THE VEHICLE DEALER'S NEWS SOURCE

autotalk

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MASERATI AUSTRALIA REWARDS OUTSTANDING DEALERSHIP STAFF

p16

L-R: Leo Kao, Glen Sealey, James Staniforth, Adriano Giorgi

Hello there,
On the very first press conference as newly installed Prime Minister, **Scott Morrison** told the nation that "If you have a go in this country you will get a go. There is a fair go for those who have a go."

As reported by The Guardian, there was some initial confusion at this, so the PM issued a clarification saying: "Fairness means a fair go for those who have a go."

But it appears that there is not a level playing field for those having a go to get a fair go, especially the franchised new vehicle sales industry when it comes to assistance from both state and federal governments.

To give them credit, the automotive industry bodies such as the Motor Trade Association of Australia, the Australian Automotive Dealers Association, the Victorian Automotive Chamber of Commerce and the Victorian Automotive Dealers Association have not been backward about telling the politicians that the assistance packages on offer are not fair and equitable to all members of the new vehicle sales industry.

Especially those dealerships who are part of a group which have a turnover of $1 billion or more - they are the ones who are missing out big time.

The common bone of contention the parties all share is that turnover, no matter how large, does not equate to profitability, especially in the current trading environment. Particularly when margins are practically non-existent in the sale of a new vehicle, and revenue and margins from finance and insurance as well as the service department are also dwindling.

There are more details about the paper which MTAA submitted to the Federal Government last month on page 8. It is called "The case for exemptions from threshold and staff criteria in Federal Government COVID-19 relief packages for automotive dealer franchises."

It was submitted on behalf of the Victorian Automobile Chamber of Commerce (VACC) and the Victorian Automotive Dealers Association (VADA).

Robert Barry

The paper was written at the request of members of the VADA executive committee. It was created using data supplied from VADA members and it is also relevant to farm machinery, commercial vehicle and motorcycle dealers.

The paper was data heavy and it will leave the politicians in no doubt as to the parlous financial position the new car industry finds itself in.

But there were a couple of points the paper didn't cover that I would like to observe.

The new vehicle industry provides much-needed mobility and employment to everyday Australians, as well as large amounts of philanthropic support of communities and charities.

"If you have a go in this country you will get a go. There is a fair go for those who have a go."

The industry also strives to provide safer and more environmentally friendly vehicles, including hybrids and electric vehicles, despite the lack of infrastructural support from state and federal government.

The new vehicle sales industry is having a go at making a fair dinkum contribution to Australia and its people Mr Morrison, so how about you uphold your promise made on day one of this government and giving it a fair go too?

STAFF RETENTION KEY TO CONSECUTIVE DEALERSHIP AWARDS

A member of the Stillwell Motor Group, Volvo Cars South Yarra recently won the brand's major metropolitan dealership of the year award for the second consecutive year, and dealer principal **Sue Alford** says the team is aiming for a three-peat.

"It's exciting that we've achieved this twice, and now the team at Volvo Cars South Yarra are absolutely committed to winning this award for a third time," Alford says.

"I'm really proud of my team because they are true professionals.

"My number one focus is and always will be the staff and our customer service; because if you get that right then everything else flows," she says.

The Volvo Cars major metropolitan dealership of the year awards are based on a points system. It scrutinises the performance of the dealership's operation including: new vehicle sales, used vehicle sales, parts and service operation, business management, accessory sales, presentation, occupational health and safety, and CRM.

Alford has a busy role managing three sites for the Stillwell Motor Group: Volvo Cars South Yarra, Volvo Cars Doncaster (the brand's largest PMA in Australia) and Volvo Cars Camberwell. There are 40 members of staff at Doncaster, 28 in South Yarra and 12 in Camberwell.

She says that at the end of March, Volvo Cars South Yarra was sitting at number one in the national major metropolitan dealership rankings table and Volvo Cars Doncaster was right behind at number two.

One key aspect behind this success, according to Alford, are the dealership's long-serving staff members, both Volvo Cars South Yarra and Volvo Cars Doncaster have a retention rate of more than 92%.

"Team retention is most important because to be an award-winning dealership, every single team member makes a contribution," she says.

"More importantly a high staff retention leads to high engagement because people feel involved and they want to contribute, which flows on to excellence and performance.

"There's no magic formula to this, but I'm very lucky to have three great teams who work well together," she says.

Alford says the arrival of COVID-19 has been a challenge for the businesses as some staff have been temporarily stood down and it's been a very difficult time.

"We are open for contactless sales and service and we have a limited number of salespeople working online.

"The service department is operating at 80% capacity rather than 100% due to the new health and safety procedures we've put in to keep our staff safe and allow for the appropriate distancing while working on vehicles. But we are still booked four to five days out which is encouraging.

"At the end of March our sales of plug-in hybrid Volvo models were up 37% year on year, and then the virus arrived and that's slowed business down somewhat.

"The 100% electric Volvo XC-40 SUV was due here late 2020 but that's been delayed by COVID-19, so we are patiently waiting for an update on that.

Volvo Cars South Yarra

"But I think there are already some positive signs in the industry, the Volvo factory is coming back online, and as business picks up again, we will gradually bring more staff members back as we need them," she says.

Continued on page 4

Sue Alford

Continued from page 3

Alford is passionate about the motor vehicle industry - she began her career more than 30 years ago as the receptionist in a Mazda dealership: "I know what an important and demanding role that can be, you really are the director of first impressions."

From the reception desk Alford moved into the accounts department working full time while gaining her accountancy qualification at night school. She has worked her way up the dealership career ladder from financial controller to general manager to dealer principal.

Prior to running to running the Volvo Car dealerships, Alford has also worked in Volkswagen and Ford dealerships.

"I was fortunate enough to work for the late Bib Stilwell as his accountant and I've been very grateful for the support of the Stillwell family and the opportunity to work within the family-owned and managed company," she says.

Stillwell Motor Group began as one-man operation in 1949 when Bib Stillwell opened an MG dealership. Stillwell was also an accomplished motor racing driver and aviation enthusiast. He also sold Jaguars and then purchased a Holden dealership.

In 1966 Stillwell switched franchises from Holden to Ford and the following year established Stillwell Aviation becoming the Australian distributor for Beechcraft and then later Lear Jet aircraft.

In the late 1970s, the father of five moved much of his family from Melbourne to the US, where he became Gates Lear jet Corporation President, before returning to Melbourne in the 1989 and adding Silverstone Jaguar in Melbourne and Honda and Toyota dealerships in Sydney.

Today, Stillwell Motor Group employs more than 350 people across eight award-winning dealerships including BMW, Jaguar, Land Rover, Volvo and Volkswagen.

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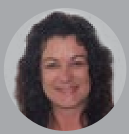

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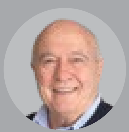

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GUMTREE CARS SUPPORTING DEALERS IN UNPRECEDENTED TIMES

AutoTalk Australia editor **Robert Barry** hosted a Q & A session with Gumtree Cars head of motors **Richard DiCello** about the company's wish to support dealers through the COVID-19 pandemic and what steps it is taking to do so.

Richard Dicello

Q: Let's start off with the recent initiatives that you've put up for the dealers in Australia. Would you like to tell us what you did, and how successful it's been so far?

RD: As you know we're all facing unprecedented times, across not only the automotive industry, but across the world really, so at Gumtree Cars we decided to take some measures to support our dealers.

And we took these measures based on a number of reasons, but primarily our goal was to support the dealers through these unprecedented times, knowing full well that they're going through significant challenges, as we all are. So we took the opportunity to support them as much as we possibly could.

The first thing we did was we've waived all subscription fees in April for them, which was quite a significant measure on our behalf. But also, we've given them an extension on the previous billing cycle of an additional 30 days, to support them through this period.

On top of that, we've also provided them with a number of tools and guides to help support them through these changing times, particularly as we move into some of the restrictions that the governments are putting on them, we decided to give them some digital guides also too, some tips on potentially how they can interact with customers who are unable to come to the dealership for various reasons.

Q: How well are dealers coping with those restrictions that the government is placing upon them?

RD: Our thoughts are always with people more broadly across the industry, but in particular the first thing we wanted to focus on was making sure not only from a dealership point of view, but also internally, that our health and our staff's health and also the staff and the dealership, the health, well-being and safety was the first priority.

So we proactively have been reaching out to our dealer partners, to not only support them, but to help guide them through these unprecedented times.

And you do, you get mixed responses definitely. We've got some dealers that are struggling more than others, some dealers that have put some strong strategies in place to help them cope.

But yeah, there's been a number of dealers that have had to take some measures to make sure they get through these times. In particular, we know they've had to rationalise some of their staff with trading conditions being challenged, they're running variable rosters.

Of course, people are still needing to get their cars serviced, so they've got to make sure their service bays are fully stocked with the right staff. But also, be mindful and respectful of the conditions in each State, abiding by the various rules that the governments are putting in place.

Q: In terms of a digital strategy, where do you see the market going once we've actually gotten through the worst of the pandemic? Are we going to see a greater shift towards digitalisation? People using the internet to conduct business?

RD: Absolutely. To be fair we're already seeing dealers more willing to engage with platforms like Gumtree Cars. You'd be familiar with the research that we conducted prior to the situation with COVID-19, connecting the disconnected research that we put into the market last year. What we saw is Australian dealers embracing technology for some time now.

But we saw the findings reveal that dealers are generally positive around technology, and the majority of dealers indicated that they anticipate increased usage of things like social media and mobile, that have a positive impact on business.

