autotalk
THE VEHICLE DEALER'S NEWS SOURCE
VOLUME 6 ISSUE 2 SEPTEMBER 2019

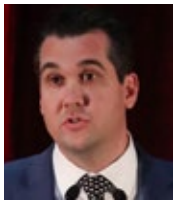


Heavy fines for big cash

Dealers caught accepting cash payments over $10,000 could face up to two years' jail time if new federal laws are passed later in the year.

Described as Orwellian in nature, the restriction on cash payments over 10 grand has resulted from a black economy taskforce which the Morrison government says found tax evasion, money laundering and other cash-related crimes were rife.

The new laws would apply to both sides of a transaction, the buyer and seller, and could see an ABN-holder dealership business receive heavy fines up to $25,000 or potential jail time for individuals.



Michael Sukkar

Assistant Treasurer **Michael Sukkar** says the laws, which would not apply to individual-to-individual exchanges, was designed to stamp out the incentive to drop large sums of cash into purchasable items like cars, boats, buildings and other high-pricetag retail items.

"The government is sending a strong message to the community that using cash to avoid obligations and potentially engage in criminal activity is a serious matter that requires a level of deterrence," he says.

"Cash is largely untraceable, this makes it difficult for law enforcement agencies to trace these activities," Sukkar explains.

The ABC reports Queensland independent MP **Bob Katter** saying it's unfair to restrict how honest people spend their money.

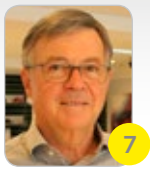
"Making the assumption that our cash transactions are due to unsavoury activity allows for the prosecution of the potentially innocent," he says.

One Nation leader **Pauline Hanson** has also opposed the bill, saying the

Continued on page 14

INSIDE

Low volumes can still mean red tape P7
Dealer convention preview: a vision for 2020 P9
Fujitsu ignored on police car ergonomics P11
BMW's autobahn-stormer gets dusty reception P13







Carsales ads to blur rego

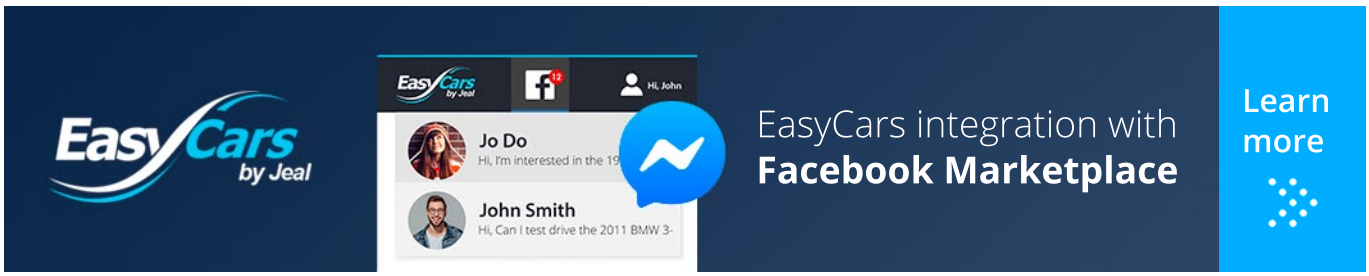
Carsales has deployed artificial intelligence in a bid to prevent plate cloning – blurring the number plates of all vehicles listed on the site.

According to a LinkedIn post by head of AI and machine learning **Agustinus Nalwan,** the system is called Mystique, and it is identifying and blurring 150,000 images a day.

According to a statement on Carsales Datamotive site, the vehicle's registration number will still be present in the listing details of dealer cars to ensure compliance with legislation. Despite the registration number being present, key number plate details that differentiate a car – such as state taglines, colours and other symbols will be harder for criminals to discover.

"Carsales was approached by representatives from Victoria Police's Vehicle Crime Squad about increasing incidents of number plate cloning, seeking Carsales' assistance to help combat the issue as Australia's #1 automotive site," it says in its statement.

Continued on page 14



AutoTalk acknowledges the support of our foundation sponsors:

carsales

autoPLAY

DOLPHIN
SHIPPING AUSTRALIA PTY LTD

TSIGROUP
AUTOMOTIVE & INDUSTRY IT
SAM
AUTOMOTIVE SERVICE IT
Automotive software solutions
Driving your business
ORION
DEALER MANAGEMENT IT
SYSTIME
AUTOMOTIVE MANAGEMENT IT

Liberty

ADTORQUE
EDGE

graysonline
.com

All the Auto Industry HOT NEWS
every day as it happens on
www.autotalk.com.au
Subscribe online for FREE
twice weekly updates direct
to your email.
www.autotalk.com.au



Fuel forethought: 'EV buyers don't contribute'

Victoria's state motoring club wants the excise collection system for internal combustion cars to be fixed by road charges as electric vehicles sales rise.

RACV general manager **Bryce Prosser** says the lack of road user charging to capture excise from electric vehicles signals a "broken" system allowing people to avoid paying for the roads they use.

According to VFACTS reported sales data from the Federal Chamber of Automotive Industries, annual private passenger hybrid sales are up 83.5% at the end of July, as are private passenger all-electric/plug-in hybrids up 19.2%.

The biggest increase for electrified drivetrain sales, however, has been in private hybrid SUVs which are up 495% compared with 2018, rocketing from 52 in 2018 to 722 at the end of July.

Private electric/PHEV sales also went through the roof this year, up 476% from just six at the end of July 2018 to 80 by the end of last month.

The results come as Toyota reports hybrid RAV4 sales sold out with a four-month wait as of mid-June 2019. The figures also see the FCAI's merging of reported sales data from all-electric vehicles and plug-in hybrids, where they were once separate.

The RACV says spending less on fuel is costing the government excise to keep roads maintained.

"The current system relying on fuel excise, GST and various federal and state motoring taxes is complex and broken and should be replaced with a fairer, more equitable system," Prosser says.

"We need an overhaul of the current system ... Road-user charging that considers how, when and where we travel is more sustainable and fairer," he explains.

Prosser's declaration comes as Australian Competition and Consumer Commission chairman **Rod Sims** said recently the buyers of electric cars and hybrids were short-changing the system designed to recover 41 cents per litre of fuel spent.



Bryce Prosser

"People who buy electric cars are travelling on roads without cost, and that's really not fair," he said.

The Australian government's progress on developing road user charging infrastructure has drawn on modelling from 22 countries whose electric vehicle market is growing.

As the department of infrastructure, transport, cities and regional development designs a system that draws revenue from electric vehicle uptake to make up for the lost excise on fossil fuel sales, the latest research report shows sales are "set to grow rapidly".

The latest BITRE data, which the department acknowledges only has roughly 10 years' worth of data to draw on, predicts the percentage of Australian annual EV sales to jump from roughly 2% in 2019 to more than 20% by 2029.

That means the government needs to find revenue from the decline of petrol and diesel fuel sales, which contributes around 40 cents of every dollar in excise, according to the tax office.

Modelling of electric vehicle costs out to 2030 are used to allow policy-makers to make changes based on the effect electric vehicles will have on subsidies, tax and charges.

The report says the rate of EV uptake is influenced by future petrol prices but even more significantly by outright EV costs. Namely, oil price increases won't encourage EV uptake as much as the base EV retail price.

Australian EV market share is predicted to hit 8% by 2025 and 27% by 2030, which, based on recent VFACTS yearly figures, could equate to roughly 300,000 sales.

The report uses "steep raw uptake curve" data from the likes of Norway, Belgium, Finland, Germany, Korea and the Netherlands compared with medium-uptake curves in Australia, New Zealand, China and the UK, and flat-uptake curves from India, Japan, Spain, France and the USA - all based on a raw logistic model of 65% passenger sales saturation.

This means the countries are groups based on how quickly or slowly they reach 65% market saturation by 2040.

"Australia starts later and then rises more slowly," the report says.

"These differences [in start time and steepness] are spread across the 22 countries, which group roughly into [these] three categories."

The report also cites the tumbling cost of battery production as a result of mega-factory production processes and the falling cost per kWh, and therefore vehicle range, as a continued trend out to 2030.

The report says the cost of battery packs has remained essentially the same from 2017 to 2025, but the virtual double of kWh range effectively halves the battery cost-per-kWh.

A separate report into the economics of transport fuel excise was also published last month.



Doubling effective range has virtually halved cost-per-kWh.



Engineers registrar an auto industry impairment

The Victorian Automobile Chamber of Commerce says governments putting automotive engineers on to a mandated registrar is a warning to the industry about a lack of consultation.

The proposed Professional Engineers Registration Bill (PERB) aims to establish a registrar scheme "to provide protection to consumers of professional engineering services" by encouraging best practice.

But the VACC says the bill, which passed through the House of Representatives in May, and is soon up for debate in the Senate, means individual engineers running small or medium-sized business would be forced to "pay exorbitant mandatory registration fees".



Geoff Gwilym

The chamber cites a recent independent survey of engineers which revealed that out of 347 engineers, 88% had not been consulted about the PERB. The automotive industry has engineers in a wide range of areas including independent and corporate-employed, across disciplines from powertrain and electrical, to wheels and tyres, to body, suspension and chassis.

Engineers are responsible for approving major vehicle modifications in sectors like motor racing or even the hot rod scene, down to moderate restorations in the classic car caper, to forming small teams of engineers at proving grounds for manufacturer brands, or working in-house with some of the biggest aftermarket accessory brands in Australia – many of whom now operate on global projects and partnerships.

At some point, an engineer has played a role in essentially every single part on any vehicle on sale, sold once-upon-a-time or which continues to be modified in ways far removed from its original iteration, such as 4WDs, trucks and trailers, light commercial vehicles or special project cars.

