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May 2018

Car dealers must follow recall laws

Businesses operating across the automotive industry need to avoid bringing in or on-selling non-complaint stock

Vehicle importers and car dealers are being warned of the dangers associated with bringing in and selling cars – especially trade-ins – that have alpha-type Takata airbag inflators fitted.

The government has ordered the mandatory recall of about 50,000 vehicles with the systems installed that have yet to have remedial action completed on them.

The safety campaign, which affects some models manufactured from 2000-11, has been issued because faulty Takata airbags have been associated with 23 deaths and about 230 serious injuries worldwide.

The recall, which was ordered by Kris Faafoi, Minister of Commerce and Consumer Affairs, means that from May 31 vehicles with alpha-type Takata airbags will become prohibited imports.



What a Takata airbag inflator looks like

In addition, registered motor-vehicle traders run the risk of incurring a fine of up to \$600,000 under the Fair Trading Act if they fail to comply with the call-back's requirements, such as by selling cars still needing remedial work.

The Motor Trade Association (MTA) is going to great lengths to ensure all of its members are up to speed with what's required of them.

Greig Epps, industry relationship manager, told Autofile it's too early to tell how the call-back issued

on April 4 has impacted on importing decisions made by its members.

"The recall takes effect at the end of May, so dealers should be using the time until then to make themselves familiar with the range of affected cars on www.rightcar.co.nz.

"They can assess current stock holdings to determine if any vehicles should be taken to the relevant brand

for recall service.

"They should also review any import orders already submitted to see if they can remove affected cars or have them remediated before shipment. No car can land after May 31 if it contains an alpha airbag device."

Epps stresses businesses buying and selling vehicles need to be aware of issues around trade-ins.

Private sellers are unaffected in that they can move cars yet to be reworked. Dealers, on the other

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GUEST EDITORIAL

Border patrol: 2018 tests our front line

Malcolm Yorston looks back on a turbulent few months for the automotive sector

The year that is 2018 got off to a turbulent start, reminding our industry of the mixed blessing of living in "interesting times".

The discovery of stink bugs on car carriers back in February led to major disruptions to shipping with some vessels having to be treated before controlled discharge. Others were diverted overseas for treatment before returning to New Zealand – all at a cost of millions.

This was just the beginning with downstream effects hitting every point in the supply chain. From 7,253 incoming vehicles from Japan in January and 8,401 in February, numbers dropped considerably during March.

Ports of Auckland felt the first big hit onshore with major disruptions caused by a backlog of vessels occupying berths while being fogged and inspected.

This was followed by car transport companies, which had no vehicles to move off wharves and the worry their drivers would seek employment in other parts of the booming transport sector.

Next were compliance shops, which reported drops in volumes of 75 per cent or more, and other businesses that rely on the supply of used imports, such as panel-beaters, vehicle groomers and mechanical workshops. All reported major disruption to business and cash-flow.

Last, but certainly not least, were the car dealers, waiting anxiously with customers for stock to arrive.

A month down the track, the tables have turned. The flow of vehicles has resumed in force



MALCOLM YORSTON
VIA technical manager

with massive arrivals in Auckland in April for the biggest total ever.

Transport companies have urged importers and compliance centres to make space for as many deliveries as they can, to relieve pressure and avoid demurrage on a backlog of stock in port.

With imports resumed for the short term, VIA (the Imported Motor Vehicle Industry Association) is working across the industry and with the Ministry for Primary Industries on biosecurity research to ensure robust treatments are in place for the next stink-bug season, due to start in September.

If that wasn't enough, the Ministry for Commerce and Consumer Affairs announced in March that its mandatory recall on alpha-type Takata airbags would take effect on May 31.

From this date no vehicle with an alpha-type inflator that hasn't been reworked will be permitted to be sold in trade or imported.

This is a significant step with ramifications across our existing fleet and incoming vehicles. While it was expected to some extent, the escalation from voluntary to mandatory places considerable pressure on supply and logistics to complete the recall in a condensed timeframe.

As with all challenges of this magnitude, VIA is working for the imported-vehicle sector in negotiations with industry partners to find the most efficient and effective solution for business and the public.

What challenges can we expect between now and the end of 2018? ☹

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DIRECTORS

Brian McCutcheon
brian@autofile.co.nz
ph. 021 455 775

Darren Wiltshire
dazzz@autofile.co.nz
ph. 021 0284 7428

DESIGNER

Adrian Payne
arpayne@gmail.com

EDITOR

Darren Risby
ris@autofile.co.nz

JOURNALISTS

Sue Brebner-Fox
sue@autofile.co.nz

Lucy Pink

lucyp@autofile.co.nz

MOTORSPORT

Mark Baker
veritas.nz@xtra.co.nz

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[continued from page 1]

hand, are obliged to get recalls cleared out before they on-sell.

"The MTA is advising its members to check any trade-ins against recall website lists because, from the end of this month, they will not be able to sell existing stock until any Takata recalls have been addressed," says Epps.

"We are also advising members to disclose the airbag recall status of any vehicle sold before May 31.

"We suspect many customers will start asking about the airbag status of vehicles. The sale prohibition – and hefty fine attached to it – only affects vehicles sold in-trade, so private sales and private parties trading into dealers are allowed.

"The issue will affect both new and used dealers who accept trade-ins as part of the sales process."

The MTA realises staff at dealer service centres will be doing their utmost to meet recall work requirements, but they will be affected by the supply of parts and juggling workshop schedules around call-back work.

This may lead to delays for dealers seeking to sell existing stock or trade-ins they accept with the airbag call-back still open.

"The industry and government are committed to seeing this recall closed out by the end of 2019," says Epps.

"This timeframe could be ambitious because it places a great deal of pressure on dealer service centres to work through the 50,000 cars subject to recall.

"The recall effort is also dependent on the supply of replacement airbags, which is a global concern because New Zealand isn't the only country affected. However, there's scope for the minister to extend the order to ensure complete close-out.

"The key aim for everyone at



"The recall effort is dependent on the supply of replacement airbags"
– Greig Epps

this time is to get the message out to the public and encourage response to the letter campaign due to come in from the vehicle makers."

If dealerships find themselves inundated with vehicles, Epps is sure there are other workshops that would be prepared to work with franchise service centres to carry out remedial work.

"Another piece of work for the industry and government is to ensure clear guidelines are available on the

storage, transport and disposal of large numbers of inflator devices given the recall may lead to the accumulation of accelerant material," says Epps.

"The MTA sees this work as a discussion between the industry, the Environmental Protection

Authority and WorkSafe."

The MTA appreciates the hard work being done by the Motor Industry Association (MIA) and its member brands to identify affected vehicles and provide the necessary support to close out recalls.

It suggests the Ministry of Business, Innovation and Employment (MBIE) develops a central information point for all parties – the public and traders – that's simple to use and provides airbag recall information for all affected marques and models.

"Vehicle repairers will often be the first port of call for consumers," says Epps. "There needs to be a clear and simple source of information for consumers and industry players."

The MTA – along with the MIA and VIA (the Imported Motor Vehicle Industry Association) – is one of the organisations on the government's Takata recall oversight group.

"The minister's decision to establish an oversight group was a good idea," says Epps. "It has worked ▶"

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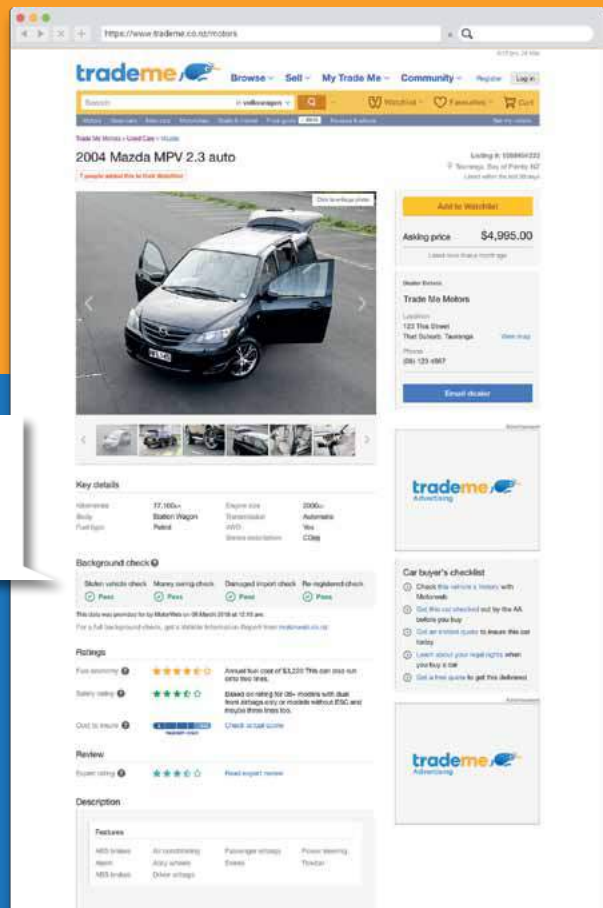
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Types of airbags

Alpha-type airbags are a subset of Takata systems installed in some vehicles between 2000 and 2011.

They pose a significantly higher safety risk than other Takata inflators because they rupture more frequently. The inflators can be adversely affected by moisture and may deploy with explosive force in a crash.

In the worst cases, they have sent metal shards flying into the passenger cabin. No explosive deployments, injuries or fatalities have been reported in New Zealand.

To find out if a car has an active recall, visit www.vehiclerecallsafety.nzta.govt.nz. Subscribe for updates at www.recalls.govt.nz/airbags. For details on used Japanese imports, visit www.rightcar.govt.nz/takataalpha.



well in meetings and via email to keep the process moving forward.

"There's the right mix of consumer, government and industry representation to provide advice on achieving success of the recall.

"There has been a lot of discussion to determine the next steps and processes. For example, some of our dealer members are direct importers, so communication about issues and what's acceptable under the recall needs to be clear."

RECALLS PROPOSAL

As for talks on the way forward, David Vinsen, chief executive of VIA, says there has been plenty of work on issues resulting from Minister Fafoi declaring the mandatory recall for vehicles with alpha-type Takata airbags.

Some of it is focused on units in the fleet subject to call-backs. The MBIE is overseeing the mechanics of the safety campaign, the NZTA is setting up recall processes and Customs will monitor the border for illegal imports.

VIA has put forward proposed recall checks for border-inspection organisations from May 31 based on the following effects of the order:

- ▶ Vehicles with alpha-type Takata

airbags will become prohibited imports.

- ▶ Vehicles with these systems cannot be certified as compliant.
- ▶ Vehicles with them installed cannot be sold in trade.
- ▶ Responsibility is placed on the trade to address vehicles already in the fleet.

VIA recognises the Takata mandatory recall doesn't diminish efforts to address other safety-related recalls, including non-alpha-type systems.

It sees this process being implemented in a staged manner based on priority with alpha-type airbags taking precedence, other Takata systems second and then a

process for all safety-related recalls.

VIA's proposal states border-inspection organisations, specifically Automotive Technologies Ltd, ATJ and JEVIC, agree to provide data to the NZTA regarding open safety recalls on vehicles they inspect with them reserving the right to accept declarations from customers.

It says the process to identify vehicles subject to an open mandatory safety recall needs to be simple, effective and quick to implement.

Vinsen says the airbag oversight

group is meeting on a regular basis – twice a month at the moment, and then probably monthly – with the aim of reducing vehicles in the fleet with outstanding recalls and those imported from overseas, not just Japan.

"It's working along similar lines as the electric-vehicle leadership group in that it identifies problems and then suggests solutions for government agencies that need resolving."

Part of the process is to prevent vehicles still subject to Takata airbag inflator call-backs coming into New Zealand, which Vinsen says many major VIA members have already been doing.

"They have put their own procedures in place to prevent these vehicles crossing the border," he says.

"To formalise this, the NZTA called a meeting with interested parties, such as border-inspection companies and major importers, to discuss what's required to stop them entering New Zealand.

"Our draft procedure for border

[continued on page 6]

Getting systems in place

Checks proposed by VIA look to cover the short and long-term effects of the mandatory Takata recall.

Its proposal states there initially needs to be an NZTA-approved public list of recalls, vehicles issued with standardised New Zealand-based identifiers and a report with details of vehicles the agency feels is appropriate for Customs to identify those subject to call-backs.

VIA proposes an initial process for border-inspection organisations to check vehicles against the NZTA list of call-backs and affected units established by comparing their details and identifiers.

Vehicles with open alpha-type airbag recalls can be noted using the damage-flag process in the border-inspection organisation's system with no extra sticker being needed, and reasonable efforts

made to advise customers of this.

The long-term process proposed by VIA allows for more detail and an ability to respond to any safety recall. It's designed to simplify Customs' access to information needed to identify units with open mandatory safety recalls and for all vehicles to have declarations.

Once available, using "subject to recall" in the border-inspection system will supersede the damaged flag to denote an open safety recall. An extra field will allow applicable call-backs to be noted.

The NZTA will be able to create a report, if requested, for Customs under the proposal. It should show details needed to identify vehicles subject to the alpha-type recall.

VIA says the long-term process needs to allow border-inspection organisation checks of all vehicles against NZTA records. ☺

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inspections has gone to the NZTA, which has also been with Customs. We want to ensure there's not a situation when used cars are imported from Japan or anywhere else and seized by Customs here."

Vinsen adds there has been much focus on the automotive industry in recent months with the airbag call-back creating a "real whammy on top of the biosecurity issue" caused by stink bugs.

"That said, progress is going as expected. We are pleased with the NZTA and acknowledge MBIE's response. It has no experience in the motor-vehicle industry. It is having to understand its nuances and is taking a high-level approach.

"There has been a high level of decision-making so far with the NZTA and MBIE, along with industry working on procedures to make things happen.

"This is yet another good example of the benefits and advantages of having a pan-industry approach on such issues when they arise. There has been no blaming or finger-pointing."

David Crawford, chief executive officer of the MIA, told Autofile the industry is working together and with the government "to make it all happen".

He says the benefit of making the call-back mandatory is that it has forced co-operation between industry, the MIA and VIA, and the government – in form of the NZTA and MBIE.

"The recall has also provided the impetus to get the issue resolved, and for co-operation between government departments and agencies as well

as industry organisations.

"There's now much more focus on making this happen. A lot of work is going on behind the scenes to get processes in place to measure progress.

"At the moment, some decisions that need to be made are still being worked through so we get agreed outcomes."

MOMENTUM UP

Minister Faafoi met with the Takata airbag oversight group at its first meeting in Wellington on April 12.

He now wants robust feedback on how the process is going and "advice on how we can get more airbags replaced more quickly".

About 250,000 users visited www.recalls.govt.nz in the week following the recall announcement on April 4, while there were around 1.5 million page views.

"But we need to keep momentum up, and ensure drivers and passengers are protected from the risk of unsafe airbags by having as many as possible replaced as quickly as possible," says Faafoi, who is ready to hear from the oversight group if it believes insufficient progress is being made.

"There are other measures we can take, including flagging vehicles at warrant of fitness if they have airbags that still require replacement," he warns.

"If I'm not convinced progress is adequate and everything possible is being done to ensure replacement of these airbags, which have been a known risk since 2013, I will not hesitate to act further." ☺

Turn to page 12 for a list of models under mandatory Takata airbag recall in Japan

Aiming for close-out

Alistair Davis, chief executive officer of Toyota NZ, says his company will close out mandatory call-backs on its vehicles for Takata airbags irrespective of how they entered the fleet.

"We will fix the airbag even if it's in an import," he told Autofile. "We will stand behind our product.

"The struggle with recalls is that people ignore them. We will often send two to three letters to people and get dealers to phone customers.

"The mandatory recall for alpha-

type Takata airbags will put more pressure on people to bring their cars in for repairs."

He notes issues with Takata airbags and associated call-backs has been a headache for car companies around the world for the past five years.

"This isn't a new recall," Davis adds. "We have been steadily working through the recall for about five years as parts have become available and dealer service resources have flexed to handle the workload."

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Treatment options considered

The government is reviewing a range of options to protect New Zealand's border from live insects that pose biosecurity risks.

The next season for brown marmorated stink bugs (BMSBs) starts in September with the Ministry for Primary Industries (MPI) aiming to announce extra measures by then.

Some experts in the vehicle-supply chain expect heat treatment to be preferred by the MPI, although the ministry has told Autofile "a range of options for vehicles and machinery imported from Japan" are being investigated.

Last month, JEVIC opened a heat-treatment system in Japan to eradicate live insects that are biosecurity risks in addition to BMSBs, such as the yellow spotted stink bug (YSSB).

It follows the discovery of live and dead insects on-board vessels from Japan almost bringing New Zealand's automotive and associated industries to a standstill in February and March.

Some ships were dispatched off-shore for cargo to be treated, thousands of vehicles were fogged and heat-treated, and tough inspection criteria had to be met before discharge in New Zealand.

This, in turn, created a massive



A ro-ro ship unloading its cargo

backlog of stock arriving last month as the supply chain battled to catch up.

Looking back over the stink-bug season, Paul Hallett, manager of biosecurity and environment, says: "The MPI recognises heat treatment as a biosecurity control for insects and other hitch-hiker organisms on vessels and imported cargo. It's highly effective.

"There's no reason to believe a stink-bug population has established in New Zealand, which has been the aim of our border operations."

Mandatory treatment requirements for cargo from countries with established stink-bug populations were applied to cargo loaded on or before April 30 – the official end of the BMSB season.

"There have been mandatory treatment requirements in place for cargo from Italy and the US to undergo heat treatment or fumigation," Hallett told Autofile.

"The use of fogging with insecticide for bulk carriers arriving from Japan has been applied on a case-by-case basis. In effect, almost every carrier from Japan since early February has undergone fogging."

The MPI will continue to apply enhanced inspection and treatment measures on a case-by-case basis, which will be based on risk.

It will revert to enhanced inspections when it has reason to believe "there is a high risk of contamination based on information from the port of departure, vessel operator or other sources of intelligence and routine inspection".

When it comes to imports from Japan, the MPI has been in talks with the Environmental Protection Authority about getting approval for the use of sulfuryl fluoride. However, this fumigant isn't currently permitted for use in Japan or New Zealand.

"Another option is freezing as stink bugs are sensitive to the cold," says Hallett. "We plan to announce any new measures by the start of the next season.

"Discussions with the new-vehicle industry and used-vehicle systems in Japan are being held regarding system options, including treatment, in response to the BMSB issues."

JEVIC says, as the first company in Japan to be approved for an operational system, it recognises the value a heat-treatment facility brings to its systems, stakeholders and the vehicle pathway as a whole.

"The purpose of our heat-treatment chamber is to treat vehicles in Japan found with live insects," explains Euan Philpot, chief executive of JEVIC NZ.

"It's similar to the system in Auckland. Heat treatment is approved by the MPI for this purpose. Its implementation is an addition to JEVIC's current system.

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Cars receiving fumigation treatment

A truck is prepared for heat treatment

◀ are vital in dealing with live pests, which present a threat to New Zealand, by keeping the bio-security risk offshore.”

Hallett says the use of heat treatment has been permitted as part of JEVIC’s approved used-vehicle system. This was granted following an application being submitted for a variation to its current approved vehicle system in Japan.

“The MPI evaluates all systems against the import health standard requirement to have a vehicle clean and free of contaminants,” he explains.

