

autofile

Code to address electric batteries

The Motor Industry Association (MIA) has taken the initiative by drafting a code of practice to tackle batteries as electric vehicles (EVs) become more common on Kiwi roads.

David Crawford, chief executive officer, says the guidelines have been set up to ensure the power-storage units for EVs and plug-in hybrid electric vehicles (PHEVs) avoid ending up in New Zealand's landfills.

"The code is about managing a process for the disposal or recycling of these batteries," he says.

As such, a MIA working group

which focuses on EVs and PHEVs and their regulation, drafted the guidelines after questions were raised about them.

"As an association, we have several codes that look at safety or environmental issues," Crawford told Autofile.

"We thought at an early stage it would be beneficial to address how members deal with batteries getting to the end of their lives, how they manage their recycling and what happens with damaged batteries that can't be transported."

The code of practice has been

passed by the MIA's council and is now in force.

At the moment, two main types of batteries are used in EVs and PHEVs – nickel metal hydride (Ni-MH) and lithium-ion.

Ni-MH batteries are now considered "mature technology", having been around for a number of years.

When used properly, they have been proven to have long lives, but they are not without their issues – such as non-efficiency and their weight.

This is why lithium-ion batteries

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Pressure on commercial property

A leading real-estate agent believes the automotive industry is catching up on delayed development following inactivity during the global financial crisis (GFC).

Paddy Callesen, joint managing director of Savills, also says the sector has changed in recent years with more buyers researching online and then visiting yards to

check out vehicles before parting with their cash.

His observations come after Savills' recent sale of two greenfield sites on Auckland's North Shore to luxury marques for a combined total of \$21 million.

The deals were orchestrated by Callesen and John Jefferson, sales and investment executive.

In addition to their views of the

market, a report by multi-national management consulting firm McKinsey says vehicle retailing is undergoing substantial change and challenging dealers' business models.

The number of new car franchises is dropping globally, which is being driven by mobile technologies and social media.

Many manufacturers are

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Nine new variants in ute range



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Vehicle safety before advancement

My how far we have come. In 10 years the technology vehicles employ has progressed so quickly it would seem vehicle designers have had their work cut out for them to house it all in an aesthetically pleasing manner.

To be fair, I probably have noticed this change more than most. For the past decade or so I have lived in the South Pacific, and while you could purchase the latest Ford or Toyota in the islands, the roads just didn't make it worth it.

So my little beat-up Suzuki Sidekick it was. She had no electronics, I could start her with a butterknife, but her suspension took on Samoa's streets again and again and won. I sold her before I left, and I like to think she is still powering around Upolu island – sans modern technology.

I arrived in New Zealand to a brand-new Holden Trax. I couldn't play a cassette tape in my Suzuki – but I soon noticed I could run a small business from the Trax (if only I could work out how to sync my phone with its interface). I quickly realised that no longer are cars about just getting from A-B, that a whole new user experience awaited me.

Now it is not as if I am afraid of technology, I think it's fantastic. Thanks to advancements such as the internet I can work from wherever I find myself, I can video-call my sister in Australia and I can pay my council rates from the comfort of my lounge.

But what happens when this technology, that has been designed to make our lives easier, fails to work, or is hacked.

I mean if your computer stops working it is annoying, if your car stops working...well.

Now, this wouldn't have

happened with my Suzuki. She was broken into, but this was done in a more traditional manner. But now that I am driving a car that contains more computing power than the Apollo mission to the moon - I do think about what could go wrong, more than I would like.

This is why I am grateful that the automotive industry and the government alike are thinking about these issues and are constantly working to address them in a timely manner.

However, while governments are addressing these challenges, unfortunately this technological revolution is moving at a pace that often outstrips the legislative process.

For this reason, and in the interest of safety, sometimes it is up those who produce the technology, the industry members, to do the right thing – before they have to by law.

And they do. Through building prototypes, conducting crash tests, striving for safety ratings and issuing recalls.

As an owner of a vehicle I am glad that it is better than most other sectors at doing this. Sometimes you don't know a problem exists before it is out there – but kudos to the manufactures that address the issue before they are told to.

You don't read too many instances where there is a mass recall of say a (fiery) laptop. It happens, but it seems the industry lives by the motto "better safe than sorry" and as a driver I am grateful for this.

Saying that however, laurels are not there for resting on - safety must come before the latest advancement – something all industry members should constantly think about.

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Environment is top priority

are now commonly fitted to EVs and PHEVs.

Depending on whether they are lithium-ion or Ni-MH, how many charging or discharging cycles they have and how often they are used, Crawford says they can last up to 12 years.

The technology has also found its way into consumer electronics, such as laptop computers and phones, while marques such as Tesla and Subaru are furthering research for its use in future models.

With Ni-MH batteries now having been around long enough to reach their end-of-life cycles, the code of practice is the MIA's way of helping its members to deal with them before the situation becomes a problem in New Zealand.

Crawford says: "Parts of batteries used in hybrids, plug-in hybrids and EVs can be recycled.

"Normally when they come to



Used Ni-MH batteries stockpiled for recycling

the end of their lives, distributors send them back to the original equipment manufacturers [OEMs] for this to be done.

"But occasionally they also get damaged and they cannot be shipped when this happens.

"Until an avalanche of dead batteries turns up or they get a small stockpile of damaged ones, the MIA's code means our members have to work with OEMs to ensure

they are recycled or disposed of in an environmentally sensitive way. They cannot be taken to landfill sites.

"The likes of plug-in hybrids are thought of as green vehicles. The way they are made and their life cycles are important, so it's imperative they and their batteries are destroyed or recycled with green ideals in mind."

As such, the code of practice for traction-battery recycling states

MIA members must have suitable systems in place to monitor their use, and to capture, return, refurbish or reuse, or recycle or dispose of them.

"These systems will include recovery mechanisms capable of maximising the value from the reuse of finite resources with the aim of none ending up in landfills," explains Crawford.

"MIA members may use internal company processes that comply with all relevant legislation or standards."

As many as 98 per cent of EV and PHEV batteries can be recycled, he says. This means distributors should take them out of vehicles and store them before they are shipped overseas or to recycling plants.

The MIA's guidelines list the process in which a dealer or repairer inspects the battery. If

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found to be damaged, leaking or having reached the end of its life, the OEM is contacted, which in turn implements its internal processes for recycling.

"They need to be handled safely and environmentally soundly," says Crawford. "Any battery that ends up in a landfill is not the preferred option."

Another issue that needed addressing is when batteries are damaged and have to be disposed of locally.

"What happens with that is they do go to landfills, but are encased in concrete to ensure they are disposed of in a way in which the chemicals won't leach down the track and pollute water tables."

COMPLEX RECYCLING ISSUES

So what is the best way to recycle or dispose of Ni-MH or lithium-ion batteries?

Linda Gaines, a transport system analyst at Argonne National Laboratory, which sits under the US Department of Energy, has written extensively about this with her main focus being the reusability of lithium-ion batteries.

Through the course of her research, Scientific American reports that she has found the amount of lithium needed for some types of these power-storage units can be halved if they are effectively recycled.

In a paper published last year in Sustainable Materials and Technologies, Gaines says the recycling of automotive lithium-ion batteries is more complicated and not yet fully established because it could be a decade before they reach end-of-life status.

"Large-format Ni-MH batteries have been used in hybrid vehicles for long enough that some now require disposition by either reuse or recycling," she says.

"A recycling system is already in place because consumer batteries from smaller devices such as power tools, which have much shorter useful lives, have been recycled commercially for many years.

"Recently, increasing demand for rare earths in batteries, motors, and other components of vehicles and wind turbines, coupled with China's policies to restrict exports

so it can satisfy its own demands, has provided a significant economic incentive to recover these metals during recycling."

Gaines reports several factors contribute to making lithium-ion battery recycling more complicated than the standard Pb-acid batteries or Ni-MHs.

"Lithium-ion batteries have a wider variety of materials in each



"Any battery that ends up in a landfill is not the preferred option."

– David Crawford, MIA

cell. The active materials are in the form of powder coated onto metal foil. These different materials must be separated from each other during recycling."

Gaines concludes that while there are teething problems with this process, "there is the opportunity to obviate some of the technical, economic and institutional roadblocks that may arise"

CODE'S NUTS & BOLTS

The MIA's members recognise the benefits of new technologies and fuels that will provide for significant reductions in the operating emissions of vehicles on New Zealand's roads.

They also want to provide for the maximum level of recycling with minimal levels of landfill from vehicles and their components at the end of their lives.

With the availability of fully and partially battery-powered EVs, PHEVs and hybrids, the MIA supports its industry code of conduct that addresses end-of-life treatment to ensure traction batteries have minimal environmental impact.

Its guidelines for recycling them includes – but isn't limited to – lithium-ion and nickel metal-hydride units used in vehicles to store electrical energy to power on-board electric motors "to motivate or assist in motivating their wheels".

The guidelines state MIA members need to have suitable systems in place to monitor the

use, capture, return, refurbishing, reuse, recycling or disposal of traction batteries from EVs, plug-ins and hybrids.

These systems need to include "recovery mechanisms capable of maximising the value from the reuse of finite resources" with the aim of no such batteries ending up in landfills.

MIA members are required to

its practical life, the OEM should be contacted for recycling information, which then implements its own internal processes.

The code of practice states MIA members may enter into agreements with other sectors of the automotive industry to facilitate monitoring, recovery and recycling of these power units.

These include franchised

provide information to vehicle owners and operators on their preferred recycling programmes, or may join one accredited by the government.

The process is outlined by the holder of a traction battery, such as a car dealer or repairer inspecting it.

If the battery is leaking, damaged or has reached the end of

and non-franchised new and used vehicles, dealers' vehicle maintenance service providers, and vehicle repair and disposal providers.

The MIA's guidelines will be reviewed within five years of publication or if any relevant environmental laws or standards are amended. ⊕

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Increasing inquiry from dealers

adapting to the situation and starting to upgrade their premises by piloting new formats, such as online and boutique-style stores, according to McKinsey.

However, it isn't all doom and gloom for franchises because customers rely on them to test-drive vehicles before buying, and servicing is still an "offline" necessity.

When it comes to Auckland's commercial property market, one of the multi-million-dollar sales made by Savills was of a one-hectare site on Wairau Road, Wairau Valley.

It has been bought by the Sime Darby Motor Group for \$9m to construct a BMW showroom and yard.

As reported in the last issue of *Autofile*, it will be the new home of Jerry Clayton BMW when it moves from its current location in Lake Road, Takapuna.

That is likely to happen at the

end of next year or early 2017, which is when the franchise's name will change to Continental Cars BMW.

The second deal was for 1.8 hectares of ex-council land on Fred Thomas Drive in Takapuna, which has been snapped up for \$12m by Gulf Enterprises for Mercedes-Benz North Shore.

Dealer principal Craig Innes told *Autofile* he hopes the new facility will be up and running by 2018 when the business will relocate from its current premises in Diana Drive, Wairau Valley.

Callesen says the properties are the last two big undeveloped and high-profile sites in the North Shore's business precincts.

Despite the scarcity of land, Savills is getting increasing inquiry from dealers across Auckland wanting suitable sites for start-ups or to expand existing businesses.



Paddy Callesen of Savills

Jefferson says healthy sales of new vehicles are a sign the economy is strengthening. "They are usually the first thing to go when people fear the economy is taking a dip."

Sales of luxury cars in this country have been accelerating. Last year, motorists with deep pockets drove more than 6,000 new top-end vehicles away from franchises.

Overall, registrations have gathered pace since New Zealand came out of the GFC in 2013 with some dealers saying they are only being limited by access to stock.

Jefferson adds the automotive industry is streets ahead of traditional developers in buying land. "They don't have to make their purchases stack up as property deals because they have bought to accelerate their businesses."

Savills is seeing this shift across the entire motor-vehicle industry. It notes particularly sought-after areas of Auckland are Otahuhu, Penrose, Onehunga and further south.

"We have seen a flood of car importers selling from non-traditional areas," says Jefferson. "Dealers with lesser quality cars are considering property in outlying areas where land is cheaper."

Meanwhile, Ports of Auckland is expecting the high number of used imports crossing its wharves to continue as the City of Sails' population expands.

Statistics NZ highlights the relative importance of spending on second-hand cars is twice that of new vehicles.

In other words, about \$2 of

every \$100 spent by households on goods and services is spent on used cars, while \$1 goes on buying new cars.

It reports the number of vehicles households own has increased by 0.1 per cent each year from 2006-13 – despite a sluggish economy and the GFC.

SHIFTING TO THE SUBURBS
Over the past 50 years, Auckland's automotive industry has changed dramatically.

Yards used to be prominent on Queen Street in the CBD, but the focus is now on smaller showrooms and storage warehouses in less-expensive areas.

The days of visiting a string of car yards on the same street may be disappearing as the search for land – for relocations and new premises – heats up.

In a nutshell, used car dealers can no longer afford to maintain shopfronts in Auckland's central suburbs, says Savills, because the cost of land outweighs their business returns. As a result, many are shifting to outlying suburbs.

The rise of online retailing has hastened this trend, according to a report on Savills' website.

Some dealers say only 10 per cent of their business comes from customers walking in off the street with the rest originating from online, while importers are pushing the move to cheaper areas as more used cars cross the border.

As overall vehicle sales continue to grow, real-estate agents are scrambling to find enough land to cater for the increasing number of dealers aiming to establish new premises in Auckland's cheaper areas.

"Branded dealerships are the only vehicle businesses that can afford to remain on high-priced city land," says Savills.

