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Action to combat illegal car trading

The number of unregistered car traders facing prosecution in 2013 is likely to be double the amount of cases that have ended up in court over the past eight years.

The figures are given in documents submitted for the Ministry for Business, Innovation and Employment (MBIE) during the sentencing of an illegal dealer in Dunedin District Court.

As previously reported by Autofile, Daniel Stuart Procter was last month fined \$4,500 for operating a motor vehicle business without being registered as a trader.

He sold 11 cars over a 12-month period, while the maximum allowed in the Motor Vehicle Sales Act (MVSA) is six.

But the 20-year-old's case is only the tip of the iceberg with the MBIE receiving a steady stream of complaints about illegal dealers.

This has led to a large number of investigations being launched into unregistered traders because of the effect their actions have on the automotive industry and buyers. Nine cases have gone before the courts this year, with 71 more prosecutions being projected.

There are two in Auckland, one in Wellington, three in Waikato, two in Christchurch and one in Rotorua, with the number of vehicles allegedly involved ranging from eight to 24.

The legal action planned for this year compares to 44 prosecutions between 2005 and 2012. Three were in 2005, 14 in 2006, 10 in 2007, four in 2008, seven in 2009, five in 2010, one in 2011 and none last year.

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Massive support for sale

he vast majority of members of the Motor Trade Association (MTA) have backed their board's recommendation to sell more than half of Vehicle Testing New Zealand (VTNZ).

The proposal attracted an approval rating of 96 per cent at a special general meeting held in Wellington on September 20.

The vote followed MTA roadshows at 14 locations across the country aimed at securing enough support for Stuttgartbased DEKRA SE to buy 60 per cent of VTNZ.

As Autofile went to press, the final stage of the process was to secure Overseas Investment Office approval with the deal likely to be signed at the end of this month.

"It was good to get 96 per cent of members, either in person or through power of attorney, supporting this," says David Storey, president of the MTA.

> "Our roadshows covered all [continued on page 6]





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Illegal trading feels force of law

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Staff at the Ministry for Business, Innovation and Employment (MBIE) should step forward and take a bow.

The full extent of offending on the so-called "grey market" is revealed in this issue of Autofile with the numbers being high, although one wonders how many law-breakers go undetected.

In the past, there have been murmurs from some in the industry that perhaps shill bidders have been singled out by the authorities.

But let's make no mistake – dodgy dealers artificially inflating prices by bidding on their own auctions are criminals and risk prosecution by the Commerce Commission.

The actions of a few rogues tarnish the image of the industry while damaging the business models of those operating within the law, so it's quite right justice should be brought to bear on them.

There have also been some concerns that not enough is being done to thwart unregistered traders selling more than six vehicles a year.

With the MBIE setting up a team to tackle the issue, there can no longer be any complaints this skullduggery is being ignored.

The ministry has prosecuted nine offenders so far this year, with 71 more court cases anticipated, but there should be some head scratching about 2012 when there were no prosecutions.

On average, the compliance team sends out 143 warning letters each month and refers 22 cases for prosecution.

Compliance is achieved when dodgy dealers stop selling or go on the Motor Vehicle Traders' Register, which partially explains why registrations have shot up this year.

As with shill bidding,

unregistered dealers' behaviour leaves a sour taste in the mouth.

The effects of their actions on legitimate business people, the industry and buyers cannot be underestimated.

Times, however, have changed since the advent of the Motor Vehicles Sales Act in 2003.

There has been the arrival of the internet as a mechanism for trading and, in some respects, it may be easier to fly under the radar in the digital age.

Some old chestnuts – such as car fairs and vehicles for sale on roadsides – are on the law enforcers' radars.

This, combined with exchanging information with other agencies and organisations, means the MBIE is taking the problem with illegal dealers seriously.

There's still plenty of daylight between maximum penalties and sentences imposed.

Carrying on the business of motor vehicle trading without being registered attracts a fine of up to \$50,000 for individuals and \$200,000 for companies.

This means there's a lot of law-breaking to be had before the higher end of financial penalties come into play, but sentences need to be high enough to have effect.

Prosecutions are viewed as a last resort in these cases, which is a shame because a criminal record is a decent deterrent on top a fine.

But the costs of going to court may be disproportionately high so the enforcement agencies, with limited budgets, often opt to secure resolution before going to court.

And people working legally in industry can do their bit by bringing the criminals to the attention of the authorities. Darren Risby, editor

<u>auto file</u>

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[continued from page 1]

Illegal traders face justice

Given the size of the problem, Companies Office has employed a compliance team to investigate offenders

It's sending an average of 143 letters per month seeking compliance, with the "vast majority of people" then registering as motor vehicle traders "or ceasing to act as one".

On average, 22 are referred to the prosecution team with further steps taken to obtain compliance, which comes in at around seven prosecutions every month.

"One might expect if sentences were having a deterrent effect, it would result in a reduction in allegations and prosecutions," says Steve Symon, counsel for the MBIE, in his submissions on the Procter case.

"Sadly, that hasn't been the case. Companies Office's primary purpose is to seek compliance. Prosecution



"Significant fines are necessary for the deterrent message to have effect." - MBIE submission

referrals are a last resort for those who chose not to comply.

"Significant fines are necessary for the deterrent message to have an effect."

Further insight into illegal dealing in the market, which impacts on legitimate traders as well as buyers, is revealed in Symon's summary of facts.

"To ensure individuals and companies are complying with requirements, the Registrar of Motor Vehicle Traders [RMVT] completes data matches with the NZTA," he says.

"The registrar has seen a worrying increase in unregistered traders because, in the modern age, it's easier for a person to trade vehicles."

When the MVSA started in 2003, trading was mainly limited to registered dealers selling through car yards, or private owners advertising in papers or magazines. But most deals are now struck online.

"Sites such as Trade Me give individuals access to a wide market," says Symon. "This change in trading has caused considerable problems for monitoring compliance.

"For example, an individual can list a vehicle, arrange to meet a buyer privately, then sell the vehicle and remove the listing. The process can be repeated without the authorities being alerted."

LEGAL CAR DEALERS SUFFER The views of the Imported Motor

Vehicle Industry Association (IMVIA) were considered in the Procter case to show illegal traders "harm those complying with their obligations".

Chief executive David Vinsen - in his briefed evidence - states it costs \$595.95 to register as a motor vehicle trader.

Other compliance costs include paying GST and tax, and ensuring information on the consumer information notices (CINs) is correct.

The court was told the industry is experiencing major problems with unregistered individuals and companies, but it's difficult to estimate the average margin of resale on used vehicles with so many variables to consider.

"However, from experience I can say conservatively the margin would range from nothing - or potentially a loss - if the seller is disposing of a trade-in or old stock, up to around \$2,500 or more for later model vehicles," says Vinsen.

From that profit a registered trader must deduct overheads and compliance costs, including a provision for warranty claims, but illegal dealers retain the entire profit.

He adds: "Unregistered traders unfairly compete with the legitimate registered motor

Trader numbers on the rise

With Companies Office sending about 140 letters per month seeking compliance, it should come as no surprise to see the number of registered motor vehicle traders going up.

That's because compliance is met when recipients of letters become registered or confirm they have stopped trading.

At the start of last month, there were 2,757 registered dealers, the highest number in five years and up by 21 on July's total.

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Dealer Dashboard is the home page where you log into MotorWeb each day. It can also be found by selecting "dashboard" in the orange right-hand menu below the vehicle-finder box.

If you do have any sold vehicles with securities motorweb

remaining on them, they are displayed under the two graphs below the heading "sold vehicles with outstanding securities".

You can find the ability to discharge the security under the right-hand end "action" menu, or if you just want to add a note for quick reference select "notes" from under the same menu.

Lodging securities through MotorWeb is a great time saver with vehicle details prepopulated to reduce the risk of data-entry errors along with the secured parties' details being automatically added.

Prepopulated data can be edited or customised if required at the time of creation and the expiration date set to a fixed term or a predetermined date.

At any time the created security can be printed, amended, renewed or discharged.

- David Boshier

 vehicle industry and bring all vehicle traders into disrepute."

THE FORCE OF LEGISLATION

The maximum penalty for "carrying on the business of motor vehicle trading without being registered" is a fine of up to \$50,000 for individuals and \$200,000 for companies.

This is laid down in sections 95 and 118 of the MVSA, so how does a criminal such as Procter walk away from court convicted and fined just \$4,500?

Firstly, the principles and purposes of sentencing are considered, including "denouncing the conduct" to help achieve the law's objectives.

Then there's the aim "to deter the offender or other persons from committing the same or similar offences".

The offence's seriousness – largely determined by the number of vehicles sold by the defendant – is compared to others and in relation to the maximum fine.

Secondly, the MVSA's objectives come into play. Section three states: "The purpose of the act is to promote and protect the interests of consumers in relation to vehicle sales."

The registration regime has minimal entry criteria so only suitable people can work in the

industry. "It ensures a regulation of the industry that monitors traders," says Symon. "By ensuring traders are registered, consumers can expect a minimum level of service and

conduct."

Registration also allows for accountability. If standards of conduct are unacceptable, buyers can complain to the registrar who can identify and monitor the trader and, if necessary, instigate further action.

Thirdly, ill-gotten gains are



The used car industry has left most Arthur Daley-types in the distant past

considered. In the Procter case, Symon applies Vinsen's reasoning on margins and other matters.

The defendant sold 11 vehicles and could earn up to about \$12,500 in total, or \$2,500 per car, avoid registration costs of \$595.95, and avoid GST and tax.

"It's common for defendants to argue they didn't make significant profit, or any profit," says Symon. "Such arguments are based on self-reporting.

"In any event, the informant [MBIE] submits the need to deter those making significant profits."

To make it "uneconomic for people to take a less than scrupulous approach to their obligations", the MBIE could have sought a penalty of about \$15,000 in the Procter case.

"Unregistered traders bring all vehicle traders into disrepute."

- David Vinsen, IMVIA

Procter case. However, taking a conservative approach – and to be consistent with the principle of least restrictive sentence in the Sentencing Act – a starting point of \$6,000 was submitted.

n, IMVIA The maximum discount of 25 per cent for an early plea was accepted, which

resulted in the \$4,500 fine. Given the proceedings were at

an early stage, the MBIE sought a nominal contribution of \$250 to \$500 for its costs. This didn't cover full costs, but goes back into its litigation fund. "The Companies Office has a limited budget for investigating alleged offending," says Symon.

"Like other government departments, the informant seeks a contribution toward legal costs so offenders contribute towards the investigation of similar offending."

COMPLIANCE WORK MOVES ON The MBIE continues its work to ensure unregistered dealers comply with the law – or are prosecuted for breaking it.

Non-compliance with the MVSA is achieved through liaising with the NZTA, NZ Customs and Trade Me. Other initiatives include visits to car yards and looking for vehicles being sold on the side of roads.

The RMVT's initial approach against unregistered dealers is to obtain compliance. If this isn't achieved, the matter is investigated further.

Compliance is achieved when traders become registered or inform the registrar they're ceasing to sell vehicles, which is monitored.

Written warnings are issued when matters are outside of the limitation periods of the MVSA.

People can report illegal traders by calling 0508-446-834 or visiting www.business. govt.nz/companies/about-us/ enforcement where a complaint form can be completed. ⊕

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[continued from page 1]

Deal will bolster portfolio

major centres and we talked to members about the deal. Before that we had six months of speaking to companies to find the best fit for us."

Storey says the biggest concern members had during the consultation process was if they would be asked to do repairs and inspection services "next week".

"There are no guarantees but DEKRA doesn't do servicing anywhere else, so it would be something new for the company and outside its normal business plan."

He's excited about the partnership's likely benefits.

