



Imported Motor Vehicle Industry Association Incorporated

Annual Report

1 April 2021 – 31 March 2022

Annual Report for the period April 2021 to March 2022

Annual General Meeting:

Thursday 23th June.

Jacanna offices, New Lynn Auckland, and accessible by video link.

Patron

Alistair Sheard

Board

Chris Stephenson Chair

Matt Battle

Sean Stevens

Ken Quigley

Chief Executive

David Vinsen

Solicitors

Lee Salmon Long

Accountants

Henning & Associates

Bankers

Westpac

ANZ Bank

Mission Statement

“VIA is committed to supporting and promoting the vehicle import industry.”

VIA represents those who are directly or indirectly involved in the importation, refurbishment and marketing of vehicles.

This report covers the activities of the Imported Motor Vehicle Industry Association (“VIA”) for the 12 months from April 2021 to March 2022.

1. Governance:

a. Constitution and Restructure

The restructured association has been in effect for almost two years.

b. Board

The board of directors has responsibility for governance and finance.

c. Council

The Council comprises representatives of all tiers of members, and has responsibility for industry issues.

The Council has met on a number of occasions, in person and with video access.

Council meetings have consisted of reports and discussions on industry issues, with guest speakers on occasion.

2. Management

The chief executive formally reports to the chairman of the elected board, with responsibility for implementing the policies of the association, and for managing its operations. He is an independent contractor.

3. Staff

VIA staff has consisted of:

- Bev Purchase, Office Manager, (part time)
- Malcolm Yorston, Technical Services Manager
- Kit Wilkerson, Policy Analyst and Statistician

All staff work from home, meeting regularly in person on a weekly basis where possible, and by using video conferencing as necessary.

The Board has decided to reduce VIA’s operating costs by again restructuring the association, disestablishing Bev’s position.

Bev has given 29 years loyal service to the association, through all of its various forms and names. She has made a huge contribution to the running of the association throughout this time.

4. Financial

The draft of VIA’s annual financial statements has been posted on the website; they have not been reviewed by the appointed independent accountant as they have not had staff available. (Covid has prevented them from bringing in audit staff from overseas).

VIA’s result for the 2022 financial year was a small surplus of \$9,155, in line with the budget.

5. General Overview

Good numbers of vehicles, new and used, continued to be imported over the past year, despite disruptions from the effects of COVID-19 regulations.

Apart from our core functions, two issues have dominated VIA's attention and activities:

- The implementation of the Clean Car Discount legislation, and
- Dealing with the ramifications of COVID-19, the Lockdowns and restrictions.

6. Core activities

The activities of the Association can be considered in three distinct areas:

- **Current:**
Providing technical advice and support to the industry
Dealing with urgent industry issues as they arise such as biosecurity and COVID-19
Lockdown responses
- **Medium term:**
Political advocacy and consultation on proposed new legislation, to ensure that the industry is properly represented.
- **Future:** Monitoring and researching trends and changes that are likely to affect the industry.

Technical

We provide the following technical services:

- Applications to NZTA for exemptions for a wide range of compliance issues
- Assistance with documentation for imported vehicles
- Liaison with NZ Transport Agency and Ministry of Transport
- Advice and assistance on Entry Certification issues
- Participation in various consultative and working groups on issues related to vehicles and road transport
- Liaison and consultation with MPI and Biosecurity NZ
- Liaising with manufacturers for technical information
- Research into international standards
- Advice on technical issues, for both new and used vehicles

7. Key issues

a. COVID-19

VIA continued to monitor the Government regulations and announcements, and:

- Prepared Alerts to advise the industry of the changing requirements,
- Convened, facilitated and chaired work groups comprising key industry experts and government officials, as we had done the previous year.

b. Biosecurity

MPI decided to keep its biosecurity functions for imported vehicles onshore in New Zealand, and not to return to Japan, This decision emphasises the responsibility of the industry's Border Inspection Organisations to ensure that they have the best possible systems and procedures in place in Japan.

VIA continued to liaise closely with industry and government agencies to ensure that the biosecurity risks associated with importing vehicles were minimised, and that a commercial, pragmatic system was implemented.

c. Emissions and fuel economy standards: the "Clean Car Programme"

This has been the key issue for the industry this year and will continue to be for the foreseeable future.