"Many have upgraded their premises over the past few years, while others have bought sites for development to push their brand and reputation. ▶

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◀ “The top 10 dealers can support staying in the city or suburbs close by, but after that it becomes marginal. Big dealers help offset high rents or property ownership costs by offering other services, such as finance, parts and servicing.”

PROPERTY MARKET SPECIFICS

The two sites on the North Shore sold for new BMW and Mercedes-Benz franchises highlights the situation with finding suitable locations in Auckland for this type of commercial development.

The Wairau Road site was originally bought from a private owner by Auckland City under the Public Works Act for roading. The unused part was subsequently offered back to the original owner, who worked with a developer on options for the land.

When the Fred Thomas Drive site was marketed, there was so much interest from the automotive industry that Savills started scouring the market for other high-profile locations.

“We asked the Wairau Road property owner if he would consider purchase offers from car dealers as we had so much demand,” says Callesen. “The marketing of commercial properties often throws up a few surprises.”

It turned out the car industry could make the best use of both sites “with two of the biggest brand dealers topping offers” made. Both sites form case

studies published by Savills.

Over the past 10 years, the vendor of the Wairau Road site, Broadacre Holdings Ltd, sought to lease the land before it was sold by private treaty.

Savills says this property is in a prime location surrounded by a mix of older properties. Recently, new buildings have sprung up as the area has become more intensively developed.

“While the property has great profile to the northern motorway and Wairau Road, it does have certain physical limitations, such as the steepness of the slope,” it reports.

“However, its uniqueness and high profile overcame any physical limitations and attracted the eventual buyer.”

The Mercedes-Benz’s site on Fred Thomas Drive is close to Takapuna. Savills was asked to dispose of the land, which is zoned industrial but historically was an Auckland City landfill.

More recently, a major road was built through the area, and this plot “was difficult to sell due to land flood-path issues, an industrial zoning that limited high-value uses and geotechnical issues associated with being an ex-landfill”.

Savills adds: “On a more positive note, the site had 300 metres of road frontage and 60-metre depth, which made it an ideal choice for a car dealership.

“The minimal building footprint of a dealership mitigated the flood-


path limitations and light building construction eliminated many geotechnical issues.

“There were 10 offers to purchase the land. The second-highest bidder was almost twice the value of the third bidder in the tender.”


Savills notes it is land availability,

and not price, that is creating the biggest challenge for its agents in Auckland.

“However, it is an area of the real-estate industry where property fundamentals don’t have to stack up to make a deal,” it adds. “Land is bought to accelerate business.”



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Driving on the superhighway

With the world changing at breakneck speed, it is little wonder that people can keep up with all the ways technology is affecting our lives.

Enter the Intelligent Transportation Systems (ITS) – technology that has the potential to connect all aspects of the sector – from personal vehicles (which may or may not be driverless and or emissions free) – to air travel. The possibilities, truly are endless.

The Ministry of Transport (MOT) defines ITS as systems in which information, data processing communication and sensor technologies are applied to vehicles, including trains, aircraft and ships, transport infrastructure and its users.

“ITS technologies offer safety and efficiency benefits to users of all modes of transport,” the MOT reports.

“For example, reducing the severity of road crashes by helping vehicle operators maintain safe following distances and by minimising the damage caused during a crash.

“[Or] reducing congestion, with linked reductions in fuel consumption, air pollution and delays.

“Benefits [of ITS] include safer roads and vehicles, more efficient and safer flight paths, easier ways to comply with requirements such as road user charges, and integrated ticketing for public transport,” the MOT says.

As it seems there is no way to stem the technological tide, the ITS New Zealand group holds a summit every year to discuss the issues that affect this sector and developments

that could move it forward.

Earlier this month, the group’s 2015 conference was held in Auckland at the Langham Hotel.

Peter McCombs, conference chair, says it was an event that brought a number of prominent speakers from overseas and from within New Zealand.

“We had more than 150 delegates in attendance,” he says.

“They enjoyed a great day of hearing of new innovations... from all across the world and very good examples also from within New Zealand.”

McCombs says the tone of the



Peter McCombs, conference chair, addresses delegates

challenges,” his speech reads.

“There will be a flexible transport system, made up of vehicles of various sizes that will drive themselves.

“Fleets of vehicles will be available to take you to your destination, when you require them.

“You will make choices about what sort of travel experience you want – the luxury or leisure trip, for example – or whether you will travel with other people, and if so, how many.”

As a self-confessed petrol-head and owner of five cars, Matthews did note the concept of not

Matthews believes in the future there will be no demand to enforce driving rules, and that the government’s role will shift from that of regulator, to service provider.

“The self-driving car will take itself to the garage when a fault is detected; no car will drive over the speed limit. Imagine a future where there will be no need for day-to-day enforcement of transport users, and no penalties for users.”

To address the fast paced progression of this technology, the NZTA released its ITS Technology Action Plan last year.

While the plan addresses all forms of transport, a large section does focus on the technology that is infiltrating the automotive sector, and the challenges that come with these.

Beyond ADA systems the plan looks at fully autonomous or driverless vehicles “that may have the greatest potential, in the long term, to revolutionise the concept of transport”.

Furthermore Transport Minister, Simon Bridges, has just this month actioned a part of the plan.

Last week he returned from an overseas trip, where he spent time promoting New Zealand as a test bed for ITS and new investments through a range of meetings in the USA and Japan.

During his trip the Minister met with a wide range of research companies associated with the vehicle manufacturing sector, as well as software development companies working on improving transport efficiency.

“I’m promoting New Zealand as

conference was set by the New Zealand Transport Agency’s (NZTA) chief executive, Martin Matthews.

He says the CE spoke plainly about what he foresaw happening over the next three decades.

In his presentation Matthews, spoke of the infinite possibilities when it comes to ITS, how he believes Aotearoa is on the cusp of another paradigm shift, like the one that occurred more than a century ago.

“We have an opportunity to seize these new solutions to help solve both today and tomorrow’s transport

owning a vehicle was almost too much for him to imagine.

But for future generations, he is sure this will not be the case.

“They will be enticed by the prospect of personalised services, made possible by the huge amount of information available on the travel needs of individuals.

“The International Transport Forum (ITF), for example, estimate a vehicle fleet that is just 30 per cent of the size of the one we currently have to meet the equivalent needs.”

According to his notes,

ITS in NZ

Examples of ITS in use in New Zealand include advanced driver assistance (ADA) systems, such as electronic stability control, automated parking, blind spot warning systems. In addition to these some vehicles currently on the road in New Zealand have active congestion management of the urban highway network, lane departure warnings, collision avoidance and adaptive cruise control.

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a great place to do business. I hope the trip will stimulate the supply of new technology into the New Zealand market," the Minister says.

"The information gathered will also feed directly into work programmes at the MoT and other transport agencies.

"The meetings have generated a lot of new ideas about how the Government's Intelligent Transport Systems Technology Action Plan might be developed.

"We will also be communicating with a number of companies to see if they can be encouraged to come to New Zealand to either sell existing products or test their new products."

Bridges points out that a strong message coming back from the meetings is that New Zealand's flexible regulations around testing, especially of Unmanned Aerial Vehicle (UAV), is seen as world leading.

"The conversations in California have made it very clear that we need flexible, fit for purpose regulation that enables the safe



Ahmed Hikmet with Peter McCombs, Lee McKenzie, John Macilree, Mohammed Hikmet, Andrew Gurr and Henry Pretorius

uptake of new innovation and infrastructure," he says.

"Our simple regulatory approach is a major advantage for New Zealand compared to other jurisdictions"

In addition to this the Minister says he wants New Zealand to make the most of emerging transport technologies while transitioning to a low-carbon economy.

As such Bridges took the time to discuss electric and hydrogen fuel-cell vehicles, autonomous and connected vehicles and UAV's.

"It is vital the Government is up to date with developments in alternative transport energy sources, intelligent transport

systems and robotics," he adds.

Looking to the Japan leg of the trip, the Minister said it focussed much more on talking to vehicle companies to understand more about what technologies are being developed, how they can be deployed in New Zealand, and how our country might form partnerships with both the government and companies to work more closely together on a wide range of issues.

Returning to the recent ITS conference, McCombs says the rapid advancement of this technology has surprised him, that it was only five years ago ITS talk only focussed on transportation.

"Now they are not just talking about smart cars," he adds. "They are now talking about smart roads and smart motorways, and now we are looking at smart cities.

"The way it has become an integrated whole rather than just parts is really quite impressive. The manner in which it is being integrated into a single multifaceted whole...not just the modes of travel but also communication and information flows, all merging into a single multifaceted service."

A service, which McCombs believes, will evolve and change as New Zealand's transport and vehicle needs change. ☺

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Braking system 'must be standard'

ANCAP is stepping up its campaign to make autonomous emergency braking (AEB) technology standard in all new-model cars sold in New Zealand and across the Tasman.

The industry body is aiming to improve vehicle safety off the back of a study that shows AEB may lead to a 38 per cent reduction in real-world rear-end collisions.

Nicholas Clarke, chief executive officer, says the findings support ANCAP's push to have manufacturers fit AEB as standard in all new cars – something that's already happening in overseas markets.

"Previous studies have predicted significant benefits from AEB technology in low-speed rear-end crashes and current research now demonstrates its effectiveness," he says.

ANCAP defines low speed as "AEB City" – an automatic braking function

that operates up to 30kph or 50kph.

For the technology to produce the best results, the study, which has been published by Accident Analysis & Prevention, recommends that AEB needs widespread fitment.



This graphic supplied by ANCAP shows how autonomous emergency braking works

A report that showed similar findings on the technology was presented at a conference hosted last year by the International Research Council on the biomechanics of impact.

Penned by Swedish road-safety researchers Matteo Rizzi, Anders Kullgren and Claes Tingvall, it states the most commonly available

system to date is low-speed AEB.

This is designed to support drivers of passenger cars to avoid or mitigate the consequences of rear-end crashes, mostly in urban environments.

"If the driver does not react

in critical rear-end situations, the system applies the brakes automatically and, within the lowest speed ranges, can fully avoid the collision," say the researchers.

"The brake lights are then simultaneously activated to warn other users.

"At the present stage, this technology has been introduced by

different car manufacturers across a number of size classes."

The researchers conclude the positive effect of low-speed AEB in reducing rear-end collisions up to 50kph is compelling and ranges from 54-57 per cent.

"The overall reduction, regardless of speed areas, of rear-end crashes was statistically significant and ranged from 35-41 per cent," they add.

"It can be concluded the effectiveness of AEB in low-speed crashes is large, thus showing it is one of the most important systems to address whiplash-associated disorders. The potential for other AEB systems at higher speeds and types of other impacts seems promising and should be evaluated as soon as possible."

PROMOTING GLOBAL SAFETY
Global NCAP has issued what it describes as a "landmark report"



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Trends set by five stars

It is estimated about 40 per cent of annual kilometres travelled this year will be in cars with five-star safety ratings and this is likely to increase to nearly 70 per cent by 2020.

As a result, ANCAP predicts there will be one-third fewer road deaths or people seriously injured in cars by 2020 with societal cost savings of more than NZ\$2.2 billion annually.

These were among key findings it presented at the 24th International Technical Conference on the Enhanced Safety of Vehicles in Sweden last month.

"As a result of safer cars, the risk of being killed or seriously injured on roads today is half compared to 15 years ago," says Nicholas Clarke, ANCAP's chief executive officer.

"ANCAP has been instrumental in increasing safety and this will only grow as it continues to raise the bar through increasing requirements."

The paper evaluated the uptake of key safety features, such as

curtain airbags, electronic stability control and intelligent seat belt reminders, between 2001 and 2014.

Clarke believes the take-up of these systems has been strongly influenced by the star-based rating system.

"We can expect to see similar savings across other world regions in which non-regulatory NCAP programmes exist," he adds.

The paper on vehicle-safety trends and the influence of NCAP ratings was one of four ANCAP published at the conference.

The event was an international forum organised by the US Department of Transportation's National Highway Traffic Safety Administration.

It provides opportunities to share advances in vehicle safety and encourage international co-operation.

The forum was attended by government officials, automobile manufacturers, safety researchers and professionals, consumers and academia. ☺

calling on manufacturers to democratise safety measures in all cars worldwide.

Chairman Max Mosley says millions of new vehicles sold in middle and low-income countries fail to meet basic UN safety standards for front and side impacts.

“Improvements stimulated by legislation and consumer-awareness campaigns in high-income economies that have saved hundreds of thousands of lives are not systematically available for drivers in growing lower-income markets,” he says.

“For example, crash-test standards introduced 20 years ago for cars sold in Europe are yet to be met by many new vehicles being sold today in leading middle-income countries in Africa, Asia and Latin America. This is unacceptable. “Manufacturers cannot continue to treat millions of people as second-class citizens when it comes to life-saving standards of occupant protection.”

Global NCAP’s secretary general, David Ward, adds: “The drive for car safety must be extended across all markets worldwide.

“By 2020 at the latest, we want all new cars to meet basic standards for crash protection and avoidance. They must have crumple zones, airbags and electronic stability control.”

The report sets out 10 recommendations to transform car safety globally and a timetable for implementation.

“ANCAP strongly supports the recommendations of this report,” says Clarke.

“Closer to home, we have seen the success of the recently formed ASEAN NCAP and its effect on improving vehicle-safety standards where regulation doesn’t yet exist.

“This force must extend to regions not yet covered by consumer programmes such as ANCAP and ASEAN NCAP.”

MAP FOR CAR STANDARDS
The Global NCAP report, Democratising Car Safety – A Road Map for Safer Cars 2020, has 10

recommendations.