PERB legislation would have consequences and significant influence on automotive and mechanical engineers, automotive repairers, dealerships, specialty vehicle builders or any other business that requires certification of compliance with Vehicle Standards Bulletin 6 and 14, the VACC explains.

Among the VACC's concerns are what it describes as the inability for a registration process to make the profession or industry safer, the inherent cost increases passed on to consumers and government, and the application of the bill on past and present engineering work.

The VACC says insurance cost increases would be expected due to the individual engineers bearing risk instead of a business which could hamper innovation, while it also fears a natural judgement by the public rather than by a peer-review system as done in other industries.

There are also questions from the chamber regarding an expected increase in vexatious claims especially on engineering work completed decades ago, and points to the Vehicle As-

Continued on page 14

autotalk

AutoTalk Magazine and **autotalk.com.au** are published by Auto Media Group
PO BOX 286 Batman VIC 3058
Phone: 1800 125 620
ABN: 37 51360 734

EDITOR
Scott (Muzza) Murray
scott.murray@automediagroup.com.au
+61 426 365 774

ONLINE EDITOR
Geoff Dobson
geoff@automediagroup.com.au
+64 21 881 823

BUSINESS MANAGER
Dale Stevenson
dale@automediagroup.com.au
+64 21 446 214

RECRUITMENT / PRODUCTION SPECIALIST
Fran Da Silva
fran@automediagroup.co.nz
+64 21 933 279

GROUP GENERAL MANAGER
Deborah Baxter
deborah@automediagroup.com.au
+64 27 530 5016

MANAGING EDITOR
Richard Edwards
richard@automediagroup.com.au
+64 21 556 655

PUBLISHER
Vern Whitehead
vern@automediagroup.com.au
+64 21 831 153

Auto Media Group Limited makes every endeavour to ensure information contained in this publication is accurate, however we are not liable for any losses or issues resulting from its use.

automedia GROUP LIMITED

autotalk.com.au autotalk
autotalk.co.nz autotalk
futuretrucking.com.au futuretrucking
transporttalk.co.nz transporttalk
evtalk.com.au EVtalk
evtalk.co.nz EVtalk
wheeltalk.co.nz wheeltalk



AutoNexus grows into fleet preparation

Automotive logistics and supply chain business AutoNexus has undergone an operational and marketing refurbishment as it takes on new fleet-oriented business and additional OEM clients.

As well as a new logo and website, Inchcape-owned AutoNexus has supercharged its business structure to add vehicle fit-out, parts storage and distribution, and inventory management to its traditional vehicle movement, processing and storage model.

AutoNexus says it has also added new fleet and vehicle brands to its client list, including Downer Group, Spotless, Programmed and fleet management organisations Custom Fleet, Orix and SG Fleet.

Carmaker clients include Isuzu Ute Australia, Volkswagen Group Australia, Foton Australia, MG and Mahindra, in addition to Subaru, BMW, Peugeot and Citroen and Tesla.

The growth into vehicle fit-out has become an increasingly contested business among fleet supplier business such as HiDrive, CSM and Bull.

AutoNexus says it can accommodate installing emergency warning devices and communications, worksite lighting, data, navigation and dual battery/auxiliary power electrical systems, plus towing, vehicle protection and enhancement accessory installations including bull bars, shelving and storage, canopies, racking and window tinting.

Other important clients now include Queensland Police, NSW Ambulance Service, Ambulance Victoria and Victoria Police, and the Australian Federal Police.

With branches in Sydney, Melbourne, Brisbane, South Australia and Perth, managing director **Darren Bowler** says because AutoNexus is regarded as a leader in automotive industry logistics and vehicle preparation, the changes are not just cosmetic.

"The business has grown further with the arrival of several new OEM vehicle customers, as well as extending contracts with our current customers ... our fleet conversions business continues to expand and now delivers to many of the emergency services organisations across the country, as well as to several fleet operators," he explains.



Darren Bowler

"That business transformation is well under way, with our focus on delivering not only class leading mobility solutions, but also world-class customer fulfilment experiences across every touch point of our business," Bowler says.

"We're constantly developing new techniques and technologies to drive our customers further," he adds.



SAM

AUTOMOTIVE SERVICE IT

- NZ's number one automotive workship management software for over 25 years.
- The ultimate specialist workshop software package
- Cloud-based and hosted options available
- Installation, Configuration, Support and Trainer from the industry best
- Range of options from the entry level lite to the all-inclusive Elite



Contact Details:

P: SAM Admin +64 9 583 2451
SAM Support +64 9 583 2455
E: info@sam.co.nz

New electronic security system the 'key' to dealers' problems

Inventor and director of Lockit Systems **Richard "Rick" Gould** is the winner of the 2019 ASIAL Security Exhibition + Conference award and an Australia Good Design award.

For 20 years, Gould's system Guardian Angel has taken away the worry from automotive security, providing a key control system for automotive dealers, who can safely secure assets.

Gould has just launched Keyhound, an electric version of the Guardian Angel cabinet.

"Your greatest unaccounted assets are your keys, vehicles and staff," Gould says. "Our clients' lives are much better without wondering about keys."

Lockit's Keyhound control system allows dealers to track keys, vehicle parking usage and having staff accountable when handling valuable assets.

It is app-based, where the app locates parked vehicles, has live key tracking, dashboard management and can access keys and find multiple vehicles' parking locations in under 30 seconds.



ASIAL general manager John Fleming congratulates Richard Gould



Keyhound opens with three panels view

Gould says losing a vehicle or paying for traffic offences, or losing a property key can cost thousands in key, locks or property replacement.

Guardian Angel has reduced theft by 80-90% through its system of securing the keys 24/7, according to Gould.

"It changes the way keys are managed in a dealership," Gould says. "Now, Keyhound tells you everything you need to know about your keys."

Keyhound works on any mobile device and open to an unlimited number of keys and cabinets. It has been in the works for five years, Gould says, getting it right and making it perform in the industry.

Gould has 25 years of experience in security management, property consultancy, armed robbery survival training, banking and financial institutions and security products design.

"In the beginning, there were no systems around dealership needs, and we know that losing a key can be expensive, time consuming and traffic offences are debilitating for a company."

With Keyhound, each time staff removes and returns keys it is chronologically logged, and so is the parking location of the vehicle.

Gould says Keyhound not only saves money but time looking for lost keys.

"Your work time is worth three times what you are paid ... therefore losing half an hour a day looking for keys costs your company 1.5 hours of unattainable worth," Gould says.

His invention will feature on an episode of Australia by Design Innovations, where 10 innovations feature in each episode before being judged for Australia's top innovation of the year.

Dealers take care of a lot of keys, the bigger dealerships even thousands.

Australia by Design Innovations presenter **Brandon Gien** asks: "Can you imagine what it would be like to lose a thousand car keys?" in the promo.

"The good part is we have solutions," Gould replies.

The Keyhound system knows what keys have been taken out.

The episode will air on Sunday, September 8 on channel 10 at 2.30pm AEST and will be available on tenplay the next day.



Low-volume dealer: Governments 'stealing' from car industry

It's fair to say nobody was entirely happy with the Road Vehicle Standards Act in its intended form and numerous automotive business were preparing for the worst, that was until the federal government pushed pause.



Chris van Wyk

Few have stared potential ruin in the face, and subsequently fought like hell to survive the red tape strangulation, quite like managing director of Morgan Cars and Caterham Cars Australia, **Chris van Wyk.**

His business, which is owned and operated out of the Zagame Autosports' building in Cremorne, in Melbourne, is one of very few caught in the middle between being a franchised dealer and an importer.

Selling barely a handful of these stunning cars every year, Morgan and Caterham are such low-volume brands they're built in batches of less than a thousand per year and each unit is essentially only built with an order in place.

They're essentially moderate to high-performance drivetrains, clothed in the eloquence of styling cues and design language not seen in mass production for half a century.

People buy an Aston Martin, Rolls-Royce or McLaren to own something rare, special and thrilling to thread through traffic or squirt down a desolate, snaking back road. And then there's a Morgan Aero 8.

Track nuts turn up to Winton in their tweaked this-or-that, while others roll a low-slung, carbon-braked, straight-piped supercar out of a truck. Then there's a Caterham 485.

Van Wyk has just three Caterhams allocated for 2018. And for the past 18 months/two years, he's attended several meetings and consultations with the federal government's infrastructure department, debating tooth-and-nail to get the bureaucrats to see sense.

And in May, news came through his Victorian customers would pay even more as a result of treasurer **Tim Pallas'** decision to slug even more tax on a vehicle retailing at over $100,000.

It's never the way one likes to open a conversation with such a welcoming chap, who can rustle up a bloody good cup of coffee.

"It's stealing; totally unjustified stealing, and not just on cars – I don't want to tell you what we pay in tax for this building," he says.

"The government has done absolutely nothing in order for me to get a car on the road – nothing.

"Yet they take more profit on such a vehicle than the dealer who's paid for delivery, paid the import duty, paid luxury car tax, extortionate registration fees, paid exorbitant rent, pays GST, employs staff, and supports an entire economy of parts and servicing, of retail and vocational training – but the government does nothing and makes more than the business trying to break even," van Wyk explains.

He says politicians are killing more than just dealerships, and attributes the on-going survival of the business to the entrusted partnership with the Zagame family business.

"Take a look around the streets of Richmond, Fitzroy Street, Bridge Road, Chapel Street; why do they think Myer and David Jones are struggling?" he asks.

"People are selling shirts and socks and shoes, the rent's sky-high and they wonder why businesses are dying in the digital revolution – the Labor mentality is tax, tax, tax – then they blow the money," he answers.

It's a valid point. The Swan Street section of the Zagame Automotive business may be hard to miss with purple Lamborghinis, orange McLarens, gorgeous Astons and glistening rosso Ferraris on one side with signage, but take a good look around and the reality is, a large portion of shopfronts are stripped of decoration and sit there as drab, graffiti-ridden real estate waiting for another unlikely hopeful.

