

autofile

Age 'blunt instrument' to tackle fleet's safety

A trade organisation says mechanisms other than age could be used to measure the safety of New Zealand's fleet and govern the standards of cars entering it.

The Imported Motor Vehicle Industry Association (IMVIA) is welcoming the views of people in the sector and government on its ideas.

Chief executive David Vinsen says that – until now – age has been used as a proxy to determine how clean, safe and efficient cars on Kiwi roads are, while what has

been presumed in the past may not necessarily be the case into the future.

"We have the ability to categorise vehicles and their safety in better ways than simply age, and should do that," Vinsen told Autofile.

"We're pleased a debate is under way, and are keen to hear the views of the Ministry of Transport [MoT] and new vehicle industry."

An article by Kit Wilkerson, of the IMVIA, in the January 13 issue of Autofile has already sparked off some discussion.

In it, he says: "What's safer than

a new car? How about a safer car? I ask because I hear concerns about our ageing fleet.

"The justification is decreased safety and efficiency – or the inability to take advantage of the increased safety and efficiency of newer vehicles.

"Safety refers to the ability to avoid or mitigate not only the cost of accidents to people in vehicles, but also those outside them.

"The MoT estimates that in 2013 vehicle accidents cost New Zealand about \$79 million in healthcare, excluding other social costs."

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Cars to be rated by crash risks

The Accident Compensation Corporation (ACC) is aiming to publish risk-rating categories for cars by the end of next month, Autofile can reveal.

The overhaul of motor-vehicle levies, which will result in owners paying less if they drive safer cars, has been widely welcomed by organisations in the automotive industry.

In future, risk ratings for vehicles manufactured after December 2011 will be based on new car assessment programme (NCAP) results.

The ratings for those made up to December 2011 will be worked out using an in-depth safety index developed by Monash University in Melbourne.

This uses real-world data from crashes in New Zealand and

Australia to determine how well cars protect their occupants and other road users when accidents happen.

ACC is planning to introduce its risk ratings in July after they have been fine-tuned while the industry will continue to work with it beyond that date.

The Automobile Association (AA), Motor Industry Association (MIA), Motor Trade Association

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Supercar inspires sports coupe



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Peace of mind with some laughs

Fishing was a pastime of mine growing up in England. I loved the tactics and serenity, and remember wrestling with a pike in a lake near London, which made for a fine mousse.

One of Kent's most surreal fishing spots is off the pebbly beach at Dungeness. The landscape includes a power station and film director Derek Jarman's famous garden.

It's an emotive place, but nothing really affixed itself to my hooks from the English Channel's murkiness, while trawler fishing trip off Sark, one of the Channel Islands near Guernsey, was more productive.

My latest excursion was dropping lines off the Matakana Coast – such big snapper and such beauty so close to Auckland.

The weekend also saw my friends' old Honda finally blow a gasket and hobble into the wrecker's yard. We had a few hours to spare in Warkworth, so we checked out some car dealers.

Our first stop was Gary Barber and his wife, who run Warkworth Car and Truck Rentals.

This lovely couple have been importing used small cars, such as Mazda Demios, from Japan for years to rent and sell. "They can be trusted to look after our friends," we decided.

We also popped into United Autos and met Martin Dunn, who originally hails from Blighty and sometimes gives his views in Autofile's industry statistics section, and his wife Nicole. They met in Germany.

They had a pile of past issues of the magazine for easy reference and we chatted about the editorial in the December 12 issue, which included how some car names in one language have unfortunate translations into others.

Martin had one of his own. Apparently, Nissan's Serena is a brand of sanitary towel in Germany. Nicole howled with laughter.

Of course, he did try to sell me some new wheels – a used Jaguar X-Type. Alas, it was "too much car" for city driving and the electronic control panel seemed to have a mind of its own.

Of course, my wife warned Martin he had no chance of getting me to open my wallet. She was correct, but he might have better luck next time.

I've recommended my friends go to one of these car dealers because, as is the case with most such businesses in this country, they will stand behind their vehicles.

What price for the peace of mind of buying from a registered motor vehicle trader?

Darren Risby, editor

Recall for Dealer Directory

4 Media Ltd has had its own recall – but we don't want our vehicles back.

Due to a printing error, the Dealer Directory posted out with the February 6 issue of Autofile had about half of the car dealers

in Dunedin and all those in Invercargill omitted.

A correct version of the directory will be mailed out with the March 6 issue of Autofile magazine. We do apologise for any inconvenience.

autofile

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Standards used in approach

Vinsen cites the future requirement for vehicles to have mandatory electronic stability control (ESC) when imported as an example of making progress on the fleet's safety through a standards-based approach.

"Such an approach shows safety isn't necessarily related to age," he says. "Vehicle age is a blunt instrument to use because we can now drill down deeper into information.

"We can use facts and features for standards and platforms to say 'yes or no, new vehicles are as safe as those 10 years old'.

"Wilkerson, as the IMVIA's policy analyst and adviser, is looking into these things on a factual and scientific basis.

"If we can start a discussion about this, we could have ideas progressed and even implemented when matters are

discussed with the government.

"Health benefits also need to be looked at, as well as fuel efficiency and greenhouse gases created by making vehicles."

Vinsen says this all, and more, falls into an area that can be taken forward instead of simply using age to determine if "we have a good or bad fleet".

"Over the past 10 to 12 years, the industry and government have presumed new vehicles are better than older ones. This has been the underlying premise to reduce the fleet's age.

"There may well be eight or 10-year-old vehicles that are cleaner, safer and more efficient. Instead of looking into this, we've been using a sledgehammer to crack a nut."

Vinsen says it's possible to break down more precisely what makes a vehicle a good one for the fleet.



