs.

In addition, CarsGuide conducted its Used car purchase triggers survey in June, surveying more than 750 Australians, both buyers and intenders.



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NZ DISTRIBUTORS BRACE FOR EMISSIONS STANDARD IMPACT

New Zealand's vehicle distributors are bracing for further impacts from the next wave of emission regulations imposed by the Jacinda Ardern-led Labour Government.

The regs are included in the Clean Car Standard (CCS) which takes effect on January 1, 2023.

Subaru New Zealand managing director, **Wallis Dumper**, believes that the incoming changes will have a sweeping effect on vehicle pricing.

In a statement issued about Subaru's Outback 2.4T's arrival in New Zealand, Dumper said he expects the model to be lumped with "additional costs" when CCS changes are applied.

"CCS will not only affect Subaru, but the entire NZ automotive industry and the reality is that come 2023, many new petrol engine cars may cost customers thousands more than they do today," he says.

"To the best of our knowledge, any vehicles crossing our border after December 31, 2022, will have the CCS fees applied.

"We have limited stock available, therefore respectfully ask potential customers to get in touch with their local Authorised Subaru Centre to put down a deposit."

Dumper added that he expects "extra fees to be applied to most new petrol engine cars early next year, as part of the Government's ambition to be carbon neutral by 2050".

Subaru is the second brand to acknowledge the likelihood of prices for popular models rising when the more aggressive CCS targets come into force.

Ford New Zealand managing director **Simon Rutherford** made similar comments at the launch of the updated Ranger, saying Ford will "probably" have to increase the prices of the best-selling ute to counter CCS penalties.



"The challenge for us is pulling the appropriate levers to manage the demand side of the structure," Rutherford said, adding that price rises are likely "for us and probably our competitors as they cross the line into 2023".

The CCS is set to force brands to reduce the emissions of their fleets by 40% by 2025, forcing a rate of change that new and used car industry sources have said is too rapid for companies to keep up with without passing price rises on to consumers.

In 2023, the standard's limit will lower to 139g of carbon per kilometre travelled. It will then sink further to 128g in 2024, before dropping significantly to 105g in 2025.

Firms that offer vehicles with emissions well over the target will need to balance them by offering low-emission options that improve the average of their fleet.

Subaru NZ has confirmed that it will soon offer a dedicated electric vehicle, the Solterra SUV scheduled to go on sale in April of next year.

Only three car brands sold in NZ, Honda, Hyundai, and Suzuki, have fleets that meet the CCS's 2023 targets based on 2022 sales so far.

Subaru was ranked 12th based on information from registration body, the NZ Waka Kotahi Transport Agency, with an 185.19g/km average.

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BYD AUSTRALIA CUTS SERVICE COSTS FOLLOWING CUSTOMER BACKLASH

Service costs for the BYD Atto 3 have been cut by 23% after the Chinese electric cars' distributor faced significant customer backlash on social media.

And BYD Australia and distributor EVDirect say existing Atto 3 order holders will get a year's free servicing.

The revised service pricing schedule indicates the eight-year servicing cost has been reduced by 23%, the cost now \$2390 compared with the previous \$3090.

Dozens of Australian order holders for the BYD Atto 3 had taken to social media in outrage over what some called "extremely high" servicing costs.

The comments followed the announcement of the service schedule on the new BYD Automotive website in late August. Though the first 5000km service is free, service checks every year or 20,000km ranged from \$190 to \$661.

Many attempted to compare the car to the Tesla Model 3, which has no scheduled servicing, questioning why so much work was required on an electric vehicle, and that the MG ZS EV was every second year at a cost of \$268 with the exception of an \$800 service at 80,000km.

Observers also picked apart the warranty confirmed by distributor EVDirect/BYD Australia, set at six years and 150,000km for the vehicle and eight years and 160,000km for the battery.

That contrasts with the seven years and unlimited mileage for the car and seven years 160,000km promised originally.

They also noted restrictions like suspension, the infotainment screen and the charge port being covered by warranty for only three years.

"This is very disappointing considering their website up to not that long ago was advertising seven-year, unlimited km warranty on the vehicle as well," **Craig 'Dug-less'** commented. "This was a compelling reason to put down our money."

Others noted the battery comes with a one million kilometre warranty in China and a "lifetime" warranty in Hong Kong.

Some social media commentators, alongside prominent Youtube channel The Electric Viking, have suggested the announcements may see order cancellations, noting a series of changes to terms and costs since the car was launched in Australia.

Before the distributor implemented

the 23% price cut, EVDirect's managing director **Luke Todd** told *AutoTalk* the vehicle's servicing costs were competitive.

He also says Australian and Chinese BYD warranties can't be compared as the markets and models are different.

He says EVs still need servicing, although not as much as internal combustion engine (ICE) vehicles, and that costs reflect the highly skilled staff at BYD's 50 service centres and growing.

BYD has listened to customers and gone from seven years to "eight plus six" so that BYD Australia aligns with other countries in the Asia-Pacific region, he adds.

Todd says no cancellations had been received by August 23. He is aware of the social media posts but reckons some have "beat it up" and that he doubts servicing a BYD product will cost more than an average A\$350 annually.

In Australia "we want the best people working on these vehicles", says Todd, with skilled workers expected to cost about \$140 hourly.

"We won't make a cent out of servicing."

DECARBONISING THE RIDESHARE ECONOMY

An Australian start-up which provides vehicle subscriptions for rideshare and delivery drivers has received a financial boost from the NSW state government in its mission to further decarbonise its fleet by buying electric vehicles (EV).

Splend was founded by its chief executive **Chris King** in 2015, and has expanded to 10 cities in Australia and Britain, with a growing team of 100 employees.

Splend offers an alternative to traditional car finance for on-demand drivers and says it's pioneering the rideshare subscription industry by offering an increasing amount of EVs through its Flexi and Flexi Own products.

The company has received \$1.8m of funding in the first round of the Drive Electric NSW EV Fleets incentive. The new funding will help Splend to add more and more electric vehicles to its Australian fleet.

The NSW Government says 979 electric are vehicles set to hit the roads in Australia thanks to the total Drive Electric incentive package of \$105 million.

It says this will help NSW private

businesses like Splend, and not-for-profits and local councils bridge the cost to electrify their fleets, while lowering state transport emissions.

The aim of the state government funding is to increase the number of electric vehicles on the road by targeting large vehicle owners including private and public fleet operators, like local councils, to switch from internal combustion engine (ICE) cars to EVs.

Splend chief operating officer **Phillip Clump** says by the end of 2024, the company wants to have more than 10,000 electric vehicles available to the rideshare economy in Australia and Britain.

He says Splend's vision is to lead rideshare to a more sustainable future and deliver more affordable car subscriptions to on-demand drivers.

"An electric vehicle at the right subscription level is a better proposition for rideshare drivers, it's almost a no brainer, especially as the price of fossil fuels increases," Clump says.

"We're passionate about sustainability with a focus on decarbonising



SPLEND CHIEF OPERATING OFFICER
PHILLIP CLUMP.

transport, improving air quality, and reducing atmospheric carbon levels.

"For every electric vehicle that replaces an internal combustion engine (ICE) vehicle, more than 8.5 tonnes of carbon are taken off the road."

Clump says Splend wants to accelerate its carbon reduction over the next 18 months and move to a net zero fleet as quickly as possible.

He says Splend understands that rideshare operators like Uber want to transition to zero-emission vehicles as quickly as possible.

He also notes that the Australian Capital Territory has mandated that all taxis and rideshare vehicles must be electrified by 2030.

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EAGERS ANNOUNCES STRONG FIRST HALF YEAR RESULTS

A SX-listed new vehicle retailer Eagers Automotive has announced a \$246.5 million statutory profit before tax for the first half of the 2022 financial year. The underlying profit before tax is \$195.1 million.