“Any system must show how it achieves that outcome, including hygiene or storage processes, and how they ensure vehicles arrive compliant into New Zealand.

“The heat-treatment procedure was approved to further reduce the risk of live contamination when visual inspection is less effective.”

Hallett describes such equipment in New Zealand as “limited” at the moment. “The introduction of new facilities in Japan provides greater scope for the use of this treatment for imported vehicles and machinery. This has the potential to reduce disruption.”

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), expects the heat treatment used on some vehicles arriving in New Zealand from Japan over the past few months will probably be reintroduced when the stink-bug season re-starts in September.

It may even become a mainstay of the MPI’s inspection and treatment process into the longer-term future.

“This biosecurity issue – even though costly and disruptive across all of the supply chain – has resulted in some positives,” says Vinsen. “For example, there has been fantastic co-operation between the government, its agencies and the industry.

“Due to our ‘just in time’ supply chain, this biosecurity incursion has significantly affected us. This is one time that having an efficient system

hasn’t helped us, and we were further stretched last month with so many units arriving in Auckland.”

Vinsen believes it’s highly likely the MPI will insist on heat treatment for future bug seasons at least, and there’s some potential for it to become permanent.

“What this means for the industry is that border costs will increase and fees are bound to rise for all imported vehicles,” he says.

“Biosecurity remains the number-one priority with research, treatments and inspections needing to be funded. On top of this, importers are now required to diligently check all recalls, including for Takata airbags.

“We expect costs will increase for inspection companies in Japan, which will have no option but to pass them on.”

Vinsen says it’s unclear what exactly prompted the spike in stink-bug detections in vessels and cargo from Japan.

However, there have been suggestions the increase may be due to hot weather around the world during the past year.

Another theory is that exceptionally cold temperatures in Japan prompted the insects to crawl deeper into crevices to hibernate and, as a result, sometimes avoiding being caught by normal inspection processes.

VIA, meanwhile, is continuing to process applications for exemption from the latest electronic stability control (ESC) requirements from importers of used vehicles, which have been delayed due to the stink-bug crisis.

Malcolm Yorston, technical manager, says the NZTA has acknowledged the disruption to imports due to BMSBs with exemptions available for used MA vehicles – passenger cars – with engine capacities of greater than two litres bought in Japan on or before February 26.

“Importers need to provide evidence their vehicles were purchased on or by this date,” explains Yorston. “VIA will process

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applications for all importers. Copies of an export certificate, bill of lading and a supplier's invoice are needed for each vehicle."

It is unclear how many vehicles are affected, but the NZTA believes it's a relatively small percentage of total imports.

"The new requirements are applied based on the date the vehicle was inspected at the border for use in New Zealand," says a spokesman.

Many imported used vehicles undergo border inspection in Japan before being shipped here. Those checked in that way before March proceeded as normal through entry certification and were unaffected by the new requirement under the Light Transport Rule: Light Vehicle Brakes.

Used cars with engines bigger than 2,000cc not border inspected in Japan and arriving in New Zealand after March 1 "will not be certified for entry unless the importer is able to prove they would have arrived before March 1 if it hadn't been for disruption caused by the stink-bug issue", says the NZTA.

The law provides for exemptions from certain requirements if conditions are met, which is why importers need to prove why they should not have to comply for the relevant paperwork to be issued showing this is the case.

"VIA has offered to facilitate the application process for all importers," says the agency. "We will assess each request for an exemption and are working hard to ensure exemptions can be granted as quickly as possible – it's likely to take a few days."

Section 166 of the Land Transport Act allows for exemptions when "events have occurred that make the prescribed requirements unnecessary or inappropriate".

In this case, delays have occurred that couldn't have been foreseen and there's no significant increased risk to safety by allowing these vehicles into the fleet.

"We have determined an exemption can apply to importers who have in good faith purchased vehicles under the assumption they would have been border-checked



Vehicles dockside in Japan awaiting loading

before March 1," adds the NZTA.

"The solution balances the protection of the vehicles' values with the need to maintain standards around the safety of the fleet."

The agency is actively monitoring to ensure standards are maintained because "nothing should change in terms of how inspections are done".



The brown marmorated stink bug

Here's the rundown on how the automotive industry was affected by the stink-bug crisis last month.

APRIL 4: VEHICLES FOGGED

Mitsui OSK Line (MOL) vessel Cougar Ace was due to arrive in Auckland. Its cargo would be inspected, fogged and re-inspected. It would then only call at Tauranga with units for Wellington, Lyttelton and Nelson transhipped onto the Primrose Ace. Toyofuji confirmed its Trans Future 5 had been diverted to Suva for fogging with 4,800 used vehicles on-board. The MPI said enhanced ship inspections were to stop on April 30 – the end of the BMSB season. The average discharge of roll-on, roll-offs was expected to revert to 12-24 hours from 48-plus.

APRIL 5: ARRIVAL VIA FIJI

Autohub said the Trans Future 3 would start discharging on April 7 after fogging and MPI inspections. The Trans Future 5 was estimated to arrive in NZ by midnight on the 9th. The Trans Future 6 would also call by Fiji for fogging with its earliest arrival here being the 13th.

APRIL 6: UNITS INSPECTED

The Cougar Ace was going through its final stage of procedures with the MPI choosing vehicles for inspection before heat treatment. It was to be discharged

by the end of the weekend.

APRIL 9: MONTHLY RECORD

VIA (the Imported Motor Vehicle Industry Association) predicted cars coming into Ports of Auckland (POAL) this month would be about 30,000 – the largest-ever monthly total. They needed to be moved off-port to avoid daily demurrage of \$60 per unit. Compliance centres were going to have to work seven days a week to avoid large costs. VIA urged businesses to ensure documents were in order, compliance centres were open, and receiving yards and transport companies were aware of shipments and had everything they needed.

APRIL 10: HEAT TREATMENT

The MPI was likely to insist on heat treatment to kill all insects and it would probably be reintroduced in September. VIA's David Vinsen warned: "Border costs will increase and fees rise for imported vehicles." To maximise berth windows, cargo for Wellington, Lyttelton and Nelson on the Primrose Ace, and cargo that was to load onto the Primrose Ace at POAL, was transferred to the Courageous Ace. This included stock from the Meridian Ace and Cougar Ace.

APRIL 11: AWAITING SPACE

The Glovis Caravel, carrying only used vehicles, was sitting at anchor waiting for a berth at Auckland, which was expected to become free on the 12th. There were four car carriers in port – some going through MPI procedures, others discharging and transhipping.

APRIL 13: HEAVY DELAYS

Congestion at POAL was at its worst in years with delays in discharging. The ability of compliance centres and storage facilities to handle the influx would have a bearing on vehicle delivery times.

APRIL 17: DISCHARGE OVER

The Courageous Ace completed discharge at Kiwi ports and departed NZ. MPI inspections of the Glovis

Caravel were progressing with heat treatment due to be finished soon. Subject to yard space at POAL, MOL would look to discharge two decks with about 400 cars for the MPI to complete deck-surveillance requirements. Full discharge was expected by the 22nd.

APRIL 18: FACILITY OPENS

JEVIC became the first company in Japan to gain MPI approval for a vehicles and machinery heat-treatment facility to keep biosecurity risks offshore. It was similar to the system being used in Auckland.

APRIL 19: WASP AN OPTION

Horticultural groups and the MPI applied for permission to the Environmental Protection Authority to release the samurai wasp as a biocontrol agent if stink bugs were found in NZ. BMSBs feed on more than 300 plant species, can hit high population numbers rapidly, and destroy crops and gardens. Vehicle imports delayed by the BMSB crisis needed to provide evidence for electronic stability control exemptions. They were available for used cars over 2,000cc bought in Japan on or before February 26.

APRIL 24: HIGH VOLUMES

Armacup's Lake Taupo arrived at POAL on schedule on the April 21 and was expected to berth on the 30th for discharge. The Dream Jasmine was due on the 25th for berthing on May 5. Long delays were being caused by excessive volumes arriving resulting, and the high number of vessels requiring MPI inspection, fogging and re-inspection followed by sample discharge and heat treatment. Vessels were losing up to four days in port before normal discharge could start.

APRIL 30: END OF SEASON

The MPI said it would continue to apply enhanced inspection and treatment measures on a case-by-case basis as the stink-bug season officially came to a close. ☺

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Dealers' guide to airbag models

The NZTA has released information on models under mandatory Takata recalls in Japan, some of which are outstanding for alpha-type airbags.

From May 1, these cars in Japan must have alpha and some other Takata systems repaired to pass inspection. From the end of this month, such stock cannot be imported into New Zealand.

"This is the most accurate information available to determine vehicles that should be checked before exported from Japan, or which could have been imported here," says an NZTA spokesman. "If imported from other than Japan, we suggest contacting the manufacturer for advice."

The agency says the supplier is obliged to contact the buyer when replacement parts are available to complete the call-back if not done so already, or if the remedial work

wasn't completed in Japan.

In addition, www.jaspa.or.jp/portals/recallsearch/index has details on units called back – if they haven't been deregistered in Japan.

The NZTA's list "may be expanded or amended at a later date" online at www.rightcar.govt.nz/takataalpha.

Autofile understands talks are being held to establish a system for NZ-new vehicles similar to the guide for models brought in from Japan.

In the meantime, to find out what NZ-new cars are affected by the call-back, visit www.recalls.govt.nz.

The list opposite covers models under mandatory Takata recalls in Japan. The NZTA says some are outstanding for alpha-type airbags.

The period of manufacture, by month and year, is followed by the model name. The list was correct as of April 23.

MANDATORY TAKATA SYSTEM RECALLS IN JAPAN

BMW

Dec01-Nov02 **318i**
 Oct01-Dec02 **330Ci Cabriolet**
 Jan02-Nov02 **316ti, 318ti, 325i**
 Jan02-Dec02 **318i Touring, 330i**
 Jan02-Feb03 **320i**
 Feb02-Dec02 **318Ci, 330Ci, M3**

DAIHATSU

Dec02-Nov07 **Mira**
 Nov04-May10 **Hijet**
 Jan05-Nov07 **Hijet Deck Van**
 Nov05-Mar11 **Esse**

HONDA

Aug00-Mar11 **Stream**
 Aug00-Jul05 **Civic Ferio**
 Feb01-Nov04 **Civic GX**
 Mar01-Nov02 **Inspire, Saber**
 Jun01-Mar11 **Fit, Fit Shuttle, Fit Aria**
 Sep01-Mar11 **CR-V**
 Oct01-Feb04 **LaGreat**
 Nov01-Apr08 **Mobilio**
 Nov01-Dec10 **Civic Hybrid**
 Jan02-Jun07 **That's**
 Sep02-Apr08 **Mobilio Spike**
 Oct02-Dec07 **Accord Wagon**
 Oct02-Mar08 **Accord**
 Feb03-Sep05 **Element**
 Feb03-Jan06 **MDX**
 Jun04-Aug09 **Edix**
 Apr04-Mar11 **Elysion, Elysion Prestige**
 Sep04-Feb11 **Legend**
 Mar05-Aug10 **Airwave**
 May05-Sep09 **Stepwgn**
 May05-Sep09 **Stepwgn Spada**
 Aug05-Aug10 **Civic**
 Feb06-Mar11 **Zest, Zest Spark**
 Mar06-Aug10 **Partner**
 Feb07-Aug10 **Crossroad**
 May08-Dec08 **Freed**
 May08-Aug10 **FCX Clarity**
 Dec08-Mar11 **Insight**

ISUZU

Jun01-Dec08 **Como**

LEXUS

Aug05-Dec07 **SC 430**

MAZDA

Mar02-Nov07 **Atenza**
 Feb03-Jun03 **RX-8**
 Mar04-Mar11 **Bongo**
 Mar04-Jul10 **Bongo Brawny**
 Feb04-Jul10 **Titan**

NISSAN

Aug00-Aug02 **Cube (Z10)**
 Oct00-Jun07 **X-Trail**
 Jan01-Dec02 **Cefiro**
 Apr01-Oct04 **Liberty**
 Apr01-Dec05 **Bluebird Sylphy**
 May01-Dec08 **Caravan**
 Jul01-Aug02 **Datsun**
 Jan02-Jun07 **Safari**
 Nov02-Dec08 **Teana**
 Jul03-Dec08 **Presage**
 Mar04-Mar11 **Vanette**
 Oct04-Dec08 **Fuga**
 Nov08-Feb12 **Cube (Z12)**
 Jun10-Mar12 **March**

SUBARU

Apr03-Feb04 **Legacy**
 Jan04-Apr07 **Impreza**

TOYOTA

Jul00-Sep06 **Corolla Fielder**
 Jul00-Oct06 **Corolla**
 Aug00-Oct06 **Corolla Runx**
 Sep00-Oct04 **Mark II**
 Nov00-Oct04 **Verossa**
 Nov00-Oct06 **Allex**
 Apr01-Apr04 **WILL VS**
 Apr01-Aug04 **Gaia**
 Apr01-Jul05 **Soarer**
 Apr01-Dec08 **Ipsum**
 May01-Jun07 **Brevis**
 Nov01-May07 **Voxy, Noah**
 Dec01-Jun07 **Mark II Blitz**
 May02-Mar04 **Voltz**
 May02-Apr05 **Opa**
 May02-Mar08 **Alphard G, V and Hybrid**
 Jun02-Dec08 **Succeed, Probox**
 Dec02-Dec08 **Vitz**
 Sep02-Jul05 **WILL Cypha**
 Sep03-May08 **Avensis, Avensis Wagon**
 Jul03-Oct05 **RAV4 L and J**
 Nov05-Dec08 **Belta**

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Trading places for future in Taiwan

Representatives of Taiwanese companies have been brought up to speed with opportunities to trade with New Zealand's automotive industry.

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), was a speaker on last month's trip to Taipei.

The association led a delegation of 12 Kiwi companies to four trade events with the support of the Taiwan External Trade Development Council.

They were AutoTronics Taipei, the Taipei International Auto Parts and Accessories Show, Motorcycle Taiwan and Taiwan International Electric Vehicle (EV) Show.

Vinsen said members of the New Zealand contingent saw some opportunities for business partners while scouting two halls with more than 1,000 booths and stalls, while about 15km away there were five more floors of exhibits.

"Every possible component you can imagine was available with events divided into certain days," Vinsen told Autofile.

"I talked about our market's uniqueness, movement towards EVs and intelligent transportation systems [ITS], and opportunities all this provides to Taiwan – for example, after-market parts,



The main exhibition hall in Taipei. Photos: Frank Willett

batteries, cables and chargers."

He also covered how our government promotes EVs, how used imported EVs lead the way in market penetration and retrofitting ITS capability to vehicles in the fleet.

"We don't want to bring in vehicles that aren't equipped to take advantage of ITS functions. But for a small cost we can put in, for example, after-market radar by plugging it into cars or – on a simpler level – install reversing cameras."

Vinsen's presentation included an outline of the fleet, and how New Zealand was an ideal test bed and trialling ITS in controlled environments.

VIA's delegation included importers, wholesalers and EV specialists with some going onto a similar trade show in Hong Kong afterwards.

"This was the third such trip VIA has organised and was a great success with the other two being to mainland China."

One of those who went along was Frank Willett, chief executive officer of Autohub NZ. He described the trip as interesting and diverse.

"Manufacturers displayed basic engines while specialisms for the after-market, such as brake components, head-up displays, lights, OEM replacements and alloys, and a plethora of other automotive trinkets were well-represented. There was a motorcycle section with everything you could imagine to put on your bike."

Willett said most people who attended from New Zealand had their own agendas, and studied different booths with some getting

ideas on products and possible opportunities.

"That said, I don't think there were any silver bullets," he added. "The EV technology was a bit fragmented, with systems such as engines and gearboxes being possible to retrofit."

"There didn't appear to be anyone offering turn-key solutions. For example, you would need to find a battery supplier, engine-control unit supplier and an expert to marry it together."

"But there were some after-market battery suppliers, and charging outlets and stations for EVs that may suit Kiwi needs."

Willett noted some companies didn't appear to have export licences and weren't too interested in the Australasian market.

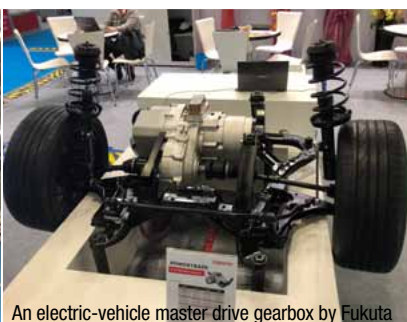
"It was similar to a trade show I attended 12 years ago in Beijing, which wasn't entirely suitable for the Kiwi market," he said.

"The Taiwan event seemed more appropriate for markets the size of the US and Europe with significant order numbers."

"But the trip was still worthwhile because it's good to keep abreast of what's on offer now and in the short term in other markets." ☺



An immersive-cooling modular battery system by Xing Mobility



An electric-vehicle master drive gearbox by Fukuta



A customised Datsun SSS ute

Boost for vehicle and road safety

Extra funding for ANCAP over the next five years has been applauded by the AA.

The Australian federal government has agreed to committing about NZ\$7.1 million to the organisation, which

assesses and tests vehicles and advocates for safer roads.

Stella Stocks, general manager of motoring services at the AA, which sits on ANCAP's board, has welcomed the announcement. "The extra funding is a big boost for vehicle safety," she told Autofile.

The money will augment funds from state-government agencies across the Tasman, the New Zealand government and motoring clubs in both countries.

James Goodwin, ANCAP's chief executive, says: "Continued emphasis to elevate the safety

of new vehicles and reduce the overall age of the fleet are critical to reducing deaths and injuries caused by serious crashes.

"All road users will see the benefits with the funding enabling us to broaden our range of tests, and expand advocacy and community-education activities."

Visit www.autofile.co.nz for more on this story. ☺

Better user experience online

Here at Autofile we are always writing about the next big thing in technology, but that normally relates to innovations in cars or how intelligent transportation systems interact with New Zealand's needs.

Well, this time, it's our turn. The new Autofile website has been launched and we're very excited about it.

The decision to enhance our online offering coincided with the arrival of Darren Wiltshire when he joined 4 Media about a year ago. He quickly got to work adding tracking tools and heat maps to identify what areas of the site were of interest to readers.

"This allowed us to gather data about what our readers find most interesting, which parts of the site get the most use and, conversely, what they find the least interesting," says Wiltshire, director of the company.

"It also allowed us to get a good understanding of what devices and screen sizes our readers have been using when they visit.

"Using this information, we worked with a web designer to create new designs to make better use of the layout. We also followed the latest thinking in user experience and design to create a fully responsive site that will work across any device – be it a desktop, laptop, tablet or smartphone."

After trying to adjust the previous content management system (CMS) without the required success, the decision was made to have a CMS built specifically for Autofile's needs.

"In addition to allowing us to build a site that meets our readers' needs, it has given us the ability to build a new back-end CMS to make life easier for our writers," explains Wiltshire.

"The new designs accommodate the latest thinking in user



experience and design. They also provide an easy-to-navigate website that works seamlessly. "Navigation around the site has been revamped to make it easier for readers to get to parts we know from our analytics and feedback that they find the most valuable, such as news stories and the monthly magazine."

While visits made to www.autofile.co.nz from mobile devices is still relatively low compared to some sites, it's a trend that's increasing and one that isn't going to stop.