"Vehicle age is a blunt instrument to use because we can now drill down deeper into information."

– David Vinsen, IMVIA

"This is the position the IMVIA has come to with its work and research."

LOOKING AT PAST ISSUES

Various initiatives have been instigated by the government over the years with vehicle safety in mind.

The approach taken by the standards-based seatbelt anchorage scheme, which dates back to the early 1990s, meant cars had to be complied on a case-by-case basis.

"It was a big issue in the early days of used imports and we had to work with the government on this," says Vinsen. "The industry realised information had to be presented through cogent arguments when the government came up with policies."

There was plenty of discussion about older vehicles when the frontal-impact rule came in. ▶

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◀ “If vehicles didn’t get statements of compliance, then that was that. Again the mantra was older vehicles weren’t as good as newer ones.”

In regards to the exhaust emissions rule, Vinsen says some 10-year-old cars were compliant and clean at the time, but many later models were not.

“The industry, government and public made presentations that newer vehicles were better in this respect as well.

“What it proved – with its merits or otherwise – was the quality of vehicles should be based on standards and not age alone.

“The emissions rule was good in principle, but wasn’t necessarily implemented in the best way because had the government done nothing at the time, we would be in the same position as we are in now.

“The market dictates these things. It’s often best for the government to concentrate on growing the economy and ensuring people have well-paid jobs because Kiwis will always buy



In regards to the vehicle exhaust emissions rule, the IMVIA's David Vinsen says some 10-year-old cars were compliant at the time, but some later models were not

the best vehicles they can afford.”

As for the ESC rule, this hinges on whether vehicles have the system installed and working when they cross the border.

“The IMVIA’s research here and in Japan supported a staggered approach for mandatory ESC in vehicles,” says Vinsen.

“Our proposals on implementation were based on facts, rather than using age as a rule of thumb.

“We commissioned research into what was available in Japan and likely to be compliant in New Zealand.

“Trends identified as likely to

happen over the next few years put the IMVIA in a position to meet with the government and argue for a staggered roll-out on ESC and get the best possible result without strangling the industry.”

EFFICIENCY OF VEHICLES

In his article published in Autofile, Wilkerson says an accurate definition of vehicles’ efficiency can be the amount of work achieved from the amount of fuel put in.

But he feels the term is often used to refer to emissions produced – more efficiency means fewer emissions.

“There are real benefits to

decreasing them,” he says. These include minimising greenhouse gases, while pollution caused from making cars is rarely taken into account.

The Organisation for Economic Co-operation and Development estimates the healthcare cost of New Zealand’s road-transport emissions comes in at about \$560m.

In addition, the World Health Organisation says there is enough evidence to reclassify air pollution from “contributes negatively to health” to “carcinogenic to humans”.

Wilkerson adds: “Evidence suggests newer vehicles are on average safer and more efficient.

“However, what the statistics really show are slightly more than 50 per cent of vehicles made tomorrow will be safer than those made today and slightly less than half of them will be worse.

“Depending on improvement rates, some vehicles that entered the fleet years ago should be safer, more efficient and or greener than the average modern one.”

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New Zealand's ageing fleet

The national fleet has aged rapidly over recent years with cars averaging 13.5 years of age in 2013 compared to 11.6 years of age a decade earlier.

Infometrics Ltd, which reports on economic information, research, analysis and forecasts, takes a two-pronged approach to establishing its view of the future.

It models a likely demand scenario over the short to medium term based on factors. These include employment conditions, economic growth, interest rates and the exchange rate, which affects car prices.

It then cross-checks these statistics against fundamental drivers based on issues from car ownership rates to household formation rates and vehicle replacement demand.

According to the Ministry of Transport, the average age of a passenger car was 11.6 years in 2003, but by 2013 it was 13.5 years.

Infometrics says data shows this is explained by sharp increases in the average age of used imports.

In 2003, the average age of a used import on Kiwi roads was 11.5 years, while by 2013 it was 15.4 years old.

By comparison, the average age of New Zealand-new cars was steady at about 11.6 years over the same period, it says.

There is a glut of used imports in the fleet made in the mid-1990s – 5.7 per cent of all in-service vehicles are used imports made in 1996, while used imports made from 1995-99 represent about 21 per cent of the fleet, or around 557,000 units.

According to Infometrics, this bubble of mid-1990s used imports gets older every year and pushes up the fleet’s average age.

Visit www.autofile.co.nz to read a more in-depth version of Infometrics’ article with graphs. ☺

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Two sides to the discussion

He believes the fleet's worst offenders for tailpipe emissions, for example, could be identified through in-service testing.

On top of this, vehicles are lasting longer with many current models built to clock up more than 400,000km.

"Considering those here may travel an average of 14,000km per year, some should last 26 years," says Wilkerson. "My point is not to demonise new vehicles, rather just inform the debate."

DIFFERENT TAKE ON SITUATION

The Motor Industry Association (MIA) says its views on New Zealand's fleet relate to vehicle safety and age.

"It is useful to understand the life cycles of models," says David Crawford, chief executive officer.

"From a manufacturing perspective, the life of each model

is often referred to as a model's generation, which may undergo midlife facelifts and so on.

"Generally, model generations last between five and seven years before being replaced. In

terms of safety and environmental performance, each new generation is better than the one it replaces."

The MIA emphasises the fleet improves over time as each model is launched, along with facelifts in between.

He disagrees with the IMVIA saying "slightly more than 50 per cent of vehicles manufactured tomorrow will be safer than the ones made today and slightly less of them will be worse".

"This isn't correct by any stretch of the imagination," Crawford told



David Crawford, CEO of the Motor Industry Association

Autofile. His view is that "not only does this reflect poor application of the statistics, it indicates a lack of understanding about manufacturing and fleet management".