The result was driven by continued strong demand for new and used vehicles, and consistently strong margin performance, in spite of constraints on profitability caused by new vehicle supply challenges and disruption to logistics and labour.

Eagers says the first half statutory profit before tax result included significant items totalling \$51.4m primarily related to the gain from the sale of the Bill Buckle Auto Group.

The company says it will offer a record ordinary interim dividend (fully franked) of 22 cents per share as opposed to the 20 cents per share that it provided in the first half of the previous financial year.

Eagers Automotive says it retains a

strong balance sheet with a record available liquidity figure of \$842.8 million.

"The robust first half performance reflects the strength of our underlying business, disciplined management of our rebased cost profile and strong progress on strategic growth initiatives, which have together enabled us to capitalise on favourable market dynamics," says Eagers Automotive chief executive **Keith Thornton**.

"Demand has materially exceeded supply during the first half and our key lead indicators, including new vehicle order bank, remain at record levels.

"Our independent pre-owned vehicle business, easyauto123, has delivered volume and revenue growth.

"We have expanded its footprint to include an additional store in the Sydney market at Liverpool, and our first Tasmania-based store in Hobart opens this month.

"Our leading position in large addressable markets, balanced

EAGERS AUTOMOTIVE CHIEF EXECUTIVE
KEITH THORNTON

economic model and diverse geographic footprint, ensure the business is able to withstand changes in market conditions.

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"In addition, the combination of growth from our existing business, new entrants to the market wanting to partner with us and strategic acquisition opportunities provide a significant platform for sustainable earnings growth over the long term," Thornton says.

Eagers says operational and strategic highlights for the first half of 2022 included continued strong demand for new vehicles, underwriting a consistent margin performance.

The company says strong demand translated into ongoing growth in its record order bank, giving confidence in the outlook for the second-half of 2022 and into 2023.

Another highlight was the strategic acquisition of a multi-franchise dealership group and associated property in the ACT approved by shareholders, and the sale of the Bill Buckle Auto Group completed in June.

Eagers also developed new automotive retail formats, including the Auto Mall West in Brisbane, which opened in April 2022 and houses BYD, Ford, Honda, Jaguar Land Rover, Porsche, Subaru, and Volkswagen.

Eagers Automotive expanded its network representation with existing partners in new regions, as well as new entrants to the Australian market and new energy manufacturers being hybrid electric and hydrogen.

The company says it is in a very strong financial position underpinned by a substantial property portfolio and asset base, together with a record \$842.8m of



KEITH THORNTON, PORSCHE AUSTRALIA CEO DANIEL SCHMOLLINGER AND EAGERS AUTOMOTIVE EXECUTIVE MARCO KIM CELEBRATE THE OPENING OF THE PORSCHE STUDIO BRISBANE

available liquidity at June 30, 2022.

It says this liquidity position includes record available cash of \$326.3 million.

The board has approved payment of a record ordinary interim dividend of \$0.22 per share, fully franked, up 10% on the first half of 2021 which was \$0.20 per share.

The company also announced an on market share buy-back of up to 10% of issued share capital in June.

It says the dividend and buy-back reflect the board's confidence in the strength of the business, its focus on active capital management, and strong balance sheet position.

Eagers Automotive says it expects the current dynamic of demand outstripping supply to continue in the second-half of 2022.

It says the 32% like-for-like growth in the order bank during the first half of 2022 has increased in July and August, providing a strong foundation for the second-half of 2022 and into 2023.

In spite of these positive dynamics, the timing of an easing in COVID related new vehicle supply chain challenges remains uncertain.

And the company says it will maintain its disciplined approach, conscious of the changing micro economic conditions.

Eagers will focus on delivering key initiatives to drive sustainable growth in earnings – increased productivity from property and people to capitalise on market conditions, continued investment in scaling the independent pre owned business, easy auto 123, including the roll-out of omnichannel offerings to support an expanded physical footprint.

It will integrate the South Australian acquisitions to be completed in the second-half of 2022.

It will also continue a disciplined review of accretive and strategic acquisitions consistent with its next 100 strategy as well as executing greenfield opportunities via existing partnerships and new market entrance.

The company says it's positioned uniquely to withstand changes in the economic or industry environment, using the multiple margin, growth and cost levers available within the business.



PORSCHE STUDIO BRISBANE AUTO MALL WEST INDOOROPILLY.

DEALERS AND BRANDS WELCOME EV SUMMIT

Australia's new car industry has welcomed federal ministers **Chris Bowen** and **Catherine King's** announcement that the Government intends to build a detailed strategy to reduce vehicle emissions and increase zero- and low-emission vehicle options.

However, the Climate Council believes some members of the new car industry are blocking the road to cleaner vehicles.

Speaking at the National Electric Vehicle Summit in Canberra, climate change and energy minister Bowen said the Government will release a discussion paper on a National Electric Vehicle Strategy that will include fuel efficiency standards.

"If Australia had acted in 2020, emissions could have been reduced by 5.1 million tonnes by now," Bowen says.

"Standards that lack ambition will leave us at the back of the queue for longer and leave Australia in danger of being even more of third world dumping ground.

"We're committed to ensuring an Australian vehicle market provides consumers with easier access to affordable and popular cars, including EVs that are better for the back pocket and the environment."

DEALERS WELCOME CONSULTANT ON EV STRATEGY

The Australian Automotive Dealers Association (AADA) welcomes the announcement by the Government that it will consult on the establishment of a national electric vehicle strategy.

"The AADA looks forward to contributing to the consultation process on behalf of Australia's more than 3100 new car dealerships and their 59,000 employees," says AADA chief executive **James Voortman**.

"New car dealers support action on lowering vehicle emissions, and consultation with industry is an encouraging sign that Australia will have a fit for purpose, nationally led, electric vehicle strategy.

"As zero- and low-emissions vehicles (ZLEV) become more prevalent, new car dealers will play an important role in supplying those vehicles to the market.



CHRIS BOWEN

"They'll also play an important role in demonstrating ZLEV cars to their customers and educating them on issues such as range, charging and performance."

Though the automotive industry agrees that a vehicle emissions standard is an important step forward, the decision should be guided by "a sensible evidence-based approach, taking into account Australia's unique features", Voortman says.

"A vehicle emissions standard will accelerate the emergence of ZLEVs...but in the US and Europe such standards have been complemented by generous financial incentives and industry has been given an appropriate timeframe to adjust.

"Australia is a very small right-hand drive vehicle market in global terms, and it is situated at the end of a long and complex supply chain.

"Australia's vehicle emissions standard needs to be realistic, achievable, and should not unduly punish consumers or motorists who can't afford the transition," he says.

THIRD WORLD DUMPING GROUND

Volkswagen Group Australia (VGA) welcomes the proposal to impose carbon emission rules on new cars.

"Our company was first to warn that



JAMES VOORTMAN



PAUL SANSOM

this country would become a 'third world dumping ground' for obsolete automotive technology," says VGA managing director **Paul Sansom**.

VGA, which sells Volkswagen, Audi, Skoda and Cupra, is Australia's biggest European vehicle importer and has taken a leadership position in the national discussion on EVs and emissions.

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Sansom was among the invitees who spoke at the summit convened by the Electric Vehicle Council of Australia.

The gathering was addressed by Bowen, Atlassian chief executive **Mike Cannon-Brookes**, and Tesla chief executive **Robyn Denholm**.

Attendees included US ambassador **Caroline Kennedy** and EU ambassador **Michael Pulch**.

Sansom participated in a fuel standards forum with **Zoe Daniel MP**, NRMA's **Emma Harrington** and **Samantha Johnson** of Polestar.

He said a "federally mandated emissions target for our industry is non-negotiable if Australia's supply of electric vehicles is to grow from a trickle to a flow and thereby start to meet ever growing demand.