"DEKRA could bring an international way of doing things, especially around inspections. With vehicle emissions testing, it will have a lot of data from Europe.

"Labour and the Greens are pro-emissions testing, while

National has been looking at costs to consumers.

"With the clean air debate, DEKRA could show if emissions testing is needed and what that might do to our fleet's age."

DEKRA's portfolio includes outside testing motor vehicles, such as lifts and locomotives, so it could move into such areas here.

"The company tests so many cars that it may bring new ideas on how to test them here," adds Storey.

"It will be looking at future investments and we'll need to ask if we want to be a part of it. The result will be a strengthening of the MTA's capabilities and improved long-term outlook.

"The MTA could grow its portfolio and partnering with DEKRA could open possibilities outside the automotive sector. "This deal will provide



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whike waish, chief executive of VTNZ

meaningful benefits for all parties. These are exciting times and neither party can pull out until January 2016."

Mike Walsh, chief executive of VTNZ, says the 96 per cent approval rating was a clear endorsement of the proposal by MTA members.

"When the deal goes through, a new board will be elected and away we'll go," he says. "We will have a strong partner moving forward to facilitate growth for us.

"In the meantime, it's business as usual. We're not standing around waiting for things to happen because our customers have to be served."

The application is now in the work stream of the Overseas Investment Office (OIO) where up to 15 working days are needed for decisions to be reached.

"We put the application forward for the seller and acquirer and the OIO came back to ask some questions," Walsh told Autofile.

"These have been answered and I don't see any significant matters precluding approval. The issues were minor and the OIO must go through its processes.

"We're looking at October 31 as the completion date with DEKRA."

DEKRA carries out more than 23 million inspections a year and it will be aiming to tap into "the key Asia-Pacific growth region".

By acquiring VTNZ, it's continuing its "strategic internationalisation" and

expansion of its automotive business outside Europe.

And under the sale agreement, there's provision to consider the sale of the remaining 40 per cent of VTNZ shares at the end of 2016 at either party's option.

"We're creating an excellent platform to offer and expand our services in the automotive and industrial sectors in Asia Pacific," says Stefan Kölbl, chief executive officer of DEKRA SE.

"VTNZ is an attractive and strategic investment as the market leader in vehicle testing in New Zealand, and for its knowledge of the industry in the region."

Clemens Klinke, board member and head of its automotive unit, adds: "VTNZ is an excellent fit with our philosophy as a quality provider."

He describes VTNZ as a wellrespected and recognised brand with strong management and a capable workforce.

"By making best use of each other's strengths and expertise, we will quickly develop an organisation of the highest calibre," says Klinke.

"In the MTA, we have a strong partner to continue the development of the business, so the approval of this sale is a positive outcome.

"In recent times, we've been concentrating on client-centred structures and processes as a means of improving our overall performance."

DEKRA SE has interests in more than 50 countries and about 28,000 employees.

The automotive, industrial and personnel units provide appraisals, international claims settlements, consulting, vehicle, industrial and product testing, certification and environmental protection.

Its automotive business will now be represented in 29 countries through its own inspection stations or partners. In 2012, it generated sales of about NZ\$2 billion. \oplus

Staff member jailed for fraud

he past six years have been a nightmare for Alistair Gilmour, his family and staff after an employee stole about half a million dollars.

Now he's looking forward to rebuilding his future knowing the former credit controller is behind bars.

Janine Mears pleaded guilty to stealing \$380,000, although more than \$492,000 in missing payments was discovered. She also forged two lawyers' signatures while on remand.

The 52-year-old stole money soon after starting her job in 2006, but her crimes went undiscovered until 2012.

She was sentenced to four years and three months – with a minimum non-parole period of 24 months – at Dunedin District Court on September 27.

No order for reparations was made because the money has gone, but the judge directed that a civil claim was available. Whether anything's recoverable remains to be seen.

The biggest lesson Gilmour has learned is not to trust everyone who works for you and that's advice he wants to share with other car dealers.

"It was misplaced trust – we never thought it could be Mears," he told Autofile.

As she fiddled cheques and Eftpos

Judgement for crimes

Judge Gary MacAskill said his sentence with a minimum nonparole period took into account Mears' lack of remorse and explanation for her offending, which had a devastating effect on people who had trusted her.

He said her criminal activity impacted on the Gilmours, causing the sale of assets and borrowing while the family tried to keep the business afloat.

"You have effectively destroyed the work of a lifetime of the Gilmours."

The judge described the offending as "calculated and callous" and Mears as "a thoroughly dishonest character". payments, Mears watched staff lose their jobs and Gilmour Motors almost fold because of her actions.

"My advice is open business mail yourself because you don't want to trust someone else when cheques are involved," says Gilmour. "If Emma and Glenn hadn't been there, it probably would have gone past the point of no return. What was really happening came out about four months after I left. It was a relief to know what had been going on." He's now putting in the hard yards with his new business, Gilmour Automotive.

"I had built up for retirement and lost it, but at least I know why. Mears was cruel, working alongside us and lying and



"You don't want to trust someone else when cheques are involved" - Alistair Gilmour

"Mark all cheques as nontransferable and don't assume all your people are on-side."

He believes the fraud started with small amounts before Mears got bolder. It involved some cash, then up to 400 cheques from customers.

"We trusted her but had to reduce our staff and operations because of her actions. It was soul destroying.

"Mears opened the mail in the morning and received cheque payments. She must have spent a lot of time practising signatures so she could forge cheques and deposit them into her account.

"A lot of customers came to the counter. Sometimes she told them to leave the name on the cheque blank because she had a rubber stamp.

"The fraud mainly involved cheques, but workshop Eftpos payments as well. She also emailed customers giving them her own bank account details for electronic payments."

In 2011, his rally-driving daughter Emma Gilmour and Glenn Macneall came on-board with the Suzuki dealership and took over the business.

They put in new software and the workshop became integrated for the banking. They became suspicious when a cash payment went missing.

"Mears then said she was going to leave because she had a heart condition and wanted to spend time with her grandchild, but she already had another job lined up." At the height of Mears' lawbreaking, Gilmour was working 16-hour days.

"Her offending caused so much pain. We went through hell but staff, friends, customers and suppliers stood by us. I thank them so much for that." thieving the whole time.

"That can easily poison you but I'm grateful to our staff over the years, who were loyal and honest.

"It's such a simple thing but you don't realise how much you rely on trust until somebody like Mears abuses it." ⊕



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Aussie industry faces battle

isit any city in the lucky country and a high proportion of locally made brands can be seen on the roads, instead of the dominance of Japanese imports here.

But that preference across the ditch for Australian-made vehicles is shifting.

Sales of locally made cars fell by 20 per cent in the eight months through to August even though consumers bought more vehicles overall.

Large passenger models, such as Holden's Commodore and the Ford Falcon, are among the hardest hit – down 23 per cent in the eight months to August, according to figures from the Federal Chamber of Automotive Industries.

Meanwhile, Ford is gearing up to close its Australian car production lines in 2016, pulling

"Our focus is on retaining manufacturing Holden vehicles across the Tasman."

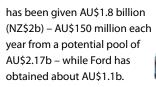
- Jeff Murray, managing director of Holden NZ

the plug on nine decades of heritage in the country.

In May, the blue oval revealed the costs of locally made cars were four times those of its Asian divisions. That, put simply, is unsustainable.

The subsidies car manufacturers in Australia receive from the government are substantial and controversial, but they may not be enough and may not even survive regime change intact.

Over the past 10 years, Holden



Toyota declines to officially comment on subsidies, but it is estimated to have received about AU\$1.2b in the past decade.

Despite this, Australia's subsidies of AU\$2,091 per vehicle produced are low compared to the US' equivalent figure of AU\$3,093.

Tony Abbott led the Liberal Party to victory last month, but this is set to cause further strife for car makers across the ditch because the new prime minister went into the general election pledging to cut AU\$500m from the industry's subsidy packages.

"What we aren't going to do is what Rudd has done over the past few weeks and basically run down the road after Holden waving a blank check," Abbott said in August.

INDUSTRY NEEDS SUPPORT

In South Australia, John Gee, the Australian Manufacturing Workers' Union vehicle division state secretary, says Abbott could destroy the local motor vehicle sector, which employs more than 40,000 workers, if he reduces the subsidies. "Generally people want to see a strong automotive industry with heavy support from the government.

"It has flow-on effects for their own industries and is all part of having a strong economy."

There have already been 500 redundancies at Holden this year, adding to a string of job



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 Iosses in 2012 when Holden shed 220 positions, Ford cut 330 and Toyota let 350 people go. In August, Holden staff accepted a three-year pay freeze to try to stop vehicle production ending.

Gee says the industry



across the Tasman and ensuring there's a brighter future for thousands of Holden employees, especially at our Elizabeth plant in Adelaide," he told Autofile.

"This will only be achieved with a serious buy-in from the Australian government." extracted from taxpayers in order to underwrite.

"They're not making good money at all and they're not in a situation where it makes sense for them and try to develop the industry in a unique direction." This is a sentiment echoed by

union secretary John Gee.

opportunity."

"They're not tapping into

workers and bringing change to

GM is like bringing change to an

aircraft carrier – we're missing an

Gruen says the key for the

Australian industry surviving is

attracting a Chinese marque to

take over the production lines,

the awesome capacity of the

and he believes the government isn't getting a good deal from the American manufacturers in return for its subsidies.

news

"Australia is an obvious place in such a company's global network, both as a source of strong design and for a cheapish luxury vehicle."

He says the politicians are behind the idea, but aren't willing to put the work in to make it happen.

"It's a risky transition," says Gruen. "I've spoken to senior politicians. There's nothing in it for them and they would make themselves unpopular with the incumbents. Plus there's no guarantee it would be a success."

Gruen predicts the Australian automotive industry will continue to survive for a while yet.

"It will take a long time for the industry to disappear.

"It's a much larger market compared to New Zealand and manufacturers are still producing for export. It's likely Holden will be here until 2020." ⊕



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"It will take a long time for the industry to disappear."

- Dr Nicholas Gruen, Lateral Economics

provides vital training for other manufacturing jobs and the government must support it with taxpayer dollars.

"The industry provides massive training opportunities and fundamental skills," he says.

Jeff Murray, managing director of Holden New Zealand, believes the marque needs strong support from the Abbott government for it to survive in Australia.

"Anything less and there is a fear that thousands of people will be struggling to find employment across the ditch for many years to come and we certainly don't want that to happen."

Even with Holden's owner, General Motors (GM), opening plants in Indonesia and China, Murray stresses there are no plans to transfer some of Holden Australia's vehicle production to these regions.

"Our focus is on retaining manufacturing of Holden vehicles

However, Murray indicates that there are more job cuts looming on the horizon.

"While our market share is much less than it was 10 years ago, the general size of our organisation doesn't reflect that reality so we must continue the process of bringing our costs into line with Holden's current size."

IN THE WRONG HANDS

Many argue the auto industry in Australia is unsustainable, but prominent Melbourne-based economist Dr Nicholas Gruen believes it's a case of the wrong owners.

"Holden and Ford have quite a valuable asset that needs to be taken seriously," he says.

"As assets of a global automotive company in the hands of the American companies, they are seen as residual assets by minimising risks and maximising the extent money can being



Changing course for whales

hipping companies are following a voluntary transit protocol to protect a rare mammal species from any potential vessel strikes.

Developed by Ports of Auckland Ltd with the industry, the new procedures aim to reduce collisions between Bryde's whales and ships – and lessen the impact of accidents when they do happen.

Captains are being asked to plan voyages to allow lower speeds in the Hauraki Gulf because the mammals' chances of survival are higher when vessels travel at nine or 10 knots compared to 15 knots.

There's a new recommended approach to the port. This reduces the area of the gulf used by large ships, which should also avoid going between Little and Great

"The Hauraki Gulf is our backyard – we support this voluntary protocol."