"While it may be relevant to say one

make is better than another, as time moves forward all makes improve", and while relativities between car manufacturers may change over time, all marques and models get better as time progresses.

"For each make and model, tomorrow's vehicles – with few exceptions – will always be better than those of today or yesterday," adds Crawford.

As to the question of age being a "useful surrogate" for predicting less safe and clean vehicles, the MIA believes there's enough of a correlation to indicate that it is.

"However, we acknowledge it isn't a perfect correlation as many other factors also apply, such as distance travelled, how well or

poorly a vehicle is maintained, how hard a car is driven and so on," says Crawford.

"We prefer that both standards and age are applied – not only to the importation of used vehicles to avoid older and less safe ones coming into this country past a certain age, but also to end-of-life vehicles.

"The best way to manage the fleet's safety and environmental performance over time is to manage what comes in at the front end.

"When allowing in a large volume of used imports that are nine or 10 years old when the useful life of a vehicle is about 18 years, as a country we will continue to import technology that's already a generation old – and has been replaced and updated."

The Motor Trade Association was contacted by Autofile to contribute to the debate.

However, it is currently in consultation with its stakeholders, analysing research and working out "what it can do to ensure New Zealand's drivers are as safe in their vehicles and on the road as possible". ☺

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Changes shape industry

New Zealand's automotive industry has faced some landmark regulations over the years – at the border or in relation to legal roadworthiness.

A major issue came to a head in 1991 when car dealers met at Ellerslie Racecourse to set up a fighting fund.

The Ministry of Transport (MoT) wanted to implement standards to ensure cars had internationally recognised seat-belt anchorages.

The Licensed Motor Vehicle Dealers Importers Association (LMVDIA), a forerunner to Imported Motor Vehicle Industry Association (IMVIA), recognised that unless a testing regime was set up the industry might have come to a halt.

A specification written by the controller of vehicle standards and based on the ECE R-14 European standard was adopted with testing developed to ensure anchorages complied.

Some cars weren't designed to have upper seat-belt anchorages in the rear strong enough to withstand test loading, so a rig was designed with the LMVDIA contracting Transport Specifications Ltd to oversee compliance testing.

Next up was the frontal-impact rule, which came into effect in April 2002.

This aimed to set occupant safety standards, and focused on structural integrity and airbags – although airbags were not specifically mandatory ▶

[continued from page 1]

Revised levy system to be 'fairer'

(MTA) and Imported Motor Vehicle Industry Association (IMVIA) have all praised ACC's forward-thinking approach in coming up with the system.

These four organisations have been key stakeholders and have worked with ACC to get to this stage.

"The regulations for our risk-rating bands and associated levies are being drawn up by the Parliamentary Counsel Office in conjunction with the Ministry of Business, Innovation and Employment [MBIE] and ACC," a spokesman told Autofile.

"Once the regulations have been finalised, they will go to the Minister for ACC, who will take the regulations to cabinet for final approval. They are expected to be published by the New Zealand Gazette at the end of March.

"ACC will continue to include information flyers with vehicle owners' licence renewals."

Nikki Kaye, the Minister for ACC, unveiled the changes this month as part of a package to reduce levies charged on vehicles.

From July 1, the average fee for

a car – including annual licensing and petrol levies – will drop from \$330 to \$195.

"This recognises owners of safer cars, which are less likely to cause injuries, should pay lower levies," says Kaye. "However, all owners will pay reduced licence levies from July.

"This reflects the improved

before December 2011 will be rated based on data collected about their safety performance," adds Kaye.

"There has been discussion about how newer model cars are rated given there is less real-world crash data about them.

"Following public consultation and advice from ACC and MBIE,

New Zealanders. I would like to thank the public and stakeholders, such as the AA, MTA, MIA and IMVIA, for contributing to the consultation process."

INDUSTRY REACTS TO RATINGS

Talks about introducing risk ratings started last year when a



"The changes ACC is making will result in fairer levies and more money in the pockets of many New Zealanders."

– Nikki Kaye, Minister for ACC

financial position of ACC's motor-vehicle account and will return about \$438 million to levy payers."

She describes the risk-rating system as fairer because it recognises owners of safer cars, which are less likely to cause injuries, should pay lower levies.

Cars make up the majority of New Zealand's fleet at more than three million units, and the new fees will be broken down to specific makes and models.

"Under risk rating, cars made

I've decided the ratings of cars made after December 2011 will be based on safety assessments of their design and performance in simulated crash testing.

"The changes ACC is making will result in fairer levies and more money in the pockets of many

discussion paper was released – as revealed first by Autofile.

All four industry associations involved in behind-the-scenes work have praised ACC's approach to overhauling its motor-vehicle account levies, although some minor issues have to be ironed out.

[continued on page 8]

◀ requirements on their own.

Some vehicles met required standards while others were precluded when the rule kicked in.

The Imported Motor Vehicle Dealers Association, another precursor to the IMVIA, produced a guide for compliant stock at Japan's auction houses.

The vehicle exhaust emissions rule, which set a minimum standard, was introduced in 2004.

Used imports had to comply with standards at the time of manufacture, which the IMVIA believed led to many Kiwis holding onto older cars instead of updating them.

Amendments in 2006 restricted used imports to those made post-January 2005 – those with triple digit or Euro 4 coding.

In 2007, the rule was signed into law and the IMVIA challenged it in court in 2011.

Although it lost, it showed the industry was prepared to take a stand, and more consultation between the government and the association followed.

Last year, the government announced electronic stability control would be mandatory for new and used vehicles imported into New Zealand through a staggered roll-out to 2020.