I think the effect of COVID-19 and the situation we're all in, will mean the speeding up of that process.

It's already in place with the majority

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"It's already in place with the majority of dealerships, and we firmly believe partners like Gumtree Cars are here to support them as they embark on that journey, and also too as they need to learn more around how to embrace these online tools."

of dealerships, and we firmly believe partners like Gumtree Cars are here to support them as they embark on that journey, and also too as they need to learn more around how to embrace these online tools. And the other part to that is, whilst we know customers still want that show room experience, I think having the digital strategy in place, enables dealerships to engage and connect with buyers also in the digital space.

But also, I think it's a key to their survival as we move past the current pandemic. I suppose the good news is for dealers, is there are really simple solutions that they can engage with and implement really quickly, and of course a simple solution is having all their inventory listed on a site like Gumtree.

We know that in the current situation it's really important for them to retain their visibility, also to stay at the top of mind for potential buyers who, in these current situations, will be browsing on our site. And potentially will be preparing to buy, once the crisis is over. And that's one of the key reasons why we made that decision to waive all the fees in April, to make sure the dealers can list all their inventory on the site and be confident they can manage their cash flow through this uncertain period.

Q: Deloittes have said that dealerships are going to shrink in number. We've seen the demise unfortunately of Holden. We know that Honda is going to undergo a very large restructure of their dealerships. With all that going on, is it just as important now as in the future, for dealers to be thinking ahead about how they can conduct business quicker, faster, more effectively?

RD: There's a couple of parts to this question, and there's a couple of answers I'd like to give. The first thing I want to respond to is the Deloitte figures that you mentioned, and we know even before the COVID-19 situation started to take effect that there were changes within the industry. You mentioned Holden leaving Australia, also too, Honda's decision to rationalise their dealer network and change their distribution model. So we saw signs of that pre COVID-19.

And not that anyone can predict how the industry will look once we get through this situation, but you would suspect that there would be further changes. I would say that the OEMs will be looking closely at the model.

But the one thing that I will say, and again, our research that we conducted last year show that still 56% of vehicle purchasers wanted to enter and have a dealership experience before they made the buying decision.

So we still know that the majority of Australians want to visit a showroom, they want to have an experience before purchasing a vehicle. So as I said, we know that the COVID-19 situation will probably cause the OEMs to evaluate their respective strategies, and they might modify their approach eventually.

I'm sure off the back of that, dealers would prefer to hold less stock, and drive down some of their holding costs. But I don't see mass showroom closures, and I certainly don't see vehicles being delivered from 3PL distribution centres for instance becoming the norm.

But I think one thing's for sure, having a robust digital strategy, and being able to list all your inventory online, should be the number one priority right now.

I guess the other way to look at it is, we need to continue supporting the dealers through this period of uncertainty, and make sure we all, as an industry, come out the back of it stronger.

INDUSTRY ASKS FEDERAL GOVERNMENT TO RECONSIDER COVID-19 CRITERIA

The Motor Trades Association of Australia (MTAA) sumitted a paper to the Federal Government calling for a rethink on the threshold and criteria of COVID-19 relief packages for the automotive sector.

The paper is called *"The case for exemptions from threshold and staff criteria in Federal Government COVID-19 relief packages for automotive dealer franchises."*

It was submitted on behalf of the Victorian Automobile Chamber of Commerce (VACC) and the Victorian Automotive Dealers Association (VADA).

It was written at the request of members of the VADA executive committee. It was created using data supplied from VADA members and it is also relevant to farm machinery, commercial vehicle and motorcycle dealers.

The key recommendations delivered to the Australian Government are:

- That the Australian Government exempt automotive dealer franchises from staffing and turnover thresholds as currently mandated in Boosting Cash Flow for Employers relief, apprentice subsidy and commercial tenancy packages.
- That the Australian Government exempt all automotive franchise dealers with an annual turnover of $1 billion or more from the 50% turnover downturn criteria mandated within the JobKeeper wage subsidy.
- That the Australian Government advises the National Cabinet that automotive franchise dealers should also become eligible for all state-sponsored relief and stimulus packages.
- That the Australian Government extend the deadline to the enhanced instant asset write-off until September 30, 2020.

The reasons for this are:

New vehicle sales data contained in VFACTS, released April 3, 2020 also reveals that car sales in Victoria are 15% (YTD) in decline. The national YTD average is 13.1%. Prior to the outbreak of COVID-19, Victoria was 11.9% in decline, so the full effect of COVID-19 on new car sales is yet to be fully realised, expectations are it will be significant.

VADA members do not agree that the VFACTS figures represent an actual reflection of the trading period March 16 through to April 1, 2020. Survey data drawn from a representative group of 70 VADA members shows COVID-19 attributed overall downturn from March 16 to April 15 of 70.1%. In the March portion, those figures showed an average weekly downturn of 62% and 67.5% respectively.

Sales for dealer finance to consumers has fallen from what was already at pre COVID-19 dealer daily average of 6.31 contracts per day, to a current level of 1.41 contracts per day, per dealer.

The COVID-19 impact is being felt from single car dealership franchisees through to the multi-national companies who have dealership holdings in every state and territory.

In September 2019 dealer group behemoth AP Eagers had an estimated market capitalisation of around $3 billion. It is estimated that the market capitalisation on April 17 was $1.01 billion. Its shares listed on the Australian Stock Exchange

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(ASX) peaked at $14.49. Those shares fell to a low of $2.70 in late March 2020 and are currently trading on the ASX at $3.94 (April 17, 2020).

In September 2019 dealer group Autosports Group (ASG) had an estimated market capitalisation of about $352 million. ASX advises that the market capitalization for ASG was on April 17, 2020 at $148.74m. Its shares listed on the Australian Stock Exchange (ASX) peaked at $1.84 in November 2019 and are currently trading on the ASX at $0.74 (April 17, 2020).

A Deloitte Profit Focus report reveals that dealer net profitability for Q2 of 2019 as a percentage of sales was 1.2%. That average profit in Q1 was 1%. A further update commissioned by VACC from Deloitte in March 2020 advises that the profitability percentage for both 2018 and 2019 was benchmarked nationally at 0.90%.

The new car dealer market has been beaten into a belief that an acceptable level of net profit as percentage turnover is 2%. Many dealerships, even in an optimum trading environment, struggle to get near that and only the top 10% of dealers achieve this outcome. The top brands have an average available margin in a car before discount of approximately 8-9% and then they are discounted dramatically beyond that to win business.

"It was created using data supplied from VADA members and it is also relevant to farm machinery, commercial vehicle and motorcycle dealers."

Factoring that 2% of a large volume turnover may appear healthy, it is important to be reminded that the difference between it being a 2% profit and falling into the red can be as little as a single dealership department underperforming.

This type of underperformance is the case with VADA members reporting a daily average loss of 41.3%, per dealership in the lucrative parts sales department. Add to this dealership service departments on average tracking at 11.29 less service cars per day. This will be further exacerbated as new car sales and aftermarket repairers continue to flounder.

VADA members also advise that on average, 50% of total dealer margin is paid in the form of post-facto bonuses that are connected with statistical performance criteria, but always with a large emphasis on Customer Satisfaction Index (CSI).

The impact of a lack of cash flow as a result of a market that is in free fall at 70.1% has resulted in dealers being cash poor and struggling to meet weekly payroll.

This has necessitated that dealers rapidly reduce staff levels. VADA members have advised a reduction in staff levels from a benchmark aggregate of 2702 staff (March 16) to a total of 2005 staff on April 15. That is a decrease of 28.9% in 30 days.

The fallout for dealers in regional Victoria is along a similar trajectory, with regional dealers reporting a 27.8% reduction in staff.

SYDNEY DEALERS FAVOUR CLOSING ON SUNDAYS

A recent survey carried out by the Motor Traders Association of New South Wales (MTA-NSW) shows that many Sydney dealerships favour closing their yards to trading on a Sunday.

The MTA-NSW survey received more than 135 responses from automotive dealership members. More than 63% of respondents were large motor dealer groups with multiple sites, more than 29% were standalone new and used car dealers, more than 6% were used car dealers and more than 1.5% were motorcycle dealers.

When asked the question: "Sunday trading – yes or no?" More than 81% of respondents said yes to closing on Sundays but some 19% said no, they would prefer to remain trading on Sundays.

Regarding the impacts associated with Sunday trading, more than 92% of the dealerships surveyed said they had difficulty employing and/or retaining staff, just 8% responded that they didn't.

More than 94% of the survey respondents said that Sunday trading restricts quality of hiring staff, and more than 92% said closing on a Sunday will not impact their business, while more than 93% said that Sunday trading did impact the business financially.

MTA-NSW senior divisional manager motor dealer support **Mark Jackson** says the organisation created the survey because it understood there was an appetite from some dealers to have a discussion about not trading on Sundays.

It took 12 months to design and get the survey out, but Jackson says he was pleased with the results and the response, particularly from the larger dealer groups.

He says it was the large multi-franchise dealership groups that drove the move to Sunday trading in the 1990s, and it is these groups who now want to reverse away because they can't retain good staff and margins within the industry are the slimmest, they've ever been.

"Most of the larger dealership groups want to close on a Sunday because they know it will be beneficial, but this will only happen if everybody commits to it. If one dealership stays open, then the others will too. He notes that some dealers are now digitally trading seven days a week.