The first is for all UN member states to adopt a two-stage minimum car-safety regulation plan and implement it by 2020.

The first stage is to introduce UN regulations for frontal and side impact, and seatbelts and seatbelt anchorages, by 2016 for all new car models produced or imported, and by 2018 for all cars produced or imported.

Stage two is for UN regulations for electronic stability control and pedestrian protection to be in place by 2018 for all new car models and by 2020 for all cars.

The report’s second recommendation is for member states with significant automobile production to take part in the World Forum for Harmonisation of Vehicle Regulations to level up safety standards.

Also, private and public-sector fleet purchasers, and rental companies, should adopt Global NCAP’s buyer’s guide and choose five-star vehicles whenever possible.

Another recommendation is for governments and the insurance industry

to provide fiscal incentives to encourage the faster deployment of new technologies in cars.

NCAPs should be supported by governments and donors to extend consumer-related testing to include all major car markets and the widest range of models – especially the most popular and important.

The report adds investment is needed to encourage in-laboratory capacity and skills training to enable homologation in use compliance, and independent NCAP testing globally.

Another recommendation is that car manufacturers should make voluntary commitments to apply front and side-impact crash-test standards to all new models from 2016.

The report urges the industry to halt the practice of de-specification and bundling of safety features.

Instead it should make the full range of safety design and



Nicholas Clarke, chief executive officer of ANCAP

devices available in all major markets and price relevant technologies separately.

Manufacturers are being urged to improve the content of sustainability and corporate responsibility reporting to include data on applied safety standards for vehicle production.

The report calls for cars’ in-use safety to be sustained. To achieve this, countries need to apply conformity-of-production checks to models already approved.

UN member states should also carry out regular roadworthiness

testing, include tyre depth and pressure checks in periodic technical inspection requirements, and consider using scrappage schemes to remove older unsafe vehicles from the road.

“Global NCAP is confident better regulation and more consumer information will deliver reductions in the risk of road injury and save lives,” states the report.

“But this depends on action now by all UN member states – and especially all major car-producing countries – to apply the most important UN regulations, support NCAP initiatives and promote measures to sustain in-use safety performance.

“The twin-track approach of regulatory push and demand pull has proved successful in high-income countries and can also work effectively if systematically applied in rapidly motorising regions.

“As automotive markets globalise, so must the fruits of safer design and technology. This is the challenge of democratising car safety.”

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Price drop gives marque edge

Self-shifting versions of the Giulietta fitted with twin-clutch transmission (TCT) gearboxes have been made more financially accessible.

Starting at \$39,990 plus on-road costs, Fiat Chrysler New Zealand chief executive officer, David Smitherman, says the range is not just renowned for style and performance, "it has a record for value for money".

The Alfa Romeo is available with a choice of two engines. The Distinctive is driven by a compact 1.4-litre turbo-charged engine that can produce 125kW of power.

It boasts consumption figures of 5.1l/100km, has a 0-100kph time of 7.7 seconds and a top speed of 218kph when matched to the self-shifting TCT.

The QV variant has a four-cylinder, direct-injection and turbo-petrol powerplant.



Alfa Romeo's Giulietta QV

It produces 177kW at 5,750rpm and 340Nm of torque from 2,000-4,000rpm with 80 per cent available from 1,800rpm.

This provides the QV with the ability to cover the dash to 100kph in six seconds and continue onto a top speed of 244kph.

All versions are available with advanced TCT gearboxes, which combine the ease of use and

convenience of a conventional automatic with superior performance and economy than the equivalent manual.

It adds the enhanced driving experience of manual gear selection via steering wheel-mounted paddles or via the gear lever.

An option for the Distinctive is the QV equipment pack. This includes tinted glass, sports

suspension and pedals, QV door sills, an alloy dash panel, flat-bottom steering wheel, red sport calipers, gloss black mirrors, fog-lamp covers, tinted headlamps, side skirts and 18-inch turbine wheels.

The Giulietta range is now available from \$39,990 for the manual Distinctive and \$42,990 with the TCT gearbox. The QV TCT starts at \$54,990. ☺

Rapid record response

Jaguar showcased its commitment to the Bloodhound Project with the world debut of its custom-built XJR rapid-response vehicle (RRV) at the Goodwood Festival of Speed in England last month.

It is one of two XJRs being provided for the land-speed record attempts in November. The two additions to Bloodhound's fleet are the creations of Jaguar Land Rover's special vehicle operations (SVO) division.

"These cars are developed for a special purpose – to showcase SVO's ability to design and engineer bespoke vehicles to the highest possible standards," says John Edwards, managing director of the division.

"Equally importantly, we're

proud to be playing a part in another record attempt."

The Bloodhound team will use the RRVs on South Africa's Hakskeen Pan during high-speed tests and record bids to provide vital services for fighter pilot and driver Andy Green – the current world land-speed record holder.

The XJR has a spacious cabin. Its five-litre V8 405kW supercharged petrol engine takes it from 0-100kph in 4.6 seconds and onto a top speed of 250kph.

The Bloodhound Project is a global engineering adventure. It is using its 1,000mph – 1,609.34kph – land-speed record attempt later this year to inspire the next generation about science, technology, engineering and mathematics. ☺



Jaguar's XJR RRV

Sedan's sportier looks

The Flying Spur Beluga

Bentley Motors has unveiled its Beluga specification exclusively for the Flying Spur V8 to give the high-end car a more athletic stance.

Lee Small, general manager of Bentley Auckland and Giltrap Prestige, describes the car as a "nice limited-edition run".

"I think it's working in a little bit more on a sportier image," he says. "It is more athletic looking than our high-end luxury sedan and adds more diversity to the range."

The Beluga package offers 20-inch black alloys, a gloss-black radiator matrix and body-coloured lower grille bar.

Inside the Flying Spur V8's handcrafted cabin, there are swathes of piano-black veneer, gear-shift paddles, contrast

stitching on the seats and steering wheel and deep-pile floor mats, while the boot carpet has contrasting leather binding.

The marque says when customers also specify the Mulliner driving specification in combination with the Beluga, 21-inch six-spoke wheels are included.

The Mulliner includes features such as diamond-quilted hides, a knurled gear lever and drilled alloy pedals.

In four-litre twin-turbo V8 guise, the Flying Spur develops 373kW and sprints from 0-100kph in 5.2 seconds. It offers a single-tank range of 805km.

It's available to order in New Zealand now with first deliveries due later this year. ☺



Minister speaks on frequency blip

Transport Minister, Simon Bridges, has spoken out about the dispute over the 760MHz band and its use in Japanese cars for next-generation advanced driver assistance (ADA) systems.

The aim of such systems is to have vehicles talk to each other across a nominated frequency, such as the 5.9GHz band range used in Europe and the US, so as to avoid accidents.

However, concerns were raised this month over the frequency that some members of the Japanese automotive industry have chosen to broadcast the safety systems across.

In an exclusive interview with Autofile, the Minister says there is a high degree of awareness among Japanese organisations about the risks, and increased development costs, for their local companies from having Japanese standards that are

not compatible with Europe or the US.

"Several companies indicated they were looking for a technical solution that would allow vehicles to be converted to work on the different spectrum," he says.

"In the interim, any vehicle arriving in New Zealand fitted with a 760MHz transmitter will need to have the unit deactivated."

According to The Japan Times, Japanese automakers, electronic firms and others reached a basic agreement to unify standards that will seek to use the 760 MHz band.

This particular frequency band had been left unused in Japan since television broadcasting moved to digital a number of years back.

"Toyota Motor Corp., Mazda Motor Corp. and a number of

other firms will... form an industry body to manage technical specifications and coordinate policies among companies," the paper reported.

However, the issue that New Zealand faces is that the 700MHz band of radio spectrum was recently auctioned off to members of the telecommunications industry.

Communications and Information Technology (CIT) Minister, Amy Adams, made the announcement about one year ago, noting specific frequencies within the spectrum were assigned to Telecom (now known as Spark), Vodafone and 2degrees.

Bridges confirmed this saying: "Management rights to this band in New Zealand were sold to mobile

phone service providers under the Radiocommunications Act 1989.

"Many other countries have also allocated the same portion of the 760MHz spectrum to mobile phone use, so this issue is not unique to New Zealand."

Bridges emphasises that a vehicle sold new in New Zealand will comply with local regulations and so is very unlikely to have a Japanese specific technology fitted.

"Ensuring that any 760MHz transmitters that are imported units remain decommissioned is the responsibility of MBIE (the Ministry of Business, Innovation and Employment)," he adds.

"However, there would be little incentive for an owner to reactivate a 760MHz unit.

"On its own it offers no advantage or service to the owner, as there would be no other vehicles for the system to communicate with." ☺



Simon Bridges, Minister of Transport

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The final countdown for iconic sedan



The Final Edition variant of the Evolution sedan

The last run of Mitsubishi's Lancer Evolution will come to these shores before the model is withdrawn from the market after 23 years.

Thirty examples of the Final Edition sedan variant, built alongside 1,000 units for the marque's Japanese market, will go on sale in New Zealand in November.

"As the last of its kind, it will be sought after as a collector's piece," says Daniel Cook, head of sales and marketing.

"Unique upgrades make this the most exciting Evo ever built with the two-litre turbo-charged MIVEC engine's revised mapping lifting power and torque to 230kW and 421Nm."

A revised suspension – with high-performance Eibach springs

One of the first Lancer Evolutions – the Evo 1 from 1992



and Bilstein shock absorbers – and the latest Brembo braking technology are all up by the Evolution's S-AWC advanced all-wheel control.

Front seats are full-bucket Recaro with red-accent stitching on the steering wheel, as well as on the shift knob of the five-speed manual transmission.

The Final Edition has 18-inch BBS forged alloys,

and features a gloss-black roof and commemorative badges inside.

Paint finishes are tarmac black, titanium, new silky white and rose red, and each car comes with a console-mounted serial plate with an edition number.

Cook says the Final Edition does much more than bring down the curtain on a chapter of motoring history.

"It embodies the essence of all the excitement the word 'Evo' brings to mind with even greater performance and finesse," he adds. ☺



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Packed with extras

Citroën says its second-generation C4 has been transformed by a new 96kW petrol engine and technology features, with the range's powerplant being the PureTech 130 S&S with an EAT6 gearbox.

Based on the three-cylinder architecture of the naturally aspired engines in the PureTech family, the turbo-charged version is equipped with an advanced, high-performance compressor and a central direct-injection system.

It also features stop-and-start technology and a six-speed automatic transmission to help it achieve combined fuel economy from just 4.9l/100km.

Key features in the C4 include

16-inch alloys, a seven-inch touch screen, satellite navigation, keyless entry and push-button start.

There are also automatic headlights and wipers, dual-zone air conditioning, rear-parking sensors, programmable cruise control and speed limiter, and an MP3 CD radio with six speakers along with Bluetooth, USB and auxiliary jack.

The tail-lights have a three-dimensional effect while the front fog lights have a cornering function.

Launched in 2010 and with more than 450,000 units produced at the Mulhouse plant in France, the Citroën C4 also benefits from increased acoustic comfort.

It is on sale now for a new all-inclusive recommended retail price of \$34,990, plus on-road costs. ☺

Citroën's new C4



The art of body language

Wouldn't it be great if we could all know what customers are really thinking when buying cars?

Without knowing it, we already subconsciously react towards someone else's body language.

We do it to the point where our body language often gives away our intentions more than what we actually say. You could even describe it as a universal means of communication.

Taking a light-hearted approach, we are no different to animals when it comes to body language.

For example, picture in your mind a dog who has stolen some food. When you are telling it off, it will look down towards the ground and away from its body as a sign of guilt or shame. It certainly won't want to look you in the eye.

You might ask how understanding body language can achieve better selling results.

Consider that – on most occasions – buying a car is a big deal and can be a nerve-wracking experience.

Your customer is trying to work out if you are a reputable dealer and whether the vehicle is reliable.

This is especially the case for some women and is part of the reason why they often prefer dealing with other women. It's a thing called trust.

Being able to look for and identify the body language of a customer walking onto your yard or into your office – and therefore controlling your own body language – may help make it easier to communicate with that prospective buyer.

Setting the person at ease by conveying positive body signals will help you to build a rapport quickly – and that trust will earn his or her business and higher margins on products.

Customers don't always mean to



DARREN MARMONT
Motorcentral

look and act defensively. It is, however, important to reverse this situation as soon as possible.

For example, a typical stance is when a would-be buyer acts defensively by crossing his or her arms with the chin facing down.

This pose is closely associated with the body releasing chemicals, such as cortisol, that put it into fight or flight mode whereby people become anxious, nervous and will analyse everything.

An easy way to uncross a customer's arms is to look them in the eyes as you introduce yourself, offer them your business card and a safe hand to shake. A glass of water or hot drink is an old favourite that still works.

I've always found standing square onto a person to be quite confrontational, especially

when it's man to man. I have also noticed that when I've aligned myself with my audience that barriers disappear.

And, of course, selling or presenting to your customer while seated at a round table produces better chemistry and body language for completing a sale – it's as if you're both on the same team.

Many sales, finance and insurance trainers have taught us that while talking to a customer to nod your head to positively reinforce what you are saying – for example, "yes, this really is a lovely, super-reliable car", and so on.

Of course, nodding when your customer is talking tells that person you are listening and you're at least in agreement with him or her.

At the end of the day though, when all is said, done and sold, ensure your customers feel awesome and special that they have bought a car from you.

Get as many people as sensibly possible from the dealership involved in the deal to be part of your customer's send-off.