What keeps the Zagame business as a whole beating and Chris's Caterham/Morgan passion project alive, he says, is the service they offer, and the respectful understanding of their customers.

"Every pillar of profit potential a dealership has is quickly becoming a loss maker," he says

Continued on page 8



Less wheels doesn't mean less red tape.



Low-volume dealer: Governments 'stealing' from car industry

Supercars struggle to match a Morgan for exclusivity.

Continued from page 7

pessimistically but realistically.

"The consumer is buying based on a price now, not for the value in the product; they don't see the staff, the taxes, the liabilities, the investments, the expenses that business has to endure," he explains.

Fortunately, those certain few Caterham and Morgan customers have an old-school mindset and place a more traditional value on buying a product.

"Customers in this end of the market tend to be self-made people, they typically understand how hard it is just to keep their business staying alive and eventually turn a profit – there's a mutual respect for the value of the dollar," van Wyk reveals.

It's easy to think of the wealthier consumer as someone carefree about cash and far less vigilant than the mass-market car buyer, but Chris says to the contrary.

"Customers tend to be their own bosses and haven't had to rely on others, so they're not typically on a salary which depends on someone above," he concedes.

"So, when it comes to buying a car, they see the value on not just what they're buying, but the service, the experience and the satisfaction that purchase offers," he continues.

"We would be selling in a shed if it weren't for our service and the customer who appreciates not only our cars which are a 'want' purchase, not a 'need'; but they understand the importance of their obligations, their role in paying for something," van Wyk says.

In order for van Wyk to bring the beautifully analogue Morgan 3-Wheeler into Australia to sell, he personally had to be familiar with every line of ADR compliance, not only for a passenger car, but for motorcycles as well.

He's so proficient with the Road Vehicle Standards Act, the Specialist Enthusiast Vehicle Scheme and associated regulations, van Wyk was the chosen one for helping the Zagame business homologate the Pagani hypercar brand's astonishingly beautiful – and blindingly fast – cars into Australia.

The Morgan 3-Wheeler, he recalls vividly, had to be dropped at a height on to its nose to pass the engineering criteria stipulated by the department. But that wasn't the end of it.

"The front end is classified as a passenger car, according to the government, but when I had it in for inspection, the dual rear tail-lights on a single-wheel rear end was considered non-compliant because the back half is classed as a motorcycle, so the light had to be singular," he explains with blank expression.

Emissions have also been the bane of his existence in the recent past, as WLTP standards in Europe were eventually adopted for Australia, but in the delay, rendered an incoming allocation of Caterham's non-compliant – despite only being a few cars on order.

Only last week were those engines – based on tuned versions of Ford's four-cylinder Focus engine – approved under a special exception clause and allowed to enter.

But because of the year-in-advance production ordering the Caterham factory in England works on, Chris hasn't been able to take any orders since 2017.

Happily, van Wyk says the business is looking at a much more promising short-term outlook where he can bring in up to 25 Morgan cars, 100 three-wheelers, and somewhere around 1000 Caterhams, but he still has to present each individual car to VicRoads.

"This has been a labour of love, selling these cars," he says.

"And it's not an economically viable business, it survives because of passion for the cars, the respect of our customers and the generosity of the Zagame family who believe in what we do here," he smiles.

"I am also pleased the federal government has delayed the Road Vehicle Standards Bill, it'll give them a chance to get it right," he concludes.



Compliance rules are on the nose.



Nothing conventional at 2019 dealer conference

As the sale of new cars in Australia continues to take a hammering from an economy under cloud, it would be too easy for franchised dealers to keep sheltering from the storm.

But as former Australian Automotive Dealer Association chief executive **David Blackhall** has said many times in the recent past, dealers are entrepreneurial, innovative businesspeople who have adapted to changing and often tumultuous market challenges in the past.

With Australia's new car market slowly sinking into the mud, after nearly 18 months of failing to achieve sales growth, now is not the time to hope for a break in the weather.

It's time to take control by getting to the 2019 AADA convention at the Melbourne Convention & Exhibition Centre, September 9-11.

The AADA has put together a line-up of industry experts, dealer colleagues who have invaluable advice and experience to share, and one particular individual whose life achievements have not only protected Australia, but grown our country.

Sir Peter Cosgrove is one of Australia's most distinguished individuals. A general whose military career spanned 40 years.

Sir Peter is speaking at the Carsales Luncheon on September 11.

The AADA is also urging dealer principals, sales managers and business development teams to take advantage of the convention's plethora of informative speakers and content on offer as the industry faces challenges from all angles.

Special content will be presented by SpinCar, the North American Dealer Association, Carsales and Gumtree Cars, Op2ma, Toyota and Nissan financial Services and Jaguar Land Rover Australia, KPMG, Cox Automotive and Deloitte.



David Blackhall



Sir Peter Cosgrove

Dealership colleagues like **Rebecca Frizelle** (COO of Frizelle Prestige), **Debbie Clark** (DP of Nepean Motor Group), **Raelene Murphy** from the Stillwell Motor Group, and **Phil Gilbert** Motor Group director **Edwina Gilbert** will share their tips and tricks for not just getting through a tough economic environment but getting ahead in it.

Expect some fresh perspectives from the likes of Performance Circle founder **Lisa Fogarty** offering her experience in customer engagement, selling, strategy, innovation, presentation skills and relationship building.

That last bit is key right now as lending restrictions make finance a hard sell for dealers. Forgarty's experience goes back to a range of industries, including automotive, retail, banking, finance and insurance – literally every pillar of the dealership life.

The highly informative sessions with the team at Deloittes return – and not a moment too soon given the way the market is heading – so be sure to make it for these standing-room-only presentations from the likes of **Chris Mandile,** director of Deloitte Motor Industry Services, and partner **Dale McCauley.**

Also getting down to brass tacks will be **Rohan Meyer**, senior manager for Motor Industry Services at KPMG, and senior co-ordinator **Laura Pestell.**

HWL Ebsworth lead partner **Evan Stents** is back to update you on the latest news and progress out of Canberra on the incoming automotive franchising code of conduct which has been both the passion project and bane of David Blackhall's existence for the last couple of years.

Blackhall and Stents will form part of an industry panel on September 10, along with North American Dealer Association executive VP of legal and regulatory affairs, **Andy Kolbenz.**

Also, with dealers' livelihoods depending on it, a number of vital life lessons will be learned at the convention opening breakfast on Tuesday, September 10, from **Sir Murray Rivers**, QC.

Sir Murray is played by highly awarded Australian writer, actor, comedian and political satirist **Brian Dawe** – the other half of **Clarke and Dawe.**

Sir Murray is one of Australia's most controversial legal and political figures. He is a former Victorian Supreme Court Judge and an outspoken media commentator, often described unkindly, and he believes unfairly, as "The **Graham Richardson** of the Liberal Party". He's also not to be missed.



Deloitte sessions are always full.



Automakers ignored police tech safety

Kia Australia and Fujitsu have revealed the latest technology developments in their police vehicle collaboration project to revolutionise the way state police forces do their job.

But Fujitsu says it has been trying to offer more ergonomic hardware and software to various emergency services and particularly police patrol vehicles stretching back 10 years.

The new project involves a prototype Stinger highway patrol vehicle without the significant weight increase typically seen in current-issue duty vehicles.

Putting fleets of these Stingers into service would mean a far less costly workhorse fit-out operation for state and territory police departments.

Fujitsu and Kia Australia say their vehicles' new systems could start rolling out in the next six to eight months.

A range of redesigned features include the operation of equipment such as lights, sirens, computer database access, search lights, radio communications, license plate recognition and surveillance cameras, through integration with Kia's vehicle systems.

Kia Australia has given Fujitsu engineers open access to its Stinger performance sedan to develop a plug-and-play system which would remove as much as 60kg of excess weight from the existing police pursuit vehicle fit-out package.

Fujitsu says the project is about reducing weight, simplifying the fit-out of police vehicles, while integrating siloed technology systems such as databases, criminal computer databases and the live feed of office-mounted body cameras.

"We're talking about one of the most unsafe vehicles on the road – a current, in-service, fully equipped police car," Fujitsu principal architect **Ian Hamer** says.



Ian Hamer

"When an officer slams the gear selector into drive in a pursuit, their hand is hitting an object in the cabin," he explains.

At present, police officers are required to use up to seven computer or program logins while being surrounded in their patrol vehicles by a range of dangerous brackets, holding up to four hard-edge computers, radio devices and scanners which pose a danger to officers in the event of a collision.

"Officers have been complaining for a long time about safety concerns inside their patrol vehicles, even down to knees rubbing on things," he says.

"On hot days, air-conditioner vents are blocked by multiple pieces of equipment which means even basic creature comforts are rendered useless," he says.

"This poses a fatigue issue, all the additional hardware poses a huge safety risk in the event of a crash, and there's so much added weight to the standard vehicles their performance and handling characteristics are compromised from the beginning," Hamer explains.

"Everything installed by suppliers into a vehicle has an ADR compliance issue, from potentially interrupting airbag deployment zones to compromised crash protection, even officers who keep grazing their knuckles on the underside of computers bolted in front of them," he says.

Fujitsu says it spent years pushing major automotive manufacturers to let it redesign the innards of police cars.