"The model has to change. Salespeople don't like working seven days a week, dealerships are finding it harder and harder to recruit good staff, and then there's the financial burden of paying for a Sunday loading, as well as penal rates, superannuation, low margins and so forth," he says.

"Most vehicle sales occur during the working week of Monday to Friday with deliveries on a Saturday. Seven-day trading means the sales target is stretched out over a longer period.

"Some dealerships are already closing on Sundays but it's not a majority," Jackson says.

Mark Jackson

According to Jackson, as the legislation currently stands there is no means for an amendment as there is one set of rules for any retail business that operates seven days a week. Currently NSW dealerships that wish to close their premises on a Sunday have to apply for an exemption to do so.

Jackson says the MTA-NSW would like to see changes made to current legislation if possible, to make it mandatory for motor traders in NSW to close their doors on Sundays, and then apply for an exemption to open.

But he says that COVID-19 has interrupted plans to meet with the relevant NSW government ministers to discuss the issue and move it forward.

The Australian Automotive Dealers Association chief executive officer **James Voortman** says the industry body would prefer a six-day trading period be imposed by law instead of a voluntary code

"Making it law would bring NSW in line with most Australian jurisdictions and it would create a clear set of rules for all dealers," Voortman says.

"We have feedback that there are competition law concerns with trying to pursue a voluntary code, but it is something we are actively seeking advice on."

Voortman says the major benefits of six-day trading would be that dealers will be able to retain and attract high quality staff.

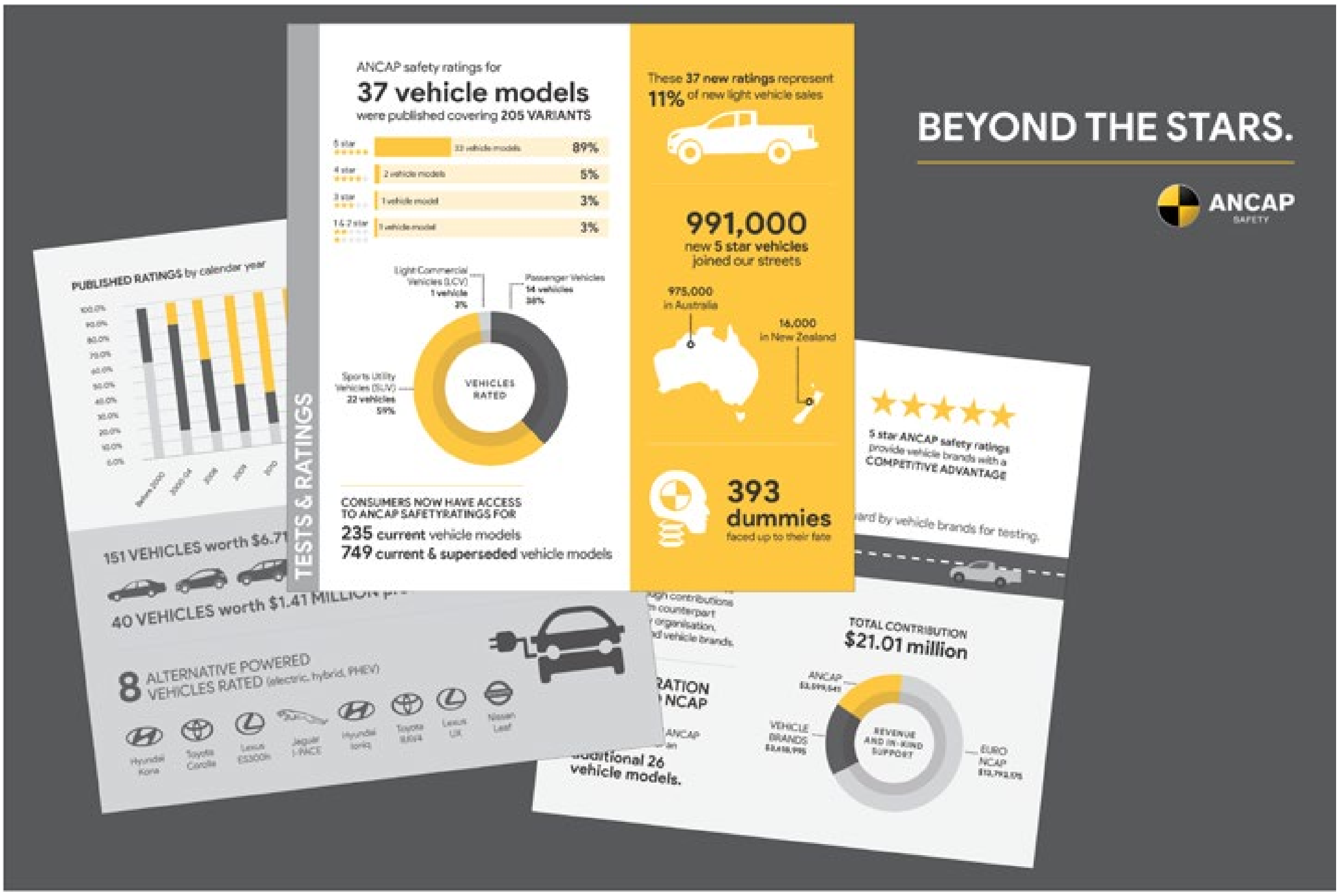
"Trading on a Sunday contributes towards staff burnout and the turnover of personnel. It will also make the industry more attractive to those people within Sydney who are considering a job at a dealership," Voortman says.

Another factor in the move to six-day trading is that more and more customers are looking for cars on the internet first before heading to a dealership.

"The emergence of the digital era has resulted in much of the research associated with buying a car being conducted online," Voortman says.

"This has enabled well-informed customers to create a shortlist of vehicle options from the comfort of their own homes which in turn has meant the customers visit fewer dealerships on average," he says.

ANCAP RELEASES 'BEYOND THE STARS'REPORT



ANCAP safety has released its annual "Beyond the Stars" report which measures the costs, the collaboration and the consumer engagement of the work carried out by the organisation.

"The production of a simple star rating sounds relatively easy, but a lot goes on to make sure our star ratings reflect the safety performance of vehicles and acknowledge the significant advancements being made by vehicle manufacturers to ensure their vehicles meet 5-star standards," chief executive **James Goodwin** says.

"Most importantly, we do what we do to ensure consumers can use our ratings to empower their vehicle choices," Goodwin says.

He says 37 vehicle models received ANCAP safety ratings in the past financial year, covering 205 variants.

"These new ratings cost more than $18 million to produce and represent 11% of new light vehicle sales," Goodwin says.

"A record 96% of new vehicles sold in Australia and New Zealand held an ANCAP rating. Encouragingly, 92% were five-star, 3% were four-star, and less than 1% were three stars or less.

"We saw record investment from the Australian automotive industry to support ANCAP tests with $3.62 million in vehicles and test costs covered by vehicle brands.

"Informing and educating is key to a safer community - a consideration that is front-of-mind in current times. Consumer awareness increased with 75% of Australian new car buyers and 63% of New Zealand buyers aware of ANCAP. It is great to see that awareness is highest amongst our most inexperienced drivers with 83% of 18-24 year olds aware of ANCAP.

"We produced our first national television commercial, airing with a reach of almost 16 million. Social media engagement was up across all platforms, and the highest number of hits to our website was when Uber Australia announced its policy on five-star vehicles.

"ANCAP's ability to influence market change and improve the safety of our vehicle fleet is a direct result of the continued support received from our member organisations and partners.

"As I depart ANCAP I want to thank the dedicated staff, members and stakeholders for their ongoing commitment to safer vehicles and the support and encouragement they have provided to me," Goodwin says.

Visit **ancap.com.au/facts** for facts and figures.

AUTOTRADER AND CARSGUIDE WAIVE MAY DEALER FEES

To further support Australian dealerships, *Autotrader* has announced it is waiving all dealer fees for the month of May.

It follows on from the 50% discount applied to all dealer fees in April. This offer of support will be automatically applied to all existing customers and it will also be available to any Australian dealers who don't list their vehicles with *Autotrader.*

The offer includes the full suite of *Autotrader* benefits: listings also being posted to *CarsGuide* and *Facebook* Marketplace, *Autotrader* Dealer Hub, *Kelley Blue Book* Price Advisor valuations, plus multiple opportunities to promote the dealership.

"This initiative will help alleviate some pressure that Australian dealers are feeling at the moment. And for those dealers who aren't currently using *Autotrader,* it may help get them more exposure and ultimately some more enquiry," *Autotrader* and *CarsGuide* CEO **Shaun Cornelius** says.

Autotrader has also just launched contactless sales process tagging, allowing dealers to clearly communicate to car buyers on their listings what initiatives they're doing to provide a contactless sales process. Consumers will also be able to filter search results by those dealers offering these initiatives.

Shaun Cornelius

"This is a really important initiative. We want Australian car buyers to know dealerships are open, keen to deal and are providing initiatives to put consumers' minds at ease about visiting a dealership," Cornelius says.

ORIX RIDE-SHARE READY RENTAL VEHICLES

Corporate fleet, commercial vehicles and novated leasing provider ORIX Australia Corporation Limited (ORIX) is launching a new business called ORIX Rental.

ORIX Rental is an expansion of the commercial vehicle rental and leasing service previously known as ORIX Commercial.

The new offering will encompass not only rideshare-ready rental vehicles, but also ORIX's flexi-lease, short-term hire, truck, trailer and commercial leasing businesses.

The new business will be led by ORIX Rental general manager **Grant Harrison** who says its launch underscored the company's commitment to putting its customers first.