Offer your buyers a strong handshake and look them in their eyes with a big smile. That will speak more than words can ever say.

I will sign off with a favourite quote of mine from author Janet Lane: "Of all the things you wear, your expression is the most important."

"Of all the things you wear, your expression is the most important."

A buyer acts defensively by crossing his arms



Offer your customers a strong handshake



The team at Motorcentral is getting good at reading body language and has been working on building a lot of new relationships lately. Give them a call and they will give you a hand too.

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Innovation is the way forward

Christchurch is moving on. Five years since earthquakes devastated the city, Cantabrians are starting to breathe a little, as the city continues to be restored.

In fact, it is the rebuild that has helped sectors outside of the construction industry that have seen Garden City residents harness their innovative sides – especially when it comes to new technology.

Canterbury Development Corporation's (CDC) general manager of strategy and planning, Steven Perdia, says his city's economy is thriving with high workforce participation and that the levels of migration are seven to eight times what they normally are.

"So the economy is booming and there is a lot of rebuild activity going on in terms construction and infrastructure repairs," he says.

"But also you have got a lot of movement in the underlying economy...because [with] construction booming you have activity in professional services such as accountants, lawyers and engineers.

"You also have a lot of activity going on in manufacturing, ICT and warehousing, so in some ways the whole economy is growing."

He adds that while the city's economy is still benefiting from the rebuild, this particular chapter in the regional hub's history has sparked a new industry – one that focuses on

new ideas and new business ventures.

"I think beyond the rebuild for me it is about progress," Perdia says.

"There are a lot of new technologies coming out through the rebuild, that have also created energy around progress and entrepreneurship."

This means the centre of the Garden City has become a hive of innovation, where places such as the greenhouse hub - a co-working space for entrepreneurs – the agri-hub and other ground-breaking businesses and programmes are flourishing.

"As the rebuild slows what will probably continue on is this energy around innovation start-ups and new businesses, which has been

driven by it and the need to do things quickly and differently in the city," he says.

ON THE GROUND

While many Cantabrians are looking to the future, the reconstruction efforts are where the current local market is at, and further afield ANZ Bank-Roy Morgan research shows that consumers, not only down south but nationwide, are wary about the economy over the year ahead.

"It has been a game of two halves for consumers and sentiment reflects that," according to the research.

"General inflation is low, so purchasing power is high. But petrol prices have moved up; that's immediately noticeable in the pocket.

"They are not downbeat, simply more cautious."

The research says Canterbury showed the largest fall in consumer sentiment, that the "kick from the rebuild is fading and substitutes are needed.

"Stimulus from the Canterbury rebuild is coming to a peak; it hasn't stopped and will be ongoing for years, but Christchurch needs to be looking for alternate and broader drivers of growth.

"In terms of the regional split, there was one clear outlier: confidence in the South Island outside of Canterbury has dropped sharply in recent months.

"In the rest of the economy it is still a fairly peppy picture, though we note Canterbury confidence suffered the largest drop in the month of June. The South Island consumer appears to have lost its striker."

John Luxton, chief executive

Used car sales for Christchurch - June 2014 to June 2015

	PUBLIC TO DEALER	PUBLIC TO PUBLIC	DEALER TO PUBLIC	TOTAL	PUBLIC TO DEALER %	PUBLIC TO PUBLIC %	DEALER TO PUBLIC %
Jun '14	1,666	5,082	2,104	8,852	18.8%	57.4%	23.8%
Jul '14	1,870	5,369	2,307	9,546	19.6%	56.2%	24.2%
Aug '14	1,765	5,342	2,286	9,393	18.8%	56.9%	24.3%
Sept '14	1,788	5,112	2,366	9,266	19.3%	55.2%	25.5%
Oct '14	1,854	5,271	2,399	9,524	19.5%	55.3%	25.2%
Nov '14	1,557	5,123	2,166	8,846	17.6%	57.9%	24.5%
Dec '14	1,632	5,282	2,462	9,376	17.4%	56.3%	26.3%
Jan '15	1,653	5,528	2,070	9,251	17.9%	59.8%	22.4%
Feb '15	1,659	5,273	2,091	9,023	18.4%	58.4%	23.2%
Mar '15	1,986	5,627	2,310	9,923	20.0%	56.7%	23.3%
Apr '15	1,753	5,035	1,998	8,786	20.0%	57.3%	22.7%
May '15	1,835	5,416	2,321	9,572	19.2%	56.6%	24.2%
Jun '15	1,918	5,382	2,259	9,559	20.1%	56.3%	25.2%
Annual total	21,270	63,760	27,035	112,065	19.0%	56.9%	24.1%
Change on June 2014	15.1%	5.9%	7.4%	8.0%			
				National YTD average			
				18.4%	57.3%	24.4%	

Christchurch vehicle sales - June 2014 to June 2015

	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS
Jun '14	1,491	1,551	129	467
Jul '14	1,585	848	152	364
Aug '14	1,537	1,049	143	363
Sept '14	1,529	1,656	170	395
Oct '14	1,528	1,888	136	338
Nov '14	1,604	1,892	111	378
Dec '14	1,679	1,350	124	318
Jan '15	1,535	1,082	133	314
Feb '15	1,398	964	126	309
Mar '15	1,611	922	128	438
Apr '15	1,450	686	149	358
May '15	1,532	1,051	131	326
Jun '15	1,621	1,560	122	452
12-month total	18,609	14,948	1,625	4,353
NZ sales - past 12 months	140,111	92,668	8,539	37,998
% of national sales	13.3%	16.1%	19.0%	11.5%
Change on June 2014	8.7%	0.6%	-5.4%	-3.2%
POPULATION				
	NEW ZEALAND	CHRISTCHURCH	%	
	4,242,051	428,178	10.1%	



The Enterprise Precinct Innovation Centre (EPIC) in Christchurch



Avon City Ford

◀ officer of Avon City Ford in Sockburn, says while the retail market has been quite strong and steady he was starting to notice some softening.

"Initially around dairying, but... I would say there is a little bit of softening around some of the related areas to construction.

"In other words you just don't see some of the subbies [subcontractors] and those sorts of people in the related trades, they are maybe not as busy as they were."

He says that while the market is good at present it is showing signs of flattening out.

"It is just starting to, I think, top out and maybe we will just start to see it tail off going forward," he adds.

"My crystal ball says that it is going to be reasonably steady and maybe just drop off a bit towards the end of the year."

Luxton believes that buyers are a little more indecisive and are taking longer to make decisions.

"Money is freely available to a lot of people but they are being more thoughtful about rushing in I think," he adds.

REGIONAL SALES FIGURES

So how does the current economic situation reflect the Christchurch automotive industry sales?

The New Zealand Transport Agency statistics show that while 10 per cent of the country's population resides here, the Garden City makes up more than 13 per cent of national used car sales.

Even more impressive, is that Cantabrians account for 16.1 per cent of new car trades and 19 per cent of the nation's used commercial sales.

When asked why this was, Ross Blackadder, from Blackadder Motors Ltd, says that Christchurch is a major centre for vehicle purchases for the West Coast and surrounding areas.

"I sell a lot of cars to people from the West Coast they come

across – probably the cars are the same cost over there but it is a trip isn't it," says Blackadder.

"Well I think it is a destination to come and do something and buy a car and take it home.

"I know a lot of people who did that 'we'll get a better deal in Christchurch', more options I suppose

"And the main port is here where most of the cars land from Japan."



"As the rebuild slows, what will continue is this energy around innovation start-ups."

- Steven Perdia, Canterbury Development Corporation

Luxton says Canterbury has always had a higher percentage of sales.

"It is just the way things have been and I think the fact that Christchurch is a very large rural service town we do a lot of business in the larger surrounding areas.

"Where your Wellington is basically government and Auckland tends to be busy with the city, Christchurch has kind of always done the whole South Island."

AN INNOVATIVE TOMORROW

Looking forward, Perdia says Christchurch's whole underlying economy is still there.

"You can look at the rebuild as a \$40 billion cash injection that actually sits on top of the economy," he explains.

"We estimated that it added about 10 per cent to the size of the Christchurch economy and as that eases back [the city] will just go back to its normal sized economy, but we hope with a different type of energy, energy being driven around innovation work."

Used car dealer Carl MacLean, from Ultimate Autos Ltd, adds the

Garden City's economy will most probably return to the status quo.

"I suppose because it is the second biggest economy in New Zealand you will get people wanting to come back," he says.

"There are always people who want to come to a cosmopolitan area so... it will be back to status quo, it is the financial hub for the south island."

Luxton says the region's biggest growth area lies in Agriculture.

"The continued development of agriculture, irrigation on the Canterbury plains that is probably where the ultimate growth is going to be," he adds.

Perdia hopes that one of the physical legacies of the rebuild will be the innovation hub: "Where you have a mix of public sector innovation and investment, private sector R&D businesses all mixed in around education, technology, hospitality and retail all in one area, all with strong focus on innovation.

"I think the innovation prescient is a really exciting thing to keep an eye on in Christchurch over the next few years." ⊕



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Company says electric SUV will be better than sedan

Tesla Motors says it will begin deliveries of the Model X in about three months' time with chief executive Elon Musk saying "it will be a better SUV than the Model S is a sedan".



The Model X, pictured, was first unveiled as a concept in February 2012 and Tesla previously wanted to have it ready by the end of last year.

The news comes as the company is investing heavily in growth. It is increasing production, building a battery factory in Nevada, and diversifying beyond cars by launching battery products for homes, businesses and utilities.

Musk says the Model X is drawing more than half of its orders from women in contrast to its predominantly male customer base for the Model S sedan and Roadster, which it no longer sells.

Tesla is also working on the Model 3, an entry-level model to be released in 2017 with a starting price equivalent to about NZ\$50,000.

Japanese event to host French marque for first time

The 44th Tokyo Motor Show, which runs from October 29 to November 8, will be bigger than 2013's event and will have the theme of "your heart will race".

All 14 of Japan's manufacturers and 17 from overseas will be exhibiting their latest offerings, including four FCA Group brands, Alfa Romeo, Fiat, Jeep and Abarth, while France's DS Automobiles will be there for the first time.

The event at Tokyo Big Sight will feature Smart Mobility City for the third time, providing visitors with near-future experiences.

Advanced technology on show will include a virtual train station, research laboratory and automated driving. Visit www.tokyo-motorshow.com/en/ to find out more.

Long-distance record set for fuel consumption

A Peugeot 208 1.6-litre BlueHDi has set a long-distance fuel consumption record for a standard production vehicle.

It travelled 2,152km over 38 hours on a 43-litre tank of diesel for a rate of 2l/100km. Several drivers took three to four-hour stints at the wheel of the "very low fuel consumption" version available in Europe.

In standard EU urban and combined test conditions, the BlueHDi can notch up 3l/100km with CO₂ emissions of 79g/km.

Peugeot says these figures set the world benchmark for a standard production model powered by an internal combustion engine.

Low-consumption versions of the 208 are characterised by an aerodynamic rear spoiler and ultra-low rolling resistance tyres.

The new model will be available in New Zealand later this year, although the Blue-HDi diesel is not yet confirmed.

Phone application to 'reduce tedious parts of driving'

Tests are being carried out on a Range Rover that uses a smartphone app to drive through streams and over rocks.

The Sport steers, accelerates, brakes and makes u-turns with the driver walking alongside it to help it negotiate tricky terrain. Drivers can also use the application for tight parking spots.

Features provided by the app show "how we could use these technologies to reduce the tedious parts of driving and improve road safety", says Wolfgang Epple, of Jaguar Land Rover.

The remote-control app is only usable when the driver is within 10 metres of the SUV and its maximum operating speed will be 6kph. The company is looking at installing it as a feature from about 2020.



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High pulling power

Audi says its new turbo fuel-stratified injection (TFSI) is the most efficient two-litre petrol engine in its class.

Its four cylinders draw 140kW of power and 320Nm of torque from a displacement of 1,984cc.

Because high torque is applied across a wide range of 1,450-4,400rpm, drivers will benefit from high pulling power that's constantly available.

The engine, which will make its debut in the next-generation A4 and weighs about 140kg, boasts

"ground-breaking" low fuel-consumption levels of less than 5l/100km in the NEDC.

An increase in efficiency is based on its intake time being shortened and the intake valve closes earlier, which lowers the medium pressure and allows an efficiency-boosting compression ratio.

In the partial load range, an extra injection upstream from the intake valve yields an efficient mixture formation that's complemented by the direct injection in the intake manifold and combustion chamber. ☺



Huge amount of ute variants

Toyota says it will have a Hilux for every niche of New Zealand's market when its eighth generation ute goes on sale at the end of the year.

There will be 21 variants, nine of them new, and five two-wheel-drive (2WD) models with 4WD ground clearance.

"The 2WDs are for buyers who want the high-riding cab of a 4WD for its better visibility and tougher looks, but don't need go-anywhere capability," says Spencer Morris, general manager of product planning.

The Hilux will be available in four grades, S and SR, with the higher specification SR5 and SR5 Limited offering "car and SUV-like equipment".

Fifteen models will be powered by a new 2.8-litre diesel engine with 130kW. The three S-grade 2WD models have a 126kW



The new Hilux range arrives in New Zealand at the end of 2015



version. The other three will continue with the four-litre V6 petrol powerplant.

There is a 22.4 to 25 per cent increase in torque with the new diesel engine with peak torque at the low-rev range now 420-450Nm.

Fuel economy has been improved by up to 10 per cent, depending on the model.

Buyers will have a choice of six-speed automatic or manual gearboxes, while five-speed

manuals come with the three entry-level 2WDs.