- Andy Mitchell, operations manager of Armacup

Barrier Islands because it's a hotspot for whales and dolphins.

Ships' captains should keep watch for whales, take action to avoid them when spotted and report sightings to harbour control, which then alerts other vessels. The guidelines are the

culmination of a six-year campaign led by marine biologist Dr Rochelle Constantine, whose research has highlighted the contribution of

www.jevic.co.nz

ship strikes to the plight of the Bryde's whale.

Armacup Maritime Services Ltd, which has supported research into the mammals since 2008, is among the shipping lines backing the protocol.

"We're a New Zealand company and the Hauraki Gulf is our backyard," says Andy Mitchell, operations manager.

"We support this voluntary

protocol and by doing so will assist in reducing incidents. Anything we can do to reduce them is good.

"Armacup has a pragmatic approach and Ports of Auckland has been working with the shipping industry. We've got a good dialogue going and now have something to develop together."

Shipping lines have been discussing the issue for some years with the aim of developing a



Rubber talks at Beehive

he chairman of Auto Stewardship New Zealand says the industry is ready to move forward with a recycling scheme for end-of-life tyres (ELTs).

Mark Gilbert, other trustees of the product stewardship organisation, Tyrewise project managers, the 3R Group, and members of the tyre and vehicle industry have held talks with Amy Adams, Minister for the Environment. The meeting was held with the minister and her staff in Wellington on September 24 and covered the way forward.

Gilbert told Autofile: "We were asked questions about schemes being put forward. We were delighted to discuss our recommendations and how the industry is ready to implement a stewardship scheme for ELTs."

The proposals cover the recovery and disposal of ELTs tabled by the Tyrewise working group in August.

"The working group has spent

18 months consulting widely with the tyre and vehicle industry, local government and stakeholders on the best model for a stewardship programme," says Gilbert.

Tyrewise's final report details the group's proposed solution.

It includes guiding principles, costs and benefits, an explanation of incentives and proposed timelines for the scheme, which aims to reduce to amount of old tyres ending up in landfill sites.

It's proposed that a fee of \$5.50 per equivalent passenger unit would initially be imposed on all tyres imported to fund the work. One unit equals to a typical passenger tyre of about 9.5kg.

The charge would be collected by the NZTA when a vehicle is first registered here and by Customs when loose tyres enter the country.

The levy would replace current disposal fees charged by some retailers and should reduce over a 10-year period. ⊕

09 966 1779

protocol, which Mitchell describes as complex.

"There's more work to do be done, so we see this as an interim measure," he told Autofile.

Toyofuji Shipping NZ Ltd has also agreed to follow the voluntary protocol after referring it to its management team in Japan.

"When we're on schedule, we will follow it as much as possible and adhere to it when it doesn't cause hindrance to our schedule," says keep to 10 knots depending on the situation but average speeds in the gulf will drop to benefit the whales.

And slowing down in that 40-mile area off the coast doesn't mean ships with cars on-board will be delayed into port – it will add about 90 minutes to passages to and from Auckland.

LOOKING TO THE FUTURE While not globally endangered, the Hauraki Gulf – with its high





"It's important to do what we can to preserve our Bryde's whales." - Tony Gibson, Ports of Auckland

general manager Blain Paterson. "Our speeds will drop dramatically so we can implement it."

'HAPPY WITH DIRECTIVES'

Mitchell stresses more research is needed to find out how many whales are in the area, their precise locations and seasonal migration movements.

Armacup has been involved with the industry group for about six years and has helped fund Dr Constantine's work by paying for flights to locate and map their positions.

Abiding with the protocol creates added costs for the industry, with vessels having to slow down from their normal speeds over about 40 nautical miles.

"That costs us time but we're more than happy to follow these directives," says Mitchell.

"Depending on ships needing to make time up, they may need to speed up outside the gulf, which means using more fuel.

"The engines aren't designed to run at those sorts of speeds [around 10 knots] for prolonged times, so this creates extra work on-board and additional look-outs are needed."

Shipping lanes must be kept open and moving, so there may be times when an operator cannot levels of plankton, krill and small fish – is one of the few places in the world with semi-resident Bryde's whales, which are types of baleen whale.

Their local population of about 200 is small, while the species is listed as critically endangered in New Zealand.

Mitchell describes them as "elusive" in addition to being rare. "During 10 years at sea I often saw whales, but Bryde's whales are difficult to spot."

At any one time, about 50 live in the gulf. They grow to about 14 metres and 20 tonnes. They lurk just below the surface, do short dives of less than 10 metres, rest for long periods at night and forage with side lunges.

These habits make them more vulnerable to ships. Their natural mortality rate is about eight a year, so losing at least two on top of that from strikes is significant.

Protecting them doesn't end with the new protocol because Ports of Auckland has invested in more research and has regular flights to spot them.

It's contributing \$30,000 to a year-long project to count and map whales and other marine mammals in the gulf, and this may provide information to allow ships to avoid areas where they congregate. The company is also looking at high-tech ways to keep ships and whales apart, for example by warning the mammals about approaching vessels or enabling their detection in shipping lanes.

Tony Gibson, chief executive officer of Ports of Auckland, says: "The gulf is a vital economic lifeline for New Zealand, but it's also a precious natural resource we share with amazing wildlife.

"It's important those of us who use the gulf do what we can to preserve it and our Bryde's whales.

"I would like to acknowledge the support of Dr Constantine in developing this protocol." \oplus



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Emissions to fix fee levels

ransport is holding a prominent position on the political agenda with the private-versus-public argument dominating party policies.

It has been mostly ignited by congestion and pollution reaching unprecedented levels in Auckland, and for many Kiwis the car remains king.

But the Greens have a different vision for the future, one with a transport network that provides viable alternatives to private vehicles while improving the fleet's efficiency.

As part of that, transport spokeswoman Julie Anne Genter is promoting her "feebate" scheme for all vehicles imported based on their carbon emissions.

"Those with emissions over a threshold pay a graduated fee, while under that point they would



receive a rebate," she explains.

"More polluting cars cost a bit more. Cleaner, more efficient cars cost less, which in turn promotes

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\$700 Excl GST &	Branch fee		V	Yes	🗆 No						
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MTA is NZ's la	rgest deale	er repre	sentativ	e grou	p: Franchise						
dealers, used de	ealers, moto	rcycle de	alers, an	d truck	dealers						
Mediation	₩ Yes	🗖 No	No Market analysis - regular, accurate and detailed								
HR Advice	⊠ Yes	🛛 No	Advoca for your	• •	ishing the causes ry						
MTA statione	r y ⊠ Yes	🗆 No	Benefits - save money with key business partners								
IT Advice	Busin	ess	Rang	e of	Need a mentor						
🖬 Yes 🗖 No	Manag	gers	newsle	etters	¥Yes □No						
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cleaner burning technologies. "We have a problem with emissions and people buy

cars based on upfront costs, sometimes without considering operational costs.

"The feebate will help consumers make decisions based on running costs as well, and incentivising efficient vehicles will save on our \$8 billion oil bill and save drivers on petrol when they fill up."

Genter told Autofile it's a matter of shifting demand towards greener transport by making the costs of pollution more direct.

The feebate's level could be about five per cent of a car's value, but that's only an indication because fees are based on emissions.

She says it's unfair those buying fuel-efficient vehicles see no savings, while "lower-income people own fewer cars and fewer new SUVs, and drive less at peak times".

Then there's the idea policies that subsidise high vehicle use are regressive and can benefit highincome earners.

"Smart, green transport reduces car dependence and benefits lower-income families by making transport more affordable."

Genter admits "we probably have work do with officials because I don't pretend to have all of the details", but New Zealand could look to overseas where feebates work.

"Most developed countries have ownership saturation points, so we need fewer and higher quality vehicles.

"People are driving less and under-35s are becoming more interested in efficient transport policies.

"To promote economic activity, we have the opportunity to invest more in public transport, walking, cycling, and moving more people and goods.

"Government intervention is making things worse – it makes it difficult to get most places without a car.

"Eight out of 10 trips are in private cars. If we got that down to six out of 10, there would be much less congestion during peak hours."

BUILDING ON EXPERIENCE

Although new on the political scene – she entered Parliament after being 13th on the party list for the 2011 election – Genter has extensive transport experience.

She was a transport planner after arriving here in 2006, and was employed in Auckland by Sinclair Knight Merz and then McCormick Rankin Cagney.

Genter, who grew up in Los Angeles, says the culture of the motor vehicle doesn't need be fought if there's investment in decent alternatives.

One example is Auckland's Northern Busway, which cost about \$200 million – or less than onequarter of the Waterview tunnel to link the city's motorway network.

"The busway receives no operational subsidies and has removed 8,000 cars from the harbour bridge.

"A motorway lane carries at best 2,400 people per hour. The busway is carrying as many people as three extra lanes on the bridge would at peak.

"As for Auckland's rail network, 2011 was the highest for use because of the world cup and 30

industry profile

 per cent higher than what was modelled in 2006.

"It was slightly down in 2012, but in the past five years has grown more than car use, which has been declining since before the global financial crisis."

Genter takes a bus to the airport and prefers to cycle into town, while rush-hour buses that go past her home are normally full.

"We don't need everyone to switch to public transport. During school holidays, there's a reduction of 10-15 per cent in peak-hour traffic but roads seem almost empty.

"We can achieve that if we invest in congestion-free transport, such as bus lanes and trains."

Genter believes the roadbuilding mantra makes no sense. Local government spends \$1 billion a year in rates on transport, with most going on roads, while central government spends the largest chunk of \$3b on roads mostly from road user charges (RUC) and petrol taxes.

"Some people think greenies hate cars, but that's not the case. It's about reducing the cost of private transport to benefit everyone.

"The economic benefits of public transport are also good for motorists. If car trips are reduced by 20 per cent, this will reduce travel times."

Planning solutions

Minnesota-born Julie Anne Genter gained her degree in philosophy at the University of California, Berkeley, in 2003. She then obtained a post-graduate certificate in international political studies in Paris before securing her masters of planning practice from the University of Auckland in 2008. Two years later, she moved to Wellington to work as the Greens' political and media adviser.

> The 33-year-old enjoys cycle touring, swimming, snowboarding, surfing, hiking, rock-climbing, photography, painting and gardening.

MOTOR INDUSTRY ISSUES

Genter stresses there's a "real possibility" New Zealand may have to cut greenhouse gases in the next few decades and move away from the consumption of fossil fuels.

"Converting existing vehicles to electric could be a possibility and some mechanics are doing this. Most new electric vehicles cost so much here that investigating "More people in Auckland die from complications associated with air pollution than car crashes.

"We have problems with particulates, and this deters people who want to ride and walk. Drivers The Greens' Climate Change (Transport Funding) Bill seeks to rebalance National Land Transport Fund spending towards sustainable transport over five years.

"It's absurd to use revenue



conversion makes sense.

"We can do more with secondgeneration biofuels, such as wood waste from forestry processing. We could use biodiesel and biogas for heavy vehicles."

Genter echoes the view of many in the automotive sector that RUC could be paid at the pump.

"This would apply the same principal of feebate in that the user pays, she says. "There are some clean European diesel vehicles being imported and our RUC system discriminates against them.

"We could even look at charging ACC in this way. This would increase the perception of pump prices, but you could argue ACC risks increase the more people drive.

"What we want is the simplest way to collect revenue that's fair and transparent."

> When it comes to car ownership, Genter says fixed costs are high but variables are low.

> > "The Greens want this to be the other way around. This means it's easier access to cars, but with higher variable costs."

In-service vehicle emissions tests are also on the cards. "We don't think it

will be too costly to set this up on something like a three-yearly basis as part of the warrant of fitness," she says.