BOOK ON USED IMPORTS

You can find out more about the history of used car importing in *From The Rising Sun To The Long White Cloud*.

This book has been published by 4 Media Ltd to celebrate the silver anniversary of the used import vehicle association.

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Industry welcomes fee changes

"ACC is being innovative by introducing this system for cars," says Mark Stockdale, senior policy analyst at the AA.

"This approach reflects an increasing awareness that if buyers opt for safer vehicles designed to better protect occupants and other road users in the event of collisions, then they should be recognised for this in the levies they pay."

Stockdale stresses the AA, MIA, MTA and IMVIA have worked closely on the methodology to fine-tune the ratings, and are pleased with the process and by ACC working with industry experts.

"This will be the first year for the vehicle safety ratings, so they may not be 100 per cent perfect," he adds. "There will be revisions made for next year, but the AA has confidence in this system."

"Perhaps it's time the insurance industry also considered safety

more when setting premiums. ACC has been bold to make the first move in this area."

The AA would like to see insurance providers consider what active safety features cars have that help prevent accidents or mitigate their outcomes, such as electronic stability control or lane-departure warning systems.

"We want motorists to buy the safest vehicles they can afford," says Stockdale.

"One of our election calls was for the government to ensure dealers display safety ratings so the public has easy access to that information."

"Buyers are motivated by lower costs to run vehicles, so ACC levies based on these ratings will influence purchasing decisions."

"If insurance companies also



Mark Stockdale, senior policy analyst at the AA

lowered premiums based on this it would encourage more private and fleet buyers to go for safer cars.

"It may not be as straightforward as that because newer cars tend to cost more to repair than older ones, but the AA feels more

can be done to encourage people to buy safe vehicles."

David Crawford, the MIA's chief executive officer, says credit should go to ACC for listening to the industry, while meetings held with its officials have been productive.

He feels about 90 per cent of the issues have been dealt with from the MIA's perspective, while the ongoing grouping of vehicles will change over time.

"This will be reviewed annually on a confidential basis," Crawford told Autofile. "Any remaining anomalies will be sorted out, but there aren't too many of them."

"Risk ratings are a step in the right direction. Overall, it's a good idea to assess vehicles based on age, safety and technologies."

Crawford points out that while insurance premiums are assessed according to risk, ACC hasn't done this sufficiently in the past so putting vehicles into groups is the right way to go.

"In time, vehicles will become

smarter and be required to meet standards for vulnerable road users, such as pedestrians and cyclists."

Malcolm Yorston, technical services and membership manager of the IMVIA, says: "Many people will be happy with their cars' ratings, while others will still get a reduction in their ACC levies."

"Owners may ask why their vehicles' levies are more expensive than similar models, but some have diesel engines and others are fuelled by petrol."

"People whose cars have petrol engines will continue to pay ACC levies while diesel owners pay at the pump, although levies for diesel will be higher than petrol."

"The industry group that has been set up will get together as new models come into use."

Yorston emphasises that ACC's motor-vehicle levies was an area showing a surplus, along with employer levies, although not much will change when it comes fees being paid by owners of motorcycles.

The MTA says what has been achieved so far is a good example of the industry getting together and working out solutions.

"We would like to acknowledge the MIA for leading this workstream," says Warwick Quinn, chief executive officer. "We're looking out for the details and formulating specific advice for our members." ☺



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The current levy system

Autofile first reported in November 2013 that ACC was planning a major restructuring of how fees are paid into its motor-vehicle account.

This fund provides cover to users, passengers, pedestrians, cyclists, overseas visitors and others involved in accidents on public roads.

It is funded by vehicle owners and users, other motorists and through the petrol levy and registration fees.

At the moment, ACC uses a class-rating approach. It groups vehicles into classes with each assessed by to set its levy. It aligns

categories with types of legally defined vehicles.

When first registered here, the NZTA determines what type vehicles are and classifies them.

ACC currently groups vehicles into nine classes for levies, which are further split by fuel type.

By using a total secondary safety index as a risk-rating factor in the future, ACC will be able recognise the lower risk of injury to people who use safer vehicles.

It hopes these reduced annual licence levies will provide extra reasons for motorists to buy safer cars. ☺

Motors rev up online trade

The performances of Trade Me Motors and MotorWeb have been highlighted in the parent company's half-year report.

Trade Me's classifieds businesses have delivered "another excellent result", according to Jon Macdonald.

The chief executive officer reports this division's revenue increased by 24 per cent to \$47.7m, while earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 14 per cent for year-on-year growth.

Trade Me Motors enjoyed a revenue boost from the contribution of MotorWeb, the vehicle-data business it acquired in December 2013.

"It remains the most popular automotive website in New Zealand by a significant margin," says Macdonald.

Revenue from Trade Me Motors soared by 40.6 per cent year on year, which was led by dealer

revenue, premium uptake and MotorWeb. Excluding MotorWeb, revenue rose by 14.2 per cent.

There was a 4.1 per cent increase in direct motors listings, while trader numbers rose by 10.6 per cent.

In January, the company acquired a 15 per cent stake in Harmony for \$7.7m.



"We are continuing to invest in people, product development and marketing."

– Jon Macdonald, Trade Me

"It is currently the only licensed peer-to-peer lender in New Zealand," says Macdonald.

"We see Harmony as a great fit as it is about providing Kiwi consumers with a safe, trusted, scalable, efficient online platform to undertake transactions.

"In September 2014, Trade Me

acquired Paystation Group, an online credit-card processing and payments gateway.

"We see its expertise as complementary to our core business, and think its nous can help us make trading on Trade Me faster and easier.

"We are continuing to invest in people, product development and

profit growth was recorded during the first half of Trade Me's financial year with investment increasing.