"One of the key requirements of our new online presence is that it must be fully responsive so anyone visiting our site on a computer or handheld device gets a great experience," adds Wiltshire. "This new website will

adjust its layout to fit almost any screen size."

While Autofile magazine has been serving the motor-vehicle industry for more than 30 years, the first website, which was largely static, was launched back in May 2009. This was upgraded in November 2013 – by 4 Media – to provide a more user-friendly resource for people to keep up to date with news that matters.

Now, after monitoring usage to see what readers respond to and taking advice from industry experts, we believe the new site will deliver a much better experience.

The process did take longer than anticipated.

After the design was signed off, a "beta" site was built. It went live in January to test the new designs in the real world and to ask readers for feedback.

A few months later, new analytics were reviewed in conjunction



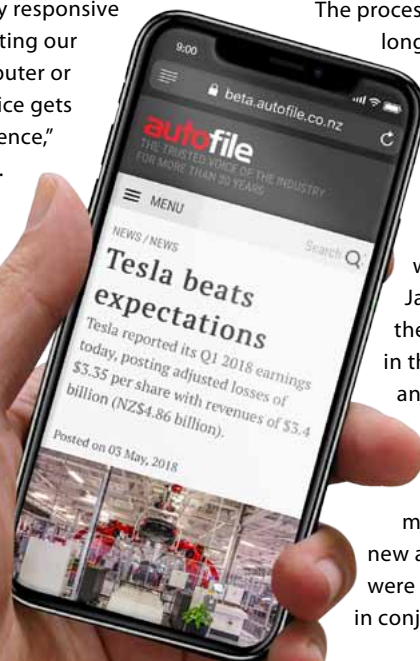
SURVEY WINNER
The winning entry in the Autofile magazine survey is Derek Vallance, of Blackwells. Thanks to Derek – a \$100 Prezzy card is on its way – and everyone else who sent in suggestions to help us shape the future of the magazine.

with feedback from users. This allowed the design to be tweaked resulting in the current site just launched.

"Having a custom-built CMS makes it easier to add extra sections as the industry is impacted by various challenges, such as the stink-bug issue, and more recently the airbags recall," says Wiltshire.

"This type of ongoing priority news will in future be easy to post, manage and – most importantly – be a much better user experience. We really hope our readers enjoy it."

Website analytics will continually be monitored and new functionality added as required. Your feedback is welcome – email editor@autofile.co.nz with views and questions. ☺





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Weighing up safety outcomes

The term “safety” has two generally recognised definitions. The first is the state of being safe – the condition of being protected from harm or other non-desirable outcomes.

The second definition is the control of recognised hazards to achieve an acceptable level of risk.

FOR OCCUPANT: BIGGER IS BETTER

The vehicle industry and its regulators tend to think of safety in terms of the first definition. Are road users being protected from harm? They prescribe that protection largely by requiring safety features in vehicles.

Unfortunately, this approach creates as many problems as it solves. By placing an occupant’s safety above all else, other considerations and external safety factors involved in vehicle use are diminished. Even worse, the way it is implemented obscures its effectiveness – or lack thereof.

Besides driver behaviour, the most important factor that determines the severity of a crash and chance of injury is the difference in mass between vehicles involved. As you would expect, this is in the heavier vehicle’s favour.

In ideal circumstances, safety features can mitigate this risk. While this might seem straightforward, this approach by itself not only neglects many other safety aspects, but has the unintended consequence of creating an arms race.

As the “safest” vehicles on

the road are also the heaviest, the easiest way to ensure each new model’s safety exceeds the previous year’s (model safety) has been to add mass.

This is exactly what we see in the catalogue of vehicles available in New Zealand – the average mass across available models increases every year. The flow-on effect of this is new releases of heavier vehicles onto the market degrades the relative safety of all the others already in the fleet.

FOR COMMUNITY: LESS IS MORE

We should instead explore using the second definition of safety. This approach would have us taking a more “macro”, systematic approach to safety, promoting the idea of lowering the risk of harm overall rather than to an individual.

Most vehicles produce emissions, which are measurable and cause harm to those who come into contact with them. In fact, the annual harm from transport emissions will cost New Zealand more than \$1 billion in healthcare alone.

Greenhouse gases are leading to severe weather events and climatic changes, which also have societal costs. The latest research estimates that cost at between \$50 and \$300 per ton of CO₂-e (CO₂ equivalent) with New Zealand’s current car fleet alone accounting for more than 8.5 million tons.

No matter whose research you



KIT WILKERSON
Policy adviser and analyst
kit@via.org.nz



believe, it’s still a large social cost, ranging from \$500m to \$2.5 billion.

By comparison, ACC reported the cost of covering all injuries on the road in 2015 was just under \$40m.

While perhaps not as obvious, all of these factors should be considered safety related as well.

Interestingly, vehicle mass is also the primary factor in predicting the harm in this version of safety, just inversely. The lower the mass of a vehicle, the less harm it will do in a collision and to the environment in general.

LOGICAL WAY MOVING AHEAD

We could consider efforts to reconcile the two approaches. Some attempts to quantify safety have included an “aggressivity” component. Vehicle aggressivity is a measure of the harm that would be done in a collision.

The problem with trying to reconcile these two views of safety is that doing so requires us to set aside the most important factor in both – mass. In most cases, ratings for each system will be inversely proportional.

One of the strongest arguments to adopt the second system is an exploration of the logical consequences of each.

In the first, vehicles will continue to increase in mass. The increasingly heavy vehicles will at best slowly increase in efficiency, as engines improve and more

intelligent automated driving features are introduced. Again, as the fleet’s average mass continues to rise, the safety of vehicles already in the fleet depreciates.

In the second system, consumers are encouraged to buy vehicles ever lower in mass. These lighter vehicles do less harm in accidents and are potentially much more efficient than the current fleet.

Automated driving features have the same potential for increasing safety and efficiency in lighter vehicles. Plus, as the fleet’s average mass would begin to decline, it would actually have the counter-intuitive effect of appreciating the safety of vehicles already in the fleet.

It’s all about what we encourage and penalise. At the moment, we’re sending mixed signals. We want people to drive safe vehicles, by the first definition, so we provide lower fees to register them. Yet, we also want people to drive more efficient vehicles, so we tax fuel. In one we are encouraging more massive vehicles, in the second we’re penalising that mass.

We have backed ourselves into a corner trying to justify the use of the first definition. This has forced us to rely on grouping the fleet into market segments to avoid discussions on the logic of promoting increasingly massive vehicles.

We can continue to compare “safety” within these groups, and creating false perceptions of security, but I’m not sure that carrying on trying to obscure the truth is the best solution. ☹



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Guns out for gas guzzlers

A government think-tank is proposing a “feebate” scheme on vehicles in a bid to cut greenhouse gas (GHG) emissions.

The suggestion features in the Productivity Commission’s draft report into transitioning to a low-emissions economy, which focuses on various sectors including transport.

The idea of the feebate is that purchasers of low emitters, such as electric vehicles (EVs), will receive rebates while high-emission cars incur fees.

The report states: “To encourage the uptake of low-emission vehicles, the government should introduce a price feebate scheme, lead on procurement and continue to support the development of the charging network [for EVs].”

The commission believes such a project would be more effective



The buyer of an electric car, such as the Renault Zoe, will pay less under a feebate scheme than for a Jeep Grand Cherokee Trackhawk

than direct subsidies in favour of low-polluting vehicles over gas guzzlers.

“Under a scheme, a vehicle would be assessed for its GHG-emissions potential,” it says. “The feebate could be a one-off transaction at the point of importing a vehicle, a component of annual registration or a combination of the two. The

difference between a vehicle’s emissions and an emissions benchmark would determine the size of the feebate.”

The report contends this approach provides a continuous incentive for purchasing lower-emitting vehicles, is technology neutral, can be designed to be revenue neutral and would replace road-user charge exemptions for light EVs.

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), says proposals for a scheme based on GHG emissions are already being worked on by the Ministry of Transport (MoT), Associate Transport Minister Julie Ann Genter, and the Energy Efficiency and Conservation Authority.

He says Genter has been driving the thinking on the issue, which will affect the industry’s demand and supply sides.

It could see maximum average fuel-consumption levels set for vehicles entering the fleet with set pricing sending signals about purchasing decisions with buyers of thirsty cars having to pay fees into the pot, while those with vehicles below that level receive rebates.

On the supply side, Vinsen says new-vehicle distributors have more control over stock. Toyota, for example, may aim to sell more Priuses to offset higher emitters such as the Hilux.

“However, for the used-vehicle industry there is more of a conundrum as to how we can

apply averages across 500-600 importers,” says Vinsen.

“A whole team at the MoT is working on the feebate idea. We don’t disagree with it, but question the need for supply-side regulation controls.

“It’s worth noting this is about reducing our carbon footprint through GHGs, and not noxious emissions covered by the vehicle exhaust emissions rule.”

The Motor Industry Association (MIA) has welcomed the draft report, which was released on April 27 and aims to see New Zealand become carbon neutral by 2050.

David Crawford, chief executive officer, says: “When it comes to transport, New Zealand is a technology taker.

“How we leverage the importation of low-carbon technological innovations is important, especially given the high volume of old imported vehicles that are on average one to two generations behind technologies in new vehicles.”

The MIA believes there’s scope to make better use of economic pricing signals to influence purchasing decisions, especially those that make it easy for consumers to identify the relative fuel efficiency of models.

“Discussion on incentives and disincentives in the draft report are welcomed as it stimulates debate on what policy measures are best,” adds Crawford.

Emissions from transport are about 18.4 per cent of New Zealand’s total emissions – behind energy at 22.5 per cent and agriculture with 47.9 per cent, according to 2015 figures.

Crawford says: “To avoid distortions in long-term resource allocation, it’s important a low-emissions economy includes all gases and sectors.

“It’s time to have a discussion on incorporating agriculture into our regulatory approach to reduce GHGs as it will remove a distortionary effect that places an unfair burden on other sectors.”

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From your customer's perspective

What do my customers think of the experience they had at my dealership? This is an extremely important question to know the answer to.

However, there are many car dealers out there who, not only don't know, are yet to understand and respect the importance of knowing this information that could help shape their futures.

Once you break it down and begin to understand what you could learn from knowing what your customers think, including their perceptions of your dealership, you begin to realise how little you may know and how important it is to consider.

In most instances, we assume a customer had an amazing experience, otherwise why would they have purchased from us, right?

This can be true, but more often than not there will be a combination of reasons as to why a person purchased from one dealership over another.

Across many studies of car buyers, the research shows they progressively narrow their search for a new vehicle down to about two or three options, which could be made up with a mixture of dealerships, and or private sales.

The chances are very high that the vehicles are all similar and, at this stage of the purchasing process, it's likely these dealerships are on a level playing field – simply by having the right car in the right affordability range for that buyer.

So what heavily influences someone beginning to choose

one dealership over another? The simple answer is the experiences they have.

As a dealership, you want to do everything possible to ensure a customer has an experience that will greatly influence his or her decision to buy from you.

This is why it's important to learn from your past customers and better still, compliment that with trying to understand why someone didn't buy from you. Achieving this will give you a very good source of information to work from and improve your businesses success.

Focusing on customers who have purchased from you will certainly be easier – you have their contact details – and likely lead to more constructive feedback.

The easiest, most efficient way to conduct this is with surveys facilitated by BuyerScore.



MARK GREENFIELD
Motorcentral

In this way, you can identify areas of amazing or poor performance to focus and work on, along with any missed opportunities, such as finance, insurance or trade-ins. You can efficiently learn

how good or bad each buyer's experience was.

You then need to ensure you quickly address any areas of concern brought up so you can avoid the same pitfalls with future customers. Improving in this area alone could provide those extra five or ten vehicle sales you've been chasing each month.

More than 60 per cent of buyers of products or services have their purchasing decisions influenced by customer reviews.

With that in mind, it makes sense for you and your team to do all you can to ensure your customers get the best

experience possible, therefore providing you with the best feedback possible.

You can then turn this around and share it with potential new customers – and all in an effort to influence their decision-making process. Leverage the positive reviews, which you've worked hard to earn.

Great experiences combined with remaining present in buyers' minds through active customer relationship management disciplines contribute significantly to increased conversions for, and referrals to, your business. This also increases the probability when the time is right of being their first choice for their next purchase in the years to come.

The risk of not taking your customers seriously in this regard means your business ends up solely relying on new clients you have to advertise heavily around to get in the door.

Dealerships invest heavily in acquiring new leads and engagement from prospective clients, and need to value the importance of understanding their perspectives to ensure they can get the maximum return on that investment, and maximise conversion through to a sale.

If you want to learn more about your customer's experience, at the same time as accumulating reviews and ratings, please contact the team at Motorcentral and ask about BuyerScore – New Zealand's leading and most successful automotive survey solution.



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Border law changes

Alterations to border legislation should make business easier for importers and exporters.

The new Customs and Excise Act, which will be implemented on October 1, will enable the government agency to manage rapid changes in trade, travel, security and technology.

The legislation includes a new valuation rulings service to help remove uncertainty for importers unsure of goods' values.

Companies can now store records offshore or in the cloud, which aligns with modern business practice and with Inland Revenue.

There's also a new administrative review service that's more efficient and will lower costs to industry.

Malcolm Yorston, VIA's technical manager, told Autofile: "The industry will have to do what it has to to meet the new requirements.

"Operating in the cloud is part of modern business practice and what these changes are doing is formalising many matters.

"Anything that reduces costs to the industry is to be welcomed, especially as compliance costs seem to be climbing."

Christine Stevenson, acting comptroller of Customs, says the new act "will provide greater clarity and transparency and reduce compliance costs, while providing a balance between individual rights and protection of New Zealand".

She adds: "It allows Customs officers to do the best job they can by giving them the ability to better identify and prioritise risks.

"It will mean more effective and streamlined processes for importers and exporters, and will foster stronger business growth by giving businesses more flexibility."

There was extensive consultation with many business and industry organisations ahead of development of the legislation.

Stevenson says: "Most of the changes that will occur from the act were identified by businesses as having the potential to lower their costs and make their lives easier." ☺

NEWS in brief

Marque sets targets for hydrogen-powered vehicles

The chief engineer of Toyota's Mirai has confirmed the company's commitment to fuel-cell electric vehicles (FCEVs).

"We have a strategy to go with hydrogen," says Yoshikazu Tanaka. "Toyota is also looking for cheaper ways to use it."

Researchers in Japan are looking to develop generators that use hydrogen as fuel instead of coal, natural gas and nuclear.

By 2020, the country expects to have 40,000 FCEVs on the road, 200,000 by 2025 and 800,000 by 2030. Its hydrogen-fuelling stations should number 160 in two years' time and 720 by 2030.

Steering wheel optional in future of connected cars

Jaguar predicts an on-demand vehicle-sharing future with its Future-Type concept, which is autonomous, all-electric, connected and designed to "meet mobility needs".

Central to the concept, pictured, is its artificial intelligence-powered and detachable steering wheel.

Working similar to a smartphone, people will only need to buy the steering wheel, not the entire vehicle.

By retaining the steering wheel, they can take the unit into their homes to hail cars when needed. The concept is also able to be driven manually when requested by the owner – assisted by semi-autonomous safety systems.



Modern office facilities lead way for company

Autosure's new headquarters overlooking Auckland Harbour were officially opened by Todd Hunter, chief executive officer of the Turners Automotive Group, and James Searle, general manager of DPL Insurance, on April 19.

The office suite at Warehouse Way, Northcote, means staff no longer have to work out of Takapuna, the city centre and other locations as they have done over the past year or so, says Hunter.

Searle adds: "We feel privileged to be in the new home of Autosure. We're looking forward to taking it further forward."

Visit www.autofile.co.nz for more on this story.

New Zealanders take top positions on global stage

Wayne Christie has been elected president of the FIA Rally Commission. The Christchurch resident has held several roles with the FIA, most recently as one of seven vice-presidents on the World Motor Sport Council.

Two other Kiwis are represented at the FIA's highest levels. Brian Gibbons, chief executive officer of the AA, holds the presidency of its senate, which oversees management and finances.

And Mike Noon, the AA's general manager of motoring affairs, is president of the Asia-Pacific region of the FIA's mobility programmes committee.

AA members Simon Douglas and Dougal Swift are vice-chairmen of the mobility policy and mobility services commissions respectively.

Sports and performance brand makes presence felt

New Zealand's first dedicated AMG Performance Centre has been opened by Mercedes-Benz Auckland in Newmarket.

A second outlet in Christchurch is under construction to represent the marque there. ☺



Advanced systems now standard

The twin-turbo 321kW Maserati Levante S now complements the turbo-diesel that has boosted the marque's sales in New Zealand.

The S heralds range-wide improvements to the model range in 2018, along with the launch of GranSport and GranLusso variants.

All Levante versions this year gain advanced safety features. These include electric power steering, highway, lane-keeping and active blind-spot assist and traffic-sign recognition. Features, such as the 360-degree camera previously

optional, are now standard.

The new model year also sees the launch of the GranSport and GranLusso variants, which provide finely honed equipment, trim and specification packages directed as sporting prowess and refinement.

The GranLusso's luxury includes silk-upholstery interior, which is accessed through soft-closed doors that gently and silently pull themselves shut when required.

The Levante can come with seven different sets of alloys, five of which are new. There are five interior trim choices, two different

steering wheels and four different colours for the brake calipers among personalisation choices.

The Ferrari-built twin-turbo V6 boasts 321kW of power at 5,750rpm and 580Nm of torque in sport mode from 1,750-5,000rpm.

It makes the 100kph dash in 5.2 seconds and has a top speed of 264kph. Fuel consumption is 10.9l/100km on the NEDC test cycle, while CO₂ emissions come in at 253g/km.

The engine boasts low-inertia parallel twin-turbos, double-continuous cam phasers for each

cylinder head and high-pressure fuel injection of 200 bar, while the four-wheel-drive system, chassis and suspension enable the driver to exploit performance across various road – and off-road – conditions.

The Levante's design combines coupé lines with interior space for five people while achieving best-in-class aerodynamic efficiency with a drag co-efficient of 0.31.

Recommended retail prices start at \$136,990 for the turbo-diesel, and rise to \$169,990 for the S and \$174,990 for the S GranLusso. ☺

Streaming smart

Kia has taken the wraps of its all-new Cerato for 2019 with features that transform one of the marque's best-selling vehicles into something more than a compact car.

The second-generation two-litre Nu four-cylinder engine can be matched with Kia's first intelligent variable transmission (IVT) as the debut "highly efficient smart stream" powertrain to make its way into its future line-up.

The IVT has an adaptive style "shift logic" with a chain-type belt instead of push belt – a first in the compact class. This results in smooth and linear acceleration, and a more enjoyable and sportier drive.

The Cerato comes with a standard eight-inch colour

touchscreen with Android Auto and Apple CarPlay integrated on the dash and within the driver's line of sight. With select smartphones, the system can read out SMS texts through Bluetooth.

Eliminating the need for a charging cord is a wireless charging tray on the centre stack for compatible Android devices, as well as Apple's iPhone 8 and X.

Safety systems include blind-spot collision warning, lane-keeping and forward collision-avoidance assist, and smart cruise control. The latter maintains a pre-set distance between the Cerato and vehicle in front, and can slow the car in certain circumstances.