The Clean Car Programme has two elements:

- The Clean Car Discount, with incentives and penalties applied at retail, to influence purchasers' demand, and
- The Clean Car Standard, to be applied at time of importation, to influence the supply by importers and traders.

The Government unexpectedly implemented the incentive phase of the Clean Car Discount scheme in mid 2021, to encourage the uptake of EVs. This was able to be introduced with little notice, as no legislation was required (it was just a case of the Government announcing the incentives).

As we had predicted, the market was distorted by the incentives, with the prices of used EVs at auction in Japan increasing overnight, to match the incentive being offered. A net transfer of wealth from New Zealand to Japanese dealers!

The penalty phase of the programme was implemented early in 2022, once the necessary legislation had been passed.

Late in 2021, following a presentation, debate, a survey and a vote, VIA decided to adopt a policy of supporting the Clean Car Programme, instead of opposing it. The rationale was to accept the inevitable implementation of the programme, while still maintaining a “seat at the table”, continuing to liaise closely with the Minister, relevant Government departments and officials.

This has been an effective policy strategy; VIA’s decision was well received by the Minister, enabling us to negotiate to have the more draconian penalties severely reduced.

VIA convened a working group of key stakeholders to liaise with NZTA officials to provide the best possible information and advice on implementing the scheme.

Kit has been engaged in researching and providing accurate fuel economy and emissions information to ensure accurate penalties are charged.

The chief executive continues to be a member of the Minister’s Clean Car Sector Leadership Group, meeting monthly with the Minister and senior officials. This is an important channel, enabling VIA to have direct access to the Minister on a regular basis.

The Clean Car Standard will be implemented from 2023. This will further influence the market, in effect doubling the Clean Car Discount (both penalties and incentives).

VIA and its stakeholder group are now working with NZTA and MoT officials on developing the procedure for implementation, and to improve the accuracy and comprehensiveness of the information used to calculate incentives and penalties.

VIA made a submission and appeared before the Parliamentary Select Committee on the Clean Car Programme. In preparation for this, we had briefed all relevant parliamentarians of our position and concerns: the Minister, and the Transport spokespeople for the Greens, National and Act parties.

The Government’s Emissions Reduction Plan (“ERP”) was released this year, with a strong focus on transport-related emissions, The Clean Car programme is the Government’s principal initiative in this area, and VIA had liaised and worked with the Climate Change Commissioner and his staff, as well as the transport officials responsible for contributing to the ERP.

Following the announcement of the ERP, the Government’s 2022 Budget allocated considerable funds to accelerate and expand the Clean Car Programme, as well as a trial initiative for the scrapping of less efficient vehicles.

VIA has long advocated for a Fleet Management strategy, aiming at improving the overall fleet over time, rather than just trying to control imports. This trial scrapping scheme may be the start of such a strategy.

d. Electric Vehicles

VIA continues to be involved in consulting with officials on EVs and related issues. The Minister's Clean Car Sector Leadership Group deals with these issues, such as the development of standards, the charging network, and the curriculum for training of technicians and first responders. VIA's Technical Manager Malcolm Yorston continues to work with Standards NZ's on EV charging standards.

e. Auto Stewardship New Zealand

Automobile tyres have been declared a "Priority Product" under the Product Stewardship provisions of the Waste Minimisation Act. This declaration requires that an accredited Product Stewardship scheme be implemented, and VIA has been involved in this development.

The reason for VIA's involvement is that levies are to be charged on the importation of every tyre imported (loose or fitted to a vehicle, new or used) and we want to ensure that the levies are fair and easily administered.

This initiative is the culmination of over 18 years work by various governments and industry groups, but it was not until the Government mandated tyres as a Priority Product that it came to fruition.

The chief executive represents VIA as a Trustee of Auto Stewardship New Zealand. As well as tyres, it is likely that other automotive components will also be included in such a scheme, eg batteries, greenhouse gases and even whole vehicles.

The scrappage scheme trial may contribute to End-of-Life vehicles being included.

8. Research, Consultations, Submissions, Committees:

VIA continues to be involved in research, consultations and submissions on all issues affecting the used vehicle import industry. We have a policy of making a submission on all vehicle-related legislation.