Net profit rose to by 1.1 per cent to \$38.4m in the six months ending December 31, lower than the two per cent increase in the same period last year.

Expenses rose by 28 per cent to

marketing, as well as ramping up sales and account management," explains Macdonald.

"We are convinced this is the right approach, and believe investment will result in stronger market positions and growth opportunities in the future."

As for the overall accounts, slower

\$32.3m, outpacing a 13 per cent rise in revenue to \$96.9m.

Looking ahead, Macdonald says the full-year result is likely to deliver on earlier guidance "with low double-digit revenue growth, continuing investment, and, therefore, subdued EBITDA growth".

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More technology behind fresh look

Honda introduced its first CR-V here nearly two decades ago.

Now it believes the 2015 model has evolved with fresh looks, extra luxury, better design detail, 18-inch alloys and the latest driver technology.

It's available in CR-V 2WD Sport with a two-litre SOHC i-VTEC engine, while its four-wheel-drive (4WD) sibling and the 4WD Sport NT have 2.4-litre DOHC versions.

Integrated daytime running lights, the marque's lane-watch camera and emergency-stop signal are standard across the range.

The Sport NT has extra advanced active-safety technologies, such as lane-departure warning, lane-keep assist, collision-mitigation brakes and adaptive cruise control.

The sporty exterior appears



The 2015 Honda CR-V 2WD Sport

larger on the road, while the optional Sport+ exterior kit creates "an even more assertive stance".

Internally, the range has new seating, leather design, chrome detailing and soft-touch materials.

Specification levels offer smart keyless entry, push-button

start, sunroof, dual-climate air conditioning, power front seats, driver's memory seat, larger touchscreen, Bluetooth, multi-angle reverse camera, dual-screen navigation, and front and rear-parking sensors.

There are also one-touch

indicators, paddle shift, intelligent automatic wipers, headlights and dimming rear-view mirror, privacy glass and a reverse-parking door mirror.

Chassis upgrades include suspension-tuning refinements, a modified steering ratio, increased wheel width and improved brakes.

Enhancements to the SUV's body reduce noise, vibration and harshness. To insulate the cabin further, the coverage and thickness of sound-absorbing material has increased, including full coverage of insulating carpet.

Door sealing has also been improved with all of the changes resulting in a noticeable improvement in cruising quietness.

The 2015 CR-V is available in eight colours. Prices range from \$46,900 to \$54,900 plus on-roads costs, while the Sport+ kit is \$3,990. ☺

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Fuel economy boosted

The new-generation Triton will be built in Thailand with Mitsubishi saying it will be more efficient and offer high levels of safety.

The marque adds the ute will also raise the bar for passenger car-like driving performance while retaining durability and reliability.

Power for the 2015 range comes from a new all-aluminium 2.4-litre MIVEC variable-geometry turbo-diesel engine, which boasts a 20 per cent improvement in fuel economy that's expected to be best in class.

The new Triton's design is described as "outstandingly aerodynamic for a utility, contributing to fuel efficiency

and its quiet performance".

Interior space and load capacity have been improved, while a focus on sound insulation, absorption and vibration damping contribute to cabin quietness.

"It will perform the dual role of work truck and family car better than ever," says Daniel Cook, Mitsubishi Motors' head of sales and marketing.

"There's a leap forward in comfort, manoeuvrability and fuel efficiency while delivering more of toughness, reliability and safe off-road performance that have made it a success."

The new Triton will launch in New Zealand in the second quarter of this year with details of the range yet to be unveiled. ☺



Mitsubishi's 2015 Triton

Dealerships celebrate success

A Toyota franchise, which operates in Nelson, Richmond and Motueka, has claimed the supreme honour at the marque's annual awards.

Bowater Toyota claimed the Yokoi Cup for dealer of the year ahead of fellow finalists Miles Toyota and Tasman Toyota.

The business received the award for excellence in franchise operations, market leadership and facilities.

Tony Bowater, chief executive officer, says: "I was honoured to represent our team, which has gone above and beyond to ensure our clients keep smiling.

"It was rewarding to achieve this milestone with Toyota – after 27 years at number one, you cannot let your focus fade for a second."

Hawkes Bay Toyota won the president's trophy for customer satisfaction. The leadership award



From left, Shinobu Teramoto, senior executive director of Toyota NZ, managing director Alistair Davis, Bowater Toyota's Tony Bowater and brand ambassador Valerie Adams

went to André Heyns for advancing Miles Toyota and its people.

The financial services dealer of the year was Manukau Toyota, while Lexus of Auckland City was that marque's top dealer.

Meanwhile, Ebbett Prestige in Hamilton has been named overall dealer of the year at Audi's excellence awards.

"The team is ecstatic," says



Richard van den Engel, left, of Ebbett Prestige, and Dean Sheed, general manager of Audi NZ

dealer principal Richard van den Engel says. "We've worked hard to deliver excellent service for our customers and produce a competitive edge in sales."

Twenty-one awards were presented across 12 categories to celebrate achievements in sales, customer satisfaction and service.

Bay Prestige in Tauranga took out four honours. They were Jeff Price – best service adviser, Bevan Sheppard – service manager, and Mark Ferguson – parts manager. The franchise won the customer satisfaction award.

Other winners were Rod Williams, of Giltrap Audi in Auckland – business manager, David Judson, of Armstrong Prestige in Wellington – sales specialist, and Gary Periam, of Giltrap Audi – sales manager.

Visit www.autofile.co.nz for in-depth articles on both awards nights. ☺

Franchise recognised

A dealership has secured its place among an elite group in Kia Motors' global network.