"Markets where automotive manufacturers face financial consequences for failing to meet targets are prioritised for zero-emission vehicles. "Volkswagen Group Australia wants binding regulations that compel our factories to consider us. Greater supply inevitably leads to greater affordability."

In the prestige market, Audi imports the e-tron EV range. This year Volkswagen, Skoda and Cupra have had production approval for more affordable EVs.

COURAGEOUS INTENT

The Federal Chamber of Automotive Industries (FCAI) says it has advocated for a government-mandated CO₂ target for years.

"This is the kind of courageous intent we've been seeking from our Federal Government and it's a major step on our journey to delivering low-emission vehicles to Australian customers," says FCAI chief executive **Tony Weber**.

He says the direction is consistent with an approach outlined by the FCAI in July 2020 when it said: "The FCAI strongly supports a comprehensive approach to addressing motor vehicle emissions that includes fuel quality standards, the introduction of Euro 6 and the introduction of a challenging but realistic, achievable and market relevant CO₂ standard."

"The nationally led cooperative approach, supported by state and territory governments and relevant stakeholders, will help to build a comprehensive strategy that includes the complexities of vehicles, infrastructure, taxation, and incentives that are critical to achieving our climate change ambitions.

"It also is critical to ensure all Australians are included, rather than excluded because of where they live



JENNIFER RAYNER

and what they can afford, and ensure ambition is matched with reality."

BLOCKING THE ROAD

In spite of the FCAI claiming its advocacy of government-mandated targets, the Climate Council alleges that the body is blocking the road.

It's asking the FCAI to clear a path for fuel efficiency standards that will save Australians money and lower emissions.

"Last year FCAI member firms Toyota, Mazda, Mitsubishi, Volkswagen, Honda, Hyundai, Nissan and Volvo sold over half a million new cars into the Australian market," says the council's head of advocacy **Dr Jennifer Rayner**.

"Most of those were dirtier and less efficient than the cars they sell overseas.

"Australians are left paying the price for that dirty transport fleet many times over.

"We pay at the petrol pump because less efficient cars guzzle more fuel and we pay in rising transport pollution, which is fuelling climate change and harming our health."

"FCAI's members selling dirty, inefficient cars into Australia well into the 2040s is not an option if we want to achieve the deep emissions cuts needed this decade to avoid the worst effects of climate change.

"The vehicle industry must do its bit towards Australia's new target of cutting emissions by at least 43% by 2030 otherwise which other parts of our economy and community will have to do more?"

She says strong fuel efficiency standards are the best way to cut costs for



MICHAEL BRADLEY

Australians and cut emissions.

BALANCE NEEDED IN TRANSITION

The Australian Automobile Association (AAA) says the Labor Government is right to explore how a light vehicle fuel efficiency standard can bring cleaner cars to the market.

Representing 8.7 million members of state motoring clubs across the country, the AAA says it has long advocated for such a mechanism and looks forward to helping design an Australian-specific scheme that balances ambition, achievability, and costs to the consumer.

It will focus on ensuring possible vehicle cost and choice impacts are considered fully.

The AAA wants the Government to avoid picking winners or focusing on a single technology, given Australia's emission reduction targets will require increased supply of vehicles using a range of fuels and technologies.

"Electric vehicles will undoubtedly be part of the solution," says AAA managing director **Michael Bradley**.

"However, a technology agnostic approach will ensure Australian motorists also benefit from access to ever-improving hybrid and internal combustion engines.

"Government is right to be ambitious (but) we need to be mindful of the factors which will continue to constrain Australia's access to emerging technologies, such as our unique fuel quality, traditional vehicle preferences, and the fact we're a relatively small right-hand drive market."



TOYOTA EVALUATING TUNDRA FOR AUSSIE

Toyota Motor Corporation Australia (TMCA) says it's partnering with Melbourne-based Walkinshaw Automotive Group (WAG) to re-engineer the US-built Tundra pick-up truck to RHD for local evaluation and testing.

Previously, Walkinshaw developed right-hand drive Chevrolet trucks for GM Speciality Vehicles (GMSV) and formed a joint venture with the Ateco Group called American Special Vehicles (ASV) to develop right hand drive Ram trucks for Australia and New Zealand.

Toyota says its focus on ensuring delivery of its quality, durability and reliability attributes is expected to result in one of the most thorough development projects undertaken for a vehicle program of this type in Australia.

After significant development in-house, prototype testing on public roads will begin in September 2022.

Starting from quarter four next year, Toyota will deploy approximately 300 of its cars all around Australia, as

part of the final stage of the RHD re-engineering program.

The vehicles won't be for sale but will be monitored under real world usage conditions in Australia.

Toyota says the program is expected to set a new benchmark in Australia for the re-engineering of a full-sized pick-up truck from LHD to RHD.

It will include the adoption of key components from Toyota's global parts catalogue, including the steering column and rack, accelerator, brake pedals and shift lever from the LandCruiser 300 platform.

The vehicles will be equipped with a new inline hybrid system featuring a twin-turbo 3.5-litre petrol V6, the most advanced and fuel-efficient powertrain available on the Tundra.

TMCA says an Australian RHD Tundra faces further checkpoints in Toyota's global approval process before its retail introduction can be confirmed.

Spokesman **Sean Hanley** says the local

company and its dealers were eagerly anticipating being part of this unique program.

"This a dedicated re-engineering program, led by Toyota Australia and made possible by our global partners and is closely supported by our parent company and Toyota North America. It will utilise OE levels of design, development, testing and componentry rooted in Toyota's deep commitment to quality, durability and reliability," Hanley says.

"This project shows just how serious we are at Toyota about quality, and a RHD Tundra will not be available for sale in Australia, until we are totally satisfied.

"We're really excited to get such a significant project to this stage, and look forward to seeing development prototypes on our roads and test tracks in the weeks and months ahead," he adds.

30+ INTEGRATION PARTNERS IN ONE FINANCE AND AFTERMARKET SOLUTION

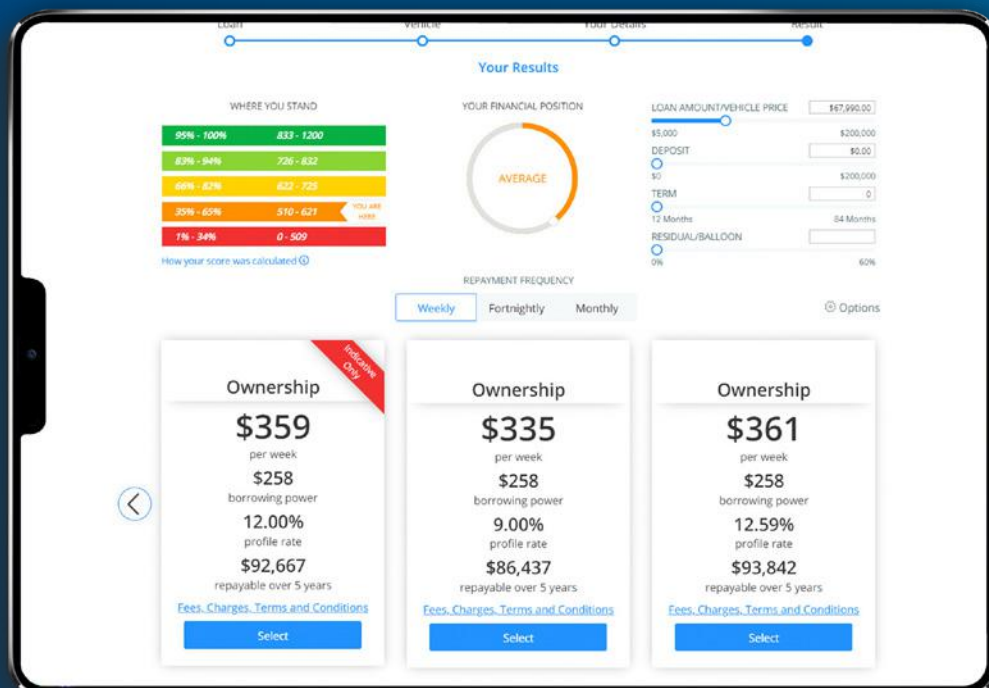
Our Finance & Aftermarket platform is designed for auto dealers who want to increase finance penetration, manage regulatory compliance and drive revenue through a holistic system fully integrated with market-leading DMS, finance, insurance and aftermarket providers.