Full specifications for Kiwi models will be available closer to launch. ☺



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Sparking passion for business

Being part of a “relentlessly fascinating” industry has kept Alistair Davis with the country’s best-selling marque for more than 38 years.

“It’s an interesting industry, one of the biggest on Earth,” says Toyota New Zealand’s managing director and chief executive officer. “Cars are cool and a way for people to get the most out of life.

“The know-how to build cars is world-leading and many manufacturers in many industries have copied the way Toyota builds its cars.

“And the way most companies are now organised was initially designed by the motor-vehicle industry, and that’s relentlessly fascinating for business geeks like me.

“It helps if you’re passionate about the industry and most people in it are passionate about cars. I’m passionate about business. I want to know the best way to organise and motivate our people, and meet consumer needs.”

Because the automotive industry is so big, “you can have an impact on society, work with the government and contribute to help shape New Zealand. If you want to make a difference, it’s good to be in a business that has an impact”.

Educated at Wellington College and Victoria University, Davis first had holiday jobs in banking and pumped petrol in Wanaka. Five years of summer holidays counting traveller’s cheques at the Bank of New Zealand convinced him banking wasn’t for him.

In 1979, after graduating from university with a law degree and a bachelor’s in commerce majoring in business administration, Davis started with Consolidated Motor Distributors Ltd. It became Toyota NZ about 12 months later.

Following government deregulation of the automotive industry in the 1980s, the company was bought by Japan’s Toyota Motor Corporation. Most dealerships were sold to independent, locally owned businesses. By 2000, Davis had



Alistair Davis became Toyota NZ’s chief executive officer in 2008

experienced most executive roles at Toyota NZ.

“Toyota NZ wanted me to see other ways of doing business and gave me a choice – Europe or Los Angeles,” he recalls. “My wife chose LA because she had family there. In LA, I had a roving executive brief, which was probably the most significant experience of my career.”

He worked there from 2001-03

“Scion was a successful brand for 15 years for Toyota and brought young people into the fold”



and became good friends with Jim Lentz, now chief executive officer of Toyota Motor North America. They were part of a team tasked with launching a new car brand – Scion.

“There were no rules, just innovative strategies we trialled on Scion. It was a successful brand for 15 years for Toyota and brought young people into the fold.”

Scion was absorbed back into the parent brand at the end of 2016.

After Davis returned to New Zealand, he was made the marque’s executive director and chief operating officer. In 2008, he became chief executive officer.

He believes Kiwis love Toyota because it’s “authentic – it’s all based on making a good product. We bring product into New Zealand that we believe is right for customers”.

There’s a strong focus on caring for clients. “We have a call centre manned by people – not a machine – who answer the phone. We do extensive training of technicians,

service advisers and sales people. We supply parts quickly.

“We get involved in sponsorships that make a difference – such as the Parenting Place, Toyota Kiwi Guardians with the Department of Conservation, and the America’s Cup campaign.

“We’ve built a strong reputation for consistency. What you see is what you get. We try to do the right thing by customers and you have to keep doing it. You have to be persistent to keep a good reputation.”

As for Toyota NZ’s Drive Happy project, Davis says it had its genesis more than two decades ago.

“New Zealand was originally a closed, protected market and most cars were made here. In the 1980s, the industry was liberalised, used imports came in and we operated in an open market.

“When that happened, we recognised driving success would be about the consumer. Building a customer centre in Palmerston North was a major investment.”

Davis says customers’ needs are evolving and the marque needs to think about what it will do for them.

“In 2008, we started talking about the internet age and how to make dealerships sustainable because dealers’ land is at a premium.

“From 2008-14, we batted ideas back and forth with dealers and, in mid-2014, we settled on a strategy we now call the Drive Happy project.

“We decided people didn’t like to haggle over prices – they want them upfront. It reflects what Honda has done and Scion did the same. As a result, customers were happier.

“Our dealers have had to change their computer systems to link with each other and the distributor. It took years to build the trust and confidence for dealers to do that. Stock has been moved to regional pools, which makes space for customer parking.”

As well as changes in the consumer field, issues facing the industry include climate change, lowering the country’s road toll, and continued growth in



1975

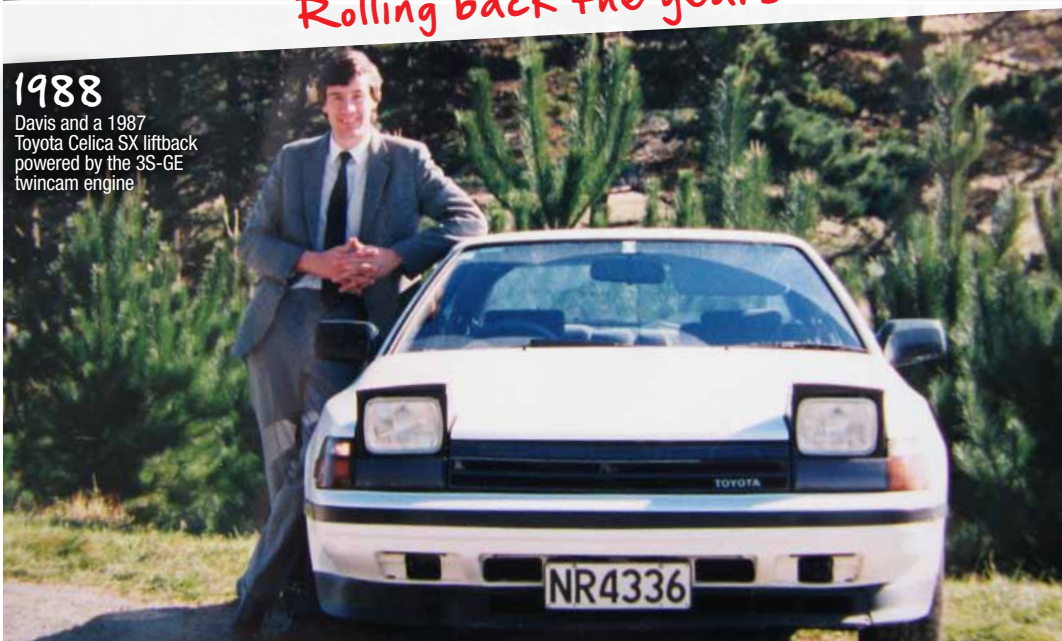
Alistair Davis with his first car
— a 1968 VW Beetle

1978

Looking dapper about a year
before joining Toyota NZ

Rolling back the years

1988

Davis and a 1987
Toyota Celica SX liftback
powered by the 3S-GE
twin-cam engine

◀ technology and internet sales.

"Climate change means we have to lower our carbon footprint and major cities worldwide are moving to ban diesel cars," Davis told Autofile.

"But how do you get people to move away from big SUVs and trucks? There are many customers who need a larger or work-related vehicle, but there are also a lot of people with cars bigger than they need. I think the government will encourage people to buy smaller vehicles to address the climate-change challenge.

"Electric vehicles [EVs] are popular at the moment. I think the future will be a mix of hybrids and EVs. There will be a lot of change in that area."

Davis notes the national road toll has increased over the past two years due to a range of causes, such as road design, old vehicles and driver education.

"Car technology is getting better at keeping people safe. Most companies are incorporating technologies that move us towards autonomous vehicles, but that's a while away for New Zealand.

"Our roads aren't easy for that technology and we're a technology taker. Autonomous cars will have a big impact on insurance, health costs, road and building design, and will keep older people mobile for longer. They will have a big impact on how we structure society."

The popularity of car sharing, predicts Davis, will continue to grow.

"Uber was the start. Other business models will emerge and that will be big. The next generation will see they don't need a vehicle and will car share. The number of young people getting a driver's licence is already dropping.

"There are too many vehicles on roads at peak times, but 95 per cent of the time cars are parked."

Then there are increasing online sales, which will undermine the traditional dealer model, says Davis. When car parts can be printed with a 3D printer, there will be no need for shipping or storage, which will further free up space.

All that said, he doesn't see the quick demise of the internal combustion engine. "There's so much drag in the system. There are three million cars on Kiwi roads and it will take a long time to get them off.

"The combustion engine will be around after 2040, but by then most cars will have some electrical component. The combustion engine will diminish, but it will take a long time.

"Hydrogen might take off in some areas, such as forklifts in big warehouses and trucks and buses on fixed routes, but where do you put fuelling stations? It will be expensive to roll it out." ☺

From near-fatal crash to first car

Alistair Davis was almost killed aged 17 while riding the motorbike his parents bought him during his last year of high school. A car overtaking another one hit him head-on.

"The driver didn't see me. I went over the roof, but can't remember anything about the crash. I suffered a broken leg, my ankle was crushed and my helmet was split in half like an egg shell, although I didn't have a head injury."

Davis spent one month in hospital, three months on crutches, and missed the last term of school and the opportunity to get a university scholarship. He hasn't been on a motorcycle since.

The first and only car Davis has ever owned was a dark green, 1,500cc 1968 VW Beetle. "I bought it for \$1,750 and sold it eight years later for \$2,850. Since then, I've been blessed with driving company cars."

He does, however, have a soft spot for the 4AGE Corolla GT liftback. "It was unique because we built it for New Zealand. We sold about 100. It was a fun car, rode nicely and had cool leather seats.

"In 1990, my wife and I drove the first-generation egg-shaped Previa. We had four kids at home. It was such a unique vehicle people stopped us at the supermarket to talk about it, so we carried brochures about it and handed them out."

His current drive is a red Lexus NX hybrid. "It's the most comfortable and practical car I've ever had. I like strong, bright car colours and light-coloured interiors, which have a British elegance."

Davis, his wife Claire and their four children moved to Palmerston North 21 years ago when Toyota NZ's head office moved there from the capital.

They live on a lifestyle block, run a small amount of stock and have planted about 15,000 native trees.

"That keeps me busy. It was bare farmland when we bought it. Now we have bush to walk through. I also play some golf and I'm active in my local church."

The month that was.... May

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May 4, 2007

If it's not broke, don't fix it

The automotive industry had an "if it ain't broke, don't repair it" response to an analysis by the Ministry of Agriculture and Forestry – it proposed mandatory chemical or heat treatment for used imported vehicles.

The study focused on the risks posed by importing vehicles and machinery into New Zealand. It found about half of all used imports had contamination that couldn't be seen with the current visual inspection regime.

Mandatory treatment and cleaning of vehicles was proposed with preferred solutions being 60-degrees celsius core temperature heat treatment or fumigation with methyl bromide solution.

A submission by the Independent Motor Vehicle Dealers' Association (IMVDA) supported a fine-tuning of the current system of inspect, then treat if necessary and re-inspect.

"It would be logistically impracticable to either chemically or heat-treat every vehicle," said the IMVDA. "Physical and environmental constraints at load and discharge ports would mitigate against such compulsory treatment."

The association added: "Methyl bromide is a pervasive chemical and – in many cases – impossible to eliminate or mask, rendering vehicles unsaleable. The IMVDA strongly believes biosecurity risks should be managed offshore whenever practicable."



May 16, 2008

Different views on Singaporean market

A representative from a Singaporean freight-forwarding company said the market for vehicles exported to New Zealand was in decline, but industry players here disagreed saying it was resilient.

James Boyce, of Autolink Vehicles Forwarding, said a change to Singaporean tax rates and an exponentially increasing local second-hand market had resulted in a reduction of available stock prepared for export, along with a reluctance from Kiwi dealers to buy vehicles from the Asian country.

But John Davies, managing director of Autohub NZ, disagreed. He said demand for Singaporean exports would increase in the future because they had begun to bring in "grey imports" – non-franchised name-brand vehicles of up to three years of age that were New Zealand compliant.

"We will begin to see these vehicles up for sale and heading out of Singapore within a couple of years," he said.

David Vinsen, of the Independent Motor Vehicles Dealers' Association, added: "There are many New Zealanders doing business with Singapore these days with many people up there familiar with our market."



May 5, 2006

Cash for efficient vehicles?

A push to incentivise fuel-efficient cars and penalise gas guzzlers seemed to be gaining political traction in Wellington.

More than six-out-of-10 New Zealanders backed a policy to provide government cash grants to people buying fuel-efficient and low-emission vehicles.

The policy was put forward by the NZ Business Council for Sustainable Development following a report by UMR Research.

Petrol prices were at all-time highs, and the policy was designed to allow some car buyers to cut their fuel bills by up to half.

If the scheme was accepted by the government, it would pay purchasers of new vehicles at registration a grant of \$3,000, or \$1,000 for used imports, if they had a fuel-economy rate of 6.5l/100km or better.

There would be a smaller grant of \$1,500 – \$500 for used imports – for those achieving 6.6-8.5l/100km.



May 31, 1999

Major law changes to new-car sales

Legislation with the potential to have a massive impact on the automotive industry was introduced to parliament.

An amendment to the Motor Vehicle Dealers Act was expected to have wide-ranging ramifications that would open the new-vehicle market in a way not seen here before.

It would, for instance, allow distributors to sell via the internet, allow Amway to sell vehicles direct via its network of distributors, and parallel importers to bring in and sell new stock almost without restriction.

The amendment was a coup for the Motor Industry Association and Daewoo – both had been working hard to have the amendment in place. Daewoo's use of direct marketing to sell its vehicles was ruled to have breached the act.

However, it was a kick in the guts for the Motor Vehicle Dealers' Institute. It described the amendment as a "kneejerk reaction to a situation that has been ill-thought out by the government" and it failed to liberalise selling methods for second-hand car traders.



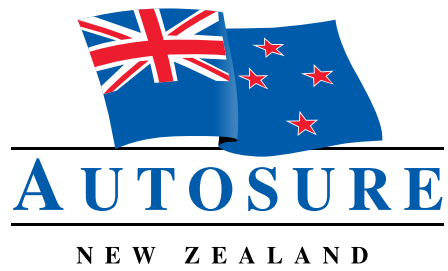
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Industry movers

NZ labour market report

TORBEN FREER has joined Giltrap Skoda as general manager of the Newmarket dealership in Auckland.

For the past two years, he has been head of sales at Audi NZ driving growth in market share.

The marque became number two in the premium market in 2017 and was number one by the end of February 2018 before he left.

Torben's automotive early career started at Toyota before moving across multiple brands, including Ford, Mazda and Jaguar Land Rover.

A move to Telco and IT saw him lead national sales teams for Spark before returning to the motor-vehicle industry with Audi.



ANDREW COLLETT has settled into the role of dealer principal with Davie Motors Holden in Manukau.

He started as a used-car salesman in 1990 before joining John Andrew Ford and Mazda as a fleet account manager in 1998.

During his eight years with the group, he progressed onto fleet sales manager and saw the formation of Auckland Auto Collection.

In 2007, Collett embarked on his first dealer-principal role with Central Motor Group in Taupo, continuing his relationship with Ford and Mazda for another six years.

Moving back to Auckland in 2014, he was national sales manager for Isuzu Utes NZ before joining Davie Motors Holden.



JOSHUA INDER has been appointed by Provident Insurance as sales executive for Otago and Southland.

His grandfather started a business called Inderland Services in Waikaka selling cars. It became Inders Marineland when his father took it on in 1986. It's now in Gore and includes boats. Inder was sales manager there before joining Provident.

After leaving school, Inder was an apprentice mechanic for Regional Ford, and went on to sell Holdens and Toyotas for the GWD Motor Group in Gore.



MICHAEL STIASSNY has been appointed chairman of the NZTA's board on a three-year term.

He has leadership and financial knowledge having been involved in governance and corporate positions for three decades, says Phil Twyford, Minister of Transport.

"This government has an agenda to rebalance the transport system towards better safety and value for money, along with more investment in regional and local roads and rail," says Twyford.

"I would like to thank Dame Fran Wilde, acting chair over three months, and acknowledge the contribution of Chris Moller, who stood down in January."



ROBERT McENIRY, the new chairman of Automotive Holdings Group (AHG) has stepped down due to ill-health.

Chief executive John McConnell says McEniry will be missed. "His knowledge of the industry has been of great value to AHG during a challenging time."

NEW ZEALAND'S EMPLOYMENT market remained strong in the first quarter of 2018 but this may not last long, according to an analysis of more than 66,000 vacancies listed on Trade Me Jobs.

While the employment market appears healthy, there are signs this could change in the absence of government investment decisions.

"After some impressive double-digit growth in 2017, the number of listings appears to be slowing and only grew by 0.4 per cent on last year," says Jeremy Wade, head of Trade Me Jobs.

The average wage is also relatively stagnant on the year prior – up just 0.6 per cent.

"As has been the case for the past two years, national wage growth remains stubbornly low," he says. "Employees will be pleased to know that with the recent minimum wage increase, we're expecting some good growth in the second quarter."

Despite evidence the market is cooling, it's still an applicant's market after the average number of applications per listing dropped by 13.3 per cent on last year.

"While there's still competition for roles, qualified candidates have a better chance of obtaining a job than in recent memory and employers are going to have to work hard to secure the right candidate," says Wade.

"This isn't 'doom and gloom,' but 'watch this space.' Listings have cooled, particularly in our biggest centres, but in most sectors there's still hot competition for top talent.

"It's tough for employers, but we could see the market swing back in their favour should there be continued uncertainty in the infrastructure sectors."

Employers in Wellington are bucking the trend and appear to be offering more to lure candidates away from current roles. They broke through the \$70,000 ceiling for the first time, but the city is still the second highest-earning area.

"However, if this rate of growth continues, it could soon overtake Auckland again where wage growth was up just one per cent to \$72,509,"

says Wade, who adds expansion in the capital is likely if demand – as expected – picks up in the government sector.

The average number of applications in Wellington fell by 23.6 per cent on last year, while the average wage climbed by four per cent to \$70,307.

Listings in the capital actually dropped by 5.2 per cent on last year, but it looks like employers are putting more on the table because finding talent is increasingly tough.

Taranaki, Southland and the Bay of Plenty had "amazing" growth in the first quarter of the year with the number of listings increasing by 17.2, 14.1 and 12.4 per cent respectively on last year.

Wade told Autofile vacancies in the motor-vehicle sector continued to outpace the market – up by eight per cent on the prior year. Demand for diesel mechanics climbed by 34 per cent with automotive technicians up by 10.2 per cent.

Construction and roading vacancies fell by 3.5 per cent year on year due to concerns in the industry.

"Recruiters and employers have told us uncertainty around future government infrastructure projects is causing many employers to think hard about their next hire," he explains.

The manufacturing and operations sector was strong in the first quarter with listings up by 17.2 per cent, along with transport and logistics, which climbed by 11.5 per cent.

It's a good time for people in banking, finance, government, marketing, media or communications to be looking at their next move.

For example, the average wage in banking and finance grew by 11.6 per cent on last year with applications down by 12.6 per cent.

The sectors with the largest decrease in new listings included executive and general management, IT and sales.

That said, IT dominated the highest-paid roles on Trade Me Jobs, taking out the top five spots. ☺

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

Specialist training delivers dividends

The automotive industry is highly competitive, making sales targets often challenging and sometimes impossible to achieve every month.

While there are effective sales and marketing initiatives to achieve targets, they don't always support long-term strategies.

Without long-term strategies, dealers may face added pressures and challenges ranging from unattainable sales targets to decreasing employee satisfaction, performance and retention.

Niche industry provider, Protecta Insurance, has worked with a range of dealers for more than 30 years, and has seen clients with similar strengths and weaknesses. While some weaknesses are indicative of the industry, there are many that aren't and could be prevented through long-term strategies.