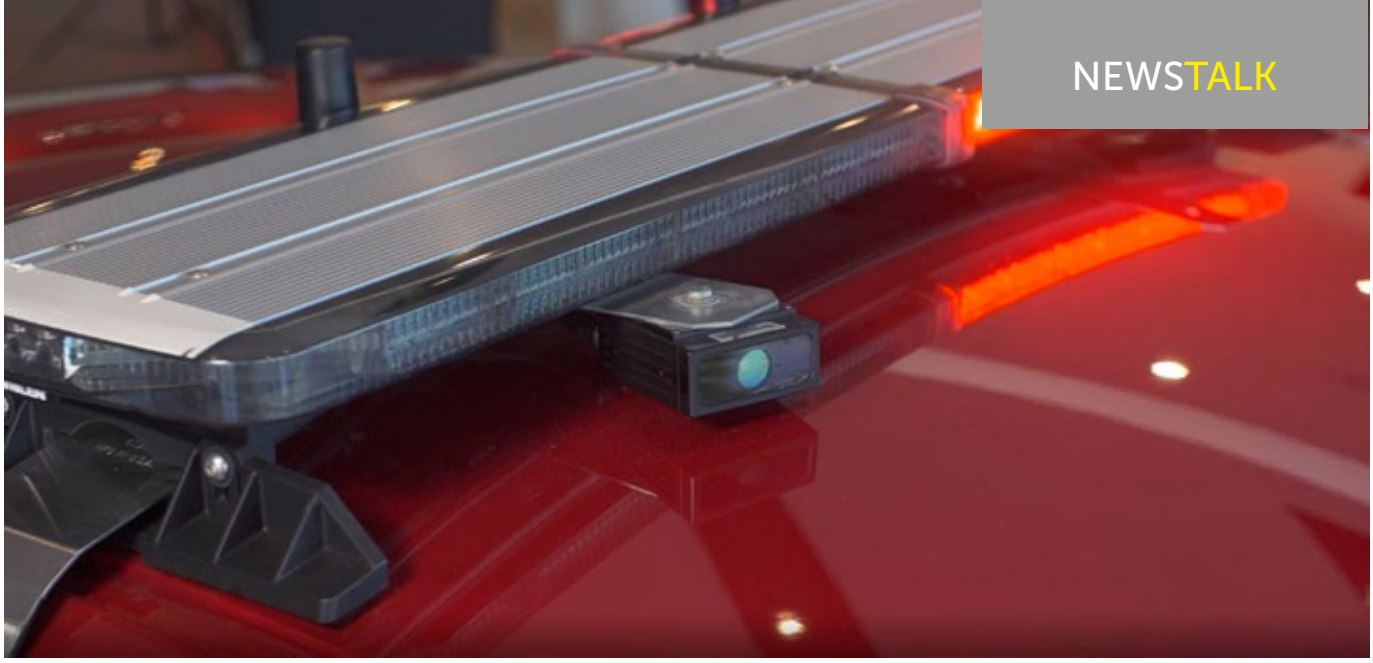
"We spent about 10 years lobbying Holden, Ford and all the other manufacturers to let us in there to make them safer, smarter, remove a lot of the excess that gets put in these vehicles," Hamer reveals.

"But the car industry has always had the same response; that's not what they do, not interested, no thank you," he says.

Hamer says they tried "everyone" to ask for access to OEMs' vehicles to help them develop better ideas for rigging up police fleet vehicles.

"We eventually gave Kia our story,

Continued on page 11



Automakers ignored police tech safety

Continued from page 10

told them what we wanted to achieve, and having tried literally everyone, figured it would probably be a similar response," he concedes.

"But an hour later we had a call asking what colour Stinger we wanted – they wasted no time," Hamer beams.

"It's not as simple as just looking at plans, you need to get into the vehicle's systems, how they work on the road, you need a working vehicle to understand it properly, and Kia has given us access to their technical teams," Hamer acknowledges.

"We spent five days gutting the whole vehicle, looked at where we would plug into, figuring out how to maintain the vehicle without drilling everything in place with tech-screws like in the old days," he chuckles.

Another major feature of the project includes a biometric scanner which detects and reads the presence of a flowing vein in the officer's hand. This scanner cannot grant vehicle access to anybody other than the assigned officer and does not work without a pulsing vein detected. It would tailor seating position, mirror adjustment

The signature piece of new equipment would be a fully integrated roof-mounted LED lightbar with CCTV plugged into an integrated power source in the rear of the vehicle, replacing the current fit-out which requires drilling holes into the roof of in-service patrol cars.

Fujitsu says it expects the current six-week fit-out period to be down to just two, which will save police departments costly downtime, reduce insurance costs and improve residual value.

Hamer says the current technological and economical ecosystem for fitting out a typical police vehicle uses 10-15 suppliers, puts officers in harm's way and is a very expensive operation to equip thousands of law enforcement assets.

"We're removing more equipment and weight than we're adding," he adds.

Fujitsu's collaboration with Kia means officers will be able to work in a customised policing vehicle, rather than an ad-hoc device.

"Many police vehicles also have to carry weapons, class one drugs for emergencies, roadside breath test equipment, crash scene equipment, and can cost up to $80,000 to fit-out a typical highway patrol car," he reveals.

He says the current technological systems are cumbersome and don't work together.

"Every time an officer turns off their patrol vehicle, be it for lunch or to get fuel, they have to log back into their computers, which is time consuming," he says.

"Every digital system currently doesn't talk to each other, from video to criminal databases," Hamer continues.

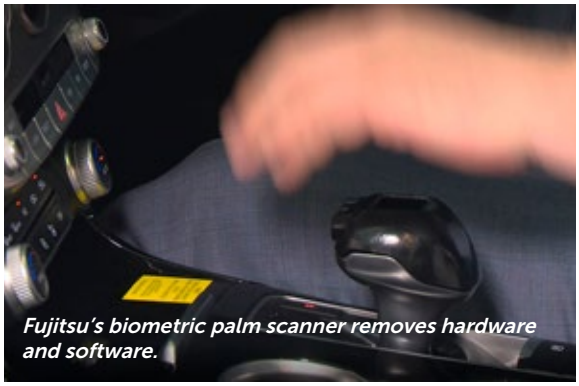
"One bracket to hold an officer's computer can cost $300 – our system completely removes the need for it altogether," he says.

The new technologies will mean officers can focus on their jobs, without having to be held up by unnecessary administration tasks.

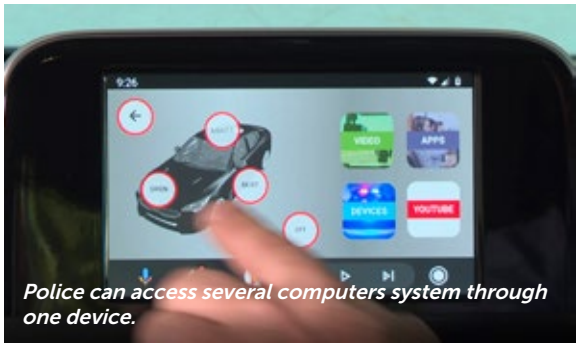
"There are officers having to one-finger type to log into all their systems individually; we decided to design one system, with one power source, taking up less space, reduce damage to the leased vehicle and allow it to perform better while being inherently safer at the same time," Hamer explains further.

"Police cars are basically CCTV systems for evidence gathering, and this allows police to do their jobs better, safer and more efficiently," he adds.

Hamer says any fleet with a back-to-base operation can potentially benefit from what they've developed.



Fujitsu's biometric palm scanner removes hardware and software.



Police can access several computers system through one device.



Body repair ruling sets precedent

The Motor Trades Association of Australia and the Australian Motor Body Repairers Association are pleased to see their position on bullying insurance and financial firms galvanised.

The Australian Financial Complaints Authority has made a benchmark ruling which validates the MTAA's calls for action against insurance giants who refuse or neglect to settle a policyholder's claim by using the consumer's preferred repairer.

Insurers, the MTAA explains, have argued with body repairers that the amount quoted by consumers' preferred repairers was excessive and unreasonable, justifying the refusal of a claim.

Whilst car insurance policies have historically entitled policyholders to choose their own vehicle repairer, policies have also allowed insurers the power to decide at their own discretion whether it would agree to pay a certain amount for those repairs.

The AFCA says one insurer, who was expected to exercise its discretion with reason and in good faith, has been directed to use a qualified independent assessor to inspect a damaged vehicle and provide a third-party estimate.

Where an AFCA case analyst has recommended the insurer undertake a live independent assessment, the insurer has instead opted to the independent inspection by a business not qualified as an assessor, only a repairer.

"The insurer has received photographs of the damage to the insured vehicle, but has not physically inspected the damage," the verdict reads.

"To help determine its liability under the policy, it would be reasonable for the insurer to arrange a physical inspection of the insured vehicle by a suitably qualified assessor," the report continues.

The MTAA says in a statement the case has been "significant as it underscored two recent determinations of longstanding disputes".

"[The disputes] centred on breaches of the Motor Vehicle Insurance and Repair Industry (MVIRI) voluntary Code of Conduct by some car insurers that impacted consumers and motor body repair," the MTAA explains.

"These cases, which have involved significant resources and assistance by State and Territory Motor Trades Associations and Automobile Chambers of Commerce, ensured consumers and motor body repair firms impacted by the decisions of some car insurers are addressed," it concludes.

The AFCA decision has given renewed empowerment to the automotive industry and consumers by reinforcing choice-of-repairer in motor vehicle insurance policies – a result the Victorian Automobile Chamber of Commerce is content with.

"AFCA found in favour of the consumer because the consumer had purchased an insurance policy that gave them the right to choose their repairer, and the insurer was found to not have met its contractual obligations, under the policy, in refusing to allow the consumer to exercise this right," VACC chief executive **Geoff Gwilym** says.

"Insurance policies usually give the insurer a discretion to reject the consumer's chosen repairer where the insurer considers that the chosen repairer's estimate is unreasonable," he explains.

"We have had a situation in the car insurance industry for many years whereby some insurers would reject reasonable repair estimates made by repairers, chosen by the consumer, in favour of another workshop preferred by the insurer," he reveals.