Customers using our platform experience, on average:

20%
increase in
finance penetration

25%
less discounting
on interest rates

30 mins
saved per
application



LEARN MORE

USING FINANCE TO DRIVE REVENUE AT YOUR DEALERSHIP

In a recent conversation with Michael Clarke, general manager for the Retail and Data division at Cox Automotive, Autotalk dug deeper into the topic of finance and how dealers are navigating post-pandemic days and the effect of the rules to improve car finance practices introduced by ASIC almost four years ago.

The Cox Automotive finance and aftermarket platform provides dealers with a software package that integrates with a wide panel of lenders and aftermarket providers, allowing them to increase finance penetration and manage regulatory compliance.

When **Autotalk** asked Michael to identify a customer experiencing outstanding results using the platform after the new rules were introduced, and this is what he told us:

Q: Keeping the dealer's name off the record, can you tell us a bit about them?

They are a dealer group with a nationwide presence playing in the new and used car market.

How many months/years have they used the finance platform?

Three years

What's the finance penetration using the platform?

When this group started, they were achieving 32% penetration, which is an expected result. They then introduced a recommended strategy of engaging the sales floor to promote finance from the enquiry. The data started to show a direct correlation between finance quotes (finance score) and finance penetration.

As the team engaged more, the finance penetration continued to climb. For the past 12 months, they have averaged 39% finance penetration across the group in what has been a challenging market.

To put that in perspective, every 1% increase equates to roughly \$12,000 additional revenue per month, so this result equates close to \$85k more profit.

Can you comment on the percentage savings in rate discounting?

Again, applying best practices, they saw a rate discounting average of 0.25% below the allocated profile rate. They were discounting 0.70% on average prior, and the national average across our network is around 0.86% discount. This difference works out to be about \$400-\$500 per contract. Given that this business signs over 250 contracts a month, that's another \$100k per month.

Can these numbers be translated into time? Considering that your platform is integrated with more than 30 lenders and aftermarket providers, are time efficiencies achieved at the dealer level because of the average time saved per application?

The numbers around time savings are harder to quantify as it depends on the financier, insurers, and the integrations we hold for that dealership.

However, on average, the breakdown is that when we integrate the dealership's dealer management system through to settlement, dealers using our platform can save, per customer:

- seven minutes transferring data from the vehicle contract to the finance application.
- eight minutes transferring that data from a manual application into a financier platform.
- six minutes transferring data through to insurance provider.
- four minutes inputting data to warranty provider.
- four minutes saved transferring into Schmick.
- seven minutes reconciling log.

Given that not every dealership will be integrated with every supplier, if we take a conservative view of 15 minutes and a business manager submitting, on average, 30 contacts (including declined or don't go ahead), that's 7.5



MICHAEL CLARK

hours saved per business manager, per month, or one full day of productivity gained, per business manager.

Also, it's worth mentioning that insurance warranty and Schmick can be sold to cash customers too, so there are more potential time savings on customers who don't finance.

So, in post-pandemic days, when we know that foot traffic has decreased at dealerships and with the shortage of stock that we're experiencing, how does a dealership advertise or promote financing options to achieve such results?

Mainly through the sales team. However, every dealership in this group manages its marketing spending differently.

Some do physical campaigns on finance, but most of it is about driving traffic to their website and getting customers to engage with digital tools, such as finding their credit score, which is a free service included with our platform.

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CALL FOR 7% ZERO EMISSION NEW TRUCK SALES IN 2024

SEA Electric has welcomed the Grattan Institute's truck plan, which supports the push to implement sustainable solutions for Australia's transport fleet.

The Australian company has developed a wide range of all-electric trucks, which it says are field proven with more than two million kilometres of real-world use to date.

SEA Electric founder and chief executive **Tony Fairweather** says the Grattan truck plan could go further and meet the already accepted baselines set in other countries.

"We commend the work by the Grattan Institute in highlighting the issues which face the transport industry, and society in Australia," Fairweather says.

"Across the world, there are jurisdictions which have led the way with introducing guidelines for transport manufacturers and fleets to adhere to.

"For instance, the Advanced Clean Trucks (ACT) Regulation, which has been implemented by the California Air Resources Board, (CARB) and has now been adopted by many states across the US, is accelerating the first wave of zero-emission trucks to enter the marketplace.

"We're calling for this same framework to be replicated here in Australia, actively lobbying the Federal Government for action.

"We need clear air quality targets, an understanding of the environmental impacts of transport, combined with zero-emission truck sales targets and company and fleet reporting.

"The truck manufacturers that participate in the USA market are



SEA ELECTRIC FOUNDER TONY FAIRWEATHER

the same that are dominant here in Australia, so there's no reason why it wouldn't and couldn't work locally.

"The Grattan Institute called for 2% of new truck sales being zero-emissions in 2024 but there's no reason this could not easily be expanded to 7%.

"It's somewhat disappointing to see some of the comments that have come from within the industry since the release of the report.

"There's clearly room for more education around the current possibilities in zero-emissions transport."

Since 2012, SEA Electric has grown a global footprint with its proprietary

SEA-Drive power-system, across five continents in a range of applications, from vans to heavy trucks.

Locally, the company began volume production of all-electric trucks in its Victorian base last year, which are available from a nationwide dealer network, complete with a full aftersales support suite.

The model line-up covers models from 4.5-tonne GVM capable of being driven on a car licence, through to 22.5-tonne three-axle rigid trucks, with the range capable of being adapted for a wide array of final applications.



...from page 14

Can you tell us more about the overall results when dealers advertise their finance options actively?

We noticed that when dealers advertise finance, they get a much higher engagement rate from customers with finance leads, adding up to 32% of all leads.

In the case of the dealer group we have discussed, that's 12 leads on average per website per month. After speaking with the dealer principal, he said that when they advertise finance options, the leads they receive per month are more than the number they previously received organically on their website in an entire year.

We also see that these customers convert to sales at 42% and that finance penetration on these customers is closer to 70%, again demonstrating what we already know, customers are arranging their finance earlier in the process and we need to get on their shopping list.





AUSTRALIAN EV SCOOTER BRAND PLUGS INTO GLOBAL MOBILITY SHIFT

The brainchild of Brisbane automotive entrepreneur **Joe D'Ercole**, Benzina Zero is a new brand of Chinese-made electric scooters which are plugging into the global shift towards sustainable and emissions-free mobility.

Directly translated from Italian, Benzina Zero means zero fuel, and the brand has begun European distribution from its warehouse in Abruzzo, Italy and Australasian distribution from the company's Kelvin Grove headquarters in Brisbane.

The philosophy driving Benzina Zero is to deliver electric scooters that enable the sustainable movement of people and goods through a concise product portfolio while satisfying a wide range of customer needs and business requirements.

Five all-electric scooter models will be available locally through authorised dealerships from Adelaide to Mackay. They are the utilitarian duo and duo +, the classically styled city, the contemporary styled sport and the three-wheeled cargo delivery scooter. Like many other successful Australian

automotive entrepreneurs, D'Ercole started as an apprentice motor mechanic, going on to become a successful prestige car and performance motorcycle dealer, and a successful property developer.

He was the driving force behind the Scootopia/Scooter Life retail business which sold more than 18,000 scooters in South East Queensland.