The manual SR5 and SR5 Limited models will have intelligent manual transmissions, which are designed to avoid shift shock and ensure smooth gear changes.

All models come with seven airbags, emergency-stop signal, trailer-sway control, vehicle-stability control, hill-start assist and a reversing camera, while three modes allow the driver to choose

between power, ECO and normal.

Standard features on the S models include 16-inch steel wheels and a four-speaker stereo system. The SR version gets 17-inch wheels with all-terrain tyres and two more speakers.

Cruise control and Bluetooth hands-free phone and audio controls are also standard.

Full specifications and prices will be announced closer to the launch date. ☺

'Rapt' with small SUV

SsangYong has entered New Zealand's expanding market for small SUVs by launching the Tivoli.

It is available in three variants – the Sport Manual is priced at \$24,990, the Sport Auto costs \$2,000 more and the Limited Auto retails for \$30,990.

Standard features include electronic stability control, hill-start assist, 16-inch alloys, air conditioning, cruise control, Bluetooth and Isofix points for car seats.

The Limited boasts 18-inch alloys, rear spoiler, tinted glass, driving lights, LED daytime-running lamps, reversing camera and a

seven-inch monitor for the high-definition multi-media interface.

The marque estimates the Tivoli will be in the top three in this country's B-class SUV segment within six months and it may be its biggest-selling model by this time next year.

Deon Cooper, managing director of Great Lake Motor Distributors, which took over the brand's reins in 2010, says: "This is the first new model we have seen from SsangYong in the time we've been its New Zealand distributor and we are rapt with it."

The marque has achieved 60 per cent sales growth every year for the past three years. It sold 411 units in 2011, 1,873 last year and is targeting 2,500 this year. ☺

SsangYong's new Tivoli



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Industry movers

AARON BATES has been appointed by Motorcentral as regional sales manager responsible for the Bay of Plenty and Waikato.

He joins the company with more than 20 years' experience in the automotive, commercial, finance and banking industries.

For the past 10 years, Bates was with Enterprise Motor Group as a business and lending manager.

He brings a significant level of retail finance and insurance experience to Motorcentral's team and its dealer network.

Bates' previous positions have included commercial lending manager with Waikato Finance and financial services manager at Marac Finance.



SIR NEVILLE CRICHTON has joined the Young Enterprise Trust's hall of fame.

His acknowledgement is for "business people who have made a big contribution to the economic and social development of New Zealand", and he will be inaugurated on July 29.

Crichton's passion for cars has seen his company Ateco Automotive become New Zealand's largest independent and locally owned vehicle importer.

The Ateco Group oversees the distribution of Ferrari, Maserati, Chery, Great Wall and Citroen across Australasia.



JAMES HARVEY is the new chief executive officer at Waikato Toyota in Hamilton.

Before taking on the role, he was after-sales manager at Ingham Hyundai for two years.

Harvey's other positions have included service manager at Waikato Motor Group for about three years. He was director of JDH Mechanical in Hamilton from 2005-09.



JULIAN CLEMENTS has been appointed as dealer principal at Ebbett Tauranga.

He started his career with the company in Hamilton in 1998 before moving to the Bay of Plenty two years later.

"For me, last year was a record year," says Clements. "I went from a sales person to new car sales manager. It's nice to have some recognition for hard work.

"At the end of the day, I believe in the product I'm selling. I also enjoy working for the company and I respect the directors."



JOHN ROBERTS, managing director of credit bureau Veda International, joined Turners Ltd's board on July 1.

He recently announced his intention to step down from the Veda role he has held for 10 years to pursue consulting and governance engagements.

Roberts was responsible for New Zealand and international business in Asia and the Middle East over this period.

He previously notched up 15 years with advertising agencies. He held chief executive officer roles with Saatchi & Saatchi here and in Asia-Pacific before heading up MasterCard in this country for three years.



TO FEATURE IN INDUSTRY MOVERS

EMAIL EDITOR@AUTOFILE.CO.NZ

NZ labour market report

CHIEF EXECUTIVE OFFICERS ARE more concerned about the impact of skills shortages on their businesses now than at any point in the past six years, according to research by PwC.

They are currently finding it so difficult to recruit people with the skills they need to grow their companies that three-quarters of 1,300 CEOs interviewed rank skills shortage as the biggest threat to business.

This represents a 10 percentage-point jump from 2014 and is up from 46 per cent six years ago.

CEOs in Japan and South Africa are the most concerned – more than nine-in-10 of those surveyed say the availability of key skills is a threat to their organisation's growth prospects.

They are closely followed by China on 90 per cent, Hong Kong with 85 per cent, New Zealand on 84 per cent and up from last year's figure of 80 per cent, and the UK also with 84 per cent.

To solve the conundrum, CEOs are increasing their use of contingent workers, part-time employees, outsourcing and service agreements to fill their talent gaps.

They are also looking for a wider mix of skills than in the past and are searching for talent in different geographies, industries or demographic segments.

Filling the gaps is also a major driver of merger and acquisition activity, with more than one-quarter of CEOs saying access to top talent is the main reason for collaborating with other organisations.

This is creating a "gig economy" in which workers with the most in-demand skills can dictate where and when they work, and who they work for.

"Organisations in New Zealand and globally are struggling more than ever to find the right people with the right skills to achieve their growth plans," says Scott Mitchell, PwC partner and business adviser.

"The digital age has

transformed the skills shortage from a nagging worry for CEOs into something far more challenging."

Despite rising business confidence and ambitious hiring plans, companies are faced with a complex and shifting world in which technology is driving huge changes.

"People with strong technology skills who can adapt and work across different industries are desperately needed, but these people are difficult to find and can afford to charge a premium for their skills," explains Mitchell.

"New places, geographies and pools of talent must be looked at because organisations can't afford to recruit people as they have always done."

Business people feel the government has an important role to play in solving the skills gap.

Six-in-10 CEOs, both globally and in this country, believe creating a skilled and adaptable workforce should be a top priority for the government.

PwC has identified 10 areas business leaders need to know to build success for their organisations beyond 2015.

- 1: Focus on what you are good at – consider your key capabilities and competitive advantages.
- 2: Re-evaluate where your business operates – recognise who your competitors are.
- 3: Go where your competition can't go or doesn't want to go.
- 4: Develop some diverse, yet aligned, partnerships.
- 5: Be prepared to react fast – if something new isn't working, kill it.
- 6: Anticipate any future policy issues that may arise.
- 7: Transform your business through digital investment.
- 8: Put your customer at the heart of your decisions.
- 9: Develop a good mix of talent and build a technologically skilled workforce.
- 10: Communicate a compelling vision of the future.

Visit www.pwc.co.nz/nz-ceo-survey-2015 to find out more. ☎

Planning critical to achieve goals

Over the last couple of years the New Zealand economy has been doing well and we have all been experiencing buyers with more confidence to spend.

Year to date 2015 has seen a record number of cars, both new and used, registered. From January to June there were 116,924 surpassing the heady days of 2004, when 115,111 units, new to New Zealand were sold, this is a significant milestone and one that reflects the increased activity most of us have experienced in recent times.

Many traders are experiencing rapid growth and it is times like these that we need to focus on implementing systems and processes in our businesses that will maximise this opportunity.

Growth can often bring growing pains where businesses are not necessarily prepared or resourced to efficiently cope with the increased consumer activity. It is critical to maintain profitability, customer service and satisfaction as we all need customers to return to us in the future.

Plans need to be measurable and monitored regularly with changes made when necessary. Most of all these plans need to be supported by significant commitment and sometimes investment. The challenge is often whether the commitment is there to invest in these plans, and the business's future.

For Protecta we realised that our core IT operating system would need to be upgraded if we were to achieve our planned growth. This investment needed to be done beforehand and the only justification to invest was the projected growth that would eventually pay for it.

We embarked on a very large and expensive project that is ongoing and, although already delivering benefits, when it is completed we will have the ability to



STEPHEN GLADING
Managing director
Protecta Insurance

deliver greater analysis and reporting and even better customer interaction and services.

The other area in our business that required investment was human resources. We have been growing rapidly over the last three to four years especially in our Motor

Trader business and we needed to make sure we could maximise our growth opportunities by delivering a better service to our customers, and that can only be achieved by having the right people in place.

As part of our commitment to help our customers to achieve better business outcomes, we employed an experienced Finance & Insurance trainer/business coach, Erin Mills. Erin has proved to be vitally important to our business and has helped many customers increase their profitability.

The next piece of the people plan was to employ a dedicated manager to steer our Motor Trader sales team.

In this regard we are very pleased to announce that Simon Moore has joined Protecta and is now active in that position.

Simon has had previous roles as a dealer account manager with Nissan Finance, Corporate relationship manager with Esanda Fleet Partners, account manager with GE Money and business manager with Winger Motors, so understands our business very well.

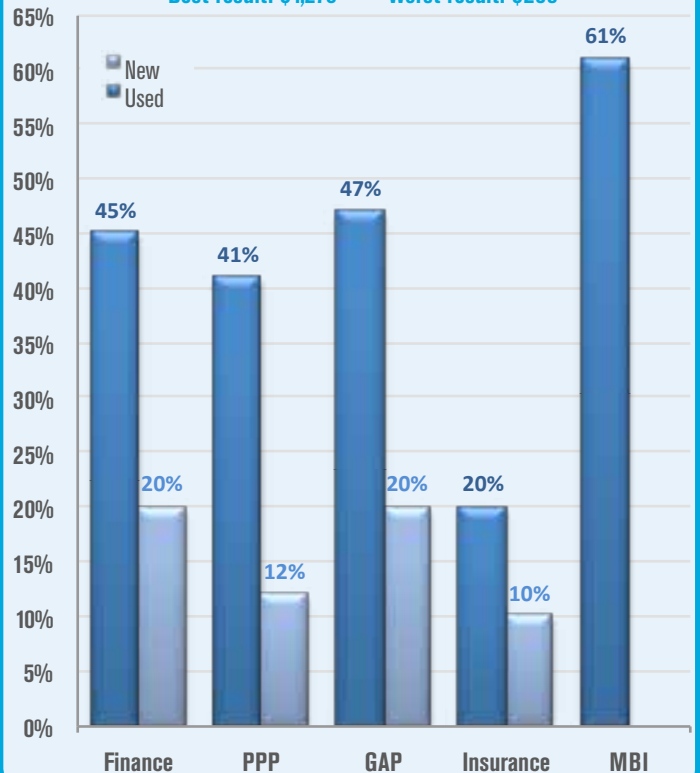
Through this process we have ensured Protecta Insurance is as well positioned as possible to take advantage of growth opportunities and provide exceptional customer service to our valued customers and business partners.

Planning and investing in business is an ongoing commitment. If we at Protecta can help your business in any way please don't hesitate to get in touch with Erin or Simon, as we love helping in the development of our client's business. ☺

PROTECTA nationwide F&I results June 2015

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Tribunal rejects transmission claim by ruling trader complied with legislation

Background

Mr S Havill, as an agent for Havill Building and Maintenance Ltd, bought a 2002 Mitsubishi Lancer wagon from Turners Group NZ.

He claimed it didn't comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA).

The trader said a defect with the transmission, namely that it was noisy, was specifically drawn to the buyer's attention before it agreed to supplying it by a written notice displayed with the car.

The dealer said the vehicle didn't fail to comply with consumer legislation by reason of that defect.

The case

Havill told the tribunal the trader advertised the car on its website and, after listing the vehicle's features, it included the comments "tidy wagon in the white, looks great on the factory alloys, plenty of room in the back for your gear".

The dealer also displayed a pre-purchase vehicle condition report, which had been prepared by Car Inspection Services.

The document listed on a pass-fail basis the inspector's assessment of the engine, cooling system, transmission, brakes, tyres, suspension, air-conditioning, heater and electrical accessories.

It further assessed the transmission for its operation, noise, clutch, CV joints and wheel bearings.

The vehicle was an automatic, so its clutch was not reported on, but the report gave a fail tick alongside the word "noise" under

transmission and a pass tick next to "operation".

The tribunal understood this was to convey to a potential purchaser that the transmission was operating, but that it was noisy.

Havill admitted he read the report, but didn't take much notice of it before bidding for the car and buying it for \$3,750 on January 8, 2015.

He completed the purchase of the vehicle and had it registered into the name of Havill Building Maintenance Ltd, although the tribunal understood the buyer's correct name was Havill Building and Maintenance Ltd.

Havill gave evidence that he drove the car for about 1,650km when he noticed it started to become hard to get the transmission into tiptronic mode.

He added it was starting to hold in gear and the noise in the transmission was gradually becoming louder.

The buyer took the vehicle to a mechanic. He was informed that the noise could not be eliminated by changing the fluid, but that the bearings in the transmission were worn and needed replacing.

On January 21, Havill lodged a customer claim form with the trader in which he stated that he first noticed the problem with the vehicle on that day.

Havill gave a description of what happened. He said: "There was a slight noise, which we thought might have been the brake pads or tyres.

"We booked the car in to have its cambelt replaced and asked the

mechanic to check the noise.

The mechanic advised that the noise was due to a problem with the gearbox."

The trader, after receiving the claim form, chose to reject it because the report disclosed the car had a known transmission noise and because the fault "was disclosed prior to purchase, we do not feel that you have a valid claim for this fault".

Havill told the tribunal he believed the operation of the transmission was passed by the trader's inspector and reported as a "pass" on the report, so its operation should have been more durable than two weeks and 1,650km.

He claimed its failure within such a short period of time – and within such a short distance after the car was purchased – amounted to a breach of the guarantee of acceptable quality as defined in the CGA.