The VACC says insurer-preferred repairers typically provide a much lower repair estimate than the consumer's chosen repairer, which leaves more questions than answers.

"Frustratingly, the consumer is often not told why the insurer's repair estimate is much lower. The insurer may also use the lower repair estimate to cash settle the policyholder, which is unfair," Gwilym maintains.

"What this behaviour encourages is underfunded or incomplete repairs; or unfair cash settlements - it was a race to the bottom until AFCA stepped in with this historic decision; our members want to see the end of vehicles being poorly repaired," he adds.

The VACC estimates case #620915, where AFCA found in favour of the consumer, is relevant to 90% of all choice of repairer repair complaints the organisation's policyholders have with insurance companies.

Gwilym says before this decision, cars often required secondary repairs when returned to the workshop that originally lost out on the job quote.

"Getting the right repairer in the first place may actually save car insurers time and money by following the AFCA order," he highlights.

The verdict also sets a new precedent for future cases of similar nature.

"This ruling reinforces a motorist's right – where they have a 'choice of repairer' policy – to have their vehicle repaired where they choose," Gwilym continues.

"If an insurer insists on a different repairer, they should be provided with an explanation that transparently explains the proposed repair methods and if new or second-hand parts are being used," he concludes.



Greenpeace: Ban auto advertising like ciggies?

Global environmental activist organisation Greenpeace has asked for advertising of internal combustion engines to be snuffed out like cigarette advertising in the 1990s.

Like the marketing of harmful, toxic, carcinogenic chemicals found in some of the biggest cigarette brands like Marlboro, Winfield and Peter Jacksons, Greenpeace says allowing carmakers to flog carbon dioxide and nitrogen oxide emitting cars on telly, online, in print and via giant public display advertising is a blight on society.

Writing for *The Independent*, environmental activist journalist **Isabella Kaminski** says driving to the school gates should be made as unacceptable as handing a baby a lit cigarette and would start by "killing off" the automotive industry's "cretinous marketing".



Isabella Kaminski

She says cutting out the human impact of carbon monoxide and associated harmful emissions would start with reducing the appeal of cars.

"Restricting adverts that link cars to social and sexual success or that condone immoderate or irresponsible use – as has been done with alcohol – could be one solution," Kaminski suggests.

"Manufacturers would instead have to compete over the environmental credentials or safety features of their products," she adds.

Kaminski wants to see the marketing attitude of large vehicles change in particular, to suit the climate change crisis being faced, and takes aim at one of the biggest SUV badges in the business.

"Once derided as the 'Chelsea tractors' of wealthy central London mums, these [SUV] monstrosities have become normalised at precisely the time when we should be weaning ourselves off cars altogether," she says.





"It's clever marketing. Earlier this year Land Rover was subject to a Twitterstorm when it released an ad for its new two-tonne SUV, set in an eerily empty Brixton," Kaminski points out.

"That part of London, normally bumper-to-bumper with steaming cars, is one of the most polluted and congested parts of the capital," she highlights.

Kaminski believes one of the key ways to address being in "the middle of a global climate and environmental emergency" is to "stop glamourising one of its leading causes".

One simplistic option she describes as "the nuclear option: Banning advertising and overt branding altogether".

"Increasingly restricted, from the 1960s when television advertising was banned to 2016 when plain packaging was introduced, over that time smoking rates and related deaths have fallen," Kaminski explains. But she may already be getting her wish - in Australia at least.

A drop in automotive advertising has been a contributing factor to revenue slump for outdoor billboard company Ooh Media this year.

Ooh's share price dropped in late August when the company told shareholders it expected to post 2019 financial year earnings of roughly $125-135 million, well below expectations of $162m.

It comes as Australian automotive sales reports continue to slide for nearly 16 consecutive months, with Morgans analyst **Ivor Ries** telling *Fairfax* the looming threat of a potential recession has caused purse strings to tighten.

"Roadside billboards, the company's highest-margin business, was the scene of the worse carnage," he says.

The frequency and volume of Carsales advertising has ebbed and flowed recently, with online advertising revenue up 1% to $300.1 million.

However, display advertising was down 13% to $64.1 million, reflecting what chief executive **Cameron McIntyre** describes as a challenging new car market.

"This result is testament to the strength, resilience and diversified nature of our business, as well as our investment in new products and entry into new markets," he concedes.

"We continue to be the clear market leader in online auto classifieds in Australia with the largest and most engaged consumer audience," McIntyre adds.

Heavy fines for big cash

Continued from page 1

punishment far exceeds the potentially innocent nature of the crime.

"If you are a person who keeps cash and uses it to buy a new small car, for example, you will face the real threat of two years in jail and a fine that would likely exceed the value of the vehicle," she says.

"Flushing 'mattress money' out of the shadows and back into bank accounts will leave deposits vulnerable to negative interest rates," Hanson says.

If passed, the bill will come into effect on January 1, 2020.

Carsales ads to blur rego

Continued from page 1

"We put the wheels in motion to develop a solution and we are pleased to say that this week the first number plates on listings were blurred on Carsales, with number plates on the details page to follow soon."

What is number plate cloning?

The crime involves falsifying a genuine number plate and attaching it to another vehicle which is often the same make, model and colour. The criminal may then use the car with cloned plates to drive on tollways without consequences, drive dangerously or conduct other criminal activity, with the genuine vehicle owner often sought to pay fines or tolls.

The activity impacts both everyday Australians selling their car as well as dealers. In 2017, number plate cloning saw one dealer receive more than $16,000 in fines.

Engineers registrar an auto industry impairment

Continued from page 4

sessment Signatory Scheme where engineers are already overseen by the National Heavy Vehicle Regulator, with constant VicRoads auditing and compliance reviews.

Chief executive **Geoff Gwilym** says the intentions of the bill are in the right place, but it lacks consultation with the automotive industry, a key stakeholder in the laws it will affect.

"Drafted without proper industry consultation, there is absolutely no conclusive evidence to suggest the bill will benefit the profession, consumers or the community," he says.

"The VACC fully endorses safe workplaces and safety practices. The proposed bill, however, does nothing to improve safety practices, reduce risk or improve consumer outcomes," Gwilym explains.

"This is rushed legislation that has not received the required scrutiny for new law development," he adds.

The Association of Professional Engineers Australia (APEA) seems supportive of the registration process, saying it will filter out those who lack the appropriate expertise an engineer should have.

"At present, anyone in Victoria can call themselves an engineer; a registration scheme serves to protect professional identity ... [because] only qualified, competent and knowledgeable engineers will be registered," the association says on its website.



"Not only will a scheme assist the Government and public in making informed decisions about which services to engage, but registration will develop your professional identity as an engineer," the association adds.

APEA also explains in its 2018 remuneration report that registered engineers are expected to earn up to $25,000 more than their unregistered colleagues, and engineers will be required to continually develop their skills.

"As well as status, your professional identity is formed by your ongoing commitment to your area of expertise," it says.

"Should registration pass the Upper House, you will be required to commit to your ongoing development through a minimum log of continuing professional development hours."

The APEA says the point of registration is to identify and exclude non-engineers who have the capacity to put the public at risk when working on these projects.



Heading Outback for M Town

We have been to a few random places to try out new cars over the years, but BMW Australia managed to land a first recently - out in the wilds of South Australia.

And while the rough conditions of the sunburnt country do lend themselves to four-wheel drives, and by extension SUVs, this event was for something in a slightly different direction.

For this was the second Australasian installation of the brand's M Town concept. The first was an attempt to hit the snow at New Zealand's Southern Hemisphere Proving Grounds which fell a little flat because of weather conditions.

This time we are on the clay pans at Nilpena Station in South Australia, ostensibly for the launch of the new X3 M and X4 M Competition models - although really to experience more than just that.

What is M Town? It is a global campaign to show off BMW's broad range of specialist M models. The tagline is a little awkward: "Where too much is just right", but the intent and execution are rather fun.

To pull from the BMW marketing kit: "M Town is a virtual dream city that celebrates the legendary BMW Group brand specialising in high performance sports cars and provides the platform to generate immersive content for both motorsport enthusiasts and fans of the marque."



The event this time equated to an almost Mad Max feel to the safer tents housing the non-driving elements of the day, massive M Town signage best observed from a drone, and - most importantly - a massive rally stage marked out on the firm-yet-powdery clay pan surface.

Before we get into the fun, why is BMW so eager to push its M and X products out to the market? Because they sell.

Tony Sesto, general manager of marketing for BMW Group Australia, says it is because both badges sell. In Australia, X model accounts for 62% of sales to the end of July, and M model sales are up around a half. In New Zealand, penetration is even higher.

"For us, in Australia, and I am sure in New Zealand, we are petrol heads," Sesto puts it.

It is a busy year for a new product for both X and M as well. A new X6 is on the way, an M50i and plug-in hybrid models are joining the X5 range, and the X7 range is beginning to find its footing at the top end.



The last to hit the road, err, clay, and likely to be a solid seller, will be the X3 and X4 M models. Specifically, Australia is getting the "Competition" model only, as according to head of product planning, **Brendan Michel,** that is what Australasian buyers flock to.

"History has shown that when we have an M model and an M Competition model, everyone goes for the Competition.

The headline figures for both models are impressive. Power comes from the straight-six twin-turbo producing 375kW and 600Nm. BMW claims the engine is 90% new, and includes trick 3D printing for the core of the cylinder heads. The turbos drive three cylinders each.