Waikato Kia's sales results for the past year have earned it a Turtle Ship Award for being among the top 0.5 per cent of the marque's worldwide franchises.

It also took out a platinum award presented to the manufacturer's top three per cent of dealers internationally.

Dealer principal Mark Gothorp says: "We've been concentrating on moving into new premises while ensuring customers receive the same level of service during this process."

It moved to Te Rapa Business Park location, north of Hamilton, last year to become the largest exclusive Kia showroom in New Zealand, as reported by Autofile at the time.

Meanwhile, a new Ferrari dealership has been opened in

Auckland by Continental Cars, a division of Sime Darby.

The previous outlet for the marque was the Italian Car Centre on the corner of Great South Road and Ngaire Street in Newmarket. The new location is on nearby Broadway.




Mark Gothorp

The old premises were vacated around mid-2013 when the lease expired. They needed earthquake strengthening and structural work, so sales temporarily moved to Ellerslie.

Redevelopment of the nearby Team McMillan BMW facility has got under way.


An old building between Coutts Mercedes-Benz and Continental Cars Volkswagen has been demolished with the VW facility expanding.

And Auckland Volvo's new dealership in Greenlane is progressing with scaffolding being removed to reveal a white façade with huge windows. It should be fully operational by March. ☺



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There are big changes on the road ahead. Now is the time to step up and ensure a powerful voice for the Australian imported motor vehicle industry.



For more information or to register your interest in becoming an AIMVIA Foundation Supporter, please contact David Vinsen on 0800 046 842 or +64 9 573 3058.

Life dedicated to car industry

An industry stalwart is looking forward to his 90th birthday party next month, and meeting up with family, friends and people he has worked with in the past.

John Nicholls is one of the pioneers in the early days of imported used vehicles into New Zealand.

Although he retired some time ago, it was only last year he stepped down from analysing industry statistics for the Imported Motor Vehicle Industry Association.

One of his daughters, Carnie Nelson, told Autofile her father is looking forward to his party on March 8, the day before he turns 90, at Gisborne Tatapouri Fishing Club in the city where he lives.

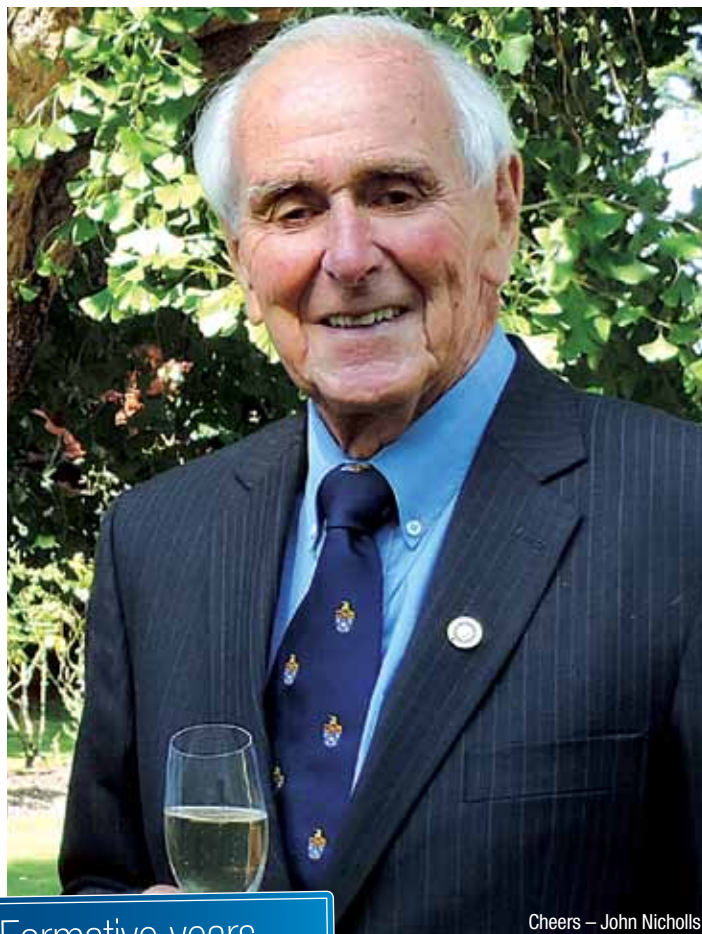
It will be attended by family and friends, some of whom live in the area and have worked with Nicholls over the years.

His time in the industry can be traced back to 1970. At about this time, he became Gisborne's branch councillor to the Motor Trade Association (MTA) and later became its chairman.

In 1975, he separated the vehicle sales division out of MTA to form the Motor Vehicle Dealers Institute (MVDI).

Nicholls, who was later the MVDI's inaugural president, was a member of an advisory group that worked with the government to draft what became the Motor Vehicle Dealers Act 1975.

The first Motor Vehicle Disputes Tribunal was formed



Cheers – John Nicholls

Formative years

After being born in Sydney, John Nicholls and his family returned to Gisborne in 1925. He boarded at Christ's College in Christchurch from 1938-43 and then enlisted in the air force.

He trained as a pilot and received his wings in 1945. This was too late to support the war effort, so he returned to Poverty Bay.

Nicholls started out greasing motors in his father's business. After becoming a registered accountant, his father put him to work on the books.

He became a well-respected salesman, mainly selling Bedfords, and secured 60 per cent of his local truck market.

in 1976 and he served for three years as a member of the Motor Vehicle Dealers Licensing Board. It aimed to provide discipline in the industry, provide warranties and promote dealers.

In 1979, Nicholls was made a life member of the MVDI and the used car industry became of interest to the organisation when import licensing changed in the 1980s.

At the time, he worked as a part-time consultant for Enterprise Cars and, in 1989,

started working for the Licensed Motor Vehicle Dealers Importers Association.