D'Ercole calls himself the chief battery charger at Benzina Zero and is joined in the business by a fellow sustainability champion, chief plugger-inner, **Ben Silver** who says he was drawn to the scooter lifestyle through Brisbane's emerging café culture in 2005.

The start-up brand is also part of the 1M2 project where for every electric scooter sold in Australia and global markets, it will regenerate one square metre of land creating the Benzina Zero forest.

"For us it's more than just trees in the ground," Benzina Zero says. "By creating biodiverse and sustainable landscapes we will ensure that we're giving our children the best chance to live in a world with a stable climate and future



BEN SILVER

Benzina Zero is also an accredited member of the B-cycle battery recycling project.

"We believe that it's our responsibility to support B-cycle and fundamentally change the narrative around battery sustainability in Australia," it adds.



HONDA ON TRACK TO REUNIFY OPERATIONS

Japanese manufacturer Honda's plan to reunite its cars (Honda Australia) and motorcycles and power equipment divisions (Honda Australia MPE) under one roof is on track.

It says the planned consolidation of the two divisions in one building in Melbourne is part of its Australian business transformation and local investment strategy.

In August last year, Honda Australia announced it would be moving from its current headquarters on Sharps Road in Tullamarine (where it has been based for more than 40 years), to a new head office location.

As part of the move, Honda Australia MPE would also relocate its headquarters from its current site on Sydney Road in Campbellfield and join the automotive business in a new, modern facility in Moonee Ponds, in Melbourne's inner north.

Work on the base build and internal fit-out of the new head office is well underway, with a target move-in date set down for the first quarter of next year.

"We're now making significant investments across the broader Honda business to strengthen our local



operations," says Honda Australia chief operating officer **Stephen Collins**.

"It's been more than 30 years since Honda's automotive and motorcycle/power equipment businesses were co-located and it's a significant undertaking to reunify the two business operations."

"As 'One Honda' in Australia we'll have greater scale to realise our full potential and best serve our diverse range of customers," Collins says.

In addition to the single location for Honda Australia's national headquarters, the company's local investment plans include developing a parts distribution facility in the Melbourne Airport Business Park, along

with further investments at the multi-purpose Somerton site.

Construction of the new Parts Distribution Centre has begun and is due for completion in mid-2023.

Honda's lawnmower and brush-cutter assembly factory in Somerton and the Honda Australia Rider Training (HART) facilities in Somerton and Kilsyth will continue to operate from their existing locations.

The sale of Honda Australia's Tullamarine and Campbellfield properties to a fund managed by Hines global real estate and investment management has been completed.



FROM LEFT TO RIGHT: STAVROS CHRISTIDIS, WORKS COUNCIL CHAIRMAN VWCV, JOSEF BAUMERT, MEMBER OF THE BOARD, HERBERT DIESS, VW GROUP CHAIRMAN, THOMAS SCHÄFER, VOLKSWAGEN PASSENGER CARS CEO, CARSTEN INTRA, CEO VWCV, STEFAN LITEK, HEAD OF HANOVER PRESS SHOP, AND THOMAS HAHLEBOHM, PLANT MANAGER HANOVER.

VW UPSKILLING WORKFORCE FOR EV ERA

Volkswagen is investing 21 million euros in upskilling its workforce as it moves to become a leading supplier of sustainable mobility solutions.

Autonomous driving, electric vehicles, new business models, and a highly skilled workforce are included in the transformation drive under Volkswagen Commercial Vehicles' (VWCV) Grip 2030 strategy.

The brand's strategic objectives and VWCV's Hanover plant's future were discussed at the site by Volkswagen executives including management board chair **Herbert Diess**, VW brand chief executive **Thomas Schäfer**, group works council chair **Daniela Cavallo**, VWCV brand management board chair **Carsten Intra**.

VWCV aims to increase the electric proportion of its fleet to more than 55% by the end of the decade.

"We've laid the foundations for that this year with the start of production of the ID. Buzz," says Intra.

"We are further gearing up the production operation to the manufacture of electric vehicles and are training up the workforce for the future tasks in a highly automated, digital factory."

Intra says VWCV now has some areas in the Hanover factory where 93% of the tasks are done by robots, adding a modern factory calls for employees to have new skills too.

Schäfer says that with the electrification of the portfolio and with the Centre of Excellence for Autonomous Driving, the team led by Carsten Intra is addressing



SINCE MAY OF THIS YEAR, THE ID. BUZZ HAS BEEN PRODUCED AT THE HANOVER PLANT.

the right issues.

"The ID. Buzz is a brand-shaper for Volkswagen and is generating enthusiastic reactions all over the world," he says.

"With over 10,000 advance sales, the order books are well-filled, and production is now being ramped up further."

During the VWCV Site Symposium, production department staff presented modern technologies in the production facility.

Hendrik Volksmann, a body shop machine operator, demonstrated using a smart watch to get important information about the plant and machinery, thus being able to identify and remedy any issues promptly.

Particular focus was placed on changes since the last symposium in 2019, before the pandemic, and

the successful start-ups of the new Multivan and ID. Buzz.

They included increased production efficiency as a result of an automatic stacking system in the press shop where a new plate-cutting system has been commissioned.

And digitalisation and automation in the new body shop buildings, a modernised assembly facility with new line sections for electrical features.

There are also improved ergonomics, the construction of a new logistics centre (16,000 square metres) and a bridge linking it to the factory, the commissioning of an XXL lift for self-driving transporter trains up to 20 metres long and able to carry up to 45 tonnes, and a start on a new vehicle production hall.

VACC LAUNCHES FULLY CHARGED STATE ELECTION MANIFESTO

The Victorian Automotive Chamber of Commerce (VACC) has launched its 2022 state election manifesto for the incoming government to consider.

It's titled: ***Fully Charged: The automotive industry's policy priorities for the next Victorian state government.***

The document calls for the implementation of 27 recommendations that will make a difference to the state's 19,000 automotive businesses and the more than 110,000 Victorians working in them. Not to mention Victoria's 4.5 million motorists.

"Automotive is in the midst of unprecedented change," says VACC chief executive **Geoff Gwilym**. "VACC stands ready to work with the next Victorian Government to assist the industry to navigate this challenging transition to an electric vehicle fleet

"The most urgent issue is to address critical labour shortages across all sectors of the industry."

VACC says the next state government

must:

- Create a comprehensive zero and low-emissions vehicle (ZLEV) strategy.
- Instigate a three-year apprentice wage subsidy program for employers.
- Introduce a three-year apprentice mentoring program to improve retention rates.
- Invest in sustainable waste recycling and renewable energy facilities.
- Raise Victoria's payroll tax threshold to \$1.2 million per annum.
- Implement an annual roadworthy requirement for vehicles eight years old and over.

"There's more to do, of course, but if the next Victorian government gets these policies in place it will shore up an \$11 billion sector," says VACC.

"The automotive industry is a fundamental component of a well-functioning economy, and it's at a critical juncture," Gwilym says.

"With the emergence of ZLEVs and a long-standing skills shortage, industry and government must work together to



GEOFF GWILYM

keep Victoria on track."

Fully Charged: The automotive industry's policy priorities for the next Victorian state government can be downloaded from the VACC website.

TOYOTA CONFIRMS US\$5.6B EV BATTERY INVESTMENT

In spite of confirming it has fallen short of its production targets again, Toyota Motor Corporation (TMC) has also announced a US\$5.6 billion dollar investment into battery manufacturing for electric vehicles (EV), at its Japanese and US factories.

TMC reported that its global July vehicle production output was down 8.6% year-on-year. It's the fourth month running that the brand has fallen short of meeting its internal targets.

It produced 706,547 vehicles in July; well short of the 800,000 it had forecast and down on the 773,135 it produced in the same month last year.