In response to industry

challenges, Protecta realised clients needed more from their insurance provider so the company shifted its focus from selling products to selling service and expertise. This was achieved by taking a proactive approach to helping clients achieve targets.

Protecta Insurance's general manager, Tony Headland, says: "Selling competitively priced products has never been a challenge for us and possibly not for other insurance providers.

"We know the industry well and have been working in it for a long time. We wanted to be able to show greater value to our clients, so we were the first to diversify our business to include specialist training in finance and insurance [F&I]."



TONY HEADLAND
General manager
Protecta Insurance

Protecta's F&I training is facilitated by Erin Mills. She is a qualified trainer, who also has extensive experience working in the business manager's seat for some of Australasia's largest dealers.

Her understanding of what makes a great business manager and having a great sales team is paying dividends for Protecta dealers.

Mills says: "Clients are growing more aware of our F&I training, and we're finding an increasing demand from dealers to consult with them on their sales capability and how we can assist."

Protecta's intensive workshops benefit clients by increasing product, finance, compliance and sales knowledge, while building individual and team confidence in a

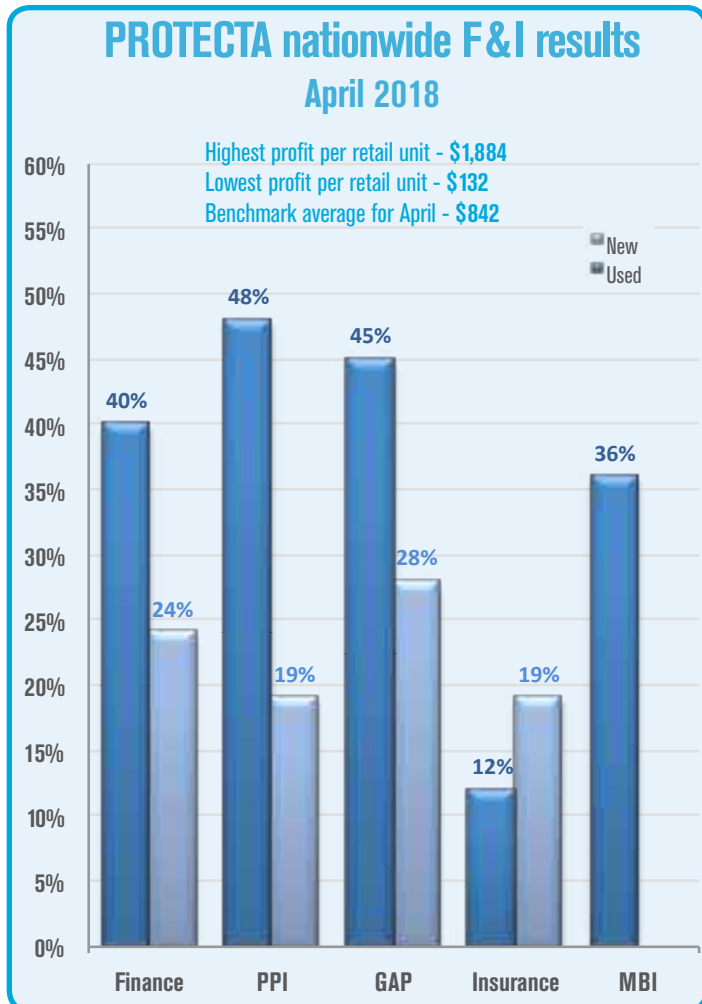
practical and interactive way.

"Critical attributes of business managers are high degrees of motivation, and the ability to build and maintain productive relationships with their teams," adds Mills.

"Sales teams and business managers need to be working in unison to optimise every sales opportunity. These are the kinds of areas our workshops also cover."

Headland says: "We've also increased our sales team in number and skills, and provide a comprehensive training and account management package with Ray Meharg and Dass Pillay looking after national accounts, and seven regional sales consultants looking after dealers across the country.

"I recommend dealers who think they may be able to strengthen their workforce through specialist F&I training to get in touch to see how we can assist." ☺



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- 5 - 7 MAY**
European Rally Championship - Rally de Catalunya, Spain
- 6 MAY**
MotoGP - Jerez de la Frontera, Spain
NASCAR Cup Series - Dover Speedway, Delaware, USA
DTM - Hockenheimring, Germany
- 10 - 12 MAY**
World Touring Car Cup - Nurburgring Nordschleife, Germany
- 12 MAY**
NASCAR Cup Series - Kansas, USA
- 12 - 13 MAY**
F2 Championship - Barcelona, Spain
Superbikes - Imola, Italy
World Rallycross Championship - Belgium
GP3 Series - Catalunya, Spain
24 Hours of Nurburgring - Nurburgring
- 13 MAY**
F1 - Circuit de Catalunya, Barcelona, Spain
- 14 - 20 MAY**
Mille Miglia Tour - Brescia, Italy
- 15 - 16 MAY**
F1 Official test - Barcelona, Spain
- 17 - 20 MAY**
WRC - Rally de Portugal, Porto
- 18 - 20 MAY**
Australian Supercars - Winton
- 19 MAY**
Formula E Championship - Berlin, Germany
DTM - Lausitzring, Germany
NASCAR Cup Series - Charlotte, USA
- 19 - 21 MAY**
WTCC - Zandvoort, Netherlands
- 20 MAY**
MotoGP - Le Mans, France
DTM - Lausitzring, Germany
- 25 - 26 MAY**
Formula 2 Championship - Monaco
- 25 - 27 MAY**
Superbikes - Donington Park, UK
World Rallycross Championship - Silverstone, UK
- 26 MAY - 10 JUN**
Isle of Man TT - Douglas, Isle of Man
- 27 MAY**
F1 - Grand Prix Automobile de Monaco
NASCAR Cup Series - Charlotte Motor Speedway, USA

Mustang leads Ford's return

Ford is back in Australian motor racing to the excitement of fans – and it's with the blue oval's flagship Mustang sports coupe.

Starting from March 2019, all five Ford teams in the Virgin Australia Supercar Championship will switch to the 2018 and current version of the Mustang, retaining a V8 engine.

Under "car of the future" rules, Ford can use the Mustang because it has four seats even though it's a two-door, so the bodywork only has to drape appropriately over the full spaceframe chassis of the race car.

Ford pulled out of the championship in 2014 when plans to axe the Falcon were confirmed on the back of plummeting sales. The return might have been driven by the involvement of the Penske organisation, which has massive dealership holdings in the US and is behind the DJR race team.



The Mustang will see factory-backed Fords return to the Australian Supercar Championship

Dick Johnson was the last to run factory-backed Mustang race cars in Australasia. He used them to bridge the gap between the end of the previous XF Falcon and the arrival of turbo-charged Sierra coupes in the late-1980s. The Mustangs raced here in 1985/86 and one was sold to Wellington racer Robbie Ker.

The news potentially puts Kiwis Scott McLaughlin and Fabian Coulthard into Mustang drives as they currently race for DJR,

likewise Richie Stanaway, who races for Tickford.

It will possibly dismay Holden fans, who face a transition to the Opel-based Commodore, little prospect of GM Holden bringing the Camaro to race in the championship and an eventual switch to turbo V6 power.

The V6 engine development programme has been put on hold pending clearer direction from championship organisers. ☺

Tauranga driver living WRC dream

From deep snow to the "rally of 1,000 corners", Tauranga's David Holder is living the dream in Europe as he chases World Rally Championship (WRC) glory.

Holder is contesting the FIA Junior WRC, which follows the "arrive and drive" formula established by the WRC Academy in 2011 with competitors driving front-wheel-drive (FWD) Ford Fiesta R2 EcoBoost rally cars built and maintained by M-Sport Poland.

"Right from the outset, I've made no secret about rallying being more than a hobby for me," he says.

Autofile interviewed Holder



Holder competing at Tour de Corse in April

about his plans during the 2017 New Zealand national rally championship as he prepared for a trip to Europe to scope out a 2018 drive.

"We had thought about entering the Asia-Pacific Rally Championship, but our 2017 fact-finding trip to the Spanish WRC event and other parts of Europe confirmed this is where I

need to be to continue developing as a driver.

"FWD is a different challenge from the car I used in the NZRC. You have to maximise corner speed all the time to be fast, so the experience will make me a better driver in the long term."

The five-round championship takes in some of the WRC's key European events. The series' mid-point is Portugal this month, followed by Rally Finland in July and Turkey's unknown roads in September. Competitors count points from the best four of the five rounds. ☺



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Steering course for sport

Morrie Chandler ONZM has had an influence on New Zealand motorsport the likes of which few others can genuinely claim.

At a national and global level, he has been a powerful influence for good and an unflinching ambassador for New Zealand.

Acknowledged at international level, in New Zealand's honours list and now at the Halberg Awards, Chandler is a sports administrator and businessman par excellence.

A dedicated rally driver through rallying's formative years, he had his first taste of international competition 34 years ago in a standard road-going Skoda in 1972.

He contested the 3,200km Heatway Rally, which was won by Briton Andrew Cowan in a Mini Clubman GT.

More recently, he rallied Mitsubishi Lancers in group B and group A trim.

As he looks back on a 40-year career of competition and administration, it is the latter that stands out.

"I realised that if we wanted to have an influence and impact on what was being decided, then we had to be more directly involved," he says. "As I got more and more involved in the world of administration of the sport, the actual participation had to give way."

Chandler is remembered by many for his absolute dedication to the Rally of New Zealand. It's fair to say his influence helped maintain the event's international status for more than a decade as the



"As I got more involved in administration of the sport, actual participation had to give way" – Morrie Chandler

championship expanded and other, better-resourced nations began a bidding war to host rounds.

Appointed one of the two delegates representing this country on the FIA World Motorsport Council in 1984, Chandler's blend of diplomatic tact and vision was well regarded.

Later, he joined the FIA World Rally Commission in 1992 and was responsible for nations in the Asia-Pacific region. In the same year, he was appointed to the panel of FIA Stewards. He has represented both the FIA and New Zealand on an average of two World Championship Rallies annually.

All through its international years, the rally was powered by a dedicated group of volunteers who came together every year

supporting Chandler, Chris Grant, Grant Morrison, Willard Martin and others who guided the event through those times.

Today, the Rally of New Zealand is a national, not international, event despite the best efforts of Hayden Paddon and others to secure it a place on the World Rally Championship calendar.

The sheer distance separating this country from Europe has once more worked against the passion and dedication of local rally enthusiasts.

Chandler says the quality of our roads is acclaimed by drivers and navigators alike, but that's not enough. "Our biggest challenge is that it's a long trip to come here to compete."

Event and circuit safety standards,

and the evolution of cost-effective personal protection gear, are some of the areas he believes have made a real difference to motorsport over the past few decades.

Recruiting new participants to the sport, Chandler says, is one of the biggest challenges the sport faces.

"There's so much else young people can do these days, it's really hard to draw them into something like motorsport, even harder to get them involved in organising roles."

Chandler says the sport is on the upswing, pointing to the premier-level success this year of Brendon Hartley, now racing for Scuderia Toro Rosso and celebrating his first Formula One point last month.

These days the demands on his time are far fewer. Due to his age, Chandler was required to step down from his vice-presidencies with the FIA at the end of 2017, ending a massive contribution to motorsport internationally.

His roles and involvement with the FIA have brought huge benefits to developing the sport in this country.

"The governing body has a provision in its articles that once you get to be an old bugger like me, you step aside and let the fresh blood through. I'm still available to answer questions and give advice. I must say I still enjoy that side of things."

President of MotorSport NZ and chairman of Rally New Zealand Ltd, Chandler was presented with a lifetime achievement award at the 55th Halberg Awards ceremony earlier this year. ☺



Chandler competing on the 1993 Daybreaker Rally



Morrie Chandler, left, with co-driver Don Campbell and the Mitsubishi Lancer GSR used in the late 70's
Photo: Bruce Payne



Overseas buyer fails to give dealer opportunity to repair faulty vehicle

Background

Giorgia Bettili purchased a high-mileage 1997 Kia Sportage for \$2,700 off Main Street Motors Ltd in Blenheim in April 2017.

Two months later, when in Christchurch, she discovered it wouldn't start. A diagnosis by a local mechanic was inconclusive and she was advised the vehicle was uneconomic to repair.

The buyer then returned home to Italy and sought a refund of the purchase price from the dealer, who didn't accept Bettili was entitled to one but was willing to repair the vehicle.

The case

The tribunal first considered if the car failed to comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA).

When Bettili took the vehicle for a pre-purchase test-drive, a check engine light was illuminated on the dashboard.

Main Street Motors' mechanic investigated the matter and found the car had a faulty oxygen sensor. The trader offered to remedy the situation at its cost and ordered the part, but advised it would take 10 days to arrive.

However, Bettili was about to start work in Alexandra followed by Christchurch and said she couldn't wait so long for the repairs to be done.

The vehicle could still be driven, and both parties agreed the buyer would take the car with the faulty sensor and return it to

Blenheim for repairs when her employment ended.

About two months later, as Bettili was about to drive there from Christchurch to get the sensor replaced, the car wouldn't start.

She called Mobile Mechanical Services, which towed the vehicle to its workshop and found there was no ignition on any cylinder.

A mechanic assessed the car and spent more than 14 hours on the job before concluding something was wrong with the engine control unit (ECU).

Mobile Mechanical Services was unable to fix the problem, but left Bettili with a bill for \$800. It estimated it would cost between \$6,000 and \$10,000 to repair the car, and that it was uneconomical to do so.

Bettili was told by Mobile Mechanical Services "to sort your vehicle means removing the total loom, front to back, side to side. You would have to purchase a new loom, which will be different, and changes would have to be made as it's being installed".

The trader disagreed with the repair estimate and said the problem could be fixed by recoding the Kia's ECU, which would cost about \$300. It added it hadn't been given the opportunity to assess the vehicle because it remained in Christchurch.

The tribunal's assessor said there was every chance the vehicle could be repaired at a reasonable price and evidence

suggested an ECU output transistor was at fault.

The tribunal went on to consider if the buyer had asked Main Street Motors to repair the car.

It stated when a defect could be remedied and wasn't substantial, a purchaser must follow the requirement in section 18 of the CGA to allow the dealer an opportunity to fix the failure within a reasonable timeframe.

When Bettili was unable to get the Kia to start while in Christchurch, she didn't comply with the act's requirement to allow Main Street Motors the opportunity to fix it.

Instead, she contacted Mobile Mechanical Services and authorised it to assess the car at a considerable cost to herself and didn't advise Main Street Motors until afterwards.

Main Street Motors wasn't given an opportunity to remedy the failure. In order to get a remedy under the CGA, the tribunal said, Bettili had to allow the trader an opportunity to fix the vehicle.

The finding

The tribunal ruled the Kia wasn't as durable as a reasonable consumer would find acceptable and it failed to comply with the CGA's guarantee of acceptable quality.

Even though it was a high-mileage vehicle that cost \$2,700, Bettili only had use of it for two months and had driven it for about 3,500km before it broke down.

The case: The buyer's high-mileage, 20-year-old Kia Sportage broke down two months following supply and she then wanted a refund of the purchase price. However, she left the vehicle in a field next to a mechanic's workshop and returned to Italy with its keys. The trader said it hadn't been given an opportunity to repair the car.

The decision: The tribunal was unable to make any orders and stressed it was up to the purchaser to resolve the matter.

At: The Motor Vehicle Disputes Tribunal, Blenheim.

The tribunal said it was important to note Main Street Motors didn't actively dispute that conclusion. Instead, the dealer was concerned it hadn't been given an opportunity to assess the car and remedy any failures.

The authority concluded the trader needed to be given a chance to assess the vehicle and try to fix the problem.

However, the buyer had left the Kia in Christchurch in a field next to Mobile Mechanical Services' premises.

No-one at the hearing was sure if the Kia was where it had been left. To complicate the situation, Bettili had taken its keys to Italy.

The tribunal said Bettili's best option would be to contact Mobile Mechanical Services to locate the car and courier the keys back to New Zealand. It could then liaise with Main Street Motors about transporting the Kia to Blenheim for repairs.

Order

The tribunal, which was unable to make any orders, advised the buyer she had to resolve the matter herself. ☹

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Trader fails to inform purchaser sports car was imported into country as damaged

Background

Duncan Erasmus purchased a 2006 Mazda MX-5 from McCall Autos Ltd for \$12,500 on July 24, 2015.

Two years later, he tried to sell it. He received a firm offer of \$12,300, but the prospective buyer withdrew her offer when she discovered it was imported as damaged.

Erasmus was unaware the car had been flagged. He researched its history and also found its odometer had been tampered with before he purchased the car.

He wanted to recover the MX-5's purchase price and other losses suffered as a result of being misled.

The trader didn't deny the vehicle had been imported as damaged or the odometer had been tampered with.

The dealer said it thought the damaged-import flag had been removed following repairs. It added it didn't know the car's odometer had been tampered with.

McCall Autos was prepared to refund the purchase price, but didn't consider Erasmus was entitled to other losses.

The case

The buyer had to prove the trader breached section nine of the FTA.

As evidence, Erasmus provided a CarJam report, which contained information sourced from Japanese auction records, Japanese border checks and the NZTA.

This showed the MX-5 was auctioned on April 11, 2015, with a reading of 196,000km. The car's border check in Japan on April 24 recorded its odometer as being on

60,329km – more than 135,000km less than two weeks earlier.

There was also evidence McCall Autos made misleading representations the MX-5 had travelled only 60,329km by displaying it for sale with the low odometer reading.

The trader also wrote on the vehicle offer and sale agreement that the car had been driven for 60,329km.

McCall Autos said it didn't know the odometer had been tampered with. It said it purchased the MX-5 through ICB Autos, a Japanese buying agent. It said ICB Autos bought the car from another party that had in turn purchased it from auction.

The trader produced no corroborative evidence to support its claim that it didn't know of the odometer tampering.

However, the tribunal said a trader that made a misleading representation was in breach of the FTA. There was no requirement under the act the trader must know the representation was untrue.

When the MX-5 was imported into New Zealand, it was identified as having corrosion that required repair.

McCall Autos had the car repaired and it passed a warrant of fitness test, but it had a permanent flag on NZTA records as a damaged import.

Erasmus claimed the trader engaged in misleading conduct by failing to disclose the MX-5 was imported as damaged.

McCall Autos said it thought the

flag had been removed, so it didn't have to disclose the existence of the damage.

However, it was stated the dealer had a legal obligation to tell Erasmus the MX-5 was imported as damaged and must display a consumer information notice containing details about the vehicle, including whether it was a damaged import.

Any buyer had a reasonable expectation of being told a vehicle was imported as damage. This was because there was stigma attached to such cars, and any reasonable consumer would want to know that and perform careful due diligence before purchase.

Erasmus wanted to recover various costs he claimed he suffered as a result of being misled about the MX-5, including its storage, purchase price and CarJam reports.

The tribunal was satisfied Erasmus was entitled to recover the vehicle's purchase price under section 43 of the FTA.

However, he had driven the car 37,000km over two years, so any award had to reflect its depreciation in value during that time.

The tribunal agreed Mazda MX-5s didn't depreciate markedly and Erasmus had received a firm offer of \$12,300 for the car. That offer was withdrawn when the prospective purchaser discovered the vehicle was imported as damaged.

