



Imported Motor Vehicle Industry Association Incorporated

Annual Report

1 April 2020 – 31 March 2021

Annual Report for the period April 2020 to March 2021

Annual General Meeting:

Wednesday 26th May. Eden Park, Auckland, and accessible by video link.

Board

Chris Stephenson
Matt Battle
Sean Stevens
Ken Quigley

Chair

Chief Executive David Vinsen

Solicitors Lee Salmon Long

Accountants Henning & Associates

Independent Review Accountants RSM Hayes

Bankers Westpac
ANZ Bank

Mission Statement

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

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

This report covers the activities of the Imported Motor Vehicle Industry Association (“VIA”) for the 12 months from April 2020 to March 2021.

1. Governance:

a. Constitution and Restructure

The association was restructured with a revised constitution adopted at a Special General meeting last year.

b. Board

The board of directors was elected under the new constitution, with responsibility for issues of governance and finance.

c. Council

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

The Council has met on three occasions, in person and with video access.

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

October

Hosted at Provident

Guest speaker: Andrew Caseley, chief executive EECA

Andrew gave a clear indication of the likely direction and sense of urgency on the development and implementation of the fuel economy measures (“Clean Car Standard” and “Clean Car Discount”) under the newly-elected Labour government.

December

Hosted at Autosure

Guest speaker: Peter Mersi, chief executive of Ministry of Transport

Peter continued the theme start by EECA’s Andrew Caseley, and spoke about the renewed focus on fuel economy.

February

Hosted by AutoHub

Guest speaker, Rod Carr, chair of Climate Change Commission

The commission’s report had recently been released, and Rod’s presentation focused on the opportunities and challenges for the transport sector in general and the motor industry in particular.

There were healthy Q & A sessions and discussions after each speaker, with Council members ending with a much clearer idea of the challenges facing the industry.

s

2. Management

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

3. Staff

VIA staff consists of:

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

VIA discontinued using rented office premises in February 2020, and staff now all work from home, meeting regularly using video conferencing and in person on a weekly basis.

4. Financial

The final draft of VIA's annual financial statements has been posted on the website; they will be reviewed by the appointed independent accountant once they have staff available. (Covid has prevented them from bringing in audit staff from overseas.

VIA's result for the 2021 financial year was a surplus of \$47,000, a considerable improvement over previous years and the draft budget.

The chairman's report covers the financial results in more detail.

5. Market Overview

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

In calendar year 2020, the total cars and commercials registered were:

- Used: 122,127 (Including 3,093 EVs)
- New: 119,411 (including 2,277 EVs)

6. Core activities

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

- **Current:**
 - Providing technical advice and support to the industry
 - Dealing with urgent industry issues as they arise such as biosecurity and COVID-19
 - Lockdown responses

- **Medium term:** Political advocacy and consultation on proposed new legislation, to ensure that the industry is properly represented.
- **Future:** Monitoring and researching trends and changes that are likely to affect the industry.

Technical

We provide the following technical services:

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

7. Key issues

a. COVID-19

VIA immediately convened, facilitated and chaired work groups comprising key industry experts and government officials as soon as it became obvious that the COVID-19 pandemic crisis would materially affect our ability to import, process and sell used vehicles. These work groups continued to meet as required throughout the various phases of COVID 19 and the Lockdowns.

b. Biosecurity

Fundamental changes to biosecurity processes were required by MPI's response to COVID, and were the cause of severe disruption to the used vehicle import industry. At short notice, all Biosecurity NZ officials were brought back from Japan. This required the development of onshore verification procedures to replace the long-established procedures in Japan.

The onshore procedures in New Zealand were originally intended to be temporary, in the expectation that MPI staff would return to Japan at some stage. The temporary nature of the new procedures combined with limited facilities and resources created congestion and delays for shipping lines, ports and logistics companies.

VIA continued to liaise closely with industry and government agencies to assist in resolving the issue with an “NZ Inc” approach. The development of an efficient, effective onshore biosecurity verification system became particularly important once it had been decided that biosecurity officials would not be returning to Japan. This revised system is now being implemented progressively, with the expectation that delays and therefore costs will be minimised, without compromising biosecurity.

c. Emissions and fuel economy standards

This is the key issue facing the industry for the foreseeable future.