Havill's argument was apparently based on his claim that the report didn't disclose the operation of the transmission was faulty, only that it was noisy.

The finding

The tribunal considered Havill's submission, but regretted that it didn't accept it.

It observed that at the time the vehicle was offered for sale, its transmission must have been operating because the buyer was able to use it to travel 1,650km over two weeks.

The fault correctly identified

The case: The buyer of a 2002 Mitsubishi Lancer rejected the vehicle after saying it failed to comply with requirements set down in consumer law and claimed the seller didn't alert him to a transmission defect.

The decision: The tribunal rejected the claim after ruling the car did in fact comply with the legislation. It sided with the trader on the basis that it had alerted the purchaser to the vehicle's transmission problems.

At: The Motor Vehicle Disputes Tribunal, Wellington.

by the trader's assessor was the noise from the transmission, which should have indicated to a reasonable consumer there was a problem with it.

The tribunal agreed with the trader that by giving potential consumers written notice in the report of its assessment – that the transmission was noisy – that it complied with section 7(2) of the CGA.

The trader specifically drew that defect to the purchaser's attention before Havill agreed to buy the vehicle.

The tribunal, on the advice of its assessor, was satisfied the noise was very probably caused by worn gearbox bearings and this had subsequently been confirmed by Havill's repairer to be the case.

Order

The application was dismissed. The tribunal concluded the car didn't fail to comply with the CGA's guarantee of acceptable quality because the defect with the transmission was specifically drawn to the buyer's attention before the dealer agreed to supply the vehicle. ☺

FROM THE RISING SUN TO
THE LONG WHITE CLOUD

The history of used car importing
to New Zealand

Jackie Fraser

FROM THE RISING SUN TO
THE LONG WHITE CLOUD

The history of used car importing to New Zealand

Dealer ordered to pay compensation to buyer for van's 'misleading' description

Background

Pelorus Mail Boat Ltd agreed to buy a 2000 Toyota Hiace sight unseen from Harbour Wholesale for \$15,000 on December 6, 2014.

The buyer said the trader advertised the van as being in a "very clean, original condition" and that it was "hard to fault".

But when the purchaser received the vehicle, it had a number of faults meaning it was unsuitable for business use.

The buyer sought damages under the FTA of \$8,625 from the trader, which was equivalent to the cost quoted to repair the bodywork and treat some rust.

The dealer's defence was that it recommended the purchaser obtain a pre-purchase condition report.

It claimed there were ample opportunities to do this, but the buyer failed to do so.

The case

The purchaser agreed to buy the van after viewing an advert containing its details on Trade Me.

This described it as a "Toyota Hiace LWB 13-seat 2000". The advertisement also had details of its number plate, distance travelled of 133,039km, colour, fuel type, engine size and features.

The trader claimed it was "13-seater, all rear seats, certified and fitted by van extras" and it was "very clean, in original condition and hard to fault".

The purchaser relied on the dealer's description because it was a motor vehicle trader and not a private seller.

Mr J Baillie, director representing the buyer, said he wouldn't have bought the van if it had been offered for sale privately.

He said he specifically asked the trader's sales manager, Mr RT Stratford, before agreeing to buy it if there was anything wrong with it that he should be aware of.

He said Stratford replied the vehicle was "really clean and in original condition", and that Baillie would be very happy with it.

Stratford told Baillie the van had a three-litre turbo engine, but it had a naturally aspirated and non-turbo powerplant.

Relying on these assurances, the purchaser bought the vehicle for \$15,000 on December 9, 2014.

It was arranged for the trader to take the vehicle to North Shore Toyota on December 11 to replace its timing belt and tensioner sub-assembly, and to service it.

The dealer then delivered it to Auckland Airport for collection by the buyer's representative before it was driven to Havelock near Picton.

When the vehicle arrived, the purchaser sent photos and a video of its faults to the trader.

These included rust on several parts of the van, the driver's door panel, which was broken and had come loose, and the roof lining, which was hanging down.

Baillie spoke to Stratford, who said he was unaware of the faults, but the trader would fix them.

On December 23, the purchaser emailed the dealer claiming it had breached the FTA by

misleading him about the state of the vehicle in verbal communications and in the Trade Me advert.

The buyer then obtained a written quotation from Harris Best Panelbeaters dated February 4, 2015, for \$8,625 to repair faults with the bodywork.

Baillie claimed the trader had refused to take the vehicle back and give the purchaser a refund and when he asked Mr A Christie, the trader's director, to do so, Christie swore at him.

The dealer made no attempt to engage in mediation after the buyer filed the application.

Stratford said he wrote the advert that appeared on Trade Me. He said that apart from respraying the wheels to clean them up, the trader did no work on the van before selling it and there were certain faults Baillie should have been aware of.

Christie described the claim for repairs as "over-exaggerated" and the buyer should have had the vehicle inspected before agreeing to buy it.

The finding

The tribunal was satisfied, after listening to the evidence of both parties, that the van had a number of obvious faults.

It ruled the trader's sales manager failed to refer to these in his description of the vehicle or deliberately misled the buyer about them.

This made the dealer's advertised description of it as

The case: The owner of Toyota Hiace claimed the dealer breached the Fair Trading Act (FTA) by misleading him about the condition of the van, which he bought sight unseen. The trader said the purchaser had ample time to obtain a pre-condition report, but didn't.

The decision: The tribunal ruled the seller's advertised description of the vehicle as "very clean, original condition and hard to fault" was false and misleading.

At: The Motor Vehicle Disputes Tribunal, Auckland.

being in a "very clean, original condition" and "hard to fault" totally false and misleading.

The tribunal considered a reasonable purchaser would probably have been misled by the trader's description and this was the effective cause of the buyer's loss or damage.

As such, the tribunal was satisfied there was a clear link between the dealer's misleading conduct and the purchaser's decision to buy the van.

The tribunal, assisted by its assessor, considered each item on Harris Best Panelbeaters' quote, and decided a fair and reasonable amount to bring the van into a good condition was \$3,500 to cover the cost of repairs.

The tribunal considered that had the trader attempted mediation in good faith, the matter might have been settled reasonably before the hearing.

Order

Harbour Wholesale had to pay Pelorus Mail Boat \$3,982 immediately, which included the buyer's travel costs to the tribunal hearing. ☺

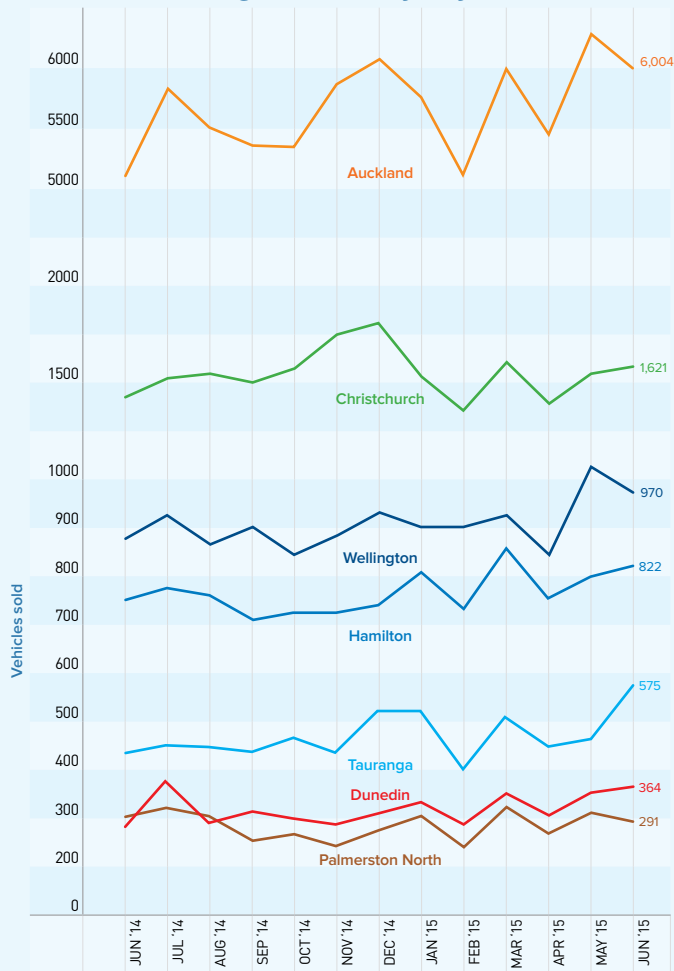
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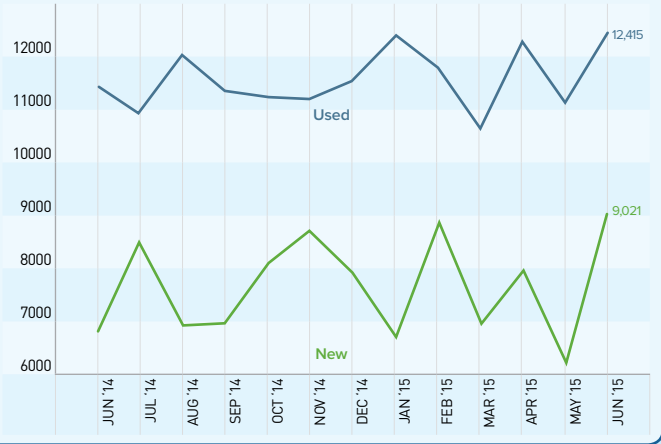
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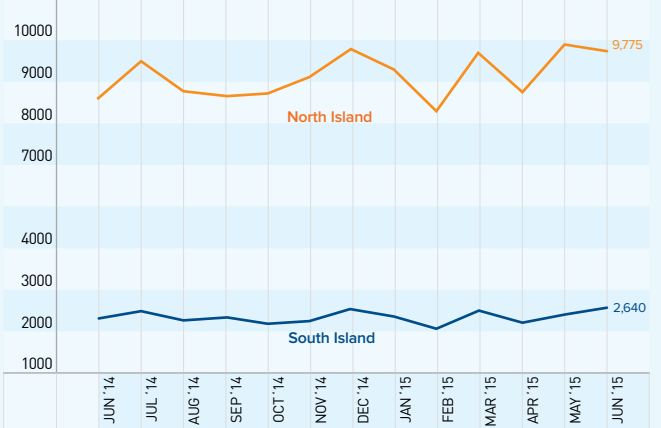
Used import passenger vehicle registrations by city



Passenger vehicle registrations New versus Used



Used vehicle registrations North Island versus South Island



Biggest increases/decreases by town year-on-year

(Jun 2015 vs Jun 2014)

BIGGEST INCREASES

NEW		USED	
Masterton	▲ 25.0%	Oamaru	▲ 147.1%
Napier	▲ 18.6%	Masterton	▲ 63.4%
Palmerston North	▲ 18.2%	Timaru	▲ 40.7%

BIGGEST DECREASES

NEW		USED	
Westport	▼ 42.9%	Wanganui	▼ 16.3%
Oamaru	▼ 26.9%	Palmerston North	▼ 4.6%
Greymouth	▼ 25.0%		

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Osaka	22 Jul	2 Aug	16 Aug	2 Sep
Nagoya	23 Jul	3 Aug	17 Aug	3 Sep
Yokohama	24 Jul	4 Aug	18 Aug	4 Sep
Auckland	9 Aug	20 Aug	6 Sep	21 Sep
Wellington	13 Aug	27 Aug	10 Sep	28 Sep
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Volatile dollar hits importers

The number of used imported passenger vehicles crossing the border in June amounted to 12,667, which was a drop of 12.5 per cent compared to May's total of 14,478.

Nevertheless, June 2015's total was still a 19.8 per cent increase on June 2014, which saw 10,569 used cars cross the border.

Tim Elliot, the manager of Value Motor Cars in Hamilton, says he has stopped purchasing stock from Japan during the last two months because of several conditions which he claims is causing a "volatile market".

"It's not just because of the drops in the dollar, the Waikato has been

a bit quieter with the lower dairy payout," he says. "The money from dairy does tend to flow downstream and that has slowed the second-hand vehicle market here.

"Another factor is how cheap new cars are at the moment. Franchise dealers are offering great deals on new cars.

"For example a customer can buy a brand new Suzuki Swift for \$87 a week on a five-year finance deal. Or they can buy a used one that is seven-years-old and still be paying between \$75 and \$83 a week to own it over a three-year deal."

He explains the emissions legislation on used imports has meant many dealerships have lost

their niche in the marketplace.

"We went from a marketplace where every dealer could choose from 400 different models of vehicles in Japan. Now we have about thirty different vehicles we can choose from.

"In the past dealers had a little niche or selection - now we all have the same product. I quite often hear the comment from customers that dealers have the same range of cars and it's because of the reduced amount of vehicles we can select [from]."

However, Elliot has been prepared to adapt to the changes in the marketplace.