Grant Harrison

He says the launch marked a momentous shift in ORIX's strategy.

"By consolidating all our rental services, we are uniquely positioned as the only fleet management operator with a full national rental division. We can now provide seamless full-service mobility solutions to any business of any size anywhere in Australia." Harrison says.

"Whether it's a Prime Mover or a Prius, we have the vehicles to keep driving businesses forward," he says.

ORIX Rental follows a series of recent innovations the company has made in order to better address the changing expectations of Australian businesses.

Most recently, ORIX launched the Australian-first automated SME vehicle acquisition platform, VOOM, in 2019. The digital platform was named the best innovation in the property, construction and transport Industry in the *Australian Financial Review*'s 100 most innovative companies awards.

"By consolidating all our rental services, we are uniquely positioned as the only fleet management operator with a full national rental division. We can now provide seamless full-service mobility solutions to any business of any size anywhere in Australia."

LEXUS TELLS CUSTOMERS IT IS 'HERE FOR YOU'

Lexus Australia is extending the brand's customer-centric focus by launching an online hub under the "Here For You" banner and a social media programme #ParkedForAWhile.
An awareness television commercial guides customers to an online hub for further information. The online hub – **lexus.com.au/hereforyou** – delivers an immediate communication line between Lexus and owners, with the status of operations updated in real-time.
It says that Lexus dealerships are open for sales and service, adopting measures in line with best-practice advice from government and health authorities, including increased cleaning and hygiene, and physical distancing guidelines.

Certain dealerships may also make available video conferencing and other contactless sales, including delivery services and test drives to the client's front door.
In addition, Lexus says its service centres remain open, and the fleet of service loan cars are regularly sanitised; an owner's local/preferred Lexus dealer may deliver a service loan car when a vehicle service is required, so they don't need to visit the dealership.
Furthermore, Lexus DriveCare continues to operate for Lexus Encore Members 24 hours a day including:

- Breakdown assistance with basic mechanical assistance and fuel, battery or tyre/wheel replacement.
- Breakdown towing as required to a Lexus Dealer or nominated technical centre.
- One-way metropolitan taxi fare up to $150 (including GST).
- Entry assistance for vehicle lock outs (selected Lexus models only).
- Off-road patrols for LX and RX AWDs.
- Personal Assist service a vehicle-related incident over 100km away from home and the vehicle is immobile for more than 24 hours.
- Courier service for urgent small parcels or documents.
- Clothing and personal effects cover up to $250 (including GST).
- The hub also enables Lexus financial services customers whose personal circumstances have changed as a result of Covid-19 to seek relief.

An application form and specialist email address – **hardship@lexusfinance.com.au** – have been provided to deliver Lexus financial services customers guidance and assurance.
Anticipating an owner's needs while at home, Lexus Australia will bring to life entertaining content through social media including making available the inspiring hospitality series Journeys in Taste.
Lexus is also complementing its Here For You messaging with a #ParkedForAWhile social media campaign.
In addition to delivering an educational video about the 60,000 hours of practice it takes to become a Takumi master craftsperson, owners – and particularly their children – will also be invited to test their Takumi skills.
Based on the principles of Japanese Takumi master craftsmanship, aspiring Takumi masters are challenged to fold an origami cat with their non-dominant hand within 90 seconds.

LUXURY BRAND FIVE-YEAR UNLIMITED WARRANTY BATTLE HEATS UP

The battle amongst the luxury car brands as to who will offer a five-year unlimited kilometre warranty has just heated up as Volvo Car Australia confirms it will do so, while Jaguar Land Rover is offering such a warranty through a sales promotion.

Volvo Car Australia has confirmed it will move to a five-year manufacturer's warranty from April 1, following the Australian arm of Mercedes-Benz which announced its five-year warranty programme in early March.

"It is the intention of Volvo Car Australia to move to a five-year factory backed warranty. We are in the final stages of resolving the necessary documentation required to facilitate that intention," a company spokesperson says.

"When completed, the commencement period of the warranty will be backdated to 1 April, 2020," the spokesperson says.

Mercedes-Benz says a grace period will apply to purchasers of new vehicles before April 1, with the implementation of the new warranty structure to be backdated to include vehicles sold on or after March 1, 2020.

The new Mercedes-Benz warranty covers the entire passenger car range including Mercedes-AMG models, the all-electric EQC and plug-in hybrid variants, all of which will receive a five-year/unlimited kilometre warranty when used solely for private purposes.

Passenger cars used for commercial applications – for example, a taxi or ride- share vehicle – will be covered by a five-year/200,000km warranty.

Complimentary roadside assistance will be extended to five years for cars, vans and utes, whether the vehicle is used for private or commercial purposes.

Mercedes-Benz managing director **Horst von Sanden** says introducing a standard five-year manufacturer's warranty reinforced the company's enduring commitment to enhancing the customer ownership experience.

"With a five-year manufacturer's warranty across our entire cars and vans range supported by our existing capped price servicing and service plan portfolio, customers can have increased flexibility and certainty throughout their journey with Mercedes-Benz," he says.

The pressure is now upon other luxury car manufacturers to follow suit, while some are dipping a toe in the water through sales promotions, others are being openly reluctant saying there is no demand for this from customers.

Jaguar Land Rover recently announced a five-year unlimited km warranty as a limited time sales promotion on both new and demonstrator Jaguar and Land Rover Vehicles.

The offer applies to selected new and demonstrator Jaguar XE, XF, E-Pace, F-Pace, I-Pace and F-Type new and demonstrator models sold and delivered between 01/04/20 and 30/06/20.

It also applies to selected new and demonstrator Discovery Sport, Discovery, Range Rover Evoque, Range Rover Velar, Range Rover Sport and Range Rover models sold and delivered between 01/04/20 and 30/06/20.

BMW Group Australia has told the motoring media it has no plans to change from its current three-year unlimited kilometre warranty. Boss **Vikram Pawah** recently told motoring journalists that his customers were happy with the status quo, and he had no desire to change the warranty just for the benefit of marketing.

Audi, Bentley and **Porsche** all offer three-year unlimited km manufacturer's warranty, while a four-year manufacturer's warranty is offered by Lexus with a cap of 100,000km, but **Rolls-Royce** provides unlimited km under its programme.

MURRAY BRIDGE HYUNDAI WINS CONSECUTIVE DEALER OF THE YEAR AWARDS

For the second consecutive year a regionally-based Hyundai dealership has triumphed over its metropolitan-based contemporaries to become the brand's 2019 National Platinum dealer of the year

Led by managing director **Jack Dowling,** Murray Bridge Hyundai is one of the three dealerships and seven automotive brand franchises operated by the third-generation family owned Duttons Motor Group in South Australia.

Operating under Covid-19 restrictions the dealership announced the back-to-back win on its Facebook page: "We are very proud and grateful to be acknowledged for our efforts at Duttons Murray Bridge Hyundai. Thank you to all of our customers for your support in helping us achieve this prestigious award."

Due to the pandemic there was no ceremony as Hyundai Motor Company Australia announced the winners of the 2019 National Platinum dealer of the year awards and the winning Platinum dealerships through an internal company bulletin.

The bulletin was signed by chief executive officer **Jun Heo** and chief operating officer **John Kett.**

"Our sincere congratulations and appreciation are extended to Jack Dowling and his entire team for performing and achieving at the highest level. In fact, this is the second consecutive year that Murray Bridge has asserted its dominance in claiming this prestigious award," Heo and Kett say in the internal bulletin.

The 2019 Platinum program dealership award winners were:

- Paul Wakeling Hyundai, Campbelltown, NSW
- Castle Hill Hyundai, NSW
- John Hughes Hyundai, Victoria Park, WA
- South Morang Hyundai, VIC
- Essendon Hyundai, VIC
- Ferntree Gully Hyundai, VIC
- Dandenong Hyundai, VIC
- Cranbourne Hyundai, VIC
- Berwick Hyundai, VIC
- Harrison Hyundai, Melton, VIC

"The dealerships listed are also being recognised as Platinum dealerships, having achieved extraordinary levels of commitment in providing the ultimate in customer satisfaction, attainment of important KPI, and reporting key performance criteria," Heo and Kett say.

"Being recognised as Hyundai Platinum dealership is one that is revered by the Hyundai network, highly regarded by their peers, and guarantees customers an assurity and confidence in an organisation that is proud of the Hyundai heritage and focused on outstanding behaviours.

"It is with great pride that we recognise these performing dealerships and thank them for their ongoing commitment to the Hyundai brand and our mutual customers," they say.

Hyundai Motor Company Australia has been running the Platinum Dealership Awards programme more than seven years.

It's been a successful awards season for Duttons Motor Group.

Earlier in the year the company also picked up the Volkswagen Australia Groups 2019 national dealer of the year award as well as the 2019 rural dealer of the year for its Adelaide Hills-based Volkswagen dealership.

MASERATI AUSTRALIA REWARDS OUTSTANDING DEALERSHIP STAFF

Before the Covid-19 restrictions banned mass gatherings, Maserati Australia recognised its high-performing dealership staff with an awards evening at the Museum of Contemporary Art in Sydney.

Hosted by Maserati Australia chief operating officer Glen Sealey, the awards differ from other brands in that staff are recognised rather than the dealer network. Maserati is officially represented by one dealership in Adelaide, Brisbane, Canberra, Gold Coast, Melbourne, Perth and two in Sydney.