In particular, we dealt with the following issues:

- Product Stewardship:
 - EV batteries
 - Tyres
 - Batteries
 - Greenhouse gases
 - Vehicles
 - Oil
- 760 MHz (liaising with MBIE and NZTA officials)
- Takata airbag recall
- Vehicle type approvals
- Motor Industry Training restructure (MITO)

- Lost or delayed deregistration papers
- Entry Certification (compliance)
- “Right to Repair”
- Repair Certificates
- Researching data from JMLIT for Fuel economy standards
- Researching standards and specifications for ESC
- Safety Ratings
- Responsible Lending Code

9. Political advocacy

VIA continues to deal with the relevant ministers, opposition spokespeople and government officials. Our policy is to ensure that all relevant ministers and spokespeople from all parties are briefed on issues that relate to the industry.

10. Communications & Marketing.

The key challenge for VIA is to better communicate with members, to keep them informed of industry issues and VIA’s activities.

a. Alerts

VIA prepares and circulates Alerts, which are used to advise members and the industry of key issues and actions to be taken.

b. Industry media

Continued close liaison with both Autofile and Autotalk:

- Articles
- Interviews
- Comments

c. External Marketing

The association continues to have the policy of not promoting VIA to the public. Our policy is to confine our communications activities to members and the trade, unless there are specific issues of public interest, when we give comments and interviews as required.

d. Council meetings

Formal and informal Council meetings have been well attended with a range of relevant speakers and good discussion and debate. VIA will continue to use regular Council meetings as a format for the exchange of information and opinions.

e. Member surveys

Surveys of members' opinions on various industry and political issues have proved useful in determining VIA's policy positions, and will be used more frequently in future.

f. Personal briefings

Personal briefings from the chief executive, policy analyst and technical manager to Council members have been well received as an effective way of communicating on specific issues.

12. Commercial activities

VIA continues to supply technical information, specialist stationery and forms and materials for the VIN process.

12. Strategic Relationships

We liaise with and maintain ongoing relationships with the following organisations:

- NZ Transport Agency
- Ministry of Transport
- NZ Customs Service
- Ministry of Business, Innovation and Employment
- Ministry of Primary Industries (*formerly MAF*)
- Biosecurity NZ
- Ministry of Economic Development & National Enforcement Unit
- Ministry for the Environment
- Commerce Commission
- EECA
- Motor Industry Training Organisation
- Employers & Manufacturers Association
- MTA & MIA (collaboration on common industry issues)
- ICAR NZ (collision repair standards & training)
- Port companies (logistics issues)
- IRD (liaison regarding unregistered traders)
- Justice Department
- Standards NZ
- Low Volume Vehicle Association (LVVVA)

In particular, we have excellent relationships with NZT, MoT and MPI, NZ Customs, EECA and other relevant government departments and agencies, and we are involved in consultation on all new initiatives that might affect our members and the industry.

13. Stakeholders

Following the restructure of the association, members have each chosen the category of membership best suits their business. We would like to record our thanks to the businesses that have been sponsors and supporters over the years:

- Armacup Maritime Services
- Autohub
- Automotive Technologies Ltd
- Autosure
- Autoterminal
- Dolphin Shipping
- Jacanna
- JEVIC
- Moana Blue
- Nichibo
- Ports of Auckland
- Provident Insurance
- Trade Me Motors
- Turners
- VINZ

15. Future

Although the association has only been operating in its current format for less than two years, it is essential that we be “fit for purpose” to meet the challenges of the future, and the Board has decided to review VIA’s structure and staffing to achieve this.

National and international Government policies and intentions mean that the industry will have a succession of difficult issues to deal with, some of them existential, eg the phasing out of Internal Combustion Engines.

VIA’s core goal is to “keep the door open for used imports into NZ”, and in order to do so, VIA needs to be well resourced and staffed.

We have evolved over almost 35 years from a reactive group of used vehicle importers to become a professional organisation that is taken seriously by successive Governments. I believe that we need to continue the evolution and development of the association. We need research and communications expertise, to ensure that we are capable of properly representing the vehicle import sector, as well as engaging better with our members and the industry.

David Vinsen
Chief Executive