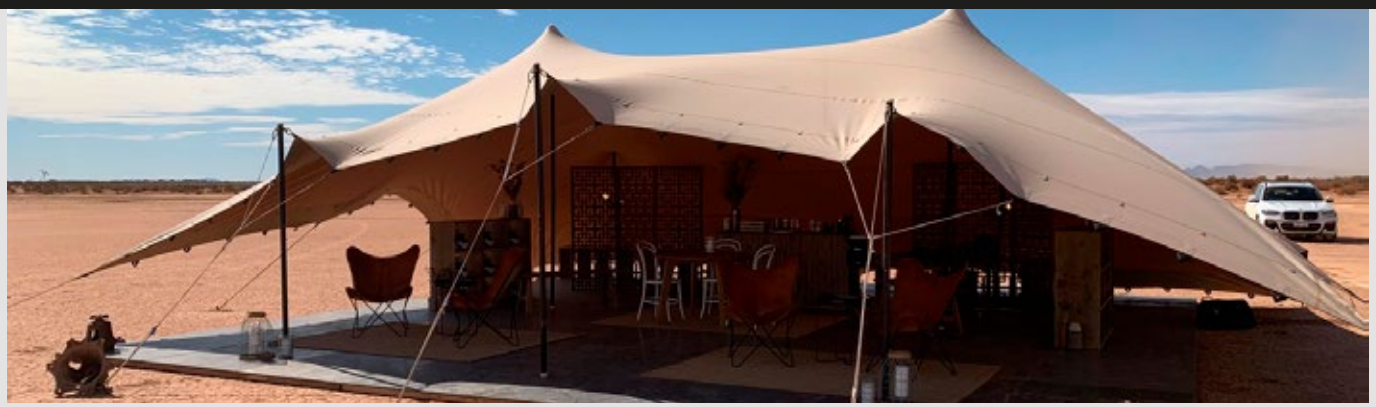
The cooling system has been significantly up-rated to allow you to spend time on the track without the fear of cooing the engine.

"This is what the guys back in Munich refer to as a race-track ready cooling system," Michel says. "You can take this car to the track and fang it around all day and it will be fine."

The claimed 4.1-second 0-100km time is reportedly conservative, and reports are 3.8-seconds is possible.

Drive goes to all four wheels, though an eight-speed automatic and

Continued on page 16







Heading Outback for M Town

Continued from page 15

a rear active M differential. Unlike the M5 you can't send 100% of power to the rear wheels, though in 4WD Sport it gets close at up to 80%.

Combine this with BMW's programmable drive systems and you can set the car up through the steering wheel mounted buttons - M1 and M2 - for leery slides on the appropriate surfaces.

The brakes are massive 395mm vented discs with four pistons at the front, and 370mm discs with a single piston in the rear.

Comfort is as you would expect in a BMW SUV - a well screwed together interior, comfortable model specific sports seats and an updated heads up display.

You also get the full BMW Driving Assistant Plus system.

The X3 M is priced from $178,900 and the X4 M at $183,600.



Slideways

So, what does 375kW and rear-biased all-wheel drive feel like on a 23-corner clay and bull dust based circuit? A lot of fun.

Racer **Karl Reindler** took us for a sighting lap prior, encouraging us to stay on the power in certain sections and to avoid cutting the barely defined corners. He demonstrates with a near overshoot that the surface offers little braking grip.

We get our chance behind the wheel with the full stability programmes on, and find the X3M gets around well enough. Acceleration even on the surface is rapid (the engine sounds amazing), but the systems seem a little too eager to intervene in the corners.

Next lap, hit the M2 button and forcing a switch to Sport 4WD and a less intense M Stability mode - turning everything off was verboten - and what a difference. Instantly it felt like I was a rally hero, able to take corners in a near 90-degree power slide. This is not talent, this is great electronics and a brilliant chassis.

Cue round after round of fun, coating the cars in bull dust and sending plumes into the blue South Australian sky.

If this is M Town, point out where to sign up for residency.



The need for thee

As an imaginative little boy growing up in the suburbs of Melbourne, one of my favourite toys was a worn, paint-chipped silver 1:18 scale model F-16 jet fighter, made of actual metal, not some plastic junk, and it would've had a million-hours service life, I loved it so much.

Then I saw *Top Gun* for the first time.

Tony Scott's masterful cinematography, the Maverick attitude, and of course Danger Zone. Before automobiles, I was in love with planes (and trains), and only recently has that feeling been challenged ... by this.

It happened the day Hyundai sent out that press release with the first official shots of the i30 N Fastback. And yes, to the car buff paying attention, that nomenclature is written in the wrong order. Deliberately.

See, this car is not an i30 Fastback given the N-treatment. It's all the MMA-style throat-kicking force an i30 N offers, but given the backside of **Jennifer Connelly.** The i30 N has been "Fastbacked" in the same way Top Gun Maverick has been given the full **Tom Cruise** treatment of no green-screen and actually teaching actors to fly and pilots to act.

There hasn't been a movie in years I've wanted to see so badly, and likewise there isn't a car on sale today I want as much as the Fastback. Hyundai had no right putting so much R&D into the N programme and putting performance driving within affordable reach of normal people.

And by "normal people" I mean those who actually buy something they can afford and/or have money for. Not those committing themselves to a hot car and scaling a mountain of interest repayments anchored by financial instability.

The Fastback N drives like a jet fighter too. There's absolutely zero hesitation between your right foot, the intake, combustion process, the relentlessness of the prop shafts and force-fed accumulation of speed and unwavering mechanical grip. It's intoxicating.

Being a manual and not having the hip of a 68-year-old, I could happily bear the burden of disengaging and re-engaging the flywheel to the gearbox, in the same way Maverick doesn't need a drone to do his job, nor an IntelCore processor to race a plane down a runway on his motorcycle. He doesn't even need an app to pick up **Jennifer Connelly.**

Fire up the Fastback and its snarls. Not in some ostentatious V8 kinda way. With a pent-up, vengeful gleam in its headlights that wants to thump Golf GTIs and Audi RS4s into pant-wetting, apologetic submission for all those years of smugness.

Hyundai honouring track-friendly warranties and promising brakes that don't die is like Lockheed Martin offering cash-back on the F-16's Harpoon anti-ship missiles that hit

Continued on page 18









The need for thee

Continued from page 17

the wrong target.

The brilliant e-diff gives you so much confidence in every bend where you might've dabbed the brakes on your favourite, familiar piece of road, you can simply lift ever-so-slightly and immediate get back on the power.

The Fastback shape and length gives you the sensation of inconsequential acceleration delivered by an unstoppable afterburner-like twin-scroll turbocharged engine. And much like an F-16, if you're not paying attention, such is the accessibility of the N's 202kW and 378Nm of overboosting performance, you can very easily cock it up at any point between 1750 and 4200rpm where all that grunt is on tap. It's in this white-knuckled moment of forward motion when you're perfectly within your right to yell "kick the tyres and light the fires!" Even while taking a work call.

And there's no need for your special blend of kerosene-based aviation fuel (or 98 premium in the case of the N), the Fastback is quite happy on 95RON.

Some would cry sacrilege at the idea of comparing a Hyundai to one of the longest-serving jet fighters in history (45 years, FYI). However, with the editor-in-chief of *Carsales*, **Mike Sinclair,** regularly fanging around Winton in an old Excel, and spending many weekends of year 12 watching amateur wannabe rally drivers throw old Hyundais around the local hillclimb track, it's less shocking than you might think.

The fact Hyundai has built an off-the-shelf trackday weapon you can embarrass unsuspecting Mustang drivers with, my analogy stands.

Any protest is to fail in understanding the term "fit for purpose". The F-16 was considered a no-frills fighter jet, with a number of strong attributes like speed, firepower and agility. F-16 wasn't as technical as the F-22, but the latter became the most expensive (and therefore mired) jet ever made.

Like the i30 N Fastback, the F-16 is such an affordable performance machine, it offers the driving thrills once only afforded to thirsty V8 muscle cars and pricey sports cars. Anybody who can afford a Mustang, GTI or RS4, can still have the fun of a hardcore racer but with civilised, practical qualities of a mid-spec sedan. With change.

This doesn't mean either the Fastback (or F-16) is inferior, it's just better suited for the open roads (or skies), and reverse-parallel parking I do weekly. A supercharged 'Stang or projectile Porsche would be wasted talent.

I'll always have the memories of my toy fighter jet, soaring around the backyard. But the chance of parking an i30N Fastback on the deck of HMAS Murray is much more realistic.



New car sales plunge 10 per cent

Even Hilux was lost in August

Reported new car sales are on the brink of a year and a half of lost growth as the market drops a full 10% in August 2019.

With almost 18 months of consecutive monthly sales slides, according to VFACTS data provided by the Federal Chamber of Automotive Industries, all three primary market categories reported declines.

Typically the most popular segment, SUVs fell 5.4% with just 39,040 reported sales, while passenger vehicles dropped 16.7% with only 25,783 reported unit sales, and the usually-strong light commercial segment was bogged 8.6% on a mere 17,513 reported sales.

The best-selling models were a familiar story with **Toyota Hilux** on 3674 reported sales (down 14%), followed by the second-placed **Ford Ranger** on 3181 (down 9.5%), **Toyota Corolla** reaching 2863 for third (down 5.6%), **Hyundai i30** selling 2813 to keep gripping fourth and improve 21%, and the **Toyota RAV4** rose 19% to fifth with 2006 reported sales.

The top brands remain the same with Toyota at the top on 139,349 (down on year-to-date figures against 2018), Mazda in second with over 70,800 (also down 9000 units on 2018), and Hyundai in third, down some 6000 over the same period last year.



Tony Weber

FCAI chief executive **Tony Weber** says the market continues to stumble through economic uncertainty.

"There's no doubt it is a very tough market at the moment, and despite the best efforts of the industry, the decline in sales continues," he says.

"It is well known that Australia is one of the most competitive markets in the world and with the current economic environment, it is also one of the most difficult markets in the world," Weber explains.

Weber says consumers, dealers and automotive brands have been subject to a range of potholes and speed humps.