Maserati Gold Coast's **James Staniforth** was awarded 2019 sales manager of the year, and Maserati Melbourne's **Leo Kao** took the 2019 sales executive of the year award.

Although no longer working with the Trident brand, **Isabella Kerr** from Maserati Melbourne won the award for 2019 marketing manager of the year.

The accolade for 2019 after sales manager of the year went to **Adriano Giorgi** from Sydney-based McCarroll's Maserati in Artamon.

Glen Sealey says while the awards recognise individual employees it is a team effort as the dealerships also have to reach targets as part of the process.

"Our view is that we put in systems that we want the individuals to follow, so the annual awards reward those members of staff who have adhered to the systems to achieve such recognition.

"There are different criteria and key performance indicators for the sales staff, the marketing staff, and the aftersales staff to achieve in order to be considered for an award," he says.

A division of Ateco Group, European Automotive Imports (EAI) is the independent distributor for the Maserati brand in Australia, New Zealand, and South Africa. The company recently took over the management of retail operations of Maserati in Melbourne from Zagame Automotive.

Sealey admits it was a difficult time for such a move as the company began trading om March 1, but the company is taking a long-term view as Melbourne is the largest luxury market for the segment in which Maserati operates.

L-R: Leo Kao, Glen Sealey, James Staniforth, Adriano Giorgi

"The Melbourne service workshop is busy, which is very positive, and we offer a full Maserati Concierge service, which means customers need not come to the dealership with the car, because we can collect and deliver their vehicle to and from their home," Sealey says.

In 2019 Maserati Australia sold more than 482 vehicles of which 301 units were the Levante SUV, but this was a 25% decline on the 2018 total of 642 units.

In the first quarter of 2020 Maserati has sold 117 vehicles; February 2020 saw 59 new vehicle registrations but sales fell in March 2020 to 31 units.

Sealey says the disruption to the supply chain by Covid-19 has affected some customers but he says they have been very understanding of the situation.

"We have a wonderful customer base, they understand that there isn't much we can do about the supply chain, but we can facilitate what they are driving today.

Most don't use their Maserati as a primary vehicle because they will have other vehicles to drive," he says.

Sealey says although the reveal of the all-new Maserati MC-20 sports car has been pushed from May to September 2020, it will not change the production timetable for export markets.

"It's a very exciting time for us, and we continue to expect the new MC-20 will arrive in the Australian market as scheduled for mid-2021," he says.

CARSALES TAKES TO THE AIR WITH GARAGE 41

The editor-in-chief of carsales, **Mike Sinclair,** has joined Targa Tasmania driver **Glenn Ridge** and motoring journalist **David Morley** to host 7mate's new television series, *Garage 41.*

Garage 41 covers current issues and industry insights, highlights new and old cars, and features famous faces such as: entertainer **Shane Jacobson;** Supercars driver **Dave Reynolds;** the first woman in the world to reach 300mph in a car, **Rachell Splatt;** and Aussie muso **Wilbur Wilde.**

"*Garage 41* will cover many different facets of the motoring sphere. It's a great way to demonstrate our passion for the automotive marketplace"

As a major sponsor of *Garage 41,* carsales' editorial experts will also appear throughout this year's debut series and inform consumers with a wide range of content including the latest features and new car reviews.

"We're thrilled to continue growing carsales' editorial footprint as a major sponsor of *Garage 41* and I'm excited to co-host the series with Ridge and Morley," Sinclair says.

"From sharing the latest news to revealing our favourite cars and interviewing some of Australia's most famous faces, we are going to be providing consumers with fun-filled, informative and engaging content.

"*Garage 41* will cover many different facets of the motoring sphere. It's a great way to demonstrate our passion for the automotive marketplace," Sinclair says.

Surrounded by luxury, prestige and classic cars, the series is filmed at Dutton Garage, in the heart of Richmond.

***Garage 41* kicked off on Saturday, April 18, and will air weekly on Saturdays at 3pm on 7mate, and also available for free on 7plus.**

NEW LED LIGHTING SOLUTIONS FROM NARVA

Narva's new range of 12V Colour LED strip lamps for interior and exterior applications also offer two different coloured lights to best suit the situation.

There are three models in the colour combinations: White/amber, white/red and white/blue.

All models are fully sealed to IP66 and resistant to sea salt spray, making them suitable for use on boats as well as in four-wheel drives, campervans and caravans.

While all three models provide a crisp white light output at 6200°K (72 Lux at two metres), making it easy to locate items around the campsite or inside the four-wheel drive canopy; it's the ability to switch to alternative colours at the push of a button that makes these LED strip lamps extremely flexible.

Amber and red light is ideal for camping situations as they attract fewer insects, while also being less harsh if you're planning on just sitting by the campfire and relaxing. For use in marine applications, the red and blue colour options are better for navigation with less reflection off the surrounding water than traditional white lights.

On the inside of caravans and motorhomes, the blue coloured option is great for providing mood lighting and even for use as a night light.

With only a 13mm profile and a length of 285mm, the dual colour LED strip lamps provide a compact and sleek design that makes them easy to position on a caravan, boat or four-wheel drive.

For easy fitment, all lamps come with stainless steel fixing screws and snap-on end covers.

For added convenience, the white/red and white/blue variants also feature a touch switch to turn them on and off. The lamps also benefit from an extremely low current draw of 0.41A at 12V (white) and 0.19A at 12V (amber/red/blue) and proven SMD LED technology makes them extremely reliable.

Narva's new dual colour LED strip lamps are backed by a five-year LED warranty and are available from automotive, four-wheel drive, camping and boating outlets around the country.

CAPRICORN ACTIONS
CORONA VIRUS SUPPORT AND GUIDANCE STRATEGY

Australasian automotive cooperative Capricorn has actioned a Covid-19 communications plan to assist more than 20,000 members, preferred suppliers and staff located across Australia and New Zealand.

Led from the onset of this pandemic by Capricorn Group chief executive officer **David Fraser,** a detailed strategy was introduced ensuring that members in each country are accurately informed of the business support mechanisms that may be relevant to them.

As the vast majority of Capricorn members are small, family-owned automotive aftermarket businesses, these communications include timely member exclusive Covid-19 emails providing information in line with announcements made by state and federal governments.

These have been provided in an easy to understand format with state specific information, making it easier for members to identify their eligibility for the various stimuli, staff retention and other taxation-based incentives that have been and continue to be introduced.

Capricorn also continues to update "The Workshop", the cooperative's member community platform that provides business support and resources to help members stay strong through Covid-19.

The Workshop includes a Covid-19 community support forum, where Capricorn members can connect, share ideas and discuss their experiences operating a business during these unprecedented times.

The Capricorn team is also available through these forums to answer any questions that members may have.

Capricorn's community platform also features a resources section dedicated to ensuring members are accurately informed of any changes to the assistance packages both at the federal and state levels, a series of videos designed to help workshops through these extraordinary times, and a comprehensive list of mental wellness resources.

Since March 20, The Workshop community platform has had more than 16,500 visits and more than 10,000 new users accessing the information made available.

"Our responsibility from the onset of Covid-19 was first and foremost to ensure that our members and preferred suppliers are constantly and accurately informed of the local, state and federal government stimulus mechanisms and support services that have been introduced and continue to be made available to them," Fraser says.

"As a cooperative structured organisation, everything that we do is for the benefit of our members, so it is incumbent of us during such an unprecedented situation like this to make use of our online services platforms and services capabilities to do all that we can to provide assistance to our members, while also providing telephone or online-based support.

David Fraser

"Our actions to date and the continued support services that we will be providing our members across Australia and New Zealand have one major objective, to ensure that we sail these uncharted waters together, emerging safer and stronger once things return to some form of normality," Fraser says.

"All of us at Capricorn understand that we are all in this together and that supporting our members, preferred suppliers and staff through this pandemic is paramount," he says.

AN HONEST PERSPECTIVE AMID THE COVID-19 CRISIS

By **Dale Pollak**
vAuto founder and Cox Automotive executive vice president

My heart goes out to American dealers and their families during the COVID-19 crisis.

In my time as a dealer, we saw recessions and other disruptions in the US that caused tough retailing conditions. But none comes even close to what dealers are experiencing now.

As such, I'd like to share some perspective and guidance to help dealers better manage their inventory investments and related retail processes today, to ensure a brighter tomorrow.

What do I do with my used inventory?

When this question comes up on dealer calls, I share Cox Automotive's informed viewpoint: The market isn't likely to improve significantly in 30, 60 or even 90 days.

To help dealers answer questions about how they should handle their used vehicle inventories, I offer three facts:

Fact 1: In six months, as the 2021 models arrive at dealerships from the factory, every vehicle in your inventory will be one model year older. The model year change-over this year will likely put pressure on one to three-year-old used vehicles as factories help dealers clear out unsold 2020 new vehicles.

Fact 2: Six months from now, there will be huge, if not unprecedented, levels of wholesale supply in the market. One of **Manheim Auction's biggest tasks today is determining where and how to park the incoming streams of off-lease, rental fleet and dealer-owned used vehicles.**

The pace of incoming supply exponentially exceeds the rate of sales. Physical auctions are closed and there are fewer buyers at the select online auctions that remain open. In short, cars are coming in, but they aren't selling.

Fact 3: In six months, many of the record numbers of people who have filed for unemployment benefits in recent weeks will still be out of work. Even worse, it seems inevitable that more furloughs, layoffs and pay cuts are likely to come as businesses find it difficult to make payroll, even as they pursue federal and state aid programmes.