In 1991, Nicholls became its chairman and the association changed its name to Imported Motor Vehicle Dealers Association (IMVDA) the next year.

He negotiated with industry associations, the government and IMVDA members to find solutions to challenges for importing used cars.

These included ensuring improving safety standards, such as seatbelt regulations, preventing odometer tampering and stopping unlicensed dealers from selling unreliable stock.

In 1993, Nicholls moved to Auckland to help form Vehicle Identification New Zealand. It was later renamed VINZ, which he chaired.

VINZ's job was to ensure vehicles on Kiwi roads carried 17-digit alphanumeric identification numbers and it went on to certify imports for compliance.

To ensure Japanese used car dealers complied with requirements in this country, he did consultation work in the run-up to the formation of the Japanese Used Motor Vehicle Exporters Association.

He retired from the IMVDA in 1998 after more than 50 years in the industry, although he collated and analysed statistics until 2014.

Autofile, on behalf of the industry, would like to thank Nicholls for his contribution to New Zealand's automotive industry. ☺



From left to right: John Nicholls was humbled when the IMVDA presented him with his own Japanese import for his 70th birthday; enjoying a spot of fishing; farewell drinks at Auckland Airport in 1997

Sporty ride with better control

Volvo says the long-awaited Cross Country version of its V60 Sports Wagon will be an important part of the marque's product growth in New Zealand.

Available with a choice of petrol T5 and diesel D4 Drive-E powertrains, the company says both variants provide class-leading power and fuel economy, and have all-wheel-drive.

"With increased ground clearance of 65mm compared to the current V60, the Cross Country offers unparalleled control on and off the beaten track," says general manager Steve Kenchington.

"This is coupled with an enhanced sporty driving experience thanks to torque vectoring technology and corner-traction control. It's ideally suited to Kiwi roads and lifestyles."

Offering new Cross Country 19-inch wheels, the model has high-profile tyres for extra comfort off-road and aesthetics. They also reduce road noise and provide added wheel protection whether climbing kerbs or rocky roads.

Along with its increased ground clearance, there are front and rear, skid plates, side scuff plates and fender extenders, while integrated tailpipes reflect its sporty side.

The Cross Country brand has a long heritage. Volvo was the first marque to offer increased all-road capability and styling on its wagons as far back as 1997 when it introduced the V70 Cross Country.

"We are delighted to add the third true model to our product

portfolio," adds Kenchington.

"Its variants have been hugely successful for us in New Zealand with the V40 Cross Country accounting for half of all V40 sales since it was introduced last year, and the XC70 becoming an icon since it opened up the crossover wagon segment in 1997."

The V60 Sports Wagon's Cross Country version arrives in this country in the second half of this year with pricing yet to be confirmed. ☺



Volvo's new V60 Cross Country

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Model for anniversary

Holden has created a limited-edition Commodore GTR as part of the model's 2015 year range.

Its extra specifications include 20-inch forged alloys in gloss black with Bridgestone Potenza tyres, and black racing strips, highlights and lip spoiler.

There are also Holden-branded sill plates, and carpet floor mats, embossed front headrests and badges to celebrate the marque's 60th anniversary.

The sedan, which has red, white and silver exterior colour options, has a price-tag of \$51,990 plus on-road costs.

The standard SV6 sedan features a 3.6-litre SIDI direct injection V6

engine delivering 210kW of power and 350Nm of torque, and a six-speed automatic transmission with active select.

It also has sports suspension, front bucket seats, LED daytime running lamps, the MyLink system with an eight-inch touchscreen and embedded apps including Pandora and Stitcher SmartRadio, Bluetooth with enhanced voice control, rear-view camera, front and rear park assist, and blind-spot and reverse-traffic alerts.

Marnie Samphier, Holden NZ's general manager of marketing, says the GTR has been developed after feedback from customers suggested they were looking for something different.

All 100 units are individually numbered under the bonnet and come with an authenticity certificate. ☺



Holden's limited-edition GTR

Getting to grips with YouTube

You may ask how car dealerships incorporate videos into their selling techniques, but perhaps the big question is why would they?

If a picture speaks a thousand words, then what does video say? It's priceless, perhaps.

Eric Schmidt, chief executive officer of Google, has hailed video as "the next step in the evolution of the internet" – and that was in 2006 just before his company bought YouTube for US\$1.65 billion.

It was a big call when Google only spent US\$130 million on other businesses that year.

Of course, that's chump change now. YouTube's estimated value of more than US\$40b makes it Google's biggest brand product.

With close to US\$8b expected in advertising revenue this year, smarter companies are now definitely considering video.

If you are spending a fair penny on Google Adwords and other online marketing, you may want to consider switching some of your search-engine marketing spend into more organic marketing search-engine optimisation (SEO) by using video.

While video integration plays a small part in direct Google algorithms, it certainly gets Google's attention when video is shared through social media and, in that instance, moves your SEO ranking right up by getting you more clicks for less spend.

Web users under the age of 25, and all the way down to five or even less, understand and use YouTube as opposed to Google for learning and entertainment.

If you ask your children how to do something, they will show you using YouTube.

Embracing this medium means you will advertise and market your business in a forum Kiwis appreciate and understand.

With more than 100 million videos predicted to be watched in New Zealand in 2015, it's no coincidence successful businesses will incorporate video into their advertising.

While some automotive industry businesses have already embraced video, there is still ample opportunity to get success, such as the tourism industry has had.



DARREN MARMONT
Motorcentral

For example, Air New Zealand has attracted nearly 58 million views for videos it has uploaded.

Like any form of social media, video content needs to be fresh, informative and visually inspiring.