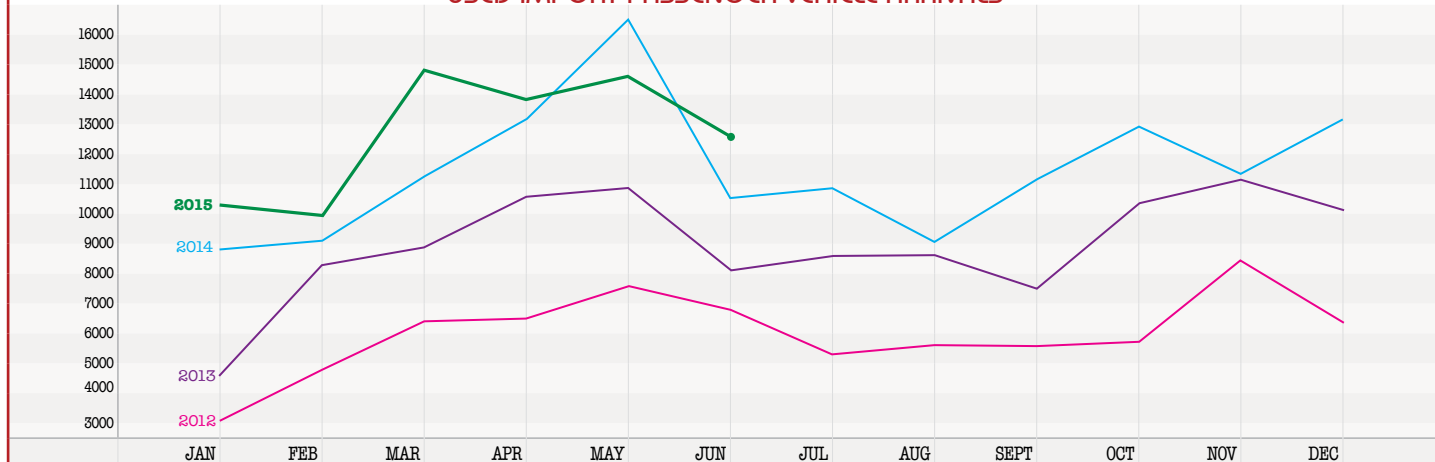
"The biggest thing is that it is a changing market and you have

to be better, sharper and more vigilant at what you do," he explains "Because if they [the customer] go to another dealership, you know that dealer is going to have very similar cars to the stock you have."

The number of used imports from Japan came to 11,969 – an increase of 13.2 per cent on June last year. Used vehicles from Australia totalled 437 – which was up by 64 per cent. It was followed by the United Kingdom on 106 units – dropping by 20 units on the same month in 2014.

Year-to-date, 75,880 used passenger vehicles have crossed the border, compared to 69,339 during the same period last year. ☺

USED IMPORT PASSENGER VEHICLE ARRIVALS



Used Import Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2015								2014		2013	
	JAN'15	FEB'15	MAR'15	APR'15	MAY'15	JUN'15	JUN MRKT SHARE %	2015 TOTAL	2014 TOTAL	MRKT SHARE	2013 TOTAL	MRKT SHARE
Australia	258	397	392	356	429	437	3.4%	2,269	3,167	2.3%	1,990	1.9%
Great Britain	114	83	79	66	77	106	0.8%	525	1,885	1.4%	2,908	2.7%
Japan	9,650	9,357	14,136	13,273	13,826	11,969	94.5%	72,211	130,770	95.0%	100,784	93.9%
Singapore	30	30	17	47	59	57	0.4%	240	252	0.2%	146	0.1%
USA	80	59	119	90	77	72	0.6%	497	1,278	0.9%	1,205	1.1%
Other countries	23	24	25	30	10	26	0.2%	138	286	0.2%	251	0.2%
Total	10,155	9,950	14,768	13,862	14,478	12,667	100.0%	75,880	137,638	100.0%	107,284	100.0%



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Changes of ownership remain high

Second-hand car sales jumped this month with all sectors showing increases, but dealer sales and trades showed the largest gains when compared to June last year.

The number of dealer-to-public transactions went up by 11.6 per cent with 17,775 sales recorded, an increase of 1,854 units on the same month last year.

Trade-ins also jumped by 11.6 per cent, from 12,280 to 13,706 an increase of 1,426 over last June in public-to-dealer transactions.

Public-to-public sales were up 9.5 per cent with 41,084 cars changing hands.

All up there were 72,565 changes of ownership in used cars with

dealers involved in just over 43 per cent of these.

Leon Kingbeer, managing director of Lifestyle Vehicles in Palmerston North, reports business has been good until now.

"It has been going very well, but it has been a bit up and down last month," he says, adding it is much the same as it was this time last year.

He sells vehicles within the \$6,000 to \$30,000 price range and says – while last month was slow – no single model has been selling better than others.

When asked if the market is looking good for used vehicles, Kingsbeer replies: "I think it will slow down a little bit.

"Personally, I think the market

has been a little bit flooded with too many imports to be honest.

"I believe it will slow down and get a little bit harder later on down the line."

Nelson Cottle, from Auto Court in Dunedin, says in general he too has had a good year.

"It has slowed down a bit over the last couple of months it tends to coincide with the cold weather," he says.

"We have all price ranges of trade in stock if we have a tidy older car we will put it on the yard – we keep virtually everything that we trade in."

Neil Howard, co-owner of Value Vehicles in Nelson, says business has been "patchy to say the least".

He told Autofile: "It will pick up for a couple of weeks and then go quiet, again pick up again, then quiet. It's just not constant.

"I haven't seen this for quite a while and in all honesty I don't think it's the norm.

"There are a lot of bigger companies that have gone into sale mode to try to create some activity.

"The school holidays certainly don't help much around here because trade normally dies off a little bit around then. Last year was much better."

Howard says Toyotas and Mazdas are popular, as is Nissan's Tiida. He adds: "There are also a lot of inquiries for double-cab utes." ☺

SECONDHAND CAR SALES - June 2015

	DEALER-TO-PUBLIC			MARKET SHARE	PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER		
	JUN '15	JUN '14	+/- %		JUN '15	JUN '14	+/- %	JUN '15	JUN '14	+/- %
Whangarei	584	496	17.7	3.3	1,786	1,692	5.6	232	249	-6.8
Auckland	5,887	5,104	15.3	33.1	14,101	12,497	12.8	4,959	4,146	19.6
Hamilton	1,494	1,327	12.6	8.4	3,193	2,973	7.4	1,276	1,054	21.1
Thames	202	180	12.2	1.1	519	445	16.6	76	70	8.6
Tauranga	988	893	10.6	5.6	2,125	1,996	6.5	652	584	11.6
Rotorua	265	261	1.5	1.5	751	638	17.7	91	110	-17.3
Gisborne	163	155	5.2	0.9	365	335	9.0	101	98	3.1
Napier	592	534	10.9	3.3	1,381	1,261	9.5	403	398	1.3
New Plymouth	463	470	-1.5	2.6	911	1,002	-9.1	220	272	-19.1
Wanganui	177	169	4.7	1.0	455	398	14.3	128	143	-10.5
Palmerston North	880	767	14.7	5.0	1,700	1,440	18.1	926	1,031	-10.2
Masterton	146	153	-4.6	0.8	413	302	36.8	103	100	3.0
Wellington	1,593	1,342	18.7	9.0	2,799	2,716	3.1	1,302	1,056	23.3
Nelson	328	284	15.5	1.8	906	924	-1.9	287	226	27.0
Blenheim	197	185	6.5	1.1	396	334	18.6	152	118	28.8
Greymouth	92	89	3.4	0.5	213	189	12.7	42	42	0.0
Westport	21	24	-12.5	0.1	105	89	18.0	0	0	0.0
Christchurch	2,259	2,104	7.4	12.7	5,382	5,082	5.9	1,918	1,666	15.1
Timaru	265	192	38.0	1.5	580	523	10.9	148	114	29.8
Oamaru	59	80	-26.3	0.3	192	202	-5.0	16	20	-20.0
Dunedin	738	688	7.3	4.2	1,827	1,618	12.9	415	460	-9.8
Invercargill	382	424	-9.9	2.1	984	875	12.5	259	323	-19.8
NZ total	17,775	15,921	11.6	100.0	41,084	37,531	9.5	13,706	12,280	11.6

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Passenger Car and SUV Sales by Private/Business split

MAKE	PRIVATE	% PRIVATE	BUSINESS	% BUSINESS	TOTAL
Alfa Romeo	5	31.3	11	68.8	16
Aston Martin	0	0.0	3	100.0	3
Audi	53	32.5	110	67.5	163
Bentley	1	100.0	0	0.0	1
BMW	39	28.1	100	71.9	139
Chery	16	94.1	1	5.9	17
Chrysler	0	0.0	4	100.0	4
Citroen	15	53.6	13	46.4	28
Dodge	46	53.5	40	46.5	86
Ferrari	1	50.0	1	50.0	2
Fiat	39	73.6	14	26.4	53
Ford	193	41.6	271	58.4	464
Holden	334	38.4	536	61.6	870
Honda	201	70.5	84	29.5	285
Hyundai	315	40.8	458	59.2	773
Isuzu	10	38.5	16	61.5	26
Jaguar	7	46.7	8	53.3	15
Jeep	38	26.6	105	73.4	143
Kia	152	52.1	140	47.9	292
Lamborghini	2	100.0	0	0.0	2
Land Rover	32	47.1	36	52.9	68
Lexus	16	34.0	31	66.0	47
McLaren	1	100.0	0	0.0	1
Maserati	1	50.0	1	50.0	2
Mazda	332	47.6	365	52.4	697
Mercedes-Benz	59	34.1	114	65.9	173
MG	1	100.0	0	0.0	1
Mini	18	31.0	40	69.0	58
Mitsubishi	201	29.3	486	70.7	687
Nissan	136	48.4	145	51.6	281
Peugeot	26	54.2	22	45.8	48
Porsche	23	76.7	7	23.3	30
Renault	8	53.3	7	46.7	15
Skoda	52	44.4	65	55.6	117
SsangYong	80	55.2	65	44.8	145
Subaru	73	29.8	172	70.2	245
Suzuki	290	71.6	115	28.4	405
Toyota	351	16.2	1,822	83.8	2,173
Volkswagen	152	42.5	206	57.5	358
Volvo	3	7.9	35	92.1	38
TOTAL	3,322	37.0	5,649	63.0	8,971

*Business sales include rental and government sales, and the totals include passenger cars and SUVs. SOURCE: MIA

Low volume marque on the right track

Toyota was the top selling marque for June, recording 2,173 units. Of those 1,822, or 83.8 per cent were business transactions, according to Motor Industry Association statistics.

Holden, second on the table came in with 870 sales of which 61.6 per cent were to business clients.

Hyundai followed with trades of new cars and SUVs, moving 773 units in June with its 458 business transactions making up 59.2 per cent of its aggregate.

Rounding out the top five were Mazda on 697 and Mitsubishi on 687 sales. Mazda had the highest split in favour of private buyers in the top five with 332 or 47.6 per cent of its 697 vehicle total.

With 245 registrations last month, Subaru was one of the lower-volume Japanese marques, but this is not a concern for Wallis Dumper, managing director of Subaru of New Zealand.

"We haven't had a bad year in five years. Our year-on-year profits are up, and dealer profitability continues to keep on improving which is important because you need profits to deliver excellent customer service."

Dumper points out that unlike some of the marque's competitors, Subaru is not looking to a high-volume business model to increase sales.

"Being an all-wheel-drive product with all the safety features, and high-tech Subaru technology, we're not for the average punter. We're happy to take up two per

cent of the market," he says. "We also have to be like that because the Subaru factory can only make us just enough cars."

He says Subaru dealers appreciate this and the distributor is "very happy" with the current dealer network.

During June, the marque recorded 172 business transactions that accounted for 70.2 per cent of total sales.

"We have always focussed on small business or private owner-operators," Dumper told Autofile.

"So when the statistics come in it turns out they are business buyers – but they are buying it as a company car and using it for everything."

This year Subaru NZ's flagship model is the all-new Outback. Between January and June 2015, it notched up 539 registrations compared 512 in the whole of last year. Dumper is thrilled with the figures.

He says: "Our ambition coming into 2015 was to capture previous Legacy Wagon owners given the wagon has ceased production and is now only available in a sedan body style.

"It looks like the value equation of the all-new Outback is resonating with previous Legacy wagon drivers and we are going to achieve this sooner than anticipated.

"Some of the credit can be attributed to the Outback's value-for-money price, which was a huge consideration when launching it, knowing it's always been a premium over the Legacy wagon." ☺

CONNECT & ENGAGE

Strongest June sales on record

Last month saw 13,030 new vehicles registered, making it the best performing June on record and the fifth strongest month of all time, with August 1984 claiming this title previously.

New passenger and commercial vehicle sales increased by 5.5 on the same month last year, bringing the year to date total to 65,574 units.

SUVs proved popular with buyers this month, claiming the lion's share of registrations, or 19.5 per cent.

Mike Farmer is group managing director of Farmer Auto Village in Tauranga, which holds

11 franchises – Alfa Romeo, Audi, Chrysler, Dodge, Fiat, Hyundai, Jeep, Nissan, Skoda, Subaru and Volkswagen.

"We haven't noticed any marked reductions in volumes," he told Autofile. "There was the six-week period after the election when the market stagnated for a while, but it is back up now.

"I'm predicting it to be stable and strong for the next 12 months. We have seen strong demand across our range of commercial vehicles.

"We've been on run-out of Nissan's Navara, which has been

doing some good numbers, and the new model has arrived.

"It's always going to be tight during a new-model release and getting product is always challenging."

Farmer adds Audi has been very strong for the dealership for many years and his business leads the market in comparison to its competitors.

"Typically SUVs are our leading segments because it is quite a fashionable line," he says.

"One of hardest segments is the large sedan market, so we're putting focus into that at the moment."

Grant Ward, of Grant Ward Nissan in Alexandra, says:

"Traditionally we have sold a lot of light commercials, mostly four-wheel-drives, but we have seen some very strong growth in two-wheel-drives as well.

"We've also seen growth in SUV sales and have the best line-up in the country.