When presented with these facts, many dealers arrive at a clear conclusion of what they should do with their current used vehicle inventory: "Sell it quickly and keep the cash."

I believe the sell-down strategy should start with the most risk-prone vehicles. **Across used vehicle inventories, the late-model (2018, 2019 and 2020) vehicles represent every dealer's highest-cost, most-risky inventory investments.**

The value of these vehicles today will more than likely be less tomorrow.

The sell-now strategy also makes sense given another business-in-crisis reality. That is, cash is king.

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A cautionary note for new car dealers
So far, it seems that OEM factories recognise the unprecedented nature of today's COVID-19 crisis. The factories are already taking steps to help dealers manage the costs of unsold new vehicle inventory.

Dealers also appreciate factory efforts to keep new vehicle sales moving. The rise of 0% financing for 84 months and other incentives seem about as good as they can get.

The good news is that it appears the factory incentive programmes are capturing the interest of buyers.

At Cox Automotive, we're seeing strong interest from consumers using Autotrader and Kelley Blue Book to research and shop for new vehicles compared to the traffic in dealer showrooms.

But the problem arrives when dealers appraise a customer's trade-in as they work a new vehicle deal.

It's standard for dealers to appraise vehicles using valuation references, like vAuto's Market Days Supply, the Manheim Market Report (MMR) average, Kelley Blue Book values or some other third-party guide, to determine an appraisal amount or offer for a customer's trade-in.

But there's a critical hitch in today's COVID-19-disrupted market.

Retail and wholesale sales have effectively fallen off a cliff in recent weeks. The sudden shift in sales makes these valuation references less useful. At Manheim, for example, dealers are asking why there's a large difference between MMR values and real-time auction sales prices.

Dr Ben Flusberg, associate vice-president for Manheim M LOGIC, says the gap is due to three factors:

1. Wholesale transaction prices have plummeted faster than ever before due to the sudden drop in retail demand.
2. Auction sales volumes declined, which lightens the weight the MMR gives to recent transaction activity.
3. The current downturn occurred in the middle of the spring season, which sent mixed trending signals to MMR.

Flusberg notes that MMR is "intentionally designed not to have a knee-jerk reaction to extremely unusual events like we're experiencing now." He adds that MMR will normalise as the market stabilises.

In dealerships, the valuation references can lead appraisers to value vehicles considerably higher than the true actual cash value today — a problem that will only get worse as supplies of wholesale vehicles continue to grow in the weeks and months ahead.

I've cautioned dealers that, in today's turbulent market, they are likely booking a profit on their new car transactions that will "wash out" to a loss when they eventually retail the trade-in vehicle.

To help, Manheim is now publishing a daily index adjustment, which is called MMR Retention. Manheim is encouraging dealers to use this reference in conjunction with MMR itself to appraise vehicles and arrive at values better suited for current market conditions.

vAuto will soon release a system that alerts dealers when vehicle sales rates suddenly change, for better or worse, in the last two weeks. Such shifts indicate that a change to a vehicle's Market Days Supply is imminent. With these alerts, dealers can know the degree to which a vehicle's MDS is stable, improving, sliding or in free-fall.

In this environment, the question is whether it's wise for dealers to be doing everything they can to make a new car deal work. My thinking is that the answer is "no." Unless you can make the deal with a proper trade-in value, you're better off passing on the transaction.

My position flows from the fact that factories are and will continue to provide dealers financial assistance on new vehicles in the form of interest credits and ever-more incentive dollars.

But, in contrast, dealers will receive no financial assistance from anyone on over-valued used vehicle inventory.

I'm not suggesting dealers should stop selling new vehicles. Rather, I'm offering a cautionary note that's meant to help dealers institute appropriate appraisal practice and review procedures that will help ensure every trade they take in reflects a realistic expectation of the vehicle's retail performance.

It's important that dealers are able, when the factory comes calling, to offer data-informed, rational reasons why their current inventory and the local market may/may not support the introduction of more new vehicles.

Further, dealers should know the exact vehicles, down to colour and trim combinations, that make the most sense to add to your inventory and those that should be retailed faster than others — a principle that applies to dealer trades, as well.

ADAPTING PROCESSES TO ADDRESS DROP IN SHOWROOM TRAFFIC

by **Gavin Cox**
Managing Director
AdTorque Edge
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During these unprecedented times, it has been amazing to watch humans adapt and grow around the tight restrictions in place, finding ways to shift their processes and adjust offerings to enable businesses to continue running.

Dealers are no different. Despite the current social distancing measures, our team is regularly in touch with our automotive clients, planning alternative ways to do business despite the drop in showroom foot traffic.

This includes introducing initiatives that will enable transactions and interactions to take place with minimal to no contact, and more at-home services so customers don't need to enter the dealership.

Online vehicle purchasing

One positive that has come out of this crisis is that it has enabled the fast-tracking of a lot of technological advances that may have otherwise still be sitting on the "to-do" pile. One such initiative for the automotive industry has been the introduction of online purchasing of vehicles.

In recent months, dealers have started to add "reserve a vehicle" functionality to their website stock locators in order to secure sales online. This new process enables customers to put down a credit card deposit to hold a car they wish to purchase.

The vehicle is then blanked out from the stock locator, and the dealer receives a notification, instructing them to contact the customer to finalise the sale – something that can be done either in the dealership or at the customer's home or office.

At-home test drives

Even once social distancing measures are relaxed, customers will no doubt continue to be apprehensive about close contact with others, so many dealerships are offering the opportunity to test drive a vehicle at home.

When a customer books an at-home test drive, a salesperson would deliver the car to their chosen location. The customer is then able to view and test drive the vehicle without the need to ever enter the dealership.

Even once life returns to normal, this form of "we'll come to you" service will be the way of the future, given the expectations and preferences of modern customers.

Contactless servicing

The service department could be the division of your dealership that generates the most revenue while the market recovers from the implications of the lockdown. People may feel nervous about financially committing to a vehicle purchase, however, car owners need to maintain their vehicles, so will continue to engage your service department.

In order to maximise their opportunities in this vital area of their business, some dealers are introducing "contactless service", so that customers can feel safe and assured that they are not risking their health if they book their car into the workshop.

Once a customer has booked their vehicle in for a contactless service, a dealership representative goes out to their home or office and collects the vehicle. It is then taken to the workshop where it is serviced, cleaned and fully sanitised, before being returned at the end of the day.

No need for the customer to enter the service department, meaning minimal risk to health and safety.

Get the message out

As with all new offerings in your dealership, it is important to let customers and the local public know that they exist. It is all well and good to offer online vehicles sales and contactless service, however, if no one knows about them, they are pointless. This is where your creative and advertising is key.

Your website needs to clearly state your new offerings on the homepage, so that anyone who visits knows about the new measures you are taking to deliver these modern-day services. This can be done using well-designed slider banners and pop-ups that appear as soon as a visitor lands on your site.

In order to get those visitors to your site though, you need to run a well-targeted digital campaign incorporating database marketing, and advertising on the social and search platforms, promoting your services and driving traffic to your page.

It is unclear yet, how long social distancing measures will be in place, or beyond that, how long it will take to restore everyone's confidence in dealing with others at close range.

What we do know is we can only control our own little pocket of the world, and so we must do that as best we can.

I encourage dealers to think outside the square and adapt your offerings to the current customer – you may find that this is what helps get you through this difficult period, and also what sets you apart once all this is over.

SERIES II SUZUKI SWIFT SPORT AND IGNIS ARRIVING IN MAY

Suzuki Australia has confirmed the release of the Swift Sport Series II and the Ignis Series II to dealerships in May, with pricing for both models yet to be confirmed.

Key changes for the Swift Sport Series II include blind spot monitoring, rear cross traffic alert and heated door mirrors for enhanced safety.

The Swift Sport Series II will also feature a digital speedometer, and a new, eye-catching orange/black two-tone colour. The engine configuration remains unchanged.

"The introduction of the updated Swift Sport Series II is a significant evolution of what was already a class-leading driving experience," Suzuki Australia general manager – automobile **Michael Pachota** says.

"New advanced technological features and a bold new colour option will be sure to impress. We welcome these refinements to the Swift Sport Series II, which will further enhance the driving experience of this iconic vehicle," he says.

Pachota also says that the upcoming arrival of the Suzuki Swift GL and GLX Series II variants will be the subject of future communication from the company.

For the Ignis Series II key changes include a newly designed front bumper, rear bumper and front grille for an updated look that is sure to get noticed.

Other welcome additions include a revised interior accent and refreshed external colour options for the Ignis Series II include:

- Ivory (new)
- Khaki (new)
- Black (new)
- Red
- Gray
- White

The Ignis range will continue to include two variants: GL and GLX. The engine configuration remains unchanged.

"The updates to the Ignis Series II are significant," Pachota says.

"The Ignis has always been a unique proposition. A light compact SUV with eye-catching and stylish looks, the new and improved Ignis Series II has solidified the vehicle's bold design, capturing its ultimate essence as a funky every day city car," he says.

BMW R 18 CRUISES IN Q3

BMW Motorrad will enter the cruiser segment in style with the introduction of the BMW R 18 in Q3, 2020.

Paying homage to historic BMW motorcycles, the new R18 showcases classic design with traditionally inspired elements.

It will also be positioned competitively in the market, with prices starting at $26,890.

The R 18 First Edition, which features an exclusive look with signature double pin striping paint and chrome, is available in limited numbers for $30,190.

The initial batch of R 18 First Editions allocated to Australia arriving this year are fitted with reverse assist, bringing the price to $31,690.