"This environment stems from a slow start to the year, with tight financial lending, State and Federal elections and a general lack of consumer confidence, both here in Australia and on an international basis," he concedes.

"The question needs to be asked about whether the current regulatory approach to financing is appropriate, and if not, what harm it is doing to both the sector and the economy more broadly," Weber adds.

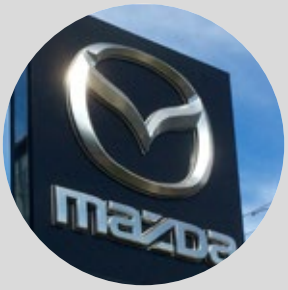


Hyundai i30 had a good August

Top 10 Brands



1. Toyota 16700



2. Mazda 7291



3. Hyundai 7320



4. Mitsubishi 6242

Top 10 Brands *continued p20*

2019 sales in August

Top 10 Models

	**1. Toyota Hilux 3674**
	2. Ford Ranger 3181
	3. Toyota Corolla 2863
	4. Hyundai i30 2813
	5. Toyota RAV4 2006
	6. Mazda3 1999
	7. Toyota Landcruise 1916
	8. Mazda CX-5 1797
	9. Mitsubishi Triton 1755
	10. Nissan XTrail 1743

Top 10 Light vehicles under $25K

	**1. Toyota Yaris 744**
	2. Hyundai Accent 725
	3. Mazda2 637
	4. Volkswagen Polo 505
	5. Suzuki Swift 470
	6. Kia Rio 463
	7. MG MG3 369
	8. Honda Jazz 329
	9. Suzuki Baleno 150
	10. Renault Clio 76

Top 10 Brands *continued*



5. Ford 4916



6. Kia 4662



7. Volkswagen 4100



8. Nissan 4538



9. Holden 3569



10. Honda 3067



Electrics and hybrids rise, petrol/diesel drop



Electric vehicles and hybrids continue to increase in uptake at the expense of petrol and diesel vehicles.

The trend shows in the latest VFACTS national new vehicle sales for August.

While electric, plug-in hybrid (PHEV) and standard hybrid sales reach new heights, conventionally fuelled internal combustion engine (ICE) vehicles see sales decline right across the various segments.

Electric/PHEV vehicles in the private passenger category record 84 sales during August 2019 compared with 17 in August 2018. That's up 67 or 394.1%, with year-to-date (YTD) figures showing 270 – up 97 on 173 YTD last year (56.1%).

Doing even better, hybrids in the same category soar to 511 – ahead 186 on August 2018 (57.2%) with YTD 2019 totals showing 4529 – a 2014 increase (80.1%) on 2018.

In contrast, petrol private passenger vehicle sales slump 3512 from 14,909 in August 2018 to 11,397 sales in August 2019, down 23.6%, while YTD figures show a 23,790 decline (minus 17.7%) to 110,297 (134,087 YTD 2018).

The drop-in diesel vehicle sales is just as marked with 160 for the month, down 62 (minus 27.9%) from 222 in August 2018. YTD diesel sales were down 1110 from 2572 in 2018 to 1462 so far this year (minus 43.2%).

It's a similar story in the other categories, with the electric/PHEV segment in non-private passenger vehicle sales reaching 62 in August 2019, up 129.6% on the 27 recorded for August 2018.

YTD totals for electric/PHEV sales in the same category are up 4.3% from 327 (2018) to 341 (2019).

Hybrids in the non-private passenger sector jump 51.9% (847 to 1287) in the monthly comparison, and are up 63.7% on YTD, or 3350 more than for 2018 – from 5256 to 8606.

Petrol and diesel vehicle sales again take a tumble in this sector.

SUVs continue their popularity, especially in hybrids.

Private hybrid SUVs jump from 44 in August 2018 to 660 in August 2019, up 616. And in YTD figures hybrid SUVs leap from 452 in 2018 to 3091 so far this year – up 583.8%.

Electric/PHEV private SUVs surge from 15 in August last year to 86 for August just gone (up 473.3%) and in YTD totals go from 90 in 2018 to 518 this year – up 475.6%.

In the non-private SUV category, electric/PHEV sales are down slightly for the month (72 in August 2018 to 47 in August 2019 – a drop of 25 (minus 34.7%) but still well up in YTD sales statistics from 297 to 710 - up 139.1%.

The only other category to record electric/PHEV figures is in the non-private light commercial sector, barely moving from two in August 2018 to three in August 2019, and YTD from eight in 2018 to 13 so far in 2019.

General vehicle sales results for August mark the 17th consecutive month of declining sales, Federal Chamber of Automotive Industries (FCAI) chief executive **Tony Weber** says, noting it's a very tough market.

He puts this down to a slow start of the year, tight financial lending, state and federal elections, and a general lack of consumer confidence both in Australia and internationally.

Best two selling brands, Toyota and Hyundai, also sell hybrids with the latter including battery electric vehicles (BEVs).

The top selling PHEV in Australia is still the **Mitsubishi Outlander,** while **Tesla** models are among the most sold all-electrics. Others include the **Renault Zoe, BMW i3** and the soon to arrive **Kia Niro EV.**

NEW VEHICLE SALES BY BUYER TYPE AND FUEL TYPE — AUGUST 2019

	Month		YTD		Variance +/- Vol. & %			
Total Market	2019	2018	2019	2018	MTH	YTD	MTH	YTD
ELECTRIC								
Passenger Private	84	17	270	173	67	97	394.1%	56.1%
Passenger Non-Private	62	27	341	327	35	14	129.6%	4.3%
SUV Private	86	15	518	90	71	428	473.3%	475.6%
SUV Non-Private	47	72	710	297	-25	413	-34.7%	139.1%
Light Commercial Non-Private	3	2	13	8	1	5	50.0%	62.5%
Sub Total	282	133	1,852	895	149	957	112.0%	106.9%
HYBRID								
Passenger Private	511	325	4,529	2,515	186	2,014	57.2%	80.1%
Passenger Non-Private	1,287	847	8,606	5,256	440	3,350	51.9%	63.7%
SUV Private	660	44	3,091	452	616	2,639	>999%	583.8%
SUV Non-Private	389	67	2,114	670	322	1,444	480.6%	215.5%
Sub Total	2,847	1,283	18,340	8,893	1,564	9,447	121.9%	106.2%
TOTAL	**3,129**	**1,416**	**20,192**	**9,788**	**1,713**	**10,404**	**54.7%**	**106.3%**



AUSSIE TALK DIARY

AutoTalk Australia's editor Scott Murray looks at the month gone by on **autotalk.com.au**



August 1

Cause of death: Governments failing road safety

The Australian Automobile Association has labelled government's lacking effort to arrest the nation's road deaths and serious injury rate as "sobering".

The AAA cites: "Continued government inaction" as the reason for half of the National Road Safety Strategy target objectives failing to be met and the cause of lives to be lost.

Lube Mobile bought with a capital B

Bridgestone is now the parent company of the original, iconic Lube Mobile Pty Ltd as of today.

The famous red and white vans, which emerged in 1982 to become an Australian automotive institution, will be run by tyre giant Bridgestone, but will remain an independently operated business.

Ballarat dealer says current model 'unsustainable'

Carworks dealer principal **Carl Morandi says the economic conditio**ns his and other franchised dealerships are forced to operate under are "unsustainable".

Morandi tells AutoTalk this week the financial constraints placed on the dealer business model following the Hayne Royal Commission has left vehicle retailers, especially in regional communities, fighting to change the way they stay afloat.

August 2

Dealers behind road safety office

The Australian Automotive Dealer Association says it will support and work with the Joint Select Committee on Road Safety.

The federal office appointed by the Coalition government earlier this year will be tasked with reducing the nation's rising road deaths, which the AADA acknowledges the sale of new cars plays a vital role in.

August 6

Car dealer cashing in through social media

People are now selling cars straight from a few pictures on Instagram.

Car dealer RD Whittington sells cars through his Instagram account @wiresonly and is now the go-to account for celebrities and chief executives that want high-performance, expensive, high-horsepower cars typically from Europe.

New Takata airbag statistics released

The Takata airbag saga continues as figures from the Australian Competition and Consumer Commission (ACCC) show there is a total of 537,000 vehicles still affected.

The June 30, 2019 ACCC figures show the automotive industry has rectified more than three million vehicles with faulty Takata airbags in the Australian market.

Shipping giant caught in cartel

A competition regulator has found Japanese roll-on-roll-off shipping giant K-Line to have engaged in criminal cartel behaviour with other major shipping lines.

The Australian Competition and Consumer Commission has penalised K-Line $34.5 million, the largest criminal fine ever under the Competition and Consumer Act, after K-Line pleaded guilty on April 5 last year to engaging in price fixing on the transportation of cars, trucks and buses into Australia from 2009 to 2012.

August 7

MTAA seeks ASIC clarity on credit licensing

The Motor Trades Association of Australia says the rules need better definition in the Australian Securities and Investment Commission updates to the regulatory guide on credit licensing and responsible lending.

Consultations are taking place in Sydney and Melbourne on August 12 and 19 respectively, in order to hear directly from those in the banking and finance sector.

August 13

Choice slams automotive industry's refund policy

The automotive industry's refund policy has been criticised by consumer group Choice, who is calling upon all major brands to implement a 60-day return policy for faulty cars.

Only Toyota, Holden and Volkswagen have a 60-day refund policy, Choice says.

RACV calls for fossil fuel fairness in taxing EVs

Victoria's state motoring club wants the excise collection system for internal combustion cars to be fixed by road charges as electric vehicles sales rise.

RACV general manager Bryce Prosser says the lack of road user charging to capture excise from electric vehicles signals a "broken" system allowing people to avoid paying for the roads they use.

August 14

Automotive code key for 60-day return policy

The Australian Automotive Dealer Association says effecting change in the return policies of car brands under Australian Consumer Law is aided by installing a mandatory automotive code of conduct.