"Month to month business is steady and sustained. From my point of view, that's important because the economy in central Otago trends gently as opposed to Queenstown, which is a bit more boom and bust." ☺

NEW VEHICLE SALES BY BUYER TYPE - June 2015

	JUN '15	JUN '14	MTH%	2015 YTD	2014 YTD	% YTD
Passenger	4,137	4,439	-6.8	24,473	25,219	-3.0
Private	1,657	1,618	2.4	9,939	9,884	0.6
Business	2,032	1,975	2.9	11,291	12,046	-6.3
Gov't	224	309	-27.5	1,205	1,318	-8.6
Rental	224	537	-58.3	2,038	1,971	3.4
SUV	4,834	4,045	19.5	21,586	18,886	14.3
Private	1,665	1,466	13.6	8,363	7,420	12.7
Business	1,773	1,697	4.5	9,967	9,652	3.3
Gov't	71	60	18.3	382	347	10.1
Rental	1,325	822	61.2	2,874	1,467	95.9
Light Commercial	3,597	3,564	0.9	16,878	15,522	8.7
Private	934	1,044	-10.5	4,312	3,853	11.9
Business	2,381	2,316	2.8	11,443	10,772	6.2
Gov't	160	130	23.1	641	611	4.9
Rental	122	74	64.9	482	286	68.5
Sub Total	12,568	12,048	4.3	62,937	59,627	5.6
Private	4,256	4,128	3.1	22,614	21,157	6.9
Business	6,186	5,988	3.3	32,701	32,470	0.7
Gov't	455	499	-8.8	2,228	2,276	-2.1
Rental	1,671	1,433	16.6	5,394	3,724	44.8
Heavy Commercial	385	417	-7.7	2,247	2,258	-0.5
Other	77	40	92.5	390	243	60.5
Total	13,030	12,505	4.2	65,574	62,128	5.5

NEW VEHICLE MARKET SEGMENTATION - June 2015

	JUN '15	JUN '14	MTH% DIFF	2015 YTD	2014 YTD	% YTD
Passenger	4,137	4,439	-6.8	24,473	25,219	-3.0
SUV	4,834	4,045	19.5	21,586	18,886	14.3
Light Commercial	3,597	3,564	0.9	16,878	15,522	8.7
Heavy Commercial	385	417	-7.7	2,247	2,258	-0.5
Other	77	40	92.5	390	243	60.5
TOTAL MARKET	13,030	12,505	4.2	65,574	62,128	5.5
Micro	141	199	-29.1	895	830	7.8
Light	1,215	1,119	8.6	7,523	6,367	18.2
Small	1,611	1,849	-12.9	9,222	11,164	-17.4
Medium	612	542	12.9	3,427	3,422	0.1
Large	310	467	-33.6	2,172	2,191	-0.9
Upper Large	22	22	0.0	135	160	-15.6
People Movers	142	166	-14.5	536	526	1.9
Sports	84	75	12.0	563	559	0.7
SUV Small	1,286	1,052	22.2	6,414	4,984	28.7
SUV Medium	1,761	1,437	22.5	8,090	7,057	14.6
SUV Large	1,752	1,520	15.3	6,861	6,581	4.3
SUV Upper Large	35	36	-2.8	221	264	-16.3
Light Buses	89	57	56.1	384	270	42.2
Vans	440	514	-14.4	2,563	2,807	-8.7
Pick Up/Chassis Cab 4x2	1,097	1,077	1.9	5,233	4,785	9.4
Pick Up/Chassis Cab 4x4	1,971	1,916	2.9	8,698	7,660	13.6
Heavy Commercial	385	417	-7.7	2,247	2,258	-0.5
Other	77	40	92.5	390	243	60.5
TOTAL MARKET	13,030	12,505	4.2	65,574	62,128	5.5

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Average daily sales up on last year

Stock of new cars has increased by 22.6 per cent or 9,254 units over the last 12 months from 41,002 in June 2014 to 50,256 at the end of last month.

In terms of last month there were 1,197 more new cars sold than imported, reducing stock by 2.23 per cent

The indicator of how new car sales have improved over recent times are the daily sales averaged over the previous 12 months. In June last year the average daily sales were 238 and at the end of last month this figure had risen to 254. In other words there are 16 more new cars sold every day in New Zealand now, when compared to a year ago.

The total days of stock at hand reduced by six days due to increased sales and a reduction in imports for last month.

If no other new cars were

imported, the New Zealand market would last for 198 days based on current daily sales.

"The Ranger is our most popular model at the moment and there has been a lot of interest for the new Wildtrax," says John Smith, of Bay Ford & Mazda in Napier.

Many of his dealership's clients have been spending thousands modifying their new Rangers with gear such as mags and bull bars, but the Wildtrax already has those upgrades.

Smith is also expecting a lot of new-car buyers to be interested in the Wildtrax, because of its car-like features.

"There is no problem with stock at the moment," he adds. "It's going to start getting busier with the new models Ford has lined up, so that should bring in some good trades."

Richard Devery, of King

Toyota in Lower and Upper Hutt, says: "Earlier in the year, we had difficulties supplying some stock, such as the RAV4 and Highlander.

"But stock has freed up and we are now expecting good supply right through to the end of this calendar year.

"Fieldays always creates some momentum and we had the Hilux on run-out. We are seeing Fieldays play out over a two or three-month period, instead of just one week.

"We are hoping to have a smooth run-out on the Hilux through to November and December.

"It is the mainstay for our dealership and, as far as the Hutt territory goes, utes make up three of the top five vehicles."

John Cross, managing director of the Ultimate Motor Group in Tauranga, says Mazda's CX-5 has been his "strongest contender".

"With the CX-3, we are selling what we can get. It's in limited availability – and it's always the same – with such strong demand worldwide for Mazda.

"Trade has been very strong, particularly in the passenger car market and just about all of our models have been changed in the last six months."

Neil Macfarquhar, managing director at Hoffman Ford in Pahiatua, says new vehicle supply has not been an issue.

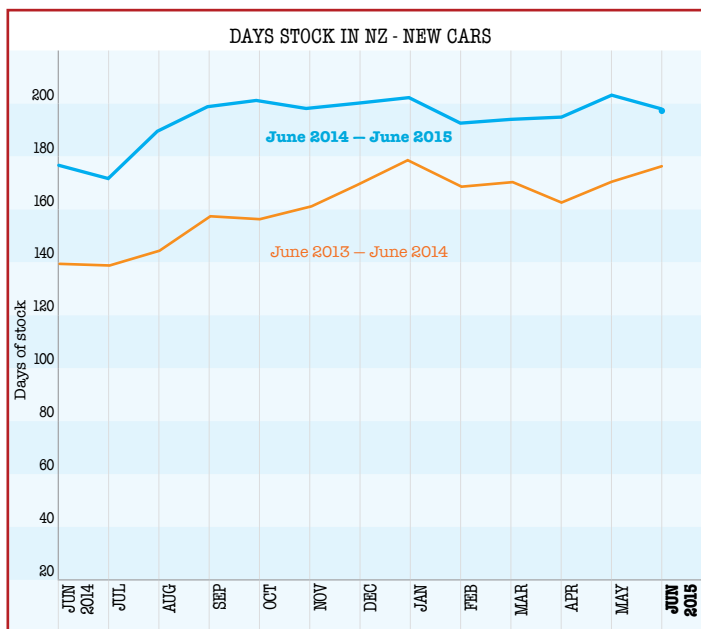
"There are no ordering delays on most product derivatives," he adds.

"The only exception is Ford Ranger Wildtrack, where demand continues to outstrip supply.

"Recently we have seen bottle neck's relating to dealer supply of on-wharf arrival's, causing frustrating and considerable delivery delays to both retail customers awaiting new vehicles, and regular inventory stock". ☺

Dealer stock of new cars in New Zealand

	CAR SALES			STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED	VARIANCE			
Jun '14	7,620	8,517	(569)	41,002	238	172
Jul '14	11,106	7,071	4,035	45,037	239	188
Aug '14	9,649	7,066	2,583	47,620	240	199
Sep '14	9,602	8,382	1,220	48,840	243	201
Oct '14	8,297	8,910	(613)	48,227	245	197
Nov '14	9,075	8,063	1,012	49,239	247	199
Dec '14	8,248	6,797	1,451	50,690	248	204
Jan '15	6,739	9,010	(2,271)	48,419	250	194
Feb '15	7,172	7,057	115	48,534	252	193
Mar '15	6,900	8,075	-1175	47,359	252	188
Apr '15	7,724	6,373	1351	48,710	252	193
May '15	9,586	6,843	2,743	51,453	253	204
Jun '15	7,824	9,021	(1,197)	50,256	254	198
Year to date	101,922	92,668	9,254			
Change on June 2014	2.7% <small>MORE IMPORTED</small>	5.9% <small>MORE SOLD</small>	22.6% <small>MORE STOCK</small>			



Used imports and sales strong

Used import stock increased slightly in June by 252 units on the previous month as imports outstripped sales 12,667 to 12,415.

However, average sales continue to rise, increasing by five units per day when compared to last month and by 73 on the same period last year.

These figures are calculated on the average daily sales for the previous 12 months, and then divided by 365 – the days in a year – so using this calculation the number of used imported cars sold each day on average sits at 384.

If this rate of sales continue more than 140,000 units will be sold in this calendar year. Current stock on hand should last for 62 days. This is slightly down on a year ago due to the level of increased sales.

Year to date, 75,880 used cars have been imported into New Zealand and 70,544 have been registered for the first time.

Todd Cater, owner of Team Todd Cater in Hastings, says there are no set rules to what he stocks on his yard.

“We do have a few European cars,” he says. “We have had a few Minis and they have sold well as have Mazda Demios, while Suzuki Swifts have been popular.

“But I do think there is an awful lot of them for sale at the moment, so that’s probably going to slow down a little bit.”

Paul Coory, owner of Valley Motor Court in Dunedin, stocks 50 per cent New Zealand-new with the rest being used imports.

Despite this split, Coory says it is harder to get stock out of Japan at present because of what it is costing, but if he doesn’t meet market prices then

he doesn’t get the stock.

He adds the new car market in Japan has also quietened down, so there are not so many used cars for sale.

“To get them, you have got to pay more again,” he says. “I think the cars I have got in the yard are priced right and the next lot I buy is going to be dearer again.”

Leon Kingsbeer, from Lifestyle Vehicles in Palmerston North, echoes Coory’s sentiments.

He also stocks both New Zealand-new and second-hand imports, although the drop in the yen has meant he doesn’t get access to stock in Japan as cheaply as he once did.

Richard Devery, of King Toyota in Lower and Upper Hutt, says: “The majority of used stock we get is sourced through used-car trades.

“There seems to be good-quality stock available from

high-end used car trade-ins, but we are lacking those vehicles in the mid-range that are priced between \$12,000 and \$15,000.

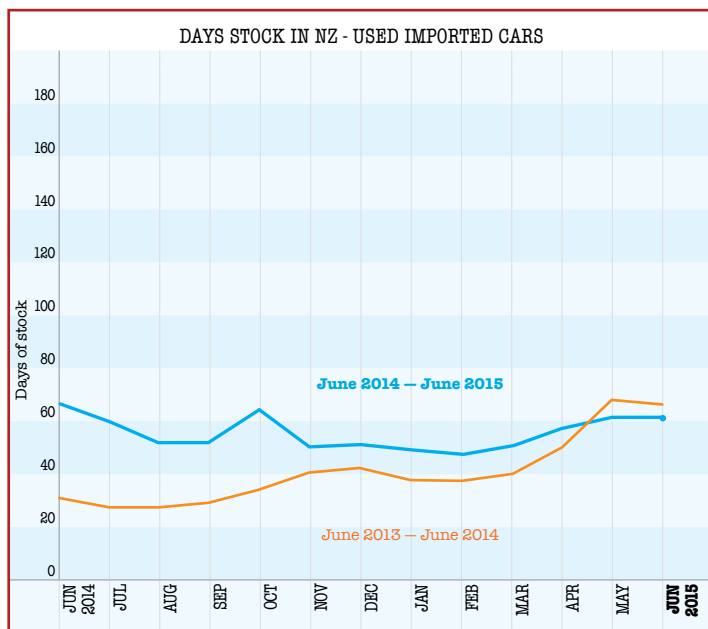
“I think the overall size of the total market is likely to increase, but I think our territory is more likely to be about the same as last year.

“The growth this year seems to be in Auckland and Christchurch.”

Julian Clements, dealer principal of Ebbett Tauranga, says the business is lucky when it comes to the used cars it stocks.

“We will keep anything that’s New Zealand-new and what we feel is in above-average condition,” he says.

“We are lucky here in that we trade a lot of cars that are low-mileage for their age. That’s because of the population and people who live here don’t travel too far, so we get higher-grade cars.”



Dealer stock of used cars in New Zealand						
	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jun '14	10,558	10,760	-202	20,332	311	65
Jul '14	10,745	12,052	-1,307	19,025	318	60
Aug '14	9,016	11,288	-2,272	16,753	325	51
Sep '14	11,203	11,142	61	16,814	335	50
Oct '14	12,650	11,105	1,545	18,359	342	54
Nov '14	11,284	11,532	-248	18,111	348	52
Dec '14	12,800	12,448	352	18,463	356	52
Jan '15	10,155	11,791	-1,636	16,827	362	46
Feb '15	9,950	10,572	-622	16,205	366	44
Mar '15	14,768	12,313	2,455	18,660	372	50
Apr '15	13,862	11,038	2,824	21,484	376	57
May '15	14,478	12,415	2,063	23,547	379	62
Jun '15	12,667	12,415	252	23,799	384	62
Year to date	143,578	140,111	3,467			
Change on June 2014	20.0%	15.4%		17.1%		
	<small>MORE IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		

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