"Some inspection companies have invested in equipment, it wouldn't be too expensive and there are huge health benefits.

"Under-35s are becoming more interested in efficient transport policies." - Julie Anne Genter

sitting in their cars in traffic are also vulnerable to fumes.

"Labour invested in research in 2006/07 but then backed away from this issue, which was a mistake. It would need a big step change for us to catch up with the rest of the world." from petrol tax hikes to build more motorways when people are switching to public transport," says Genter.

"Now is the opportunity to invest in public transport, walking and cycling to free up our road network for those who have to drive." \oplus

Autofile welcomes readers' views on all articles published. Email editor@autofile.co.nz – letters should not exceed 250 words.

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NEWS in brief

Safer Journeys makes impact on teenage crash rates

Pass rates for computerised learner theory tests hit 70 per cent for the first time in July, while serious crashes involving teenage drivers have dropped to record lows.

While the car theory pass rate recorded a slight drop to 67 per cent last month, it was up from 60 per cent in August 2012 and less than 50 per cent in 2009.

Harder tests are part of the government's Safer Journeys action plan. They ask 25 general and 10 class-specific questions selected randomly from a databank of more than 200.

Fatal and serious injury crashes involving teenage drivers dropped from 475 in 2008 to 257 last year. With an average of one killed on roads every week in recent years, Kiwi teenage rates are among the worst in the developed world.

Zero-emissions venture to make debut at Le Mans

Nissan says the ZEOD RC will reach speeds of more than 300kph to make it the world's fastest electric racing car.



The name stands for "zero emissions on-demand racing

car" and it will make its track debut at next year's Le Mans 24 Hour after the marque was invited by the Automobile Club de l'Ouest to compete.

It will be trialling variants of electric drivetrain technologies as part of its intended return to the competition.

The ZEOD RC, pictured, is a progression that follows on from developing the Leaf road car and RC race-car prototype, and the technologies developed will form part of future innovations for Nissan road cars.

Transport ministers tackle issues with motor industry

Gerry Brownlee has attended the eighth transportation ministerial meeting of the Asia-Pacific Economic Co-operation (APEC) in Tokyo, which ran September 4-6.

The theme was "aiming for a transport system that helps to accelerate growth and prosperity in the Pacific Rim". Topics included promoting connectivity, enhancing infrastructure and pursuing quality transport.

The Minister for Transport says a ministerial statement will now be issued to shape the working group's programme for the next two years.

While in Japan, Brownlee toured Nissan's Leaf factory to test drive the latest electric-vehicle technology.

Personalised email replies for inquiries to dealers

Trade Me plans to introduce an automatic response email system to its car dealers during October.

The replies could be branded with a logo, the trader's colours, opening hours and location map. The personalised emails will reply to the sender by name with information such as the make, model and year of the vehicle.

"Many inquiries are outside working hours, so this template could include expected response times and possibly other listings," says Darren Wiltshire, head of Trade Me Motors.

Manufacturer tees up partnerships through sponsorship

BMW is a sponsor of the New Zealand Open at The Hills and Millbrook Resort, Queenstown, from February 27 to March 2.

"Our partnership with NZ Golf and sponsorship of the open creates opportunities for interaction with customers, spectators and players," says Nina Englert, managing director of BMW NZ. \oplus

Focus systems on fleet safety

he Motor Industry Association (MIA) says questions will need answering around the impact of intelligent transport systems (ITS) on road safety.

Chief executive officer David Crawford concedes he used to be sceptical about ITS.

"I didn't believe I would see driverless cars in my lifetime, but they will probably be seen within a decade," he says.

"We need to ask what that means for road safety. As cars become smarter, there will be issues of how we manage this because driver skills will diminish if we don't use them all time.

"For example, after I stopped riding motorbikes in the early 1990s, I didn't ride again for 15 years so I was tentative for the first few months while I got my confidence back.

"If cars are going to more of the driving, we need to ask what will happen when ITS fail."

Crawford gave two addresses at this year's ITS NZ conference in Auckland, which was opened by Michael Woodhouse, Associate Minister of Transport, as previously reported by Autofile.

For one, he looked to the European Union, which has drawn up a six-point plan to cover the range of ITS issues there.

He tackled one of the points - the safety of the fleet - having surveyed MIA members about this and the tools being fitted to vehicles now and in the foreseeable future.

"People have got to understand where systems are in cars and how to set them," he says. "They might be like small aeroplanes.

"Will drivers become more distracted? Who's liable if a semi or fully automated car is involved in a crash?

"From an industry perspective, safety-assist tools will lead to a reduction in fatal and serious accidents but there will have to be a transition period in New Zealand. Lives will, however, be saved." Crawford says the industry and government officials need to tackles matters surrounding the

mixture of cars on our roads. "ITS systems are coming and they're going to come fast. They

require thought and consideration

implication for driver licensing and

"With other ITS, real-time GPS

will be used to collect congestion

data with live feeds going back to

drivers and in-car systems could

As far as short-range radar

Employment has issued a general

licence for the 24Ghz band, which

Crawford points out vehicle-to-

vehicle systems require 5.9Ghz in

the US and Europe but 8.8Ghz in

Japan - there's no overlap between

"Future systems in vehicles

here will work in 5.9Ghz and 77-

81Ghz is a high bandwidth used

for short-range radar with more

such as with the Ford Kuga and

on 77-81Ghz, for example

adaptive cruise control.

to detect the car in front for

"New models send out radar

"This detects lumps, so three

out as one lump. But 79-81Ghz will

people crossing a road will come

see three people or two people

"This could be seen as the

long-term solution when there are

will be used by lane-assist and crash-navigation systems in the

is concerned, the Ministry

for Business, Innovation and

then select the right speed to

by the government and industry

about what's regulated, the

the fleet's make-up.

travel at."

short term.

the two bands.

Honda Accord.

and a dog.

safety-assist tools in vehicles, but we don't know what they will be."

Society's expectations in regards to ITS are high - people increasingly want to be connected to other people and to stay connected in their cars. They

He enjoyed attending and speaking at the ITS NZ conference because so many issues were covered.

"It was good to see the government trying to get its head around ITS and its role.

"Driverless cars will probably be seen within a decade." - David Crawford, MIA

may become more about being entertainment centres than just getting from A-B.

"We should expect vehicles to be increasingly connected in time and space," says Crawford. "It will be interesting to see how systems from high-end models penetrate mainstream or particular models."



That's important because ITS will go across land, sea and air, and should be active - not passive management.

"The conference has given me a better understanding of these systems for MIA members and what they might have to do in the market."



INDUSTRY MOVERS

ANDY BOOTH has become a partner and the general manager of Auckland-based Forza Works Ltd, a specialised service centre for European prestige vehicles.



Booth, who races in the V8 SuperTourer series, has links with prestige cars. He became an apprentice

Ferrari mechanic for Tim Bailey, founder of Continental Car Services (CCS), after leaving school.

He left that job to pursue motor racing in Europe and spent four years as the Ferrari and Maserati division manager for CCS after returning to this country.

JEREMY SPICER has secured the role of dealer principal at Manukau Nissan, which is owned by Automotive Holdings Group Ltd.



The group is a diversified automotive retailing and logistics group with operations in every mainland

Australian state as well as in New Zealand, and has 150 dealer points across Australasia.

Previously employed by Armstrong Motor Group in a variety of roles from sales manager to general manager, Spicer is also a qualified barrister and solicitor.

MARTYN DAWSON has returned to the Armstrong Motor Group after an absence of four years as the general manager of Armstrong Prestige Ltd.



general manager of Armstrong Prestige Ltd. In this period, Dawson was employed in executive roles, including as group general manager for Boroko

Motors in Papua New Guinea and as dealer principal for the RMA Group, Thailand.

KEITH SHAW was recently promoted to new Mazda and used car manager at North Harbour Ford and Mazda, Auckland. He was previously new car sales manager for the same company. **RICHARD FISH** has been appointed as Shaw's assistant manager at North Harbour.

GRAEME SWAN has been employed as after-sales manager for Queenstown Motor Group and previously worked at the NZTA where he was as a technical co-ordinator.

Queenstown Motor Group is an Audi, Volkswagen and Subaru dealership owned by parent company Southern Motor Group.

CRAIG GEYER has been appointed as the service Manager for Hawkes Bay Toyota.

He moved to New Zealand to secure the role having previously been employed by Maritime Motor Group in South Africa.

STUART CRAWFORD was recently promoted to service manager for John Andrew Ford and Mazda in Penrose, Auckland.

He has replaced Alex Brown, who has been appointed service manager at Hyundai Motors NZ.

TO FEATURE IN INDUSTRY MOVERS EMAIL EDITOR@AUTOFILE.CO.NZ

NZ LABOUR MARKET REPORT OCT 2013 in association with Automotive Employment NZ Ltd

ACQUISITIONS AND MARKET

confidence made September one of this year's busiest recruitment months.

Activity for Automotive Employment NZ focused on management placements for dealer principals, general management, and sales and aftersales managers.

For those who doubt the quality of this country's pool of talent, we can take pride that skills are better than many perceive. We recorded an average of 50 applicants per assignment for these roles.

The assignments we completed produced quality inquiry, and the range of options candidates were prepared to consider with numerous roles simultaneously listed was interesting.

The highest number of applicants per role was for executive vacancies, with transparency and detail needed to attract desirable applications.

We found when detailed job descriptions, inclusion of income and in-depth information about the employers' facility were provided, we attracted quality applications.

Conversely the less detail we could pass on to candidates, the harder it was to attract top contenders.

The quality and detail needed with employment advertising is at an all-time high – get it wrong and the recruitment assignment is doomed before it starts.

This year has also seen a greater willingness by employers to explore candidates in the global talent pool.

There's a big trend for motor industry executives in the UK, Australia, South Africa and the US to pursue New Zealand opportunities. Familiarity with live-streaming video, such as Skype and Go To Meeting, along with faster internet speeds has meant we're increasingly seeing fresh firstclass talent in the industry and employers are more comfortable making hiring decisions by embracing technology.

Nonetheless, with the exception of two roles, Kiwis still secured most senior positions we listed last month.

Used vehicle sales management roles were tougher to fill, with many people tending to gravitate towards new vehicle brands.

The used vehicle sector provides some great career opportunities and less competition for applicants, with pay parity evident between new and used sales management roles.

The volume and quality of applications received is a market indicator looking towards 2014.

When candidates make employment applications, it's clear they're about to move from one position to another. The number of applications received in September indicated this.

Surveys by one jobs website show more candidates moving across multiple industries.

After the 1990/91 recession, one of the biggest challenges for achieving growth was sourcing talent to drive business forward. The market was different, with importing migrant skills in its infancy.

Quality applicants will be out there next year, but hiring managers and recruiters will need to be on the top of their game.

Locating skills in 2014 will prove difficult for those without the time, knowledge or wiliness to commit reserves of energy to scout for the talent.

Russell Phillips



Dealers need to operate within site's guidelines



n the coming months as part of our on-going commitment to make Trade Me a safe and transparent marketplace, we're going to be working to ensure ex-AutoBase Trade Me Motors dealers and those who list directly via the website are operating within the company's guidelines.

This will give all dealers a fair and level playing field to sell their stock.

We're big fans of internet neutrality and what that means for service providers and easy consumer access, which is why we have recently removed some listings in breach of our terms and conditions.

Putting multiple makes and/ or models into vehicle text is one of the things we're going to be monitoring more closely.

Trade Me's search engine works off keywords, with the complete content of each listing searched for relevant results.

There's nothing worse than searching for a specific make and model, and having pages of unwanted results returned due to the incorrect use of keywords, or predatory targeting known as keyword spamming.

engaged and they can get

deterred from viewing stock. Everybody wants a more prominent web presence, but this has to be achieved within rules and boundaries for all users buyers and sellers.