The simple aesthetic of the BMW R 18 and its extensive range of optional extras, such as the Original BMW Motorrad Accessories, elevate the concept of individualisation to suit different customer tastes and preferences.

Apart from its visual elements, the new heritage cruiser integrates technical aspects from models such as the BMW R 5 and focuses on motorcycle essentials that create pure riding pleasure.

The BMW boxer engine is unmistakably the centrepiece of the new R 18, and in combination with its distinctive ergonomics and contemporary technology, delivers versatility and suitability for everyday riding and relaxed weekend cruising says BMW Motorrad.

PEUGEOT MOVES TO ALL-PETROL 308 LINE UP

Peugeot Australia is moving to an all-petrol line-up for its MY2020 range, discontinuing the diesel 308 Touring Sportswagon, as well as the 308 GTi due to tightening local emission standards.

The company has announced a revised three-model range with driveaway pricing, being the 308 Allure hatchback, the 308 Allure Touring Sportswagon, and the new to Australia 308 GT-Line hatchback.

All three cars are powered by a turbocharged 96kW 1.6-litre petrol engine matched to a six-speed automatic.

The 308 Allure wagon features autonomous emergency brake (AEB), lane departure warning (LDW), lane keeping assistance (LKA), reverse camera, parking sensors, touch screen with Apple Carplay and Android Auto, satellite navigation, electronic park brake, keyless entry and start, chrome accents and all-new 16-inch two-tone alloys as standard.

The new 308 Allure Touring Sportswagon turbo-petrol features a nationwide driveaway price of $33,490, representing a saving in excess of $6000 when compared to the last petrol-powered Touring in 2016.

Carrying a driveaway price of $31,490, the new 308 Allure hatch replaces the previous model, which featured a driveaway price of $35,882, and represents a savings in excess of $4000.

The all-new 308 GT-Line features a nationwide driveaway price of $36,490. Standard equipment includes panoramic glass roof, LED headlights, fog lights and sequential scrolling front indicators, 18-inch diamant black diamond cut wheel, sports styling kit, exclusive interior trim and steering wheel (cloth with red highlights), and GT-Line exterior badging.

Peugeot Australia product manager **Daniel Khan** says the revised 308 range brings a greater value and a focus on what Australian consumers desire.

All models retain Peugeot's 5-year unlimited kilometre warranty with roadside assist and Peugeot Price Promise servicing.

MAZDA CELEBRATES 100TH ANNIVERSARY

Celebrating 100 years since its foundation as a cork manufacturer, Mazda Corporation is releasing a 100th Anniversary Special Edition series of its major models.

The special edition models pay homage to Mazda's history by drawing inspiration from the company's first ever passenger car, the R360 Coupe.

Designed to make car ownership accessible to all, the R360 Coupe pushed boundaries – even in the design-liberal 1960s. Powered by a four-cylinder engine mated to an automatic transmission and a lightweight body, R360 Coupe was easy to drive and handle while also boasting reliability, a strength best-demonstrated on a 1500km Perth to Esperance and back endurance drive in 1961.

The R360 defined what would become Mazda's guiding principles; to challenge the norm and celebrate the joy of driving. Mazda's goal remains unchanged and traces of the innovative thinking that characterised this early model abound today.

The 100th Anniversary Special Edition series borrows the distinctive burgundy and white of the high grade R360's two-tonne design. All special edition models are finished in snowflake white pearl mica, with a rich burgundy interior. The same burgundy leather introduced on Mazda3 adorns the seats, and the colour scheme is repeated on the floor mats and floor carpet.

Models are also distinguished by 100th Anniversary Special Edition badging, which combines the current Mazda brand mark with the round logo created when Toyo Kogyo was first formed. The logo features on the front fender, key fob, wheel caps, head rests and floor mats.

Set to come to Australia later in 2020, Mazda's 100th Anniversary Special Editions will be available in limited numbers across the Mazda range.

NEW VEHICLE SALES FALL 48% IN APRIL

The impact of COVID-19 has seen new vehicle sales in Australia drop by 48.5% in April 2020, according to figures released by the Federal Chamber of Automotive Industries (FCAI).

"A total of 38,926 sales were recorded for the month. This figure represents a fall of 48.5% over the same period last year (75,550 sales), and the largest single decrease of any month since VFACTS figures were first recorded in 1991," FCAI chief executive Tony Weber says.

Year-to-date figures for April totalled 272,287 sales, down from 344,088 in 2019, which equates to a 20.9% decline.

All states with the exception of the ACT saw new car sales decline in April.

"Clearly, the COVID-19 pandemic has had a major influence on the April sales result, and reflects a downturn in the broader economy right across the country"

Victoria suffered the worst decline with a 53.3% drop in new car sales, though some luxury car dealerships *Autotalk* spoke to said they had suffered closer to a 70% drop in sales during the month.

One dealer principal commented that they weren't looking forward to seeing the final numbers for April, describing the situation as "very depressing".

New South Wales and South Australia dealers were both hit with a 50.5% decline in new vehicle sales, Queensland

Tony Webber

saw a 48.7% drop, Western Australia a 36.5% decline and the Northern Territory 33.1% fewer new car sales.

"Clearly, the COVID-19 pandemic has had a major influence on the April sales result, and reflects a downturn in the broader economy right across the country," Weber says.

"Figures recently released by the Australian Bureau of Statistics show that 31% of Australian citizens have experienced a decrease in income due to the pandemic.

"In addition, more than 72% of Australian businesses reported that reduced cash flow is expected to have an adverse impact on business over the next two months.

"These conditions inevitably impact consumer confidence and purchase decisions. Many automotive brands are providing financial and sales target relief to stressed retail outlets.

"We know that our member brands are doing everything they can to assist both their dealerships and their valued customers during this difficult time," Weber says.

TOP 10 BRANDS

1. TOYOTA 60,396

2. MAZDA 23,766

3. HYUNDAI 18,941

4. MITSUBISHI 18,357

5. KIA 17,791

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LIGHT CARS UNDER 25K


1. KIA RIO
251


2. MG MG3
222


3. SUZUKI SWIFT
18


4. MAZDA2
178


5. TOYOTA YARIS
142


6. SUZUKI BALENO
133


7. VOLKSWAGEN POLO
128


8. HONDA JAZZ
104


9. TOYOTA PRIUS C
23


10. HONDA CITY
21

MEDIUM CARS UNDER 60K


1. TOYOTA CAMRY
675


2. MAZDA6
71

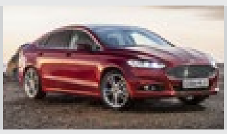

3. SKODA OCTAVIA
39


4. SUBARU LIBERTY
36

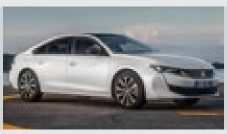

5. KIA OPTIMA
34


6. SUBARU LEVORG
21


7. VOLKSWAGEN PASSAT
20


8. FORD MONDEO
5


9. HONDA ACCORD
2


10. PEUGEOT 508
2

TOP 10 BRANDS CONTINUED

6. FORD 16,133

7. NISSAN 12,217

8. HONDA 11,154

9. VOLKSWAGEN 11,077

10. HOLDEN 10,501

HYBRID SUVS RISE WHILE COVID-19 HITS MOST NEW VEHICLE SALES

April new vehicle sales in Australia bore the brunt of the COVID-19 pandemic, reflecting an economic downturn across the country - but EV and hybrid sales fared better than most.

Nearly all sales were well into negative territory apart from the private passenger electric/plug-in hybrid (PHEV) and SUV hybrid categories, according to the latest VFACTS sales figures released by the Federal Chamber of Automotive Industries (FCAI).

The SUV hybrid sale stats were a standout in an otherwise bleak report. These jumped more than 999% in both monthly and year-to-date (YTD) comparisons in the private SUV field – 65 in April 2019 to 974 in April 2020 and 278 to 4699 in YTD.

And it is a similar story for the non-private SUV hybrid sector, rising from 70 in April 2019 to 598 in April 2020 (up 754.3%) and 243 to 3096 YTD (up more than 999%).

Hybrid sales dropped off in the monthly passenger categories, but nowhere near as much as petrol and diesel new vehicle sales.

In April comparisons for the private passenger hybrid segment, for instance, April 2020 sales at 472 were 17.2% down on April 2019's 569, but up 47.8% in YTD figures (3319 from 2246).

Electric/PHEVs in the same category were 31.8% up on monthly comparisons (29 in April 2020 as against 22 in April 2019) and 24.4% up in YTD (153 in 2020 from 123 in 2019).

In the passenger non-private sector, electric/PHEVs were down 27.8% in April comparisons (13 in 2020 from 18 in 2019), but up 131% in YTD comparisons (194 from 84).

In the popular SUV segment, electric/PHEVs didn't fare as well as their hybrid counterparts.

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Volvo C Hybrids and EVs generally performed better than other vehicle types in the April 2020 stats.