McCall Autos challenged the credibility of Erasmus' evidence, but the tribunal had no concerns about this. The adjudicator found him to be a careful, consistent and diligent applicant.

The case: Two years after supply, the buyer discovered the odometer on his Mazda MX-5 had been tampered with and it had been imported as damaged. The trader said it thought the damaged "flag" had been removed when repairs were performed on the vehicle and didn't know the odometer had been tampered with.

The decision: The trader was found to have breached the Fair Trading Act (FTA) and was ordered to pay \$13,039.55 to the buyer.

At: The Motor Vehicle Disputes Tribunal, Auckland.

As a result, the authority reduced the refund of the purchase price to Erasmus under the FTA by \$200 to reflect the car's depreciation in the value during his ownership.

The finding

McCall Autos' conduct breached section nine of the FTA by representing the MX-5 as having low mileage, which was due to the odometer tampering.

The tribunal added the trader also engaged in misleading conduct by failing to advise Erasmus the vehicle had been imported as damaged despite having a legal obligation to disclose that fact.

The buyer suffered loss as a result of the trader's conduct. He was entitled to recover all loss and damage that resulted as a consequence – the purchase price of \$12,500 minus \$200 for depreciation, \$204 for vehicle storage, \$57.15 for the CarJam reports and \$478.40 to replace the car's oxygen sensor.

Order

The trader was ordered to pay \$13,039.55 to the buyer. ☺

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	Nagoya	–	7 May	19 May	4 Jun
	Yokohama	5 May	8 May	21 May	5 Jun
NZ	Auckland	21 May	22 May	7 Jun	21 Jun
	Wellington	31 May	31 May	11 Jun	30 Jun
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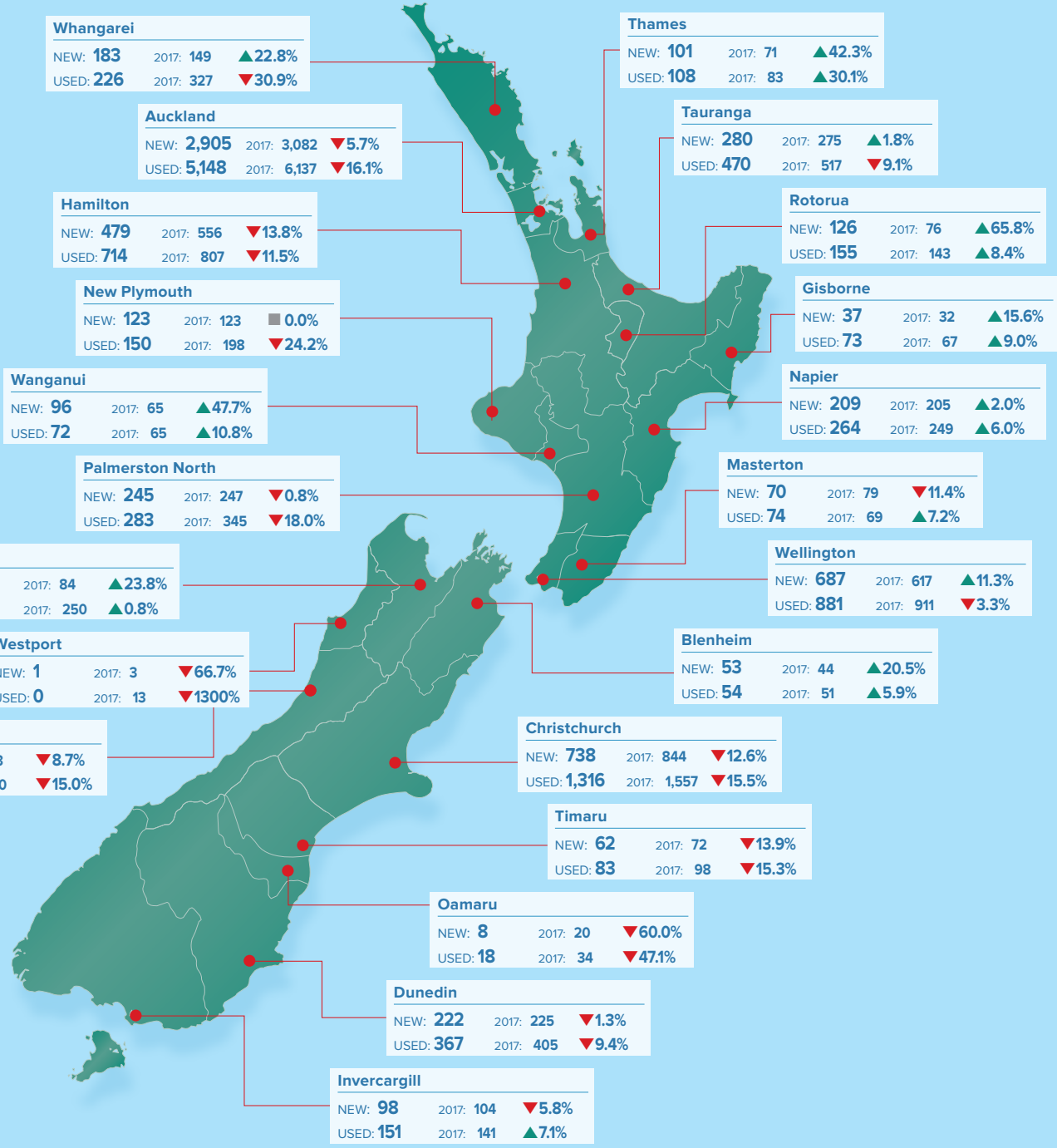
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Imported Passenger Vehicle Sales by Make - April 2018

MAKE	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	2,644	3,209	-17.6	24.3%	11,626	24.0%
Nissan	1,970	2,292	-14.0	18.1%	8,951	18.5%
Mazda	1,760	1,823	-3.5	16.2%	8,044	16.6%
Honda	1,053	1,233	-14.6	9.7%	4,829	10.0%
Subaru	623	573	8.7	5.7%	2,832	5.8%
Suzuki	604	626	-3.5	5.5%	2,614	5.4%
BMW	471	553	-14.8	4.3%	1,975	4.1%
Mitsubishi	379	464	-18.3	3.5%	1,451	3.0%
Volkswagen	371	465	-20.2	3.4%	1,539	3.2%
Audi	228	252	-9.5	2.1%	905	1.9%
Mercedes-Benz	222	287	-22.6	2.0%	909	1.9%
Ford	88	90	-2.2	0.8%	429	0.9%
Lexus	77	74	4.1	0.7%	333	0.7%
Volvo	53	71	-25.4	0.5%	228	0.5%
Chevrolet	39	47	-17.0	0.4%	215	0.4%
Jaguar	39	49	-20.4	0.4%	190	0.4%
Land Rover	32	45	-28.9	0.3%	162	0.3%
Mini	26	35	-25.7	0.2%	127	0.3%
Holden	25	67	-62.7	0.2%	150	0.3%
Hyundai	23	33	-30.3	0.2%	113	0.2%
Jeep	23	18	27.8	0.2%	102	0.2%
Dodge	20	23	-13.0	0.2%	121	0.2%
Porsche	16	27	-40.7	0.1%	82	0.2%
Peugeot	14	15	-6.7	0.1%	78	0.2%
Chrysler	13	16	-18.8	0.1%	69	0.1%
Smart	12	2	500.0	0.1%	23	0.0%
Daihatsu	9	9	0.0	0.1%	33	0.1%
Kia	8	7	14.3	0.1%	40	0.1%
Renault	8	7	14.3	0.1%	40	0.1%
Bentley	3	6	-50.0	0.0%	18	0.0%
Citroen	3	5	-40.0	0.0%	26	0.1%
Ferrari	3	1	200.0	0.0%	9	0.0%
Maserati	3	16	-81.3	0.0%	12	0.0%
Pontiac	3	7	-57.1	0.0%	17	0.0%
Skoda	3	3	0.0	0.0%	7	0.0%
Others	25	57	-56.1	0.2%	202	0.4%
Total	10,893	12,507	-12.9	100.0%	48,501	100.0%

Imported Passenger Vehicle Sales by Model - April 2018

MAKE	MODEL	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	537	516	4.1	4.9%	2,337	4.8%
Suzuki	Swift	504	523	-3.6	4.6%	2,224	4.6%
Mazda	Demio	409	417	-1.9	3.8%	1,937	4.0%
Nissan	Tiida	391	533	-26.6	3.6%	1,953	4.0%
Honda	Fit	368	402	-8.5	3.4%	1,808	3.7%
Subaru	Legacy	303	284	6.7	2.8%	1,394	2.9%
Toyota	Prius	265	289	-8.3	2.4%	1,024	2.1%
Mazda	Atenza	248	278	-10.8	2.3%	1,053	2.2%
Toyota	Vitz	244	236	3.4	2.2%	1,061	2.2%
Toyota	Wish	231	346	-33.2	2.1%	1,079	2.2%
Nissan	Leaf	229	121	89.3	2.1%	751	1.5%
Mitsubishi	Outlander	223	264	-15.5	2.0%	820	1.7%
Toyota	MarkX	222	223	-0.4	2.0%	930	1.9%
Volkswagen	Golf	221	290	-23.8	2.0%	975	2.0%
Mazda	Premacy	186	170	9.4	1.7%	854	1.8%
Nissan	Dualis	159	191	-16.8	1.5%	679	1.4%
Toyota	Blade	158	119	32.8	1.5%	627	1.3%
Mazda	MPV	157	185	-15.1	1.4%	752	1.6%
Toyota	Auris	156	165	-5.5	1.4%	671	1.4%
Subaru	Impreza	154	137	12.4	1.4%	665	1.4%
Nissan	Note	149	164	-9.1	1.4%	670	1.4%
Nissan	Murano	142	142	0.0	1.3%	606	1.2%
Toyota	Corolla	139	190	-26.8	1.3%	660	1.4%
Honda	Stream	136	123	10.6	1.2%	553	1.1%
Toyota	Estima	126	189	-33.3	1.2%	587	1.2%
Honda	Odyssey	115	185	-37.8	1.1%	547	1.1%
Nissan	Skyline	115	104	10.6	1.1%	527	1.1%
Honda	CR-V	102	101	1.0	0.9%	469	1.0%
Nissan	Bluebird	100	142	-29.6	0.9%	437	0.9%
Nissan	Ractis	91	110	-17.3	0.8%	404	0.8%
Nissan	X-Trail	86	111	-22.5	0.8%	463	1.0%
Mazda	Verisa	85	95	-10.5	0.8%	424	0.9%
BMW	320i	80	110	-27.3	0.7%	382	0.8%
Honda	Accord	78	92	-15.2	0.7%	344	0.7%
Nissan	March	75	80	-6.3	0.7%	383	0.8%
Others		3,909	4,880	-19.9	35.9%	17,451	36.0%
Total		10,893	12,507	-12.9	100.0%	48,501	100.0%



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Border issues affect business

April was the worst month since February 2015 for registrations of used imported cars with port congestion caused by the stink-bug crisis creating issues across the supply chain.

There were 10,893 units sold last month for a year-to-date total of 48,501. That's down by seven per cent compared to 52,174 transactions by this time in 2017. Last month's total was also down – by 12.9 per cent – when compared to 12,507 in April last year.

Sales across many regions tumbled. They were led by Whangarei with a 30.9 per cent decrease to 226 units. New Plymouth was down by 24.2 per cent to 150 and Auckland dropped by 16.1 per cent to 5,148.

On the flipside, registrations in Thames climbed by 30.1 per cent to 108 last month. They rose by 10.8 per cent in Wanganui to 72 and nine per cent in Gisborne to 73 units.

April's top marque was Toyota with 2,644 registrations – down by 17.6 per cent when compared to last April for a 24.3 per cent share of the month's market.

Nissan was second on 1,970, Mazda sold 1,760 units and Honda was fourth with 1,053. Their respective decreases were 14, 3.5 and 14.6 per cent.

The only marque in the top 10 to notch up an increase was fifth-placed Subaru. Its 623 registrations rose by 8.7 per cent.

When it came to New Zealand's top models in April, Mazda's Axela led the way with 537 sales.

Suzuki's Swift was second on 504 and Mazda's Demio was third on

409. Next up were the Nissan Tiida on 391 and Honda's Fit on 368.

Subaru's Legacy was the best-selling large car on 303 units. Toyota's Prius and Wish were top hybrid and people mover on 265 and 231 respectively. The top SUV was Mitsubishi's Outlander on 223 and 229 Nissan Leafs were sold.

A car dealer selling Leafs says demand for the electric vehicle (EV) has pushed up prices.

Nelson Cottle, director of Auto Court in Dunedin, is seeing Leafs fly off the forecourt quicker than his business can supply them.

"We have waiting lists for them," he told Autofile. "The price of the Leafs in Japan has gone up because of worldwide demand for them.

"Last year, a 2015 low-mileage model would sell for \$20,000. That same car is now \$24,000. We have had more on the water and most have been sold."

Cottle notes the 2018 Leading the Charge EV road trip, which

travelled north from Bluff to Cape Reinga during March and April, always encourages EV sales.

As for the supply of vehicles to sell, he says: "We've been lucky – all our cars come in by containers through Port Chalmers.

"If there were stink bugs in them, it's easy to treat them. As yet, none have been found in containers."

Cottle believes the crisis hasn't affected Dunedin dealers too much. "But the ports are full in Japan, so it may take longer to get stock through to New Zealand.

"In Dunedin, as far as I know, dealers get vehicles delivered in containers, but I can't speak for every dealer here. It may take longer to get a booking on a ship because of the backlog in Japan."

Henry Schmidt, of Autolink Cars in Grey Lynn, Auckland, reports sales of EVs continue to increase.

"EV buyers have done a lot of research before they buy," he says. "A lot of them are well-educated,

some are from the solar-power industry and we sell to the Asian community.

"Some people are still worried about their battery power running out, but it's the same as running out of petrol.

"It does take a long time to educate some people and the government needs to help to educate the wider community. EV buyers ask a lot of difficult questions, but we have been selling them for five years so we know our cars."

Grant Herrick, of Rotorua Toyota, says: "We've had in a lot of late-model, former short-term rentals about 18 months old, RAV4s with very low mileages and we've converted some buyers into new RAV4s. Second-hand RAV4s do sell quickly.

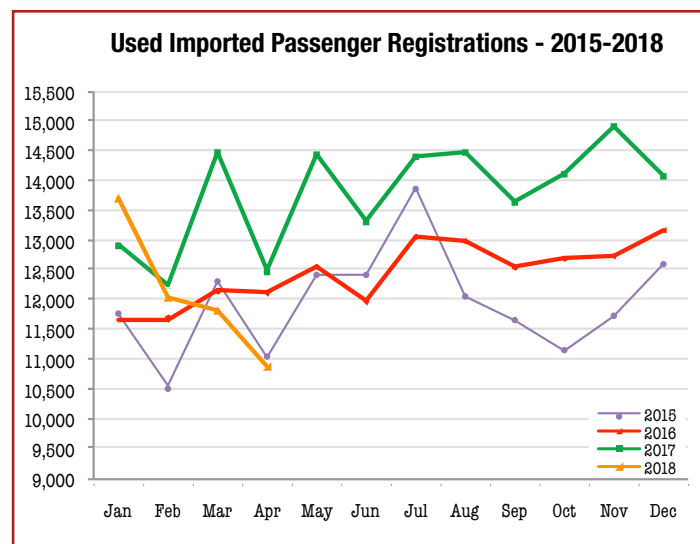
"The only problem we have is there aren't enough transporters to get cars moved on time. There's a shortage of drivers and rigs, and there's been a shortage for some time."

Neil Howard, owner of Value Vehicles in Nelson and Westport, believes some big used-car dealers could be suffering financially due to the stink-bug crisis as they rely on volume sales.

"There were gaps in yards across the region," he says. "The [Christchurch wharves] strike in March didn't affect us.

"In the past when there has been an issue at the wharf, the shipping companies have rescheduled.

"They have delivered to other ports and then gone back when the problem is over." ☺



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Japanese imports on track

The number of used passenger vehicles crossing the border rocketed to 17,473 during April to outstrip the year's previous monthly best of 10,924 in March.

Last month saw 16,801 used cars arrive from Japan compared to just 10,154 and 8,852 in March and February when imports from there nosedived due to stink-bug issues.

There were 10,268 importations of new cars, 3,915 new light commercials and 990 used light commercials – all highs for this year to date. For light vehicles alone, there were 32,561 units imported, which saw Ports of Auckland

(POAL) bursting at the seams.

The fall-out of the stink-bug crisis has been felt across the supply chain, so perhaps it was coincidence that projects proposed by POAL in its 30-year plan to boost its capacity – including a car-handling facility – received council backing during its busiest month of the year.

The new car-handling building, which has yet to receive resource consent, will be constructed at the Bledisloe roll-on, roll-off terminal as a top priority to address a shortage of yard space.

"The port is embracing concerns on future development," says Chris Darby, chairman of the

council's planning committee.

"This is evident in the reduction of the Bledisloe wharf extension from 40 to 13 metres in its current plan, also with the proposed handling building to remove cars from wharves and free up space for new activities.

"Now is the time to take clear political leadership, and for the council to keep its finger on the pulse to ensure future use of port land achieves the best outcome for Aucklanders."

Other future developments at the port include automating the container terminal, finishing a deep-water terminal berth and

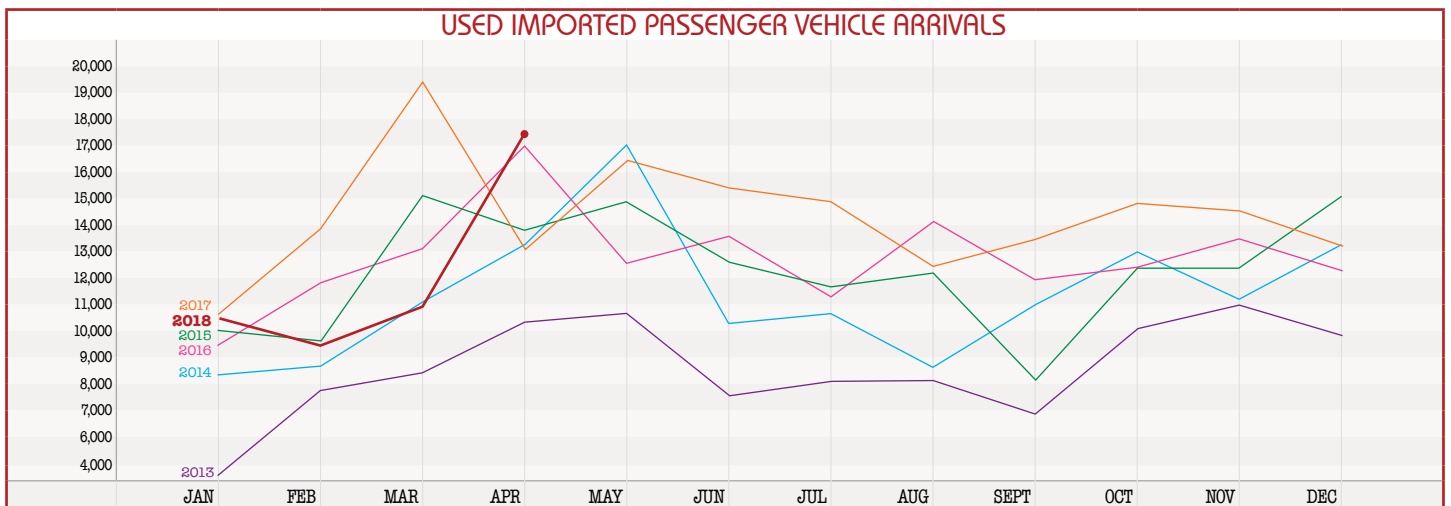
installing three new cranes.