Responding to this week's debate stemming from consumer advocate Choice calling for a 60-day return policy on all new vehicle purchases, chief executive James Voortman says dealers are frequently caught in the middle between disgruntled customers and franchisor brand partners.

August 15

Europcar slapped with six-figure fine

Rental car giant Europcar has been hit with a $350,000 fine for excessive charges on credit and debit card payments.

The Australian Competition and Consumer Commission brought the case to the Federal Court where CLA Trading Pty Ltd (aka Europcar) admitted to charging user fees to customers paying with Visa and MasterCard from July to August, 2017.

Auto industry: Oldest vehicles need retiring

The rise in the average registered fleet age to 10.2 years is a worrying trend for the Australasian New Car Assessment Program and the Australian Automotive Dealer Association.

As the rate of reported new car sales figures continues to sag, the Australian Bureau of Statistics reports a 19.5 million-strong registered vehicle population, and dealers are put under tighter financing conditions as a result of the sweeping changes brought on by the banking Royal Commission.

Continued on page 23

Continued from page 22

Morrison government signals automotive code is coming

The Coalition government has told the Australian Automotive Dealer Association to prepare for the automotive franchise code of conduct it has lobbied for since it began.

The AADA says today the federal government has confirmed it is pursuing a range of reforms to automotive franchise agreements which the association describes as "the strongest commitment yet".

August 19

Peugeot Australia brings first PPF to market

Peugeot Australia is bringing the first petrol particulate filter (PPF) to the Australian market in the new Peugeot 308 GT.

The local versions of the 308 GT will be fitted with a PPF, Peugeot Australia confirms, which is designed to handle fuel containing an average of 40ppm of sulphur.

Professional engineers bill remains under-studied

The Victorian Automobile Chamber of Commerce is warning the automotive industry about the lack of consultation for the state government's proposed Professional Engineers Registration Bill.

The proposed PERB legislation aims to establish a registrar scheme "to provide protection to consumers of professional engineering services" by encouraging best practice but the VACC says the recently passed bill would force engineers to "pay exorbitant mandatory registration fees".

West Sydney first Mitsubishi Australia dealership to rebrand

West Sydney has opened the first dealership in Australia to adopt Mitsubishi Motors Corporation's global rebrand.

Mitsubishi's new global visual identity was launched last year, and the look will feature across the 200 Australian dealers over the next few years.

August 21

Arresting developments for Stinger highway patrol

Kia Australia and Fujitsu have revealed the latest technology developments in their Stinger police vehicle collaboration project set to revolutionise the way state police forces do their job.

The project has seen a range of redesigned features include the operation of equipment such as lights, sirens, computer database access, search lights, radio communications, license plate recognition and surveillance cameras, through integration with Kia's vehicle systems.

Body repair ruling sets precedent

The Australian Financial Complaints Authority has made a benchmark ruling which validates the MTAA's calls for action against insurance giants who refuse of neglect to settle a policyholder's claim by using the consumer's preferred repairer.

Insurers, the MTAA explains, have argued with body repairers that the amount quoted by consumers' preferred repairers was excessive and unreasonable, justifying the refusal of a claim.

August 26

Consumers lack trust in financial advice: ASIC

Australian Securities and Investments Commission's independent research findings shows waning consumer attitudes toward financial lending, financial advice and the motivators and barriers to getting advice.

Perceived barriers, the report suggests, prevent 41% of Australians from getting personal financial advice, while another 27% have already financial advice in the past, and just 12% received any in the last year. ■

THE DIARY

AutoTalk New Zealand's group editor Richard Edward looks at the month gone by on **autotalk.co.nz**



August 1

Feebate discussion launches EVworld NZ conference

Feedback from the "cutting edge" of the EV industry is wanted on the Government's clean car proposals, which includes a feebate scheme, associated transport minister **Julie Anne Genter** told about 200 delegates at the EVworld NZ conference in Auckland on August 1.

Explaining the proposals, Genter didn't reveal anything new, calling for submissions before August 20.

August 2

Vehicle imports up for July

The total number of vehicle imports climbed back in July after taking a hit the previous month, Customs motor vehicle statistics show.

The total number of cars hitting the wharves in July was 21,985 compared to 19,766 in June.

August 12

Leet to lead Volkswagen New Zealand

Skoda general manager **Greg Leet** is returning to the brand he began his wholesale career with – having been appointed general manager of Volkswagen New Zealand.

Current general manager Tom Ruddenklau is leaving European Motor Distributors and is understood to be joining tourism success story Jucy.

August 13

Sime Darby to purchase Gough Group for $211m

New Zealand-based heavy equipment company Gough Group is being sold to Malaysian firm Sime Darby for NZ$211 million.

Gough Group has the local Caterpillar dealerships with service territory in New Zealand and interests in the transport and materials handling business in New Zealand and Australia.

August 19

Williams steps down as 2Cheap chief executive

Prominent 2 Cheap Cars chief executive **Eugene Williams** has given up his position, following a year in which the company was fined for employment law breaches and then violations of commerce laws.

He is set to be replaced by Huffer co-founder Daniel Buckley.

August 23

NZTA backs out of compliance changes

The NZ Transport Agency has today announced it will not be making significant changes to the compliance industry – specifically around conflict of interest.

The review had been triggered around concerns raised by an anonymous group of industry players concerned about the integration of importation and compliance into the Optimus Group structure. ■

EV TALK DIARY

EVtalk Australia editor Geoff Dobson looks at the month gone by on **www.evtalk.com.au**



August 6

EV sales rise forecast in Australia, but still lag rest

Electric vehicle sales are expected to be 8% of total Australian vehicles sales by 2025 and 27% five years later.

That puts Australia against 18% and 36% globally for 2025 and 2030 respectively, according to a new report from the Bureau of Infrastructure, Transport and Regional Economics.

August 12

EVs and AVs could add $92b to Australian economy

A $92 billion boost from electric and autonomous vehicles could come to Australia's economy by 2050, a study by LEK Consulting shows.

New technologies and mobility options such as car sharing (GoGet and Flexicar) and ride sharing/pooling (Uber, Lyft, Ola) are already changing the way Australians travel and use traditional transport modes such as taxis and private cars, the study says.

August 16

Evee expands

Electric car share business Evee is expanding throughout Australia now that the hurdle of "prohibitively" high insurance premiums for the EVs has been overcome.

And its range of EV options will soon increase with the arrival of the first Tesla Model 3 RHD EVs in Australia in August and September.

August 19

Nissan dealer: Leaf 'selling very well'

The Nissan Leaf has only been on sale for a matter of weeks, but its already shifting units.

Blackburn Nissan in Melbourne's eastern suburbs tells EVtalk the Leaf is selling very well since going on sale on August 1.

August 21

More Australians considering electric and hybrid vehicles – poll

An increasing number of Australians are looking at electric and hybrid vehicles for their next set of wheels, a new Roy Morgan survey shows.

It reveals 1,174,000 Australians (aged 14 plus) are looking to buy a hybrid vehicle, and 438,000 Australians are intending on buying an electric vehicle (EV), as their next car purchase – new or used.

August 26

Evie Networks gets $15m

Evie Networks will get $15 million funding to roll out the largest ultra-fast EV charging network along Australia's highways.

The money will support the first phase of the $50.2 million intercity highway charging network with 350kW ultra-fast chargers along the National Land Transport Network and beyond, the Australian Renewable Energy Agency (ARENA) says.

FUTURETRUCKING DIARY

Futuretrucking Australia editor Scott Murray looks at the month gone by on **www.futuretruckingtalk.com.au**



August 1

Penske Guild 2019 Master Technician awarded

The Penske Guild 2019 Master Technician has been awarded to Bryce Bell from Penske Power Systems Perth.

Open to all Penske Guild members, the Master Technician contest saw technicians from around Australia and New Zealand compete in qualification rounds, before the grand final on Friday where Bell edged out five other finalists.

August 6

Cummins highlights hydrogen and EV partnerships

Cummins is highlighting hydrogen fuel cell and battery technology advancements as key highlights in its second quarter 2019 results.

The engine manufacturing giant posted net income of US$675 million and revenue of US$6.2 billion (up 1% year-on-year) for the period.

Crouch: Emergency fuel reserve must be in Australia

The Australian Government is looking to access the US's strategic petroleum reserve.

However, Australian Trucking Association (ATA) chair Geoff Crouch says: "Liquid fuel is critical to trucking and critical to our economy. This is both a national economic issue and a national security issue."

August 12

Two-truck smash sparks road safety backlash

A double-fatal head-on crash between two trucks on Saturday has received criticism from South Australian police.

The crash took the life of 26-year-old Coen Babaniotis and 64-year-old trucking veteran Brenden Giles, who was preparing to retire next year.

August 13

Scania lauds V8's golden anniversary

Fifty limited edition Scania V8 engines are being offered to only the most enthusiastic drivers.

Using 200 bespoke new components for the 16.4-litre Scania powerplants, the speciality isn't limited to cosmetics, adding an additional 300Nm of torque to total 3300Nm at its peak rev range.

August 21

Fatigue laws need more work, ATA says

Fatigue management in the national truck laws must treat drivers like humans – not machines, Australian Trucking Association (ATA) chair Geoff Crouch says.

August 23

Truckies more obese than most, study finds

Queensland University of Technology (QUT) study has found Australian truck drivers to be more at risk of obesity and poor health compared to the national average.

Dr Marguerite Sendall from QUT's School of Public Health and Social Work at the Institute of Health and Biomedical Innovation, led a survey of 231 truck drivers aged between 20 and 71 and discovered around two thirds of them are classified as obese, compared to one third of the Australian population.

Keep up with daily AU transport & equipment news

futuretrucking.com.au