Reuters reports that July's drop was unsurprisingly caused by COVID-19 outbreaks, extreme weather, the ongoing semi-conductor shortage, and a recall probe.

In August, Toyota stood defiant in the face of its recent production woes, saying they wouldn't impact the brand's projected annual output of 9.7 million vehicles.

It announced this while also dropping its expected production target for August from 850,000 to 700,000. The brand expects production to ramp up in September, with its target for next month still sitting at 850,000 units.

EV BATTERY PRODUCTION

TMC says of the \$US5.6b budget for EV battery production, US\$2.8b will be invested in its Himeji Plant and in other Japanese facilities.

And US\$2.35b will be invested in the Toyota Battery Manufacturing North Carolina plant in the US.

Reuters reports that the latter represents a tripling of what Toyota



had initially pledged to spend on US development.

Battery production at these factories is set to begin between 2024 and 2026. The two factories could form part of TMC's proposed solid state battery production scheme.

TMC's electric vehicle journey has endured a rocky start thus far, with its bZ4X hit with an early recall and delays caused by supply shortages.

MTA QUEENSLAND'S 2022 INDUSTRY AWARD FINALISTS

The Motor Trades Association of Queensland (MTA Queensland) has announced the finalists for its 2022 Industry Awards.

The awards recognise outstanding individuals 'and businesses' contributions to the automotive and mobility industries.

The winners will be announced at the 2022 MTA Queensland Industry Awards Gala on November 19 at the Emporium Hotel, Southbank.

With so many member businesses under enormous pressures during the past 12 months, "the calibre and volume of nominations were astounding", the MTA Queensland says.

The award categories celebrated at the Industry Awards Gala include:

- **Community Award** – presented to an individual or member business who is a role model in their community.
- **Innovation Award** – presented to an innovative individual or business that is supporting or implementing emerging technologies in the automotive or mobility industry.
- **Women in Industry Award** – presented to an outstanding female leader or business achieving success through its commitment to driving change in the automotive or mobility industry.
- **Apprentice of the Year Award** presented to an MTA Institute apprentice who demonstrates a dedication to learning and performs above and beyond expectations and their peers.

Finalists for the Community Award include:

- **Jeepart Recyclers (Hervey Bay).** For the last seven years, **Joy Beacham**, owner of Jeepart Recyclers, has participated in the Fraser Coast Dunga Rally for a Cause, raising over \$110,000 for local charities across the Fraser Coast.
- **Southeast Auto Mechanical (Beenleigh).** Southeast Auto Mechanical has become an integral member of the Logan community, regularly delivering training programs to local school students, as well as hosting the quarterly Women on the Move initiative to empower



women and teach them basic car maintenance and repair skills.

- **The Garage Miami.** Dedicated to a mission statement of "become the first choice for locals", The Garage Miami goes to great lengths to support local initiatives, including sponsoring the Broadbeach Cats AFL Old Boys, the Bond Pirates Rugby Club, Miami Nippers SLSC, Palmy in Pink Dinner Fundraiser.

Finalists for the Innovation Award include:

- **Benzina Zero.** Benzina Zero is at the forefront of innovation as a leading importer and distributor of electric first and last-mile mopeds and scooters to more than 18 countries across Europe, Asia, and Australia.
- **E-Motion Concepts.** e-Motion Concepts specialises in commercial and consumer light electric vehicles, offering a portfolio that covers business and lifestyle settings.
- **Sarfraz Ali Kyani.** As PhD candidate from QUT, Sarfraz is exploring recycling of automotive parts for additive manufacturing, researching the automotive industry to identify opportunities and obstacles to establishing sustainable business activities related to recycling plastics.

Finalists for the Women in Industry Award include:

- **Hatice Hutchinson (All Car Engine Reconditioning Services, Yatala).** Hatice owns All Car Engine Reconditioning Services and has more than 25 years' automotive experience. She has mentored countless young women through her business while encouraging a business environment

that supports the needs of the many women in its customer base.

- **Skid Control (Brendale).** Identifying a lack of support for women looking to take part in driver training events, Skid Control introduced the She's in Control initiative that teaches women the skills to control their car in the wet in a safe, controlled environment. Since introducing the program, Skid Control has seen female participation more than double.
- **Tania Meli (Frizelle Sunshine Automotive, Southport).** Tania is dealer principal of Audi Centre Gold Coast and Ferrari Gold Coast. She is passionate about women in business. Her dealership is the regular host venue for the Gold Coast chapter of Future Females, and she is often a panel facilitator for the event.

The finalists for the Apprentice of the Year Award are made up of the 12 MTA Institute Apprentice of the Month winners from the preceding 12-months and will be announced soon.

"During the last 12 months, we've experienced extreme weather events, impacts from COVID-19, shortages in both skilled labour and parts and supplies, and ongoing disruption at the hands of technological advancements," says MTA Queensland chief executive **Rod Camm**.

"However, the ingenuity, dedication, and excellence displayed by this year's finalists...gives me comfort knowing our industry is in safe hands, and they deserve the recognition."

UPGRADED LEXUS UX RANGE ARRIVES MID-SEPTEMBER

Lexus Australia's upgraded UX 200 and UX 250h SUVs are expected to arrive in local showrooms from mid-September.

Prices increase between \$1640 and \$1895 and start from \$46,085 for the UX 200 Luxury which now incorporates the latest Lexus multimedia system of a larger 12.3-inch touchscreen.

Now supporting wireless Apple CarPlay and wired Android Auto, the new multimedia system has DAB+ digital radio, satellite navigation, and an expanded 10-speaker audio system.

Customers can now use the "Hey Lexus" dynamic voice recognition feature for commands like changing radio station or lowering the windows.

A new sharkfin antenna on all UX models uses an inbuilt Data Communication Module (DCM) connected to a mobile network.

Lexus Connected Services offers a three-year complimentary period for connectivity features through the Lexus Connected app.

That includes Lexus Multimedia Connect, which synchronises the app with the UX's multimedia system, offering cloud-based connected navigation with live traffic, weather, parking and map updates, location searching, and first- and last-mile routing.

Lexus Remote Connect allows owners to activate functions from outside the vehicle, including remotely activating engine start, door and boot lock/unlock, hazard lights and buzzer.

Lexus Status Connect provides the vehicle's last known location, recent trip information, diagnostics data, and the lock status of the doors.

It shows whether the doors, windows, bonnet and boot are open or closed, tyre pressures, and if the hazard lights are on.

It also offers Drive Pulse, which analyses acceleration, braking and cornering speeds to give the driver an overall rating out of 100.

UX Enhancement Packs (EP) start with the UX 200 Luxury + EP1 which adds LED foglights, parking support alert, parking support brake, blindspot monitor with rear cross traffic alert, and smart entry.

The EP1 package adds 18-inch alloy wheels with a five-spoke design and machined finish, replacing the standard 17-inch dark grey metallic rims.

Stepping up, the Luxury + EP2, the entry point for the UX 250h 2WD, builds on the UX 200 Luxury + EP1, adding



a power back door (plus kick sensor on hybrids), wireless phone charger, cornering lights, alloy scuff plates, headlight cleaner, rear privacy glass, roof rails and illuminated entry. Also available on EP2 are 18-inch alloys.

Luxury grades include EP3 which adds a moon roof, and on UX 250h optional 18-inch wheels.

The UX 200, 250h 2WD and 250h AWD are all available in F Sport and Sports Luxury guise, providing the option of a model geared towards performance or comfort.

Upgraded specification shared by the F Sport and Sports Luxury include high-grade LED headlights with dynamic auto-levelling, LED front turn signals, adaptive high-beam system (AHS), and auto power-folding heated exterior mirrors, reverse link, memory function, and driver's side electro-chromatic finish.