The council's committee has also backed ongoing collaboration between POAL, Auckland Transport, the NZTA and KiwiRail on adequate provision for freight on the rail network.

The council's endorsement of the port's strategy means it can invest in the infrastructure required to handle the region's growing freight demand as well as provide extra capacity for the automotive industry.

As for the arrival of used cars in New Zealand last month, in addition to 16,801 units from Japan there were 340 from Australia – its lowest total of the year. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2018					2017					2016			
	JAN '18	FEB '18	MAR '18	APR '18	APR MRKT SHARE %	2018 TOTAL	Q1	Q2	Q3	Q4	2017 TOTAL	% SHARE	2016 TOTAL	MRKT SHARE
Australia	435	359	383	340	1.9%	1,517	1,529	1,414	1,339	1,258	5,540	3.2%	5,151	3.4%
Great Britain	123	66	95	87	0.5%	371	687	485	478	523	2,173	1.3%	1,537	1.0%
Japan	9,681	8,852	10,154	16,801	96.2%	45,488	41,047	42,489	37,311	39,975	160,822	93.8%	143,080	93.7%
Singapore	132	111	101	126	0.7%	470	225	324	296	357	1,202	0.7%	1,231	0.8%
USA	80	101	102	102	0.6%	385	391	309	337	382	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	17	0.1%	170	79	110	88	110	387	0.2%	438	0.3%
Total	10,479	9,525	10,924	17,473	100.0%	48,401	43,958	45,131	39,849	42,605	171,543	100.0%	152,712	100.0%



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Dealer sales and trade-ins rise

Trader-to-public sales of second-hand passenger vehicles during April increased by 8.8 per cent compared to 15,516 in the same month of last year.

Dealers also reported a similar rise in trade-ins, of 8.7 per cent, from 12,597 to 13,689 over the same period.

Public-to-public transactions completed the trifecta with an increase, although – at 5.3 per cent – this category’s rise was proportionately lower, going from 39,560 to 41,653 units.

Henry Schmidt, of Autolink Cars in Auckland, says: “We wholesale

our trade-ins. We get a range of vehicles from old cars to some that are six to eight months old. They are economic petrol vehicles, such as Toyota Corollas.

“I think people have bought more economical petrol cars, but then they realise they don’t want to pollute the world and may buy an electric vehicle [EV].”

Nelson Cottle, director of Auto Court in Dunedin, says: “We hardly take any trade-ins on Leafs – only about five per cent.

“Many people are using their Leafs as commuter vehicles and keeping their petrol cars or SUVs for the weekends or longer trips.

“We are selling EVs, 1,300cc and 1,800cc hatchbacks are always popular, and SUVs. But four-door sedans are slow to sell.”

The biggest proportionate rise in dealer sales during April was recorded in Wanganui – up by a whopping 100.8 per cent from 123 registrations to 247.

Second spot on the trader-to-public ladder was taken out by Thames with a 69 per cent jump from 184 to 311.

Conversely, Westport came in at the other end of the spectrum dropping from 16 to nine units.

Rotorua topped the table for trade-ins after climbing by 113.2

per cent from 68 to 145. Dealers in Thames were kept busy with a 78.4 per cent increase to 182 from 102, while activity in Oamaru dropped from five to two trade-ins or by 60 per cent.

Auckland, which holds the country’s biggest market share of used-car sales, saw dealer-to-public transactions rise by 9.6 per cent – 5,729 sales compared to 5,228 during the same month of last year. The city’s trade-ins also rose – by 10.9 per cent from 4,607 to 5,107 units.

A 33.9 per cent market share of national dealer sales were claimed by Auckland last month as well as 10.9 per cent of trade-ins. ☺

SECONDHAND CAR SALES - April 2018

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	APR '18	APR '17	+/- %	MARKET SHARE	APR '18	APR '17	+/- %	APR '18	APR '17	+/- %
Whangarei	580	566	2.5	3.44	1,907	1,721	10.8	298	287	3.8
Auckland	5,729	5,228	9.6	33.94	13,746	13,574	1.3	5,107	4,607	10.9
Hamilton	1,292	1,311	-1.4	7.65	3,226	3,231	-0.2	1,089	1,147	-5.1
Thames	311	184	69.0	1.84	666	475	40.2	182	102	78.4
Tauranga	833	853	-2.3	4.94	2,034	2,052	-0.9	616	540	14.1
Rotorua	357	256	39.5	2.12	1,026	769	33.4	145	68	113.2
Gisborne	127	128	-0.8	0.75	369	352	4.8	68	38	78.9
Napier	632	553	14.3	3.74	1,503	1,421	5.8	417	413	1.0
New Plymouth	358	357	0.3	2.12	965	959	0.6	182	205	-11.2
Wanganui	247	123	100.8	1.46	605	452	33.8	155	102	52.0
Palmerston North	756	643	17.6	4.48	1,482	1,584	-6.4	1,300	1,040	25.0
Masterton	198	199	-0.5	1.17	483	326	48.2	113	114	-0.9
Wellington	1,502	1,460	2.9	8.90	3,063	2,858	7.2	1,169	1,044	12.0
Nelson	322	247	30.4	1.91	1,025	956	7.2	215	191	12.6
Blenheim	175	129	35.7	1.04	455	431	5.6	83	103	-19.4
Greymouth	66	66	0.0	0.39	174	196	-11.2	36	32	12.5
Westport	9	16	-43.8	0.05	38	89	-57.3	0	0	0.0
Christchurch	2,087	1,995	4.6	12.37	5,166	4,655	11.0	1,702	1,737	-2.0
Timaru	194	202	-4.0	1.15	528	510	3.5	112	127	-11.8
Oamaru	29	44	-34.1	0.17	120	188	-36.2	2	5	-60.0
Dunedin	709	614	15.5	4.20	1,973	1,857	6.2	467	415	12.5
Invercargill	365	342	6.7	2.16	1,099	904	21.6	231	280	-17.5
NZ total	16,878	15,516	8.8	100.00	41,653	39,560	5.3	13,689	12,597	8.7

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New Passenger Vehicle Sales by Make - April 2018

MAKE	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	760	710	7.0	11.1%	3,416	10.0%
Toyota	712	961	-25.9	10.4%	5,411	15.9%
Holden	540	543	-0.6	7.9%	2,592	7.6%
Suzuki	539	512	5.3	7.9%	2,312	6.8%
Kia	511	497	2.8	7.5%	2,402	7.0%
Mitsubishi	486	423	14.9	7.1%	2,323	6.8%
Hyundai	398	562	-29.2	5.8%	1,991	5.8%
Subaru	373	189	97.4	5.4%	1,163	3.4%
Nissan	354	487	-27.3	5.2%	1,417	4.2%
Honda	317	148	114.2	4.6%	1,889	5.5%
Ford	312	499	-37.5	4.6%	2,057	6.0%
Volkswagen	258	325	-20.6	3.8%	1,241	3.6%
Mercedes-Benz	183	175	4.6	2.7%	737	2.2%
Audi	140	134	4.5	2.0%	680	2.0%
BMW	126	147	-14.3	1.8%	689	2.0%
Skoda	116	86	34.9	1.7%	524	1.5%
Jeep	88	129	-31.8	1.3%	455	1.3%
Peugeot	84	30	180.0	1.2%	358	1.0%
Lexus	61	38	60.5	0.9%	263	0.8%
Land Rover	60	87	-31.0	0.9%	292	0.9%
Volvo	51	44	15.9	0.7%	208	0.6%
Haval	47	0	4700.0	0.7%	155	0.5%
Mini	46	46	0.0	0.7%	259	0.8%
SsangYong	42	65	-35.4	0.6%	247	0.7%
Jaguar	33	11	200.0	0.5%	114	0.3%
Tesla	30	5	500.0	0.4%	111	0.3%
Renault	26	10	160.0	0.4%	83	0.2%
Citroen	25	11	127.3	0.4%	86	0.3%
Isuzu	20	23	-13.0	0.3%	101	0.3%
Porsche	20	29	-31.0	0.3%	146	0.4%
Mahindra	10	0	1000.0	0.1%	38	0.1%
Maserati	10	10	0.0	0.1%	43	0.1%
Alfa Romeo	8	3	166.7	0.1%	31	0.1%
Dodge	8	13	-38.5	0.1%	23	0.1%
Seat	8	0	800.0	0.1%	37	0.1%
Others	46	44	4.5	0.7%	217	0.6%
Total	6,848	6,996	-2.1	100.0%	34,111	100.0%

New Passenger Vehicle Sales by Model - April 2018

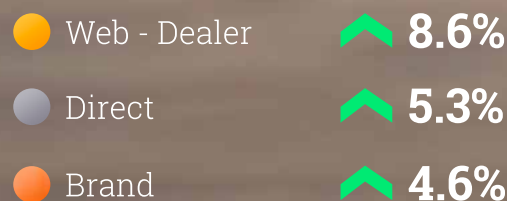
MAKE	MODEL	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	CX-5	317	264	20.1	4.6%	1,201	3.5%
Suzuki	Swift	245	135	81.5	3.6%	1,070	3.1%
Kia	Sportage	220	250	-12.0	3.2%	1,016	3.0%
Holden	Captiva	199	137	45.3	2.9%	612	1.8%
Nissan	Qashqai	186	141	31.9	2.7%	721	2.1%
Toyota	Corolla	170	211	-19.4	2.5%	1,673	4.9%
Honda	Jazz	161	22	631.8	2.4%	595	1.7%
Mazda	Mazda3	160	117	36.8	2.3%	707	2.1%
Subaru	Outback	145	105	38.1	2.1%	494	1.4%
Mitsubishi	Eclipse Cross	142	0	14200.0	2.1%	555	1.6%
Subaru	XV	141	30	370.0	2.1%	342	1.0%
Mitsubishi	Outlander	140	209	-33.0	2.0%	771	2.3%
Hyundai	Kona	134	0	13400.0	2.0%	602	1.8%
Volkswagen	Tiguan	126	173	-27.2	1.8%	539	1.6%
Hyundai	Santa Fe	110	118	-6.8	1.6%	428	1.3%
Nissan	X-Trail	110	129	-14.7	1.6%	490	1.4%
Holden	Commodore	107	161	-33.5	1.6%	719	2.1%
Toyota	RAV4	107	237	-54.9	1.6%	1,000	2.9%
Mazda	Mazda2	96	98	-2.0	1.4%	453	1.3%
Hyundai	Tucson	94	167	-43.7	1.4%	524	1.5%
Toyota	Yaris	89	116	-23.3	1.3%	506	1.5%
Suzuki	Vitara	87	104	-16.3	1.3%	409	1.2%
Mitsubishi	ASX	83	149	-44.3	1.2%	493	1.4%
Toyota	Camry	82	44	86.4	1.2%	248	0.7%
Mazda	CX-9	81	90	-10.0	1.2%	393	1.2%
Mazda	CX-3	80	96	-16.7	1.2%	499	1.5%
Ford	Focus	80	121	-33.9	1.2%	621	1.8%
Ford	Mustang	78	50	56.0	1.1%	181	0.5%
Holden	Equinox	71	0	7100.0	1.0%	230	0.7%
Kia	Sorento	69	55	25.5	1.0%	321	0.9%
Toyota	Highlander	67	109	-38.5	1.0%	799	2.3%
Mitsubishi	Lancer	66	26	153.8	1.0%	232	0.7%
Kia	Rio	66	117	-43.6	1.0%	347	1.0%
Suzuki	SX4 S-Cross	64	89	-28.1	0.9%	252	0.7%
Volkswagen	Golf	63	64	-1.6	0.9%	379	1.1%
Others		2,612	3,062	-14.7	38.1%	13,689	40.1%
Total		6,848	6,996	-2.1	100.0%	34,111	100.0%

Top 3 Sources for Leads, Test Drives and Sales - New Zealand Dealerships

LEADS



TEST DRIVES



Lowest sales in past two years

The total number of new cars registered during April came in at 6,848, which was down by 2.1 per cent – or 148 units – on the same month of last year.

This made for the lowest total registrations since April 2016 when 6,790 units were sold.

The Mazda CX-5 was last month's best-selling model on 317 units for a market share of 4.6 per cent. Second spot went to Suzuki's Swift with 3.6 per cent and 245 registrations. Kia's Sportage was third with 3.2 per cent and 220 sales.

Mazda topped April's ladder with a market share of 11.1 per cent and 760 new cars sold. It was followed by Toyota on 712 units for a 10.4 per cent share of the market, and Holden with 7.9 per cent and 540 sales. Suzuki was one unit behind on 539.

"It's the first time in several years there has been a slight downturn in passenger vehicle, SUV and commercial registrations," says David Crawford, chief executive officer of the Motor Industry Association. "Usually if one area is down, it's up in the other."

As for the overall new-vehicle market, the total of 10,423 registrations last month dropped by two per cent – or 212 units – on April 2017 reflecting a stable market. Year to date, the market is marginally up by 1.4 per cent and 704 units compared to the first four months of last year.

There was some big news last month with Mazda NZ unveiling a new business model. Its first Mazda Connect store opened on April 27 in Silverdale, north of Auckland.

The facility has no sales people, only "ambassadors" for the marque who provide information and assistance to the customer rather than pushing product. Buyers can configure new cars of their choice on a huge wall-mounted touch-screen.

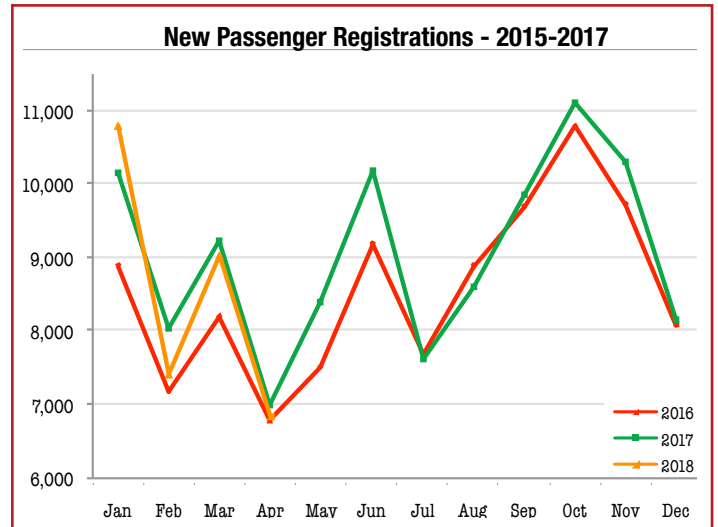
The main differences are in the commitment to a non-automotive location, presentation of the brand and attitude towards the client, says Glenn Harris, Mazda NZ's national marketing manager.

"It's not a pop-up store," he says. "This is here to say. We've taken a six-year lease on this space and believe this is the future."

He adds this is the first step in creating a franchise format that can be used around the country with a second store confirmed for Wellington in October.

"We need to do things differently as a retailer, we need to evolve," says Harris. "Everything's changing around us, but we in the automotive category [seem to be] the last to change."

"If you look at some of the others that have started to make their homes in our industry, we have to learn from them – the likes of Apple, Google and Amazon."



"Connect is the first embodiment of how we believe the automotive retail model will evolve. We focus as much on how we present our brand and where we present it as what we build."

Mazda is performing well on a national level so far this year and is sitting pretty in second place on the marques table.

Its 3,416 registrations of new cars so far this year mean it holds a 10 per cent share of the market. Toyota is top with 5,411 units and a 15.9 per cent market share, while Holden is back in third with 2,592 sales and 7.6 per cent.

In other market developments, Coby Duggan, general manager of Volvo NZ, says an additional levy on fuel may act as a de-facto subsidy for electric vehicles (EVs).

"The decision to purchase an EV or hybrid is, in part, an economic

one for many buyers," he says.

"Kiwis contend with petrol prices among the highest in the OECD. As the cost of fuel increases, the appeal of this alternative energy source broadens."

"We're already seeing a high uptake among passenger vehicles such as taxis that spend a lot of time on the road each day and where the ratio of running costs to capital outlay of the vehicle is much higher."

"A 20-cent per litre increase represents about a 10 per cent rise in the fuel cost, which means a driver who spends \$130 per week in petrol would see this increase to \$143 – around \$7,436 per year."

"It's estimated an EV would cost around the equivalent of 30c per litre or about 13.5 per cent of the running costs of an internal combustion engine vehicle when factoring in the proportional reduction as fuel levies are added."

Duggan says while New Zealand currently doesn't directly subsidise new EV purchases, other markets have introduced them with ownership rates rising substantially, yet only one to two per cent of new vehicles purchased in this country are hybrid or fully electric. ☺



A CX-5 and MX-5 on display at the new Mazda Connect showroom in Silverdale

April 2018 (▲ vs March 2018)

SALES

- Web - Dealer ▲ 58.2%
- Repeat ▲ 5.1%
- Web - Classified ▲ 3.8%

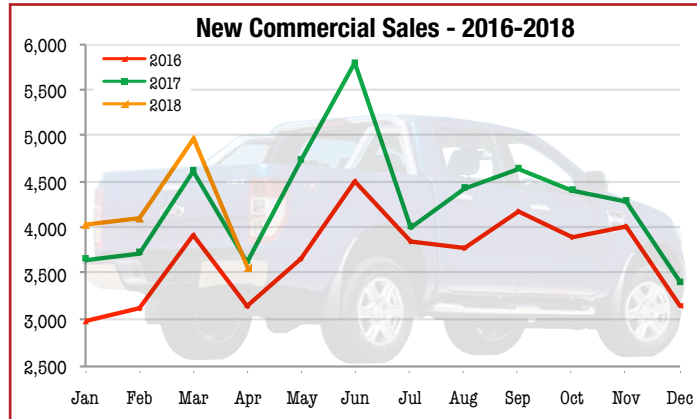
Utes steering market growth

Pick-ups and four-by-four chassis cabs dominated new-vehicle registrations in April by remaining as the top segment for the month with a 15 per cent share of the overall market.

That said, the total of 3,575 light commercials sold was marginally down by 1.87 per cent on April 2017 when there were 3,638 sales.

Ford regained the lead with a year-to-date share of this market of 20.6 per cent thanks to 803 sales in April. It was followed by Toyota on 598 units and Holden with 312 registrations.

When it came to models, the Ford Ranger left Toyota's Hilux in its wake in April with 745 registrations compared to 457. The Holden



Colorado was third with 306 sales.

The year-to-date running order is the same with the Ranger on 3,105, Hilux with 2,711 and Colorado on 1,471.

The double-cab utility is now

New Zealand's family wagon, according to a dealer with more than 30 years' experience in the industry.

Tony Bowater, chief executive officer of Bowater Toyota in Nelson, says buyers get all the creature

comforts they want in utes, so it's no surprise they are so popular.

"The SUV and double-cab ute market is the growth market, and we're also getting a lot of inquiry about hybrid and eco-friendly vehicles," he told Autofile.