To refresh memories, it's against Trade Me's terms and conditions to have words in listings that don't directly relate to the item being sold.

We are, however, here to help and don't want to completely limit what users are allowed to enter into texts, so we suggest including simple, descriptive or common usage words to get listings in front of more potential buyers.

For example, if you're selling a BMW 118d, you could use "small, sporty, safe hatchback" in the comments box.

This means if people search for a "safe hatchback", the listing will show up even though they haven't specially searched for that model.

If you're selling a Chevrolet, you could add Chev or Chevvy to your comments, words commonly used to refer to that vehicle.

We'll also be monitoring and removing website and multiple branch addresses, phone

details from the comments field.

We offer the website exposure package, which you'll probably know as SiteLink. This displays two hyperlinks to the company website on every listing and is a great way to increased site traffic.

All contact details can and should be displayed in the "dealer's details" section at the bottom of listings.

Along with tidying up the comments field, we'll be doing work around screening listings to ensure asking prices are GST inclusive and are in New Zealand dollars.

That's not to say you can't include extra information in the comments field.

You can add something along the lines of, "asking price is the retail price, the GST-exclusive price is \$..." This way there's no room for buyer confusion and all relevant information is listed.

For dealers using Trade Me Motors, costs and time are invested to ensure maximum reach and exposure for listings. Guidelines are there to

ensure the best possible

experience for all users and we'll keep working to ensure there's a level playing field for everyone.

Trade Me Motors is a portal to more than two million prospective buyers each month so the more accurate search results are, the longer they stay.

We want to give dealers a chance to amend listings they may have that contain any information that doesn't directly relate to the vehicle.

Moving forward, dealers in breach of our terms and conditions will receive an email and phone call to discuss questions or concerns.

This will contain any listings in breach and details of what has been edited. If breaches continue over a prolonged time period, listings will be removed.

Above all, we're here to help you get better results. Please feel free to call your account manager or our dealer support team on our 0800 number to discuss listings.

We're more than happy to take a look and make suggestions on how you can improve them. 🕤





Most popular car makes searched* Toyota Nissan Ford Holden

Mazda

Most popular car models searched*

1 Corolla Hilux Falcon Commodore Land Cruiser

Most popular body styles searched*

1 Ute Sedan Station wagon Hatchback Van

Most popular makes of motorbike searched*

Honda Harley-Davidson 0 P Suzuki Yamaha Kawasaki

A 1948 Rolls-Royce Silver Wraith is listed with a starting price of \$46,000. The two-door coupe has 100,000km on the clock and boasts a six-cylinder 4,250cc petrol engine.

*in September on Trade Me Motors

Purchaser suffered no loss despite misleading certification comments

Background

Sharlayne Harvey-Heads bought a 2000 VW Beetle from Nigel Thompson Motor Co Ltd, but was concerned it had on-going problems and wanted a refund or for the vehicle to be fixed.

The trader said she wasn't entitled to a refund and accepted no responsibility for repairs.

The case

Harvey-Heads bought the car for \$10,999 on July 16, 2012, when the odometer was on 103,968km.

In December 2012, a problem arose with the blower motor for the exhaust gas recirculation system. The trader replaced it at no cost to the buyer.

In early 2013, Harvey-Heads went on holiday in the South Island when she noticed banging noises.

She had the car checked by a mechanic in Alexandra, who advised the problem was the rear shock absorbers/strut. The tribunal noted these terms were often used interchangeably.

When she got home, Harvey-Heads took the car to Parker Automotive, which fitted a new left-rear shock for \$529.

Kevin Parker, the owner and operator of Parker Automotive, confirmed she asked him to replace the part.

He understood the issue had been diagnosed elsewhere as a shock absorber problem, so that was the repair he did on January 18 when the odometer was on 111,078km.

The work didn't remedy the noise and the car went back to Parker. On January 23, both rear strut mounts were replaced for \$353 when the car had travelled 111,118km.

Harvey-Heads sent the trader

invoices for both repairs. She and Nigel Thompson, the trader's director, emailed each other and the trader offered \$300 without accepting liability.

Thompson viewed the first repair as unnecessary and it was carried out after an incorrect diagnosis. The offer was set at \$300 to reflect the cost of replacing the strut mounts and was a gesture of goodwill.

His key submission was replacing the strut mounts was maintenance and not an issue of acceptable quality. He added the buyer didn't approach the trader about the repair before it was completed.

Harvey-Heads identified a key concern, which was the trader advised her during compensation talks for the repairs that the shock absorbers/struts had been replaced as part of the compliance process when the car was imported.

Thompson had called the AA, which had carried out checks. He was advised it was a requirement that shocks, struts and CV joints on vehicles more than five years old had to be replaced if they were not new when imported.

In February 2013, Harvey-Heads noticed more banging noises in the front of the car.

She raised this with the trader who referred her to Motor Works, which diagnosed a problem with the front-top shock mounting bushes.

The trader negotiated a price of \$300 for this repair with Motor Works, but didn't accept liability.

Thompson reiterated this was a maintenance issue, not a warranty item. He pointed out the car obtained a warrant of fitness in December 2012 when only a replacement bulb was required. Motor Works carried out the inspection and recommended the car be serviced, but Harvey-Heads chose not to do so.

Thompson also submitted the condition of roads in Christchurch had resulted in a significant increase in repairs to suspension components.

Harvey-Heads denied regularly driving on any particularly rough roads.

When she lodged her application with the tribunal on April 3, the odometer reading was 114,217km.

The finding

Section six of the CGA provides a guarantee as to the acceptable quality of goods when sold.

When the goods fail to comply with this benchmark, the act may give the buyer the right of redress against the supplier or manufacturer.

When defects in goods have been drawn to the consumer's attention before supply then – notwithstanding that a reasonable consumer may not have regarded the goods as acceptable with those defects – the goods will not fail to comply with the guarantee only because of those defects.

In considering whether goods meet the CGA's guarantee of acceptable quality, the tribunal must consider quality elements from the perspective of a "reasonable consumer".

This objective is based on a precedent. "Goods to be of merchantable quality requires they should be in such a state that a buyer – acquainted with the facts and knowing what hidden defects exist and not being limited to their condition – would buy them **The case:** The buyer of a second-hand Volkswagen Beetle said it had mechanical issues. She wanted it to be repaired under the Consumer Guarantees Act (CGA) or the purchase price refunded.

The decision: The tribunal agreed with the trader that the matters complained about were maintenance items, which could reasonably be expected in a car of its age and mileage, so the claim was dismissed.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

without abatement or price and special terms."

Harvey-Heads had travelled more than 10,000km in the car and had incurred costs of about \$800 – some might have been unnecessary and the trader paid \$300 of them.

The tribunal agreed with the trader the current problems that had arisen were maintenance items, and they could reasonably be expected in a vehicle of this age and mileage.

It noted Harvey-Head's concerns about the information provided by the trader that the shocks/ struts would have been replaced when the car was imported if they weren't in "new condition".

This didn't accord with the tribunal assessor's view of the certification process, which was that shocks/struts wouldn't be replaced as a matter of course but only if their condition was sub-standard.

The trader's statements about the certification process were somewhat misleading, but Harvey-Heads suffered no loss as a result of that advice.

It might have been a different matter had she been told that prior to purchasing the car and had she relied on that statement in making her decision to buy it.

Order

The application was dismissed. $\ \, \odot$



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NZTA flags car as 'imported damaged' four months after date of purchase

Background

Kate Mathers bought a 2008 Holden Captiva from Stortford Auto Sales Ltd for \$33,500 on May 26, 2012, with 44,111km on the clock.

She received a letter dated September 18 from the NZTA to say the NSW Road Transport Authority had listed it as a statutory write-off.

Mathers was asked to have it inspected and Roger Greaney, of Vehicle Certification (HB), did this. His report stated the car had no structural or water damage.

The NZTA wrote to Mathers on February 25 saying no further action was needed, but the flag would remain so buyers would be aware it was written off prior to import.

On June 28, the NZTA told her about 250 statutory write-offs had been imported from Australia since the start of 2011.

The letter added its decision to flag the vehicle as "imported damaged" might be misleading. Instead, it would record it was a write-off on an NZTA website then remove the flag.

Mathers claimed the car's value had dropped, the trader misrepresented it and she wouldn't have bought it had she known its history, so she applied for a refund.

The trader understood the car was maliciously damaged and/ or parts were removed from it in Australia. It checked the car wasn't a damaged import and was unaware it had been written off there.

The trader offered to buy it back but Mathers declined. It said any loss was minimal.

The case

Mathers claimed the CGA had been breached because the car was

"damaged when imported".

She added the consumer information notice (CIN) stating it wasn't imported damaged was misleading and "representation was made at a time the trader was aware of the Captiva's history".

Mathers produced no evidence to show the car was damaged when supplied. It was free from faults and in good condition.

She test drove it, her fatherin-law inspected it, it passed a warrant of fitness (WOF) soon after purchase, and Greaney found no structural or water damage.

Mathers supplied no evidence to show the car didn't comply with the description it was sold by.

It hadn't been designated as "imported as damaged" by the NZTA when imported or when she bought it.

Four months after purchase the NZTA, probably through an oversight, discovered it had been written off in Australia and designated it as imported damaged.

The tribunal said the only issues to consider was the flag put on the car and the proposal to list it on a register of written-off imports.

Mathers was concerned how this would affect the resale value and saleability.

The tribunal considered if the dealer misrepresented the car on the CIN in breach of the Fair Trading Act.

Mathers claimed the trader, by completing a box on it saying it hadn't been imported as damaged, misled her.

The trader's director, Mr B Vesty, saw the Captiva for sale while driving through Auckland on March 3, 2012.

He spoke to the seller's husband, Ravend Kishore. He

imported the car for his wife, but she didn't like it because it was too big.

Vesty bought it from Mrs Kishore, in whose name it had been registered for four weeks, after agreeing a price of \$28,000 with Mr Kishore – a director of Pacific Motors NZ Ltd, which imported it.

A vehicle information report showed it wasn't imported damaged and Vesty said Mr Kishore told him the car wasn't damaged.

Mathers produced a letter from Mr Kishore to her solicitor in which he stated "the condition in which the car was imported was disclosed to the buyer".

However, the tribunal preferred Vesty's evidence because he appeared to be a credible witness.

After the NZTA flagged the car, Mathers told the trader she was dissatisfied. The trader declined a refund but offered to rebuy it for a sum that reflected its mileage and wear and tear.

The best offer of \$29,000 was rejected by Mathers. The parties' legal advisers became involved, but couldn't broker a settlement.

The tribunal thought the trader – by completing the CIN on the basis of a report obtained before buying the car and describing it as not imported damaged – unintentionally misled the buyer.

Mathers said the trader risked buying a car recently imported by a registered dealer who sold it in his wife's name. This should have alerted Vesty the so-called private sale wasn't what it seemed.

The finding

The tribunal considered Mathers was misled by the trader. Removing

The case: The buyer of a Holden Captiva wanted to reject it under the Consumer Guarantees Act (CGA) because it was flagged as imported damaged by the NZTA after she purchased it.

The decision: The tribunal ruled the car was fit for purpose so it declined to order a refund, but the trader had to pay the buyer compensation for loss in value.

At: The Motor Vehicle Disputes Tribunal, Napier.

the flag and placing the Captiva on an "imported as written-off" list would still lead buyers to think it had a damaged past.

The appropriate remedy was an order for damages because the car was supplied fault-free, Mathers drove it after becoming aware it was flagged and had clocked up more than 32,000km.

It ruled rejection under the CGA was inappropriate and unfair to the trader.