Inside, Sports Luxury grades and above add metallic finish door garnishes and instrument cluster, driver and front passenger seat ventilation, driver's side seat memory and easy access system.

Features exclusive to Sports Luxury include the same 18-inch alloys offered on Luxury Enhancement Packs, acoustic front and side glass, luxury leather-accented seats, a 13-speaker Mark Levinson hi-fi audio system, and a panoramic view monitor.

A single Enhancement Pack is available for Sports Luxury, adding a moon roof, smart key card and head-up display (HUD).

Meanwhile, F Sport variants gain unique features starting with exclusive exterior styling touches including front and rear bumper design, F Sport grille and badging, dark premium metallic 18-inch wheels with a five dual-spoke design and, for the first time on UX, body-coloured wheelarches.

Inside the cabin, there are F Sport-

exclusive shift lever, steering wheel, pedals, aluminium foot rest, Active Sound Control, a unique eight-inch TFT digital instrument cluster and F Sport seats.

The F-Sport gets a retuned version of the Adaptive Variable Suspension (AVS) system, rear performance damper and a five-mode drive mode select comprising Eco, Normal, Sport S, Sport S+, and Custom modes.

Two Enhancement Packs are available on F Sport, with EP1 adding a moon roof, and EP2 adding the panoramic view monitor, smart key card, HUD and 13-speaker Mark Levinson system.

Lexus engineers have refined the UX 200's 2.0-litre petrol engine, adding a stop-start system to reduce fuel consumption.

Driving the front wheels via a Direct Shift continuously variable transmission (CVT), the UX 200 produces 126kW at 6600rpm and 205Nm from 4400-4800rpm.

Available with two-wheel drive or E-Four all-wheel drive, the UX 250h teams a 2.0-litre four-cylinder petrol engine with either one or two permanent magnet motors respectively and a 216V nickel-metal hydride battery.

The 2.0-litre petrol engine produces 107kW at 6000rpm and 188Nm from 4400-5200rpm, while the front electric motor contributes a further 80kW and 202Nm.

Versions equipped with the E-Four AWD system gain a second 5.3kW motor on the rear axle, capable of splitting front/rear torque from 100:0 to 20:80 for start-off grip.

Combined power output for both hybrids is 135kW, with combined fuel consumption of 4.5 litres/100km on 2WD grades.



NEW-GENERATION HONDA CIVIC TYPE R RELEASED IN JAPAN

On September 2, the Honda Motor Company officially released the all-new sixth-generation Civic Type R in Japan ahead of its launch in global markets in coming months.

Honda says it is the most powerful model yet in the 30-year history of the Type R brand.

The 2023 Civic Type R set a new production-car front-wheel drive track record at the Suzuka Circuit in Japan, securing its legacy as the best performing Civic Type R yet.

Honda engineers developed the car extensively in Japan and did rigorous testing at racetracks in Japan, North America, Europe.

The sixth-generation Civic Type R uses a more powerful version of Honda's K20C1 engine. Power, torque and response are improved by a redesigned turbocharger, increased air intake flow rate and a new, more efficient exhaust system that features a straight through design and an active exhaust valve.

The turbocharged 2.0-litre four-cylinder engine now produces 235kW of power and 420Nm of torque – improvements of 7kW and 20Nm.

A larger grille opening, bigger radiator and a new large-diameter fan improve engine cooling, ensuring sustained, optimal performance during extreme driving.

To further strengthen the driver's connection with the car, the active exhaust valve opens at higher rpm to heighten and enhance the sound of the engine.

Honda says the six-speed manual gearbox has been improved, a lighter

flywheel and a revised rev-match system ensure perfectly paired rev-matching when shifting down through the gears. And there's a high-rigidity gear lever and optimised shift gate pattern.

Based on the 11th-generation Civic hatch, the car has a significantly more rigid body which improves dynamics and refinement. The wheelbase has been extended for a smoother ride and greater stability, and the front and rear tracks are significantly wider.

Together with a retuned dual-axis strut front and multilink rear suspension, these changes improve straight-line stability and steering feel.

There are two-piece front brake rotors to reduce unsprung weight, while brake cooling is also improved and a retuned brake booster enhances feel and controllability.

Honda says drivers can switch among four pre-set performance settings, selecting different modes for the engine, steering, suspension and engine sound.

In addition to Comfort, Sport and +R modes, a new 'Individual' mode enables customisation.

Designed with input from aerodynamic development members of the HRD Sakura Super GT team, Honda says the new Civic Type R is more aerodynamically efficient, generating significantly more downforce.

The Type R features integrated flared wheelarches over wider tracks and lightweight 19-inch matt black alloy wheels wrapped in wider Michelin Pilot

Sport 4S tyres.

The wheels have a special 'reverse rim' design that improves the stability of the tyre contact patch under load.

All body panels forward of the A-pillars are new and unique to the Type R, including a new more aggressive front bumper.

The car's lower stance is accentuated by wider rear doors exclusive to Type R and a reshaped rear bumper with three round exhaust outlets.

A redesigned rear spoiler with aluminium stanchions and a new rear diffuser intensify downforce and reduce drag.

Honda says the cockpit is performance-focused with red seats, carpet and trim, a redesigned aluminium gearshift knob and a serialised Type R build plate on the dashboard.

The driver sits lower than before in new, lighter, sport seats, yet with greater visibility courtesy of the thinner pillars, relocated side mirror and a lower bonnet.

The lightweight, heavily bolstered front sports seats with suede-effect upholstery offer both support and comfort on the track and during long drives says Honda.

The new Civic Type R is built at the Yorii Plant in Japan, while the K20C1 engine continues to be built at Honda's Anna Engine Plant in Ohio.

Pricing and further details will be announced closer to the Australian launch in early 2023.



TOYOTA ANNOUNCES COROLLA CROSS SUV PRICING

Toyota Australia has announced recommended retail pricing for the new Corolla Cross SUV, which arrives in local showrooms in October with the model range starting from \$33,000.

It will be more than a year since the Toyota Corolla Cross went on sale in Japan, and more than two years since the model was launched in Thailand.

But Australia-bound cars will be sourced from the Takaoka plant in Aichi Prefecture, Japan.

Customers will be offered a choice of two-wheel drive or electric all-wheel drive, petrol or hybrid powertrains, and three grades – GX, GXL and flagship Atmos.

Toyota Australia spokesman **Sean Hanley** says the Corolla Cross would appeal to a broad range of customers.

"With ample space for a variety of customers and lifestyles, new safety and connected features and fuel-efficient powertrains, the Corolla Cross gives customers what they want out of a small SUV."

The range begins with the 2WD GX, available for \$33,000 for the 2.0-litre four-cylinder petrol version or \$35,500 for the 2WD hybrid.

The GX is distinguished from the outside by 17-inch alloy wheels, LED lights, daytime running lights, and heated and auto retractable door mirrors.

Inside, standard equipment includes automatic air conditioning, fabric seats, and smart entry and start.

It also features the latest-generation Toyota multimedia system with an 8.0-inch touchscreen display and six-speaker audio system, and supports wireless Apple Carplay, wired Android Auto and DAB+ digital radio.

The Corolla Cross will offer the most expansive suite of Toyota Connected Services safety and convenience features which will be supported by the car's data control module (DCM).

The latest Toyota Safety Sense suite of driver assistance features is standard on every variant.

Lane change assist joins existing features that have been enhanced including pre-collision system with pedestrian and bicyclist detection, active cruise control with curve speed reduction, lane trace assist, and lane departure alert.

All grades have eight SRS airbags, automatic high beam, blindspot monitor with safe exit assist, rear cross traffic alert and a reversing camera.

The mid-range GXL grade is priced at \$36,750 for the petrol, while hybrid versions are available with the choice of 2WD (\$39,250) or E-Four AWD (\$42,250).

Stepping up to the GXL adds high-grade LED headlights, front foglights, rear privacy glass, and roof rails.

