



DIGITAL IMAGE: Chris Harris

'Give me diesel'

Research shows local car-makers stand to lose massive sales without diesel

GOAUTO MEDIA MILESTONE

JOHN Mellor's GoAuto Media has reached another milestone this week with this, the 400th issue of our weekly journal.

The first newsletter to provide an email/internet-based news digest for the Australian car industry, *GoAutoNews* has grown over the past eight years to become the most comprehensive publication of its kind – and the source that more than 50,000 readers in Australia and overseas turn to first for industry news, new-vehicle intelligence, personnel movements, and much more.

It comes to you each week from the dedicated band of journalists, production crew and advertising management at GoAuto – a team of professionals bringing you the best automotive news service in this region.

Thanks for your continued support.

Terry Martin
Editor



By JAMES STANFORD
and BYRON MATHIOUDAKIS

AUSTRALIAN car manufacturers could stand to lose almost 40 per cent of their large-car sales by failing to offer a diesel engine option, following results from a new Roy Morgan Research survey that shows a record number of owners seriously considering the alternative fuel.

The Roy Morgan survey reveals that in June this year, a whopping 38.2 per cent of Australian large-car customers said they would seriously consider a diesel model when purchasing a new car. This is up from 35.7 per cent recorded last September.

If each of those customers went ahead and purchased diesel models, GoAuto estimates that Ford, Holden, Toyota and Mitsubishi could stand to lose more than 100,000 sales combined a year.

None of the big four have approved plans for diesel variants of their large cars.

The Roy Morgan survey also found 48.3 per cent of all new-car customers would seriously consider diesel. SUV buyers are the most likely to opt for a diesel, with 63 per cent stating they would seriously consider it.

The sole Australian-built SUV is Ford's Territory, which is currently only available with a petrol powerplant. That is set to change, however, with GoAuto having learnt that Ford Australia has approved a diesel Territory plan. The company has not yet officially announced the move or stated when the model will go on sale.

The diesel Territory is likely to be the only Australian-made vehicle with a diesel engine until the next-generation Focus is produced from 2011, with both diesel and petrol engines, at Ford's Campbellfield plant in Victoria.

Ford, which has just launched an imported diesel-powered Focus and will introduce a diesel Mondeo in October, said again this week that it had no plan for a diesel Falcon at this stage. However, Ford insiders have revealed to GoAuto that the diesel Focus and Mondeo models would test customer demand for diesel passenger cars.

Ford Australia president Tom Gorman has commented that packaging the new petrol V6 engine in the Falcon from 2010 would mean it would be easy to fit other V6 engine configurations, including a diesel.

Toyota and Mitsubishi have stated that they have no plans for diesel variants of the current-generation Aurion or 380 large cars respectively.

GM Holden engineering director Tony Hyde told GoAuto last week that he would like a diesel-powered Commodore, but still needed to find the right engine. "We just have to get ourselves a diesel that makes some sort of economic sense, or makes some sort of strategic sense," he said.

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JAG LETS ITS XF CAT
OUT OF THE BAG

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Acid test for TRD

Success or failure for TRD hinges on the hot Aurion

By MARTON PETTENDY

PERFORMANCE versions of Toyotas like the Yaris and Corolla, and indeed the future of the Toyota Racing Development (TRD) banner under which they would be sold, depend on the success of the first model to emerge from Toyota Australia's world-first TRD vehicle brand – the TRD Aurion.

Sales targets for the supercharged Aurion V6 are a closely guarded secret, but GoAuto has learned that Toyota needs to sell 50 examples of the TRD Aurion per month to recoup its \$5 million investment in the vehicle and the TRD brand itself.

It is believed the approval of a third TRD-branded model, which is currently the subject of a feasibility study and would follow the launch of the TRD HiLux late this year, hinges on the success of the TRD Aurion, which offers Toyota's performance division its highest single sales volume potential.

Toyota has confirmed a supercharged HiLux dual-cab utility will be the second TRD model to be launched, by the end of this year.

Previewed at the Melbourne International Motor Show earlier this year, where the TRD Aurion was to have been released (but was delayed due to technical issues) alongside the launch of the TRD brand itself, it will pack substantially more than the 175kW delivered by the regular HiLux's 4.0-litre V6.

A further 15 specialist TRD retail outlets will be established within mostly regional Toyota dealerships to coincide with the TRD



HiLux launch, in addition to the 26 mostly metropolitan TRD dealerships now selling the TRD Aurion.

Toyota has named less expensive imported all-wheel drive mid-sizers like Subaru's Liberty GT, the Mazda6 MPS and Volkswagen's Golf R32 as key TRD Aurion rivals, each of which find between 70 and 90 customers per month.

Toyota believes conquest sales from these models, rather than more direct price competitors from HSV and FPV, will comprise the majority of TRD Aurion sales, but admits many customers may also be upgrading Toyota owners.

Despite the possibility of it no longer existing in two years, an upgraded version of the TRD Aurion has already been developed in preparation for a midlife facelift. If the TRD models prove popular, the second-generation Aurion (due to emerge in 2011 alongside the redesigned Camry upon which it will be based) is likely to bring even more power and an all-wheel drivetrain to handle it.

The AWD system currently offered with the Camry in Japan is not suitable for TRD use, but GoAuto understands that the AWD system to be introduced in the upcoming Lexus LS600hL is the first employment of a new Toyota-developed AWD system that could eventually filter down to locally-built models such as the Aurion or even Camry.

The most likely candidate for the third TRD model, which Toyota had previously said would be locked in by mid-2007, is a 1.8-litre Yaris hatch. It is believed the TRD Yaris budget will not extend to turbocharging, but a performance boost from the Yaris 1.5's 80kW/141Nm outputs to the 100kW/174Nm offered by the new Corolla's 1.8-litre engine could be sufficient.

Both 2.4-litre four-cylinder and 3.5-litre V6 versions of the Corolla hatch will soon be available in Japan, where only the 1.8-litre four-door sedan is badged as a Corolla. Our Corolla hatch is known as the Auris in Japan, where it also offers 2.4-litre Camry power, while the Japanese-market Blade is a rebumpered version of the Auris and will also bring V6 power. If approved for sale outside Japan, either model could become the fourth TRD model.

While a TRD-badged Camry may provide the biggest engineering and marketing hurdle for Toyota, the company has not ruled out TRD versions of its light-duty SUVs, including the RAV4 and Kluger. The former will next month become available with the same 3.5-litre V6 that powers Aurion and Kluger, meaning both AWD wagons will soon be eligible for the 241kW/400Nm TRD Aurion treatment.

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Aussie car-makers could lose up to 40 per cent of large-car sales without diesel

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Even then, the diesel business case might not stack up, Mr Hyde said. "There are (issues) around – how do Australians feel about diesel? What does the price at the pump do psychologically?" He said Holden was yet to determine the development costs

of a diesel Commodore, and what effect that would have on the price of the car.

Holden spokesman John Lindsay said 30 per cent of Captiva SUVs sold in Australia were diesel. He said part of the success of that diesel model was that it cost only \$1000 more than the petrol model. He said the price

premium for most diesels was higher and that meant many of the Roy Morgan survey respondents might be put off when they reached the showroom. "They are interesting statistics, but I think there is a follow-up question that needs to be asked – how much are they prepared to pay for it?"

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