Mathers was asked to get reports on the difference in vehicle value on May 26, 2012, with and without the flag.

Brendan Foot advised such an import would be \$34,000 but \$24,000 with a flag. Bay Ford Mazda valued an unflagged car at \$32,000 and a damaged one at \$22,000.

For the trader, Karamu Holden's estimate was between \$36,000 and \$38,000. A damaged import with the interior and one door replaced would be about \$33,000.

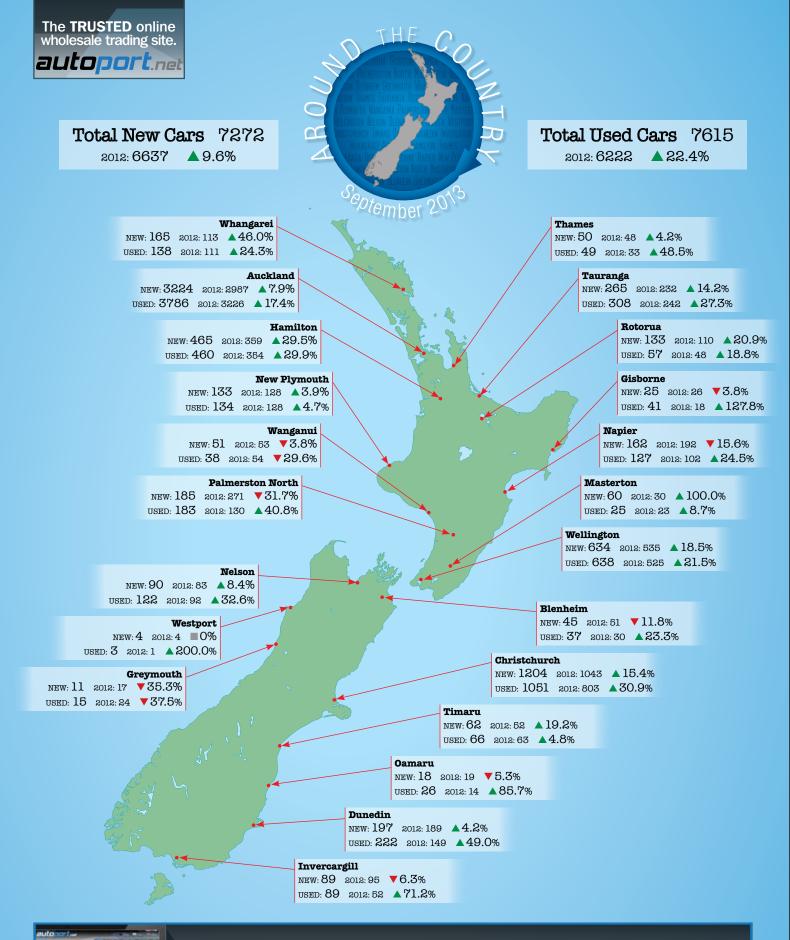
The trader also submitted an email from Steve Robertson Cars Ltd, which stated the difference on a car worth \$38,000 was \$5,000.

The tribunal decided a fair reduction in value was probably 13.5 per cent of the \$33,500 purchase price.

Order

The trader had to pay the buyer \$4,500 in damages. $\ \ensuremath{\textcircled{\ensuremath{\Theta}}}$

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Nagoya	30 Sep	16 Oct	31 Oct	14 Nov						
Yokohama	1 Oct	17 Oct	1 Nov	15 Nov						
Auckland	17 Oct	5 Nov	18 Nov	3 Dec						
Wellington	21 Oct	10 Nov	23 Nov	9 Dec						
Lyttelton	19 Oct	16 Nov	29 Nov	12 Dec						

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Imported Pc	ssenger	Vehicle S	Sales by	Make -	Septembe	r 2013	Imported	Passen	ger Vehid	e Sales	ьү М	lodel - Se	ptembe	er 2013
Make	SEPT '13	SEPT '12	+/-%	SEPT '13 MKT SHARE	2013 TOTAL	2013 MKT SHARE	MAKE	MODEL	SEPT '13	SEPT '12	+/-%	SEPT MKT Share	2013 Total	2013 MKT Share
Toyota	1810	1620	11.7	23.8%	17946	25.1%	Mazda	Demio	407	298	36.6	5.3%	3379	4.7%
Mazda	1385	1145	21.0	18.2%	12122	16.9%	Suzuki	Swift	375	222	68.9	4.9%	3279	4.6%
Nissan	1334	1173	13.7	17.5%	12386	17.3%	Mazda	Axela	347	332	4.5	4.6%	3149	4.4%
Honda	808	625	29.3	10.6%	7495	10.5%	Nissan	Tiida	326	345	-5.5	4.3%	3047	4.3%
Suzuki	429	262	63.7	5.6%	3907	5.5%	Honda	Fit	246	131	87.8	3.2%	2341	3.3%
Mitsubishi	331	243	36.2	4.3%	3349	4.7%	Mazda	Atenza	241	155	55.5	3.2%	1957	2.7%
Subaru	284	350	-18.9	3.7%	3213	4.5%	Toyota	Corolla	221	236	-6.4	2.9%	2479	3.5%
Volkswagen	258	162	59.3	3.4%	2428	3.4%	Toyota	Wish	212	149	42.3	2.8%	1727	2.4%
BMW	227	141	61.0	3.0%	2287	3.2%	Toyota	Vitz	208	198	5.1	2.7%	1828	2.6%
Audi	163	88	85.2	2.1%	1431	2.0%	Mazda	MPV	180	135	33.3	2.4%	1606	2.2%
Mercedes-Benz	113	65	73.8	1.5%	1068	1.5%	Subaru	Legacy	160	235	-31.9	2.1%	1965	2.7%
Ford	109	62	75.8	1.4%	902	1.3%	Volkswagen	Golf	160	108	48.1	2.1%	1367	1.9%
Chevrolet	62	39	59.0	0.8%	508	0.7%	Nissan	March	138	102	35.3	1.8%	1224	1.7%
Volvo	44	22	100.0	0.6%	373	0.5%	Honda	Odyssey	135	106	27.4	1.8%	1185	1.7%
Land Rover	40	30	33.3	0.5%	258	0.4%	Toyota	lst	135	114	18.4	1.8%	1435	2.0%
Jaguar	34	26	30.8	0.4%	232	0.3%	Nissan	Bluebird	134	115	16.5	1.8%	1269	1.8%
Holden	20	4	400.0	0.3%	146	0.2%	Mitsubishi	Outlander	131	52	151.9	1.7%	1287	1.8%
Lexus	18	7	157.1	0.2%	129	0.2%	Toyota	Estima	113	110	2.7	1.5%	1035	1.4%
Daihatsu	17	18	-5.6	0.2%	123	0.2%	Nissan	Note	109	108	0.9	1.4%	1084	1.5%
Mini	17	15	13.3	0.2%	124	0.2%	Honda	Accord	104	107	-2.8	1.4%	945	1.3%
Hyundai	14	21	-33.3	0.2%	119	0.2%	Mitsubishi	Colt	103	84	22.6	1.4%	943	1.3%
Porsche	14	11	27.3	0.2%	106	0.1%	Nissan	Presage	93	72	29.2	1.2%	709	1.0%
Dodge	9	8	12.5	0.1%	89	0.1%	Mazda	Premacy	89	114	-21.9	1.2%	850	1.2%
Peugeot	9	16	-43.8	0.1%	98	0.1%	Nissan	Teana	81	80	1.3	1.1%	782	1.1%
Renault	7	13	-46.2	0.1%	57	0.1%	Honda	Stream	80	69	15.9	1.1%	769	1.1%
Chrysler	5	8	-37.5	0.1%	56	0.1%	Toyota	Avensis	79	63	25.4	1.0%	793	1.1%
Plymouth	5	1	400.0	0.1%	18	0.0%	Toyota	lpsum	74	65	13.8	1.0%	719	1.0%
Alfa Romeo	4	3	33.3	0.1%	24	0.0%	Nissan	Serena	73	39	87.2	1.0%	421	0.6%
Vauxhall	4	3	33.3	0.1%	23	0.0%	Nissan	Wingroad	69	60	15.0	0.9%	789	1.1%
Cadillac	3	2	50.0	0.0%	23	0.0%	Toyota	Auris	65	62	4.8	0.9%	778	1.1%
Jeep	3	2	50.0	0.0%	47	0.1%	Nissan	Murano	60	25	140.0	0.8%	449	0.6%
Kia	3	1	200.0	0.0%	29	0.0%	Honda	Civic	59	60	-1.7	0.8%	621	0.9%
Smart	3	1	200.0	0.0%	11	0.0%	Toyota	Blade	57	41	39.0	0.7%	614	0.9%
Bentley	2	3	-33.3	0.0%	38	0.1%	Toyota	Caldina	56	86	-34.9	0.7%	723	1.0%
Buick	2	3	-33.3	0.0%	17	0.0%	Mazda	Verisa	51	42	21.4	0.7%	445	0.6%
Others	25	29	-13.8	0.3%	350	0.5%	Others		2444	1902	28.5	32.1%	23539	32.9%
Total	7615	6222	22.4	100.0%	71532	100.0%	Total		7615	6222	22.4	100.0%	71532	100.0%

CHOICE.





Mixed reactions on market

for the second month in a row after soaring to record highs in July.

Last month saw 7,615 imported passenger vehicles registered, which was a decrease in sales by 1,043 compared to the previous month.

But the used market in September performed better than the same month of last year, when 6,222 transactions were recorded.

On the models table, the Mazda Demio remained in top position and was up by 36.6 per cent on September 2012's total with 407 sales.

It was followed by Suzuki's Swift, which went up by 68.9 per cent to 375, while the Mazda Axela took out third place on the table with 347 units sold.

The number of Suburu Legacys registered dropped by 31.9 per cent with 160 sales compared to 235 during the same period of last year.

Meanwhile, sales of used Mitsubishi Outlanders soared by 151.9 per cent to 131 units, showing customers' segment preference continues to shift from station wagons to SUVs.

Dealers across the country have mixed reactions about the market in September.

Garry Moore, general manager of 2 Cheap Cars, says the company enjoyed growth in the price bracket between \$7,000 and \$12,000, and is looking forward to it continuing this month.

"We supply good quality vehicles at the right price and we're doing it well," he told Autofile. "It's all about good processes and honesty."

2 Cheap Cars' Facebook page has more than 10,000 fans and features hundreds of photos of clients with vehicles they have bought from the dealership. "Our marketing strategies include the use of social media outlets, such as Facebook, is a part of our growth plans."

Moore says the business has been punching good numbers from its Highbrook site in East Auckland and he's getting ready to open a branch in the Christchurch suburb of Harewood later this month.

"It's just part of our growth plan and we're in the middle of the growth phase, so watch this space," he says.

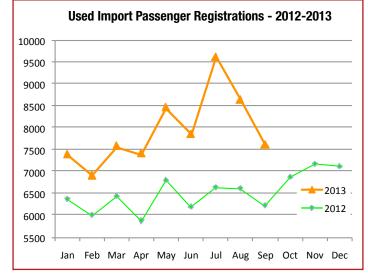
Vehicles will be conditioned in Auckland before being sent down to the South Island, while staff for we may not be selling cars.

"We're getting a bit of online inquiry. We had two in one day and nowadays you really need to be online to cover that traffic."

Seventy per cent of the business' customers are return or client referrals, which he says is only achievable by "supplying quality cars and service at a great price".

Kennett reports the second half of September as being slow.

"Finance-wise, we're down. People are sourcing from banks, which are aggressive, and a lot of people have got their finance from the banks. We sell Driverite



the Christchurch branch have been transferred from Auckland.

Brady Kennett, manager of Auto Wholesale Ltd in Palmerston North, says seven and eight-seater people movers are proving to be very popular, followed by station wagons and SUVs.