The newly elected Labour government had made it very clear that minimising vehicle-related greenhouse gas emissions is a key part of their political agenda, and immediately after the election they resumed work on fuel economy initiatives with increased urgency.

The key elements of the government’s strategy are:

- A fuel economy Standard (the “Clean Car Standard”), and
- A “Feebate” incentive and penalty scheme (the “Clean Car Discount”).

VIA has participated in working groups, consultative committees, and has researched and prepared papers on this issue over a number of years with the relevant government departments and other industry associations.

Our position is that we understand, accept and support the government’s commitment to achieving the goals set out in the Paris Climate Agreement, but are very concerned that the current proposals will not only fail to achieve the goals, but will cause severe disruption and price increases to the market, to the industry and to the public.

VIA continues to collaborate with the specialist teams from MOT, NZTA and the Climate Change Commission who are working on these proposals.

With the financial assistance of key stakeholders, VIA has engaged a professional political lobbyist, Mark Unsworth, and an industry analyst to assist in preparing and advocating the industry’s case. Through them, we have been able to informally make our case and present information and data directly to ministers and senior officials.

VIA’s delegation will be meeting with the Minister of Transport, the Honourable Michael Wood, on Thursday 20th May, and will be able to report to the AGM on 26 May.

Mark Unsworth will attend the AGM and report in person.

d. Electric Vehicles

The rapid uptake of EVs into the fleet is the government’s preferred transport solution to the Climate Change issue. Used EVs imported continue to exceed new.

VIA is regularly consulted by officials on various policy options.

VIA has continued to participate in other work on EVs, including the development of standards and the curriculum for training of technicians and first responders. VIA’s Technical Manager Malcolm Yorston has been appointed to Standards NZ’s working group on EV charging standards.

VIA has also represented the used vehicle industry at various EV-related seminars, meetings and presentations.

9. Research, Consultations, Submissions, Committees:

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

In particular, we dealt with the following issues:

- Product Stewardship:
 - EV batteries
 - Tyres
 - Batteries
 - Greenhouse gases
 - Vehicles
 - Oil
- 760 MHz (liaising with MBIE and NZTA officials)
- Takata airbag recall
- Vehicle type approvals
- Motor Industry Training restructure (MITO)
- Lost or delayed deregistration papers
- Entry Certification (compliance)
- Proposals to move Ports of Auckland, or its car importing activities
- Implementation of final phase of ESC
- “Right to Repair”
- Changes to the VIRM
- Repair Certificates
- Researching data from JMLIT for Fuel economy standards
- Researching standards and specifications for ESC

10. Political advocacy

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

The Fuel economy issue is so important that we have engaged external experts to assist with our advocacy.

11. Communications & Marketing

VIA has recently surveyed members for their feedback on the first 12 months of the restructured association.

The results of the survey confirm that the key challenge for VIA is to better communicate with members, to keep them informed of industry issues and VIA's activities.

As the result of the survey, VIA has resolved to prepare and issue a regular bulletin, to keep members better informed of industry issues.

a. Alerts

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

b. Industry media

Continued close liaison with both Autofile and Autotalk:

- Articles
- Interviews
- Comments

c. External Marketing

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

d. Council meetings

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

e. Website upgrade

VIA's website is being constantly upgraded, with reports, articles and Alerts being added to the information available to members.

f. Social media

VIA intends making increasing use of social media to communicate with members.

g. Personal briefings

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

12. Commercial activities

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

VIA has also prepared commercial proposals for conducting research and projects for Government departments, and has also conducted research for some businesses on a commercial basis.

13. Strategic Relationships

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

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

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

14. Stakeholders

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

- Armacup Maritime Services
- Autohub
- Automotive Technologies Ltd
- Autosure
- Autoterminal
- Dolphin Shipping

- Jacanna
- JEVIC
- Moana Blue
- Nichibo
- Ports of Auckland
- Provident Insurance
- Trade Me Motors
- Turners
- VINZ

15. Future

In the words of one of our International Members some years ago: “VIA’s job is to keep the door open for used imports into NZ”. Our mission statement is that we are committed to supporting and promoting the vehicle import industry. This has not changed. In fact, the events of the past 12 months have highlighted the continued need for VIA and its services.

VIA continues to be the only effective voice for the used import vehicle trade.

The restructured association is now well placed to continue to advocate for and represent the industry, and personally I am very positive about VIA’s new phase.

David Vinsen
Chief Executive