On the inside are combination leather-accented and fabric seats, leather-accented gearshift knob and steering wheel, electro-chromatic rear view mirror and dual-zone automatic air conditioning.

An enlarged 10.5-inch touchscreen multimedia system with satellite navigation is introduced on GXL, with a pair of USB-C ports included for rear occupants.

Further safety features include front and rear parking support brake with static object and rear-crossing vehicle detection and a Panoramic View Monitor (PVM).

The flagship Atmos is priced from \$43,550 for the petrol engine; 2WD and AWD hybrid grades are priced at \$46,050 and \$49,050 respectively.

Externally, Atmos grades feature larger 18-inch alloy wheels, a panoramic moon roof and powered tailgate with kick sensor.

Leather-accented seats with front seat heating and driver's eight-way power adjustment a heated steering wheel, wireless phone charger, automatic rain-sensing front wipers, and 12.3-inch full digital instrument cluster display are standard.

Atmos hybrids also gain Advanced Park Assist and a full function Panoramic View Monitor with see-through moving view.



TOYOTA HILUX ROGUE

TOYOTA CONTINUES NEW CAR MARKET DOMINATION

Toyota continues to dominate the Australian new car market with three models in the top five best-sellers.

Figures released by the Federal Chamber of Automotive Industries (FCAI) show the Toyota HiLux was still the country's top-selling vehicle with 6214 August sales, followed by the Ford Ranger in second place with 4497 units, and the RAV4 in third with 2482.

The Tesla Model 3 has shot up the Australian new vehicle sales chart to fourth place overall in August 2022. The Toyota Land Cruiser took fifth place on the new vehicle charts with 2379 units registered.

A total of 95,256 vehicles was sold in August bringing the year-to-date total to 717,575, a 17.3% increase on the same month of 2021.

FCAI chief executive **Tony Weber** says the positive result was encouraging

amid the global economic recovery from the COVID-19 pandemic.

"The August VFACTS sales are the best August result since 2017. This gives hope that the supply of vehicles to the Australian market is beginning to show signs of improvement," Weber says.

Sales across most states and territories increased. The ACT increased 49.8% with 1410 vehicles sold. New South Wales 40% (30,501); the Northern Territory 4.2% (816); Queensland 11.7% (21,379), and Victoria 18.4% (25,053).

Sales in all other states decreased. South Australia declined by 9.7% (5702); Tasmania declined by 3% (1611), and Western Australia saw a 6.5% drop in new vehicles sales (8784).

Toyota led the market with a total of 20,616 vehicles sold. **Mazda** was next with 8824 followed by **Kia** (6780), **Hyundai** (6643) and **Mitsubishi** (6380).

TOP 10 BRANDS



1. TOYOTA 20,616



2. MAZDA 8824



3. KIA 6780



4. HYUNDAI 6643



5. MITSUBISHI 6380

4X4 UTES



1. Toyota Hilux
4329



2. Ford Ranger
4030



3. Mitsubishi Triton
1757



4. Isuzu Ute D-Max
1710



5. Toyota Landcruiser
1166



6. GWM Ute
907



7. LDV T60/T60 MAX
612



8. Mazda BT-50
533



9. RAM 1500
499



10. Nissan Navara
394

SUV SMALL <\$40K



1. MG ZS
1516



2. Mazda CX-30
1463



3. Mitsubishi ASX
1100



4. Subaru XV
960



5. Kia Seltos
869



6. GWM Haval Jolion
845



7. Hyundai Kona
783



8. Mitsubishi Eclipse
Cross
741



9. Toyota C-HR
533



10. Suzuki Vitara
466

TOP 10 BRANDS



6. FORD 5839



7. TESLA 3397



8. MG 3074



9. SUBARU 2960



10. VOLKSWAGEN 2868

TESLA AMONG AUGUST TOP SELLERS

EVs had their biggest sales month yet in August.

"We've seen strong sales of battery electric vehicles (BEVs) in August, with Tesla alone selling 3397 vehicles," says Federal Chamber of Automotive Industries (FCAI) chief executive **Tony Weber**.

"In the month, EV sales were 4.4% of the total market. This is the highest market share for pure battery electric vehicles ever recorded in a single month in Australia.

"Year-to-date EV sales are 2% of the total market, hybrids are 7.6%, and plug-in hybrid vehicles are 0.6%.

"Combined electrified vehicles are now just over 10% of total sales in 2022."

Tesla's Model 3 (2380 sales) was the fourth highest selling new car model for the month, behind the Toyota HiLux (6214), Ford Ranger (4497), and Toyota RAV4 (2482).

The latest sales figures also show electrics have rocketed more than 999% from 370 in August last year to 4235 last month, climbing from 3102 year-to-date in 2021 to 14,524 (368.2%).

That's especially in new passenger sales with electrics also up more than 999% from 76 in August 2021 to 2668 in August 2022, up 761.1% year-to-date (from 1094 to 9420).

Plug-in hybrids (PHEVs) rose 59.3% from 27 in August last year to 43 in August 2022.

In the popular SUV category, electrics rose 429.9% from 294 to 1558 in monthly comparisons and from 205 to 231 year-to-date.

Meanwhile, a discussion paper on the Albanese Government's National Electric Vehicle Strategy will be released soon for wide consultation.

At the strategy's heart will be a plan to improve EV uptake, affordability, and choice by widening the range of brands on sale.

At last count, consumers in Britain could take their pick of 26 low-emissions vehicles under \$60,000. In Australia that number is only eight, infrastructure, transport, regional development and local government minister **Catherine King** told the recent National Electric Vehicle Summit in Canberra.



In recognition of the importance of all jurisdictions working together to tackle this challenge and opportunity, the climate change and energy minister and transport minister have written to state and territory ministers inviting participation in the strategy's development.

A Driving the Nation plan will establish a national EV charging network, with charging stations at an average 150km interval on major roads, create a national "Hydrogen Highways" refuelling network, and set a low-emission vehicle target for the Commonwealth fleet of 75% of new leases and purchases by 2025.

"We want to hear your views on how best to design fuel efficiency

standards in Australia to meet industry and consumer needs now and for generations to come, so I encourage people to have their say," said King.

Six elements are needed in the strategy, says the University of New South Wales (UNSW) postdoctoral researcher **Gail Broadbent** who has written previously about the economic and environmental importance of EVs.

The required elements are mandatory fuel emissions standards, making EVs more affordable, adequate roll-out of recharging infrastructure, government procurement of EVs, increased supply of renewable electricity, and education and communication about EVs.

ELECTRIC, PHEV AND HYBRID SALES					AUGUST 2022			
Total Market	Month		YTD		Variance +/- Vol. & %			
	2022	2021	2022	2021	MTH	YTD	MTH	YTD
ELECTRIC								
Passenger Private	2,668	76	9,420	1,094	2,592	8,326	>999%	761.1%
SUV Private	1,558	294	5,070	1,975	1,264	3,095	429.9%	156.7%
Light Commercial Non-Private	9	0	34	33	9	1	-	3.0%
Sub Total	4,235	370	14,524	3,102	3,865	11,422	>999%	368.2%
HYBRID								
Passenger Private	2,260	3,015	18,671	19,009	-755	-338	-25.0%	-1.8%
SUV Private	4,604	3,472	36,028	29,288	1,132	6,740	32.6%	23.0%
Sub Total	6,864	6,487	54,699	48,297	377	6,402	5.8%	13.3%
PHEV								
Passenger Private	43	27	281	265	16	16	59.3%	6.0%
SUV Private	497	267	3,778	1,794	230	1,984	86.1%	110.6%
Sub Total	540	294	4,059	2,059	246	2,000	83.7%	97.1%
TOTAL	11,639	7,151	73,282	53,458	4,488	19,824	62.8%	37.1%