"Our yard traffic varies from week to week and you never know why you are selling more cars," he says.

"There could be bugger all coming in so you end up thinking there's something in the air. Even when the yard is busy insurance and there's been a drop in that."

Bob Wade, owner of Wade Cars in New Plymouth, says although September was slow, it was better than last year.

"It has had its ups and downs, but it's better than it was last year."

The dealership employs three staff, and he says the region has weathered the storm some smaller towns have battled.

"I think we've always been reasonably vibrant and the oil industry keeps it going, but it's still tough out there," says Wade, whose buyers tend to purchase smaller vehicles.

"Clean and tidy vehicles are popular, especially small hatchbacks. We've sold a lot of Nissan Notes and Toyota Fun Cargoes."

Because of buyers' desire for newer model vehicles, Wade says older trade-ins have become harder to sell.

Craig McDermid, chief executive of Blenheim Toyota, says the used market was tough last month.

"September was tough and it's a lot slower than people would like, but I'm sure it's just seasonal."

Stu MacDonald, owner of Stu MacDonald Motors in Hawkes Bay, says the dealership has been in the area for 25 years and sales are always consistent, with about 50 cars on-site.

"We've got an extremely good name, which helps us."

MacDonald says he's in the industry because he loves cars and has a collection of vehicles – his favourite being a Dukes of Hazzard style 1969 Dodge Charger R/T.

His passion for American cars is reflected on his yard, with a mixture of vehicles imported from Japan and the US.

"They're always a bit harder work because they're a lot more expensive, but we do okay with them."

His biggest financial year was 2012 and he can't see any reason why this year won't pan out just as well.

Meanwhile, Steven Fang, of Go Motors in Grey Lynn, Auckland, says sales are down compared to last year.

On the marques table Toyota was the top seller on 1,810 units. Mazda came second on 1,385 units, while Nissan took out third place on 1,334. \oplus

Reece McKerrow Ph: 021 988 727 Greg Bardsley Ph: 0279 363 595

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		OF DT HO	. / . 9/	SEPT '13	0010 7074	2013 MKT			SEPT	SEPT		SEPT MKT	2013	2013 MKT
MAKE	SEPT '13	SEPT '12	+/- %	MKT SHARE	2013 TOTAL	SHARE	MAKE	MODEL	'13	'12	+/- %	SHARE	TOTAL	SHARE
Toyota	1544	1211	27.5	21.2%	10861	17.9%	Toyota	Corolla	566	453	24.9	7.8%	3694	6.1%
Hyundai	693	548	26.5	9.5%	5587	9.2%	Toyota	RAV4	339	94	260.6	4.7%	1956	3.2%
Ford	645	610	5.7	8.9%	5077	8.4%	Toyota	Yaris	243	251	-3.2	3.3%	1683	2.8%
Holden	603	762	-20.9	8.3%	6468	10.7%	Mazda	Mazda3	239	202	17.8	3.3%	1256	2.1%
Mazda	592	450	31.6	8.1%	4421	7.3%	Suzuki	Swift	227	351	-35.3	3.1%	2331	3.8%
Mitsubishi	520	322	61.5	7.2%	2942	4.9%	Hyundai	ix35	220	75	193.3	3.0%	1017	1.7%
Suzuki	334	523	-36.1	4.6%	3745	6.2%	Mazda	CX-5	212	97	118.6	2.9%	1578	2.6%
Volkswagen	319	271	17.7	4.4%	2953	4.9%	Mitsubishi	Lancer	196	49	300.0	2.7%	610	1.0%
Kia	234	247	-5.3	3.2%	2146	3.5%	Holden	Captiva	156	158	-1.3	2.1%	1739	2.9%
Honda	221	309	-28.5	3.0%	2406	4.0%	Mitsubishi	Outlander	156	163	-4.3	2.1%	1018	1.7%
Subaru	221	157	40.8	3.0%	1366	2.3%	Ford	Focus	148	164	-9.8	2.0%	1135	1.9%
Nissan	204	310	-34.2	2.8%	2744	4.5%	Ford	Mondeo	140	78	79.5	1.9%	790	1.3%
Audi	166	151	9.9	2.3%	1464	2.4%	Holden	Commodore	140	287	-51.2	1.9%	1782	2.9%
BMW	148	134	10.4	2.0%	1524	2.5%	Volkswagen	Golf	138	78	76.9	1.9%	1194	2.0%
Mercedes-Benz	138	85	62.4	1.9%	1119	1.8%	Toyota	Camry	131	73	79.5	1.8%	942	1.6%
Jeep	91	60	51.7	1.3%	579	1.0%	Holden	Cruze	122	166	-26.5	1.7%	1698	2.8%
Peugeot	90	65	38.5	1.2%	815	1.3%	Hyundai		122					2.0%
SsangYong	73	54	35.2	1.0%	546	0.9%	-	Santa Fe		150	-18.7	1.7%	1661	
Skoda	60	42	42.9	0.8%	517	0.9%	Mitsubishi	Mirage	121	-	-	1.7%	751	1.2%
Lexus	48	32	50.0	0.7%	398	0.7%	Ford	Kuga	116	23	404.3	1.6%	740	1.2%
Mini	45	38	18.4	0.6%	380	0.6%	Hyundai	Accent	113		1514.3	1.6%	460	0.8%
Chery	43	14	207.1	0.6%	213	0.4%	Ford	Territory	107	110	-2.7	1.5%	998	1.6%
Land Rover	39	42	-7.1	0.5%	352	0.6%	Hyundai	i30	102	172	-40.7	1.4%	1021	1.7%
Citroen	37	19	94.7	0.5%	247	0.4%	Toyota	Highlander	95	167	-43.1	1.3%	896	1.5%
Dodge	31	42	-26.2	0.4%	375	0.6%	Holden	Barina	90	89	1.1	1.2%	488	0.8%
Alfa Romeo	29	11	163.6	0.4%	139	0.2%	Volkswagen	Tiguan	90	54	66.7	1.2%	542	0.9%
Volvo	22	19	15.8	0.3%	190	0.3%	Subaru	Outback	76	57	33.3	1.0%	350	0.6%
Porsche	15	11	36.4	0.2%	148	0.2%	Honda	Jazz	74	59	25.4	1.0%	712	1.2%
Jaguar	13	7	85.7	0.2%	105	0.2%	Mazda	Mazda6	72	75	-4.0	1.0%	814	1.3%
Fiat	12	7	71.4	0.2%	95	0.2%	Ford	Falcon	68	139	-51.1	0.9%	626	1.0%
Chrysler	11	18	-38.9	0.2%	97	0.2%	Ford	Fiesta	65	96	-32.3	0.9%	769	1.3%
Renault	10	10	0.0	0.1%	70	0.1%	Jeep	Grand Cherokee	65	45	44.4	0.9%	374	0.6%
Great Wall	9	14	-35.7	0.1%	164	0.3%	Nissan	Qashqai	61	86	-29.1	0.8%	747	1.2%
Daihatsu	4	28	-85.7	0.1%	228	0.3%	Toyota	Prius	56	20	180.0	0.8%	404	0.7%
Ferrari	4	1	100.0	0.1%	16	0.4 %	Honda	CRV	55	74	-25.7	0.8%	643	1.1%
Bentley	1	1	0.0	0.0%	17	0.0%	SsangYong	Korando	55	14	292.9	0.8%	342	0.6%
Can-Am	1	1	0.0	0.0%	61	0.0%	Subaru	Forester	55	27	103.7	0.8%	351	0.6%
Lamborghini	1	0	100.0	0.0%	8	0.1%	Kia	Sportage	53	95	-44.2	0.7%	551	0.9%
•	1	3	-66.7	0.0%		0.0%	Mazda	Mazda2	50	63	-20.6	0.7%	571	0.9%
Maserati					10		Nissan	X-Trail	50	85	-41.2	0.7%	660	1.1%
Morgan Bella Boyas	1	1	0.0	0.0%	4	0.0%		Civic						
Rolls-Royce	1	0	100.0	0.0%	4	0.0%	Honda	CIVIC	49	87	-43.7	0.7%	675	1.1%
Others	0	4	-100.0	0.0%	46	0.1%	Others		2040	2101	-2.9	28.1%	20078	33.1%

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Marque dominates top three

oyota towered above its rival brands in new passenger vehicle sales with its models taking out the top three places on last month's ladder.

The Corolla was the best-selling passenger car on 566 units, the RAV4 was second on 339 and the Yaris came third with 243.

The Mazda3 was fourth with 239 sales, while Suzuki's Swift rounded off the top five on 227.

Following Toyota's total sales of 1,544 was Hyundai on 693. Ford was in third place on 645.

Passenger car sales came to 7,272 and were up by 6.5 per cent compared to last year and September returned better figures than August.

Year to date, Toyota is the topselling marque overall on 10,854 units followed by Holden on 6,463 and Hyundai in third place on 5,582.

Volkswagen's market share continues to grow in the passenger segment. Year to date, it's at 4.9 per cent with 2,951 units sold compared to 2,910 in 2012.

Total new vehicle sales last month amounted to 10,070, confirming what many economists have been saying and that's economic confidence is growing.

Craig McDermid, chief executive officer of Blenheim Toyota, says the agricultural sector is leveraging growth in the region.

"The trend has been increasing across the board, particularly in new vehicles," he told Autofile.

As well as the higher Fonterra pay-out, the barometers are going up for wool growers and primary producers, such as forestry.

All that said, however, September proved to be a difficult month for the dealership.

"It has been particular hard across the board. August was up

but September has fallen back."

Nevertheless, year-to-date sales have been strong with passenger vehicles, such as the RAV4 and the Corolla, proving popular although McDermid realises the market can turn in any direction.

"It's much like Team New Zealand," he says. "It all depends which way the winds are going to blow.

"We're hopeful there will be a big swing up, but it will be interesting to see how the distributors play to try to increase their desired segment dominance." Ross Dodds, dealer principal of

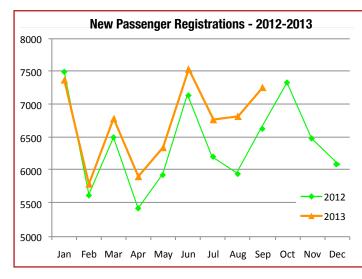
Windsor Nissan in Cambridge, says:

advancing, with the sedan proving to be popular with its extra room.

"The Tiida was a car for older people, but we're getting a different range of people coming in for the Pulsar.

"Also, the Tiida was very pricedriven. We used to sell a lot on price because it was like a 'new used car'. It was probably near the bottom of the bunch and now we're near the top with the Pulsar."

Dodds says having new products and variants in the market helps, while finance and insurance is up over the past few years boosted by pretty good interest rates from finance companies.



"New car sales are tracking pretty well and are slightly ahead of 2012, so it has been a good start to the year for us.

"SUVs are proving to be popular with good Qashqai sales while the Pulsar sedan, which was released in February, and the hatchback, which came out in June, are doing well compared to the Tiida."

Feedback has included Nissan's technology in the Pulsar as

When Nissan has specials on finance – such as the zero per cent offer earlier this year – this gets people into the dealership, although the amount made on deals can drop.

Dodds expects SUVs to continue being popular in the market in general, but believes interest in them will plateau at some stage.

"A lot of technology is going into them from the manufacturers and that's been the case with the



UDC Finance Limited lending criteria applies.

Qashqai and X-Trail, while the Murano is a light SUV rather than a heavy one. We're hoping, however, the trend with SUVs continues."

Clive Linn, owner of Linn Motors in Thames, reports business as doing well, especially with the arrival of Holden's VF Commodore.

"It has been very good for sales with us," he says. "We're now looking forward to the arrival of the Trax, which will also be good for us and will complete the range.