Grant Herrick, of Rotorua Toyota, reports healthy sales of light commercials with customers from small to medium-sized fleets being a big part of the business.

He says that due to great deals on new vehicles, his team is often able to convince potential used buyers to step up to a new vehicle.

"In many cases, there's a pretty close price gap between new and used, and customers can get the new vehicles they want." ☺

New Commercial Sales by Make - April 2018

MAKE	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	803	768	4.6	22.5%	3,446	20.6%
Toyota	598	810	-26.2	16.7%	3,549	21.2%
Holden	312	322	-3.1	8.7%	1,490	8.9%
Isuzu	281	283	-0.7	7.9%	1,165	7.0%
Nissan	268	263	1.9	7.5%	1,251	7.5%
Mitsubishi	258	298	-13.4	7.2%	1,326	7.9%
LDV	144	86	67.4	4.0%	590	3.5%
Mazda	133	128	3.9	3.7%	633	3.8%
Volkswagen	122	90	35.6	3.4%	557	3.3%
Mercedes-Benz	101	50	102.0	2.8%	279	1.7%
Fiat	60	65	-7.7	1.7%	289	1.7%
Hino	54	48	12.5	1.5%	223	1.3%
Fuso	47	54	-13.0	1.3%	261	1.6%
Hyundai	44	90	-51.1	1.2%	252	1.5%
Foton	41	38	7.9	1.1%	203	1.2%
Factory Built	31	1	3000.0	0.9%	44	0.3%
Volvo	30	39	-23.1	0.8%	108	0.6%
Iveco	28	16	75.0	0.8%	95	0.6%
Kenworth	28	14	100.0	0.8%	96	0.6%
SsangYong	28	40	-30.0	0.8%	249	1.5%
Others	164	135	21.5	4.6%	600	3.6%
Total	3,575	3,638	-1.7	100.0%	16,706	100.0%

New Commercial Sales by Model - April 2018

MAKE	MODEL	APR'18	APR'17	+/- %	APR'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	745	698	6.7	20.8%	3,105	18.6%
Toyota	Hilux	457	571	-20.0	12.8%	2,711	16.2%
Holden	Colorado	306	312	-1.9	8.6%	1,471	8.8%
Nissan	Navara	268	263	1.9	7.5%	1,251	7.5%
Mitsubishi	Triton	258	298	-13.4	7.2%	1,326	7.9%
Isuzu	D-Max	205	207	-1.0	5.7%	807	4.8%
Mazda	BT-50	133	128	3.9	3.7%	633	3.8%
Toyota	Hiace	120	206	-41.7	3.4%	716	4.3%
LDV	T60	76	0	7600.0	2.1%	278	1.7%
Fiat	Ducato	60	61	-1.6	1.7%	289	1.7%
Volkswagen	Amarok	58	44	31.8	1.6%	317	1.9%
Ford	Transit	58	70	-17.1	1.6%	341	2.0%
Mercedes-Benz	X-Class	46	0	4600.0	1.3%	67	0.4%
Mercedes-Benz	Sprinter	45	34	32.4	1.3%	159	1.0%
Hyundai	Iload	43	90	-52.2	1.2%	243	1.5%
LDV	V80	39	52	-25.0	1.1%	177	1.1%
Volkswagen	Crafter	35	5	600.0	1.0%	88	0.5%
Foton	Tunland	34	31	9.7	1.0%	180	1.1%
Isuzu	F Series	33	26	26.9	0.9%	137	0.8%
LDV	G10	29	34	-14.7	0.8%	134	0.8%
Others		527	508	3.7	14.7%	2,276	13.6%
Total		3,575	3,638	-1.7	100.0%	16,706	100.0%



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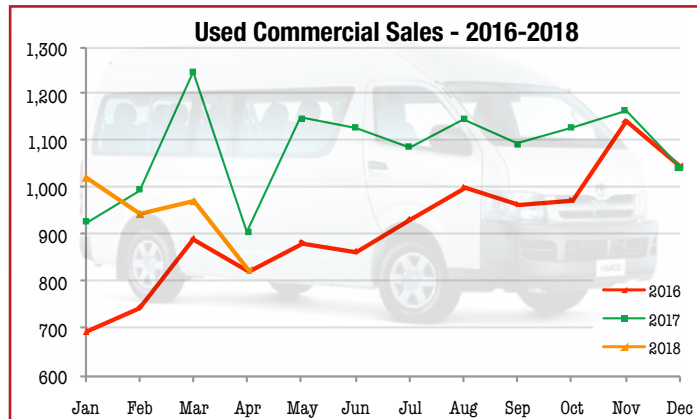
Mixed results across the regions

There were 828 used imported commercial vehicles sold last month to bring the year-to-date total to 3,775. Last month's figures represented an 8.8 per cent decrease when compared to April 2017 when 908 units were registered.

The top five models in April were Toyota's Hiace with 286 registrations, Nissan's Caravan on 44, the Toyota Dyna with 35, Nissan's NV200 on 33 and the Mazda Bongo with 30.

Toyota retained top spot with a monthly market share of 47 per cent thanks to 389 registrations, although this was down by 13.9 per cent compared to April 2017.

Next up was Nissan on 174 units, a drop of seven per cent for a 21 per



cent share of the market. Isuzu was third with 54. This was an increase of 20 per cent to claim 6.5 per cent.

Most regions had sales losses during April compared with the same month of last year.

Auckland was down by 59 units or 13.5 per cent. It was followed by Hamilton and Napier, which both dropped by 15 units, or 22.7 and 48.4 per cent respectively.

Dunedin was an exception with

sales up by 20.7 per cent.

Nelson Cottle, director of Auto Court in Dunedin, says a local builder and a plumber from Wanaka have recently bought used electric vans from his dealership, but he adds: "I think some of the tradies are a bit scared to go electric."

On the other hand, owners of electric vans remark there's a lot of interest in their vehicles when they are out and about.

When it comes to other models, Cottle notes Hiaces are hard to source at the moment.

Nathan Abernethy, of Regional Ford in Gore, says: "The popularity of the Ranger is growing and the retail value is great, especially in second-hand." ☺

Used Commercial Sales by Make - April 2018

MAKE	APR '18	APR '17	+/- %	APR '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	389	452	-13.9	47.0%	1,636	43.3%
Nissan	174	187	-7.0	21.0%	816	21.6%
Isuzu	54	45	20.0	6.5%	206	5.5%
Ford	38	33	15.2	4.6%	170	4.5%
Mazda	35	54	-35.2	4.2%	229	6.1%
Hino	30	20	50.0	3.6%	135	3.6%
Mitsubishi	22	27	-18.5	2.7%	138	3.7%
Chevrolet	13	21	-38.1	1.6%	66	1.7%
Holden	11	22	-50.0	1.3%	69	1.8%
Daihatsu	8	0	800.0	1.0%	16	0.4%
Mercedes-Benz	8	2	300.0	1.0%	27	0.7%
Mitsubishi Fuso	6	1	500.0	0.7%	12	0.3%
Volkswagen	5	8	-37.5	0.6%	19	0.5%
Fiat	4	4	0.0	0.5%	61	1.6%
Renault	4	2	100.0	0.5%	13	0.3%
Dodge	3	4	-25.0	0.4%	20	0.5%
DAF	2	2	0.0	0.2%	7	0.2%
Great Wall	2	4	-50.0	0.2%	5	0.1%
Iveco	2	2	0.0	0.2%	17	0.5%
Kenworth	2	2	0.0	0.2%	7	0.2%
Others	16	16	0.0	1.9%	106	2.8%
Total	828	908	-8.8	100.0%	3,775	100.0%

Used Commercial Sales by Model - April 2018

MAKE	MODEL	APR '18	APR '17	+/- %	APR '18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	286	322	-11.2	34.5%	1,241	32.9%
Nissan	Caravan	44	73	-39.7	5.3%	258	6.8%
Toyota	Dyna	35	31	12.9	4.2%	126	3.3%
Nissan	NV200	33	18	83.3	4.0%	171	4.5%
Mazda	Bongo	30	41	-26.8	3.6%	192	5.1%
Nissan	Vanette	29	38	-23.7	3.5%	97	2.6%
Toyota	Regius	27	51	-47.1	3.3%	115	3.0%
Nissan	NV350	26	14	85.7	3.1%	113	3.0%
Isuzu	Elf	23	22	4.5	2.8%	112	3.0%
Nissan	Atlas	18	14	28.6	2.2%	80	2.1%
Ford	Ranger	18	15	20.0	2.2%	61	1.6%
Isuzu	Forward	17	14	21.4	2.1%	56	1.5%
Toyota	Toyoace	16	15	6.7	1.9%	59	1.6%
Hino	Dutro	15	7	114.3	1.8%	57	1.5%
Hino	Ranger	13	12	8.3	1.6%	61	1.6%
Toyota	Hilux	11	17	-35.3	1.3%	55	1.5%
Nissan	Navara	11	15	-26.7	1.3%	36	1.0%
Ford	Transit	11	3	266.7	1.3%	40	1.1%
Mitsubishi	Canter	8	15	-46.7	1.0%	60	1.6%
Daihatsu	Hijet	8	0	800.0	1.0%	16	0.4%
Others		149	171	-12.9	18.0%	769	20.4%
Total		828	908	-8.8	100.0%	3,775	100.0%

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Increase in prices to cover costs

The extra costs of measures to ensure the country remains free of brown marmorated stink bugs (BMSBs) and other biosecurity hazards are likely to result in higher car prices.

The supply chain for bringing vehicles into the country almost ground to a halt in February and March, which was followed by a deluge of imports in April.

With the official BMSB season coming to a close on April 30, attention is now centred on what happens when high alerts are placed on our borders in five months' time.

Alistair Davis, chief executive officer of Toyota New Zealand, believes that – at the end of the day – motorists are likely to foot the bill.

“The real test will be what happens in the next stink-bug

season, which starts in September,” he told Autofile. “We are unsure where the contamination came from – what has changed in Japan?”

“The heat treatment of vehicles is going to be hugely expensive and the cost to motorists could rise to a significant degree. There are no easy solutions.”

Davis credits his company's ability to avoid being dragged into the stink-bug crisis on its established supply chain.

He says: “We tend to be self-sufficient in it and have a fast supply chain. We don't store cars next to fields, but sometimes it just comes down to luck.

“We are focused on flow. The faster you flow things through, the leaner you are. That said, we could get an infestation tomorrow. It's a real challenge for the industry and we aren't sure how to solve that problem.”

Alan Muir, customer relations manager and sales co-ordinator at Dunedin City Motors, says the business is still benefitting from extra trade stemming from the Wanaka A&P Show held in March. “There are always extra sales from that.”

He adds the stink-bug situation hasn't impacted on the dealership. “We are a long way from Auckland, so we're used to waiting at least 10 to 14 days to get our vehicles down from there,” says Muir.

Tony Bowater, chief executive officer of Bowater Toyota in Nelson, also says his operations have been unaffected by supply and stock issues thrown up by the BMSB crisis.

“The market has been on the increase for some time and is buoyant,” he says. “We don't have the peaks and troughs down here.”

Some 10,268 new cars crossed the border in April. Last month's

total was up slightly on a month earlier by 2.7 per cent. However, compared to April 2017 it was up a massive 24.7 per cent.

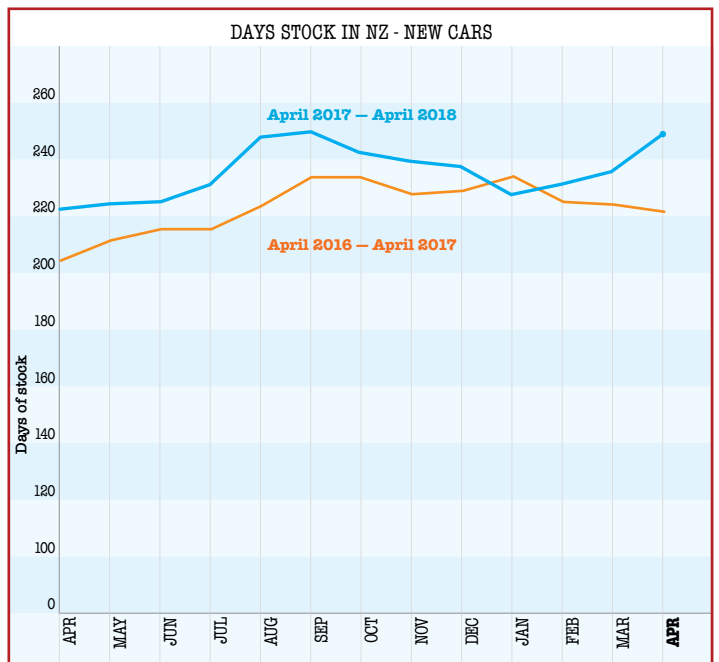
Meanwhile, registrations decreased by 24.3 per cent on the month earlier and 2.1 per cent when measured against the same month of last year. There were 6,848 new cars sold last month, while March recorded 9,050 and 6,996 units were sold in April 2017.

As a result, there was a large increase in stock of new cars with 3,420 more arriving onto dealers' yards than were sold.

Total stock on hand in New Zealand now sits at 73,486 units which, at average daily sales of 297 units would last for 248 days, or more than eight months, before stock would run out. This is the largest amount of stock on-hand since August last year when it hit 73,951. ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Apr '17	8,234	6,996	1,238	65,517	290	226
May '17	9,539	8,386	1,153	66,670	293	228
Jun '17	10,483	10,181	302	66,972	296	227
Jul '17	12,591	7,605	4,986	71,958	295	244
Aug '17	10,599	8,606	1,993	73,951	295	251
Sep '17	7,620	9,855	-2,235	71,716	295	243
Oct '17	10,473	11,109	-636	71,080	296	240
Nov '17	9,825	10,289	-464	70,616	297	237
Dec '17	8,736	8,151	585	71,201	298	239
Jan '18	8,086	10,798	-2,712	68,489	299	229
Feb '18	8,043	7,415	628	69,117	298	232
Mar '18	9,999	9,050	949	70,066	297	236
Apr '18	10,268	6,848	3,420	73,486	297	248
Year to date	36,396	34,111	2,285			
Change on last month	2.7%	-24.3%		4.9%		
Change on Apr 2017	24.7%	-2.1%		12.2%		
	<small>MORE IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		



Stock rises as sales drop

Car dealers' yards are well-stocked, but there's not been a spike in retail sales to match, says Graeme Macdonald, North Island chairman of VIA (the Imported Motor Vehicle Industry Association).

He says April wasn't a stellar month for the trade due to the flow-on effects of the stink-bug crisis and a softening in buyer confidence.

"The past few months have been a testing time for dealers and April was a tough month," Macdonald told Autofile. "There are cash-flow and logistical issues facing many dealers."

He says trade during April wasn't spectacular for many dealers and was compounded by the large volume of stock arriving on these shores from Japan.

"We are not seeing the retail sales spike to match the number

of cars arriving on dealers' yards," adds Macdonald.

"There has been a cooling in the housing market and there's also political uncertainty.

"Yards and compliance shops are full and it's hard to find space to store vehicles.

"If dealers are struggling with cash flow, the first thing they can do is discount stock, and if everyone does that then it spirals down and profits are eroded. The bigger players can absorb these issues and not everyone is affected."

The airbag recall has added another layer of stress for dealers, he says. The government has ruled that from May 31 no vehicle fitted with a Takata alpha-type inflator can be imported or sold in trade without having been reworked.

"Dealers don't have all the data they need regarding the recall," says

Macdonald. "We still don't know how many vehicles are affected and if repairs have already been done in Japan. There's no paper trail for many vehicles in the New Zealand fleet."

He adds many dealers will be hesitant buying older trade-ins unless they're certain the airbags have been remedied.

"Previous customers will want to know who will pay for airbag repairs, but I'm confident the matter will be resolved by the industry."

Neil Howard, owner of Value Vehicles in Nelson and Westport, says: "We are only a two-man operation and don't have any staff, so overheads are low.

"We sell cars up to \$13,000 and SUVs up to \$16,000. We stock across the range, but it's hard to get utes. People buy SUVs because they are easy to get in and out of – not everyone goes four-wheel driving."

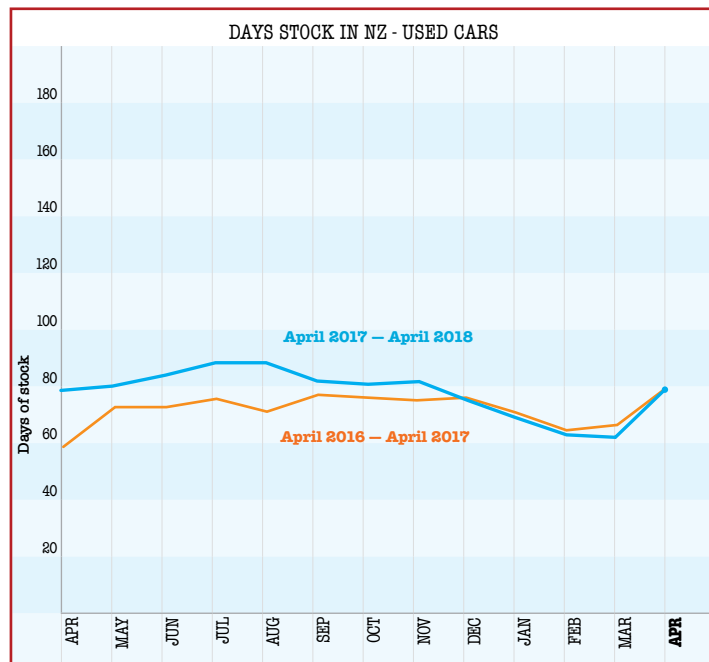
The number of used passenger vehicles imported into New Zealand jumped by 60 per cent when April is compared to March – or from 10,924 to 17,473.

When it came to registrations, however, there was an eight per cent decrease from 11,841 to 10,893.

By comparison, the number of used cars crossing the border in April last year was 13,017, which was 34 per cent less than last month. There were 12,507 units registered in April 2017. This was 12.9 per cent more than in April 2018.

The glut of arrivals last month means the unregistered stockpile now sits at 34,502 units. This represents a 23.6 per cent jump on March's 27,922 and a 2.9 per cent rise on 33,514 units in April 2017.

So far this year, 48,401 used cars have entered the country and 48,501 units have been sold. ☺



	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Apr '17	13,017	12,507	510	33,514	422	79
May '17	16,584	14,439	2,145	35,659	427	84
Jun '17	15,530	13,339	2,191	37,850	431	88
Jul '17	14,055	14,430	-375	37,475	434	86
Aug '17	12,416	14,483	-2,067	35,408	439	81
Sep '17	13,378	13,645	-267	35,141	442	80
Oct '17	14,866	14,118	748	35,889	445	81
Nov '17	14,642	14,924	-282	35,607	451	79
Dec '17	13,097	14,102	-1,005	34,602	454	76
Jan '18	10,479	13,719	-3,240	31,362	456	69
Feb '18	9,525	12,048	-2,523	28,839	455	63
Mar '18	10,924	11,841	-917	27,922	448	62
Apr '18	17,473	10,893	6,580	34,502	444	78
Year to date	48,401	48,501	(100)			
Change on last month	60%	-8.0%		23.6%		
Change on Apr 2017	34%	-12.9%		2.9%		
	<small>MORE IMPORTED</small>	<small>LESS SOLD</small>		<small>MORE STOCK</small>		

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