NEW VEHICLE SALES BY BUYER TYPE AND FUEL TYPE							APRIL 2020	
	Month		YTD		Variance +/- Vol. & %			
Total Market	**2020**	**2019**	**2020**	**2019**	**MTH**	**YTD**	**MTH**	**YTD**
ELECTRIC								
Passenger Private	29	22	153	123	7	30	31.8%	24.4%
Passenger Non-Private	13	18	194	84	-5	110	-27.8%	131.0%
SUV Private	58	74	294	201	-16	93	-21.6%	46.3%
SUV Non-Private	31	67	227	492	-36	-265	-53.7%	-53.9%
Light Commercial Non-Private	0	0	10	5	0	5	-	100.0%
Sub Total	**131**	**181**	**878**	**905**	**-50**	**-27**	**-27.6%**	**-3.0%**
HYBRID								
Passenger Private	471	569	3,319	2,246	-98	1,073	-17.2%	47.8%
Passenger Non-Private	766	1,007	4,673	3,753	-241	920	-23.9%	24.5%
SUV Private	974	65	4,699	278	909	4,421	>999%	>999%
SUV Non-Private	598	70	3,096	243	528	2,853	754.3%	>999%
Sub Total	**2,809**	**1,711**	**15,787**	**6,520**	**1,098**	**9,267**	**64.2%**	**142.1%**
TOTAL	**2,940**	**1,892**	**16,665**	**7,425**	**1,048**	**9,240**	**55.4%**	**124.4%**

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They recorded a fall of 21.6% (from 74 to 58) in April comparisons for the private market and a steeper 53.7% drop (67 to 31) in the non-private sector.

In YTD comparisons, the electric/PHEV market held up the private SUV category, going from 201 in 2019 to 294 in 2020 (up 46.3%) but dropped in the non-private SUV sector by 53.9% (492 to 227).

No sales for the electric/PHEV market were recorded in the non-private light commercial sector for both Aprils, although YTD figures show 10 were sold so far this year compared with five in 2019.

FCAI chief executive **Tony Weber** says new vehicle sales (38,926 in April) fell 48.5% on April last year (75,550 sales - the largest single decrease of any month since VFACTS figures were first recorded in 1991.

The latest figures reflect the pandemic and the hit taken by the broader economy, he says.

With about a third (31%) of Australians suffering an income drop due to the pandemic and 72% of Australian businesses reporting reduced cash flow as likely to adversely impact their business during the next two months, Weber doesn't see light at the end of the vehicle sales tunnel for some time.

And he wants to see more done to stimulate Australia's automotive industry.

Meanwhile, a "sustainable recovery" from the COVID-19 pandemic is sought by The Investor Agenda founding partners urging global governments like Australia's to accelerate towards a net zero emissions world.

Investors say money is available to help governments stimulate their economies through green measures such as funding EV charging infrastructure.

The Investor Agenda, which represents 1200 international investment companies managing at least US$37 trillion in assets, sent a letter to New Zealand, Australia and other G20 governments asking for COVID-19 recovery funding to heed the climate crisis.

The collaborative initiative aims to accelerate and scale up investor actions critical to tackling climate change and achieving the goals of the Paris Agreement, with the aim of keeping average global temperature rise to no more than 1.5 degrees Celsius.

The letter urges governments to avoid prioritising "risky, short-term emissions-intensive projects", saying investors are increasingly seeking low-emissions investment opportunities and tightening controls against emission-intensive activities.

Emma Herd

"Investors strongly support new measures to drive a sustainable recovery," Investor Group on Climate Change chief executive **Emma Herd** of Australia says.

She says the Australian Government should be looking to integrate recovery plans with its technology investment roadmap, long-term emissions reduction strategy, grid modernisation planning and bushfire recovery to build greater resilience and reduce climate risk.

Herd is a member of the Queensland Climate Change Advisory Council, the steering committee of the Australian Sustainable Finance Initiative and the New Zealand Sustainable Finance Forum.

HIGHLIGHTS OF THE MONTH

Complimentary Ford 2nd car for healthcare workers

Frontline healthcare workers have been given complimentary access to the Ford 2nd car programme for up to four weeks, as the nationwide dealership network steps up to support local communities.

From today, frontline healthcare workers can reserve a vehicle through the programme at any participating Ford dealer to ensure they have safe, private transport for essential travel.

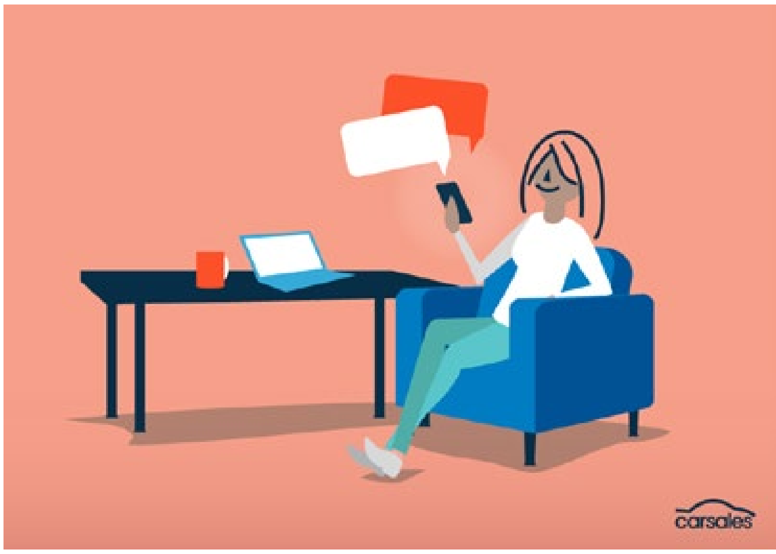
"We're grateful to every single person working in hospitals, clinics and facilities across Australia who are risking their own safety for the benefit of the wider community," **Kay Hart,** president and CEO, Ford Australia and New Zealand says.

Audi Q3 Sportback lobs into dealerships

Audi says the arrival of its first-generation Q3 Sportback into Australian dealerships will further the success of its sibling the Q3 SUV.

It says the all-new Q3 Sportback has a sporty presence that is unique for its segment. Its coupe-like silhouette appears longer than its sister Q3 and almost 30 millimetres lower. The 19-inch alloy wheels come standard on the Q3 Sportback, alongside its S line exterior.

"We see the Q3 Sportback as an attractive new option for those that place a high value on distinctive design, within the expanding compact SUV segment," Audi Australia managing director **Paul Sansom** says.



Survey reveals Aussies are still looking to buy cars

Carsales.com.au says it continues to provide both its customers and dealers with support amidst the uncertain market conditions brought about by COVID-19.

Dealers surveyed by carsales raised consumer sentiment as one of their key concerns. But a consumer survey conducted by carsales concurrently last week indicates 46.8% of consumers are looking to buy a car within the next month with 16.8% ready to buy right now.

As Australians are adapting to working at home, consumer concerns around car buying include transparent COVID-19 hygiene policies, face-to-face contact and the logistics of taking a test drive and actually buying a car.

PHEV announced as RAV4 reaches 10m sales

Toyota Motor Corporation says it will be introducing a plug-in hybrid RAV4 SUV to market this year, just as the model reached cumulative global sales of more than 10 million units.

The exact figure was 10,080,834 units sold as at the end of February 2020.

Spanning five generations manufactured since 1994, the RAV4 joins the ranks of many Toyota models which have achieved eight-figure sales.

The RAV4 was not only the world's best-selling SUV in 2019, it was also the fourth best-selling passenger car overall. North America is by far its strongest market, with more than half a million annual sales (535,000 in 2019), followed by Europe (133,000) and China (127,000).

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Most dealerships will miss out on land tax relief

The Victorian Government has announced land tax relief measures for small to medium-sized businesses, in a move welcomed as a step in the right direction by the Victorian Automobile Chamber of Commerce (VACC).

"Reforming commercial tenancy laws is supported by the automotive industry, which is largely made up of small-to-medium businesses. However, VACC reminds government that larger businesses – such as vehicle dealerships are big employers that make an incredible impact on Victoria's economy. Therefore these government reforms should also be extended to them," VACC CEO, Geoff Gwilym says.

To be eligible, the property must be rented to a tenant with an annual turnover of up to $50 million and additionally, the tenant must be eligible for the JobKeeper Payment. However, landlords of properties rented to tenants with an annual turnover of over $50m will receive no support.

Ford Mustang celebrates award-winning 56th birthday

On April 17, 2020 the Ford Mustang celebrated its 56th birthday with two notable global sales achievements.

According to the Ford Motor Company, the Mustang is now the world's best-selling sports car for 2019 and it also picks up the title of its fifth consecutive best-selling sports coupe title. The Mustang is also North America's best-selling sports car of the last 50 years.

"We're proud of our growing Mustang stable and performance variants," Ford Motor Company chief operating officer **Jim Farley** says. "From Sweden to Shanghai, more and more driving enthusiasts are enjoying the feeling of freedom and the open road in these new Mustangs."

Mitsubishi Express returning to market after seven-year absence

Mitsubishi Motors Australia is launching a new Express van in July to provide light commercial customers with a van option for the first time in more than seven years.

It is the first product for Mitsubishi customers which is manufactured in France by Alliance partner Renault. It will be released first in Australia and later in New Zealand.

"For customers who need more flexibility, we will offer both short and long wheelbase, our dual sliding doors and a number of accessories to ensure easy configuration of the van for different business requirements," Mitsubishi Motors Australia chief executive officer **Shaun Westcott** says.

Special edition Fiat 500C offers $4400 customer value

Fiat Australia says its special edition convertible model the 500C Dolcevita comes with $4400 of added value for customers.

Only 30 units of the 500 Dolcevita special edition with dualogic transmission will be available in Fiat dealerships, priced from $30,750 MSRP.

"Retaining the fun and personality of the Fiat 500, the Dolcevita and its colour palette and classy design makes this a beautiful addition that truly lives up to its name," Fiat and Alfa Romeo brand and product strategy director **Guillaume Drelon** says.