"Sales across the board are still strong and especially so with the Captiva. SUVs have been strong everywhere and the Captiva is good value for the price and its specifications.

"We're a bit ahead of last year and the rural sector will get stronger as the increased dairy payout starts to filter through."

Stuart Dempster, general sales manager of Energy Ford in New Plymouth, says the small car segment is performing well.

Customers have been embracing the blue oval's smaller models, such as the Focus and Fiesta.

"We're having a good run on the Kuga too, with a real mixture of private and business buyers."

Like other regional dealers across the country, Dempster found last month tough.

"September was a challenge, although it hasn't been a bad winter. It was probably the hardest month of this year."

He says the dealership is using a combination of advertising methods to get buyers on the yard. "We work hard to get them in door and there are specials on every model."

Dempster's also excited about a new line-up of Fiestas soon to be launched, including the Sport and Eco Sport. \oplus

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Four-way battle in utes market

The number of new commercials sold last month increased after dropping in the previous month.

September was the best commercial vehicle sales month since 1981 and was up by 746 units compared to the same time last year.

There were 2,799 commercials sold last month, an increase on August's total of 2,602 to bring year-to-date registrations up to 22,787, while Ford's Ranger was the top-selling model with 425 units.

"Based in Central Hawkes Bay and being a Ford dealer, we're selling plenty of Rangers," says David Willis, Ruahine Ford's dealer principal.

"It would be the same for any rural Ford dealer at the moment, while about 50km north of here sales would be predominately passenger." The Toyota Hilux took second place on 406 units and last month received a five-star ANCAP rating after safety upgrades.

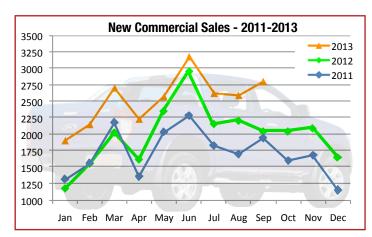
Despite competition from the Ranger on 3,395 year-to-date sales, the Hilux is 2013's top-selling commercial on 3,607 units.

In third place last month was

Holden's Colorado on 283 sales, bringing its market share up to 10 per cent.

Clive Linn, who owns Linn Motors in Thames, says sales of the Colorado have been steady.

"We've also been going okay with used commercials," he says. "We're looking to spring because



that's when more people tend to start buying."

Nissan's Navara dropped to fifth last month, but year-to-date sales of 2,216 make it the third highest seller.

"Sales of commercials have been pretty good for us, especially with the Navara nearing the end of its life cycle and our new model due in early 2014," says Ross Dodds, of Windsor Nissan in Cambridge.

"The Navara isn't feminine looking and I feel we've been very fortunate the shape hasn't really aged.

"It's probably the last ute out there because the rest have had upgrades. In 2005, it was the best on the market and it has still got a great price point.

"With the Ranger, Colorado and Hilux, it's an on-going battle between the four of us." \oplus

New Commercial Sales by Make - September 2013											
МАКЕ	SEPT '13	SEPT '12	+/- %	SEPT '13 MKT SHARE	2013 Full year	2013 MKT SHARE					
Toyota	676	533	26.8	24.2%	5548	24.3%					
Ford	484	317	52.7	17.3%	4020	17.6%					
Holden	309	211	46.4	11.0%	1962	8.6%					
Nissan	223	162	37.7	8.0%	2289	10.0%					
Isuzu	169	84	101.2	6.0%	1180	5.2%					
Mitsubishi	151	222	-32.0	5.4%	1614	7.1%					
Volkswagen	133	72	84.7	4.8%	971	4.3%					
Mazda	100	98	2.0	3.6%	1011	4.4%					
Hyundai	76	33	130.3	2.7%	438	1.9%					
Great Wall	72	58	24.1	2.6%	610	2.7%					
Mercedes-Benz	64	32	100.0	2.3%	348	1.5%					
Hino	52	27	92.6	1.9%	355	1.6%					
Mitsubishi Fuso	52	47	10.6	1.9%	354	1.6%					
SsangYong	32	20	60.0	1.1%	338	1.5%					
Fiat	31	23	34.8	1.1%	191	0.8%					
Foton	25	2	1150.0	0.9%	106	0.5%					
DAF	18	5	260.0	0.6%	164	0.7%					
UD Trucks	18	11	63.6	0.6%	124	0.5%					
Scania	15	10	50.0	0.5%	152	0.7%					
Alexander Dennis	11	11	0.0	0.4%	94	0.4%					
Others	88	75	17.3	3.1%	918	4.0%					
Total	2799	2053	36.3	100.0%	22787	100.0%					

New Com	mercial Sa	les by	Mod	el - Se	ptember	2013	
MAKE	MODEL	SEPT '13	SEPT '12	+/- %	SEPT '13 MKT SHARE	2013 Full year	2013 MKT SHARE
Ford	Ranger	425	249	70.7	15.2%	3395	14.9%
Toyota	Hilux	406	335	21.2	14.5%	3607	15.8%
Holden	Colorado	283	195	45.1	10.1%	1822	8.0%
Toyota	Hiace	248	178	39.3	8.9%	1757	7.7%
Nissan	Navara	223	153	45.8	8.0%	2216	9.7%
Mazda	BT-50	100	98	2.0	3.6%	1011	4.4%
Mitsubishi	Triton	96	120	-20.0	3.4%	995	4.4%
Isuzu	D-Max	91	31	193.5	3.3%	610	2.7%
Hyundai	iload	74	27	174.1	2.6%	407	1.8%
Volkswagen	Amarok	66	47	40.4	2.4%	624	2.7%
Great Wall	V240	58	43	34.9	2.1%	409	1.8%
Ford	Transit	55	54	1.9	2.0%	560	2.5%
Mitsubishi	L300	55	102	-46.1	2.0%	615	2.7%
Mercedes-Benz	Sprinter	44	22	100.0	1.6%	240	1.1%
Volkswagen	Crafter	42	15	180.0	1.5%	144	0.6%
lsuzu	N Series	41	27	51.9	1.5%	261	1.1%
SsangYong	Actyon Sport	32	20	60.0	1.1%	338	1.5%
Fiat	Ducato	31	23	34.8	1.1%	189	0.8%
Hino	500	31	15	106.7	1.1%	191	0.8%
Foton	Tunland	25	2	1150.0	0.9%	106	0.5%
Others		373	297	25.6	13.3%	3290	14.4%
Total		2799	2053	36.3	100.0%	22787	100.0%

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Oversupply at some prices

sed commercial sales of 500 in September were 75.4 per cent stronger than during the same month in 2012 when there were 285.

Despite the strong year-to-date total of 4,283 units, the amount sold dropped by 46 on August's total. John Beck, of Top Cars & Commercials, reports the market in Invercargill as steady.

"August and September were okay but October quietened off a bit," he told Autofile. "School holidays are usually a bit quiet."

Beck's commercial stock is predominately vans, but he still sells the occasional ute.

"It has been hard getting vans in the \$10,000 to \$12,000 price range and there seems to be a lot of \$20,000 Toyota Hiaces around."

Vans dominated last month models' table, with the Hiace

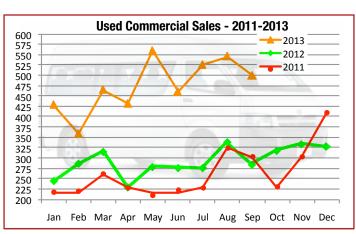
securing top spot with 172 sales. It was followed by two Nissans – the Caravan on 52 and the Vanette on 38.

Toyota's Dyna was the topperforming pick-up on 18 sales, followed by Nissan's Atlas on 17. "When it comes to used

commercials, we can't get enough

of them," says Ross Dodds, of Windsor Nissan, Cambridge. "We would like more because of the profits in them.

"They're holding their values well and I would have more if I could get my hands on them. The ute market has taken off this year." Dodds says owners are



changing them on a five to six-year basis, but with used commercials that's converting to six to seven years old with high kilometres.

"It's unfortunate that they may not make the dealership's stock," he adds. "We would look to wholesale them off, but we keep those that are three to four years old with about 100,000km on the clock."

Bob Wade, owner of Wade Cars in New Plymouth, says the commercial vehicle market has been slow.

"We have about half a dozen vans on-site. People in Christchurch were buying heaps earlier in the year."

David Willis, dealer principal of Ruahine Motors in Waipukurau near Hastings, says trades for new vehicles mean it has a steady supply of used commercials. \oplus

Used Commercial Sales by Make - September 2013 SEPT '13 MKT SHARE 2013 Full year 2013 MKT SHARE Make SEPT '13 SEPT '12 +/- % Tovota 224 147 52.4 44.8% 1967 45.9% Nissan 117 36 225.0 23.4% 998 23.3% Mazda 275.0 4.9% 30 8 6.0% 212 Ford 21 19 10.5 4.2% 239 5.6% lsuzu 18 12 50.0 3.6% 157 3.7% Mitsubishi 87.5 3.0% 15 8 89 2.1% Chevrolet 30.0 13 10 2.6% 91 2.1% Hino 11 9 22.2 2.2% 110 2.6% Holden 8 4 100.0 1.6% 67 1.6% MAN 6 2 200.0 1.2% 44 1.0% Dodge 5 2 150.0 1.0% 25 0.6% Mercedes-Benz 5 3 66.7 1.0% 45 1.1% DAF 18 300.0 0.8% 0.4% 4 1 4 5 39 0.9% Volkswagen -20.0 0.8% GMC 3 200.0 0.6% 17 0.4% 1 3 2 0.6% 15 0.4% lveco 50.0 Fiat 2 3 -33.3 0.4% 28 0.7% Franna 2 0 200.0 0.4% 2 0.0% Volvo 2 0.4% 0.3% 1 100.0 11 Kato 0 100.0 0.2% 1 0.0% 1 Others 108 6 12 -50.01.2% 2.5% Total 500 285 75.4 100.0% 4283 100.0%

Used Cor	nmercial S	ales of		Jel - 20	eptember	2013	
MAKE	MODEL	SEPT '13	SEPT '12	+/-%	SEPT '13 MKT SHARE	2013 Full year	2013 MKT SHARE
Toyota	Hiace	172	114	50.9	34.4%	1493	34.9%
Nissan	Caravan	52	10	420.0	10.4%	465	10.9%
Nissan	Vanette	38	15	153.3	7.6%	332	7.8%
Mazda	Bongo	23	6	283.3	4.6%	167	3.9%
Toyota	Dyna	18	10	80.0	3.6%	176	4.1%
Nissan	Atlas	17	3	466.7	3.4%	93	2.2%
Toyota	Regius	17	13	30.8	3.4%	142	3.3%
Isuzu	Elf	9	8	12.5	1.8%	102	2.4%
Nissan	Navara	8	8	0.0	1.6%	81	1.9%
Chevrolet	Silverado	7	6	16.7	1.4%	29	0.7%
Toyota	Hilux	7	0	700.0	1.4%	45	1.1%
lsuzu	Forward	6	2	200.0	1.2%	34	0.8%
Mitsubishi	Canter	6	2	200.0	1.2%	37	0.9%
Ford	F150	5	0	500.0	1.0%	22	0.5%
Ford	Transit	5	12	-58.3	1.0%	122	2.8%
Mazda	Titan	5	2	150.0	1.0%	35	0.8%
Toyota	Toyoace	5	4	25.0	1.0%	68	1.6%
DAF	LF	4	0	400.0	0.8%	9	0.2%
Ford	F100	4	1	300.0	0.8%	9	0.2%
Hino	Dutro	4	1	300.0	0.8%	43	1.0%
Others		88	68	29.4	17.6%	779	18.2%
Total		500	285	75.4	100.0%	4283	100.0%

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