If the video a dealer publishes on the web is interesting and relevant to what car buyers are seeking, then Google will always find a way to ensure such content appears near the top of search-engine results.

Relevant videos, good photography and a well-written story unique to each vehicle will go a long way to achieving good results.

Social sharing by visitors to

websites is also important. When Kiwis share that content via personal social-media accounts, Google sees that as a consumer voting to promote the dealer's site.

It is this sharing that helps increase your ranking, getting your brand noticed or going "viral" if your content is good enough.

Of course, there are plenty of YouTube clips on how to upload videos. Taking an unbiased approach, I would recommend Google Support at <https://support.google.com/youtube/answer/57407?hl=en>.

The good news is that your dealership management system should be able to connect your vehicles to your videos in a similar manner to that of displaying car photos on your website.

The challenge is to get the content right. Shorter videos of less than one minute on a vehicle are of a better length because they allow the browser to look at more stock in a timely manner.

However, you might have a slightly longer video if incorporating a welcome message on your dealership's qualities and how you do business.

One thing is for certain, video is here to stay. How and when you incorporate video into your marketing strategy requires careful consideration, but there's an opportunity right now. ☺



Marketing by posting content on YouTube can get your dealership heard

Darren Marmont has a passion for dealership marketing content. Email darren@motorcentral.co.nz for help in communicating marketing strategies better and incorporating video into them.

Could your website be losing you customers?

61% of users said that if the site they visited wasn't mobile-friendly, they'd quickly move on to another site. Source: Google

Websites that aren't mobile-friendly annoy users and that's bad for business. Consumers are doing more on mobile devices, including shopping and product research, when they do, make sure you are in the mix.

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Wineries help keep industry healthy

Despite some recent views that Marlborough's economy has been underperforming, car dealers in the region are reporting strong growth in vehicle sales leveraged off a diverse range of sectors.

Figures show economic growth in the area famed for its sauvignon blanc and other tipples averaged 1.9 per cent over the past 10 years, which compares with a national average of 1.8 per cent.

Total employment has boomed by 3.2 per cent compared to a year ago, with agriculture, forestry and fishing employing about 20 per cent of the area's total workforce.

Business confidence is up right across the market, according to Scott McDermid, sales manager of Blenheim Toyota, with most of it stemming back to the wine industry.

"The ute market is definitely the biggest here with the Hilux number one overall in Marlborough," he told Autofile. "It's exactly what people need from their vehicle."

A good grape harvest last year helped to drive up demand from associated industries, including engineering, surveying and welding.



A Marlborough vineyard

"Over time, we've seen the viticulture industry really kick in," says Jared Morris, director at Wadscot Motor World, which holds franchises for Holden and Suzuki.

"We've got the best sauvignon blanc in the world and we have some big customers who own wineries."

The born-and-bred Marlborough local has been in the automotive industry for more than 19 years and, despite changes at Holden with local manufacturing in Australia set to end over the next few years, Morris remains upbeat about the future.

"Holden is an exciting marque to be associated with and all of a

"Over time, we've seen the viticulture industry really kick in."

— Jared Morris



sudden we're getting some product from further afield," he enthuses.

"Although it will be sad seeing the Australian plants shut, it does open up some new doors for us from late-2016 onwards."

And Morris has shown his confidence for the lion-and-stone's future by investing in a new showroom due for completion by August next year.

"It's being built so we can keep up with the times and improve customer experience by bringing key departments together," he explains.

The new facility will combine the parts and service departments, and boost the size of the showroom's floor with the admin area moving upstairs.

VEHICLE MARKET BOOSTED

Marlborough is home to more than 44,800 people and dealerships in Blenheim service the entire region, which stretches from the sounds to Kaikoura.

"Nelson is probably the closest city and our population is spread over a big area, so we have staff here who travel a long way to visit customers personally," says McDermid.

Government statistics show Marlborough's population grew by 0.2 per cent last year and has increased by 0.5 per cent over the past decade, with car dealers saying this has helped to bolster sales.

"Our market has grown year on year like the national trend," says Morris. "I can't see it going backwards, but I don't think we will see the huge surges of the past two years."

"This is a growing province and our industry tends to expand with growth in the province."

"As a whole, margins have remained at about the same level and we're not unhappy with them. It is what it is. Often margins are dictated by others and we don't get a lot of say, so our focus is on moving units."

Nevertheless, with the automotive market being so strong across the country, booking spots on vehicle carriers has become a challenge.

"Everyone is busy so you have

Used car sales for Blenheim - Jan 2014 to Jan 2015							
	PUBLIC TO DEALER	PUBLIC TO PUBLIC	DEALER TO PUBLIC	TOTAL	PUBLIC TO DEALER %	PUBLIC TO PUBLIC %	DEALER TO PUBLIC %
Jan '14	125	369	192		18.2%	53.8%	28.0%
Feb '14	115	340	182		18.1%	53.4%	28.6%
Mar '14	122	399	169	690	17.7%	57.8%	24.5%
Apr '14	99	332	163	594	16.7%	55.9%	27.4%
May '14	151	399	196	746	20.2%	53.5%	26.3%
Jun '14	118	334	185	637	18.5%	52.4%	29.0%
Jul '14	156	375	196	727	21.5%	51.6%	27.0%
Aug '14	116	404	179	699	16.6%	57.8%	25.6%
Sept '14	147	428	200	775	19.0%	55.2%	25.8%
Oct '14	106	383	217	706	15.0%	54.2%	30.7%
Nov '14	146	357	177	680	21.5%	52.5%	26.0%
Dec '14	116	398	188	702	16.5%	56.7%	26.8%
Jan '15	129	367	173	669	19.3%	54.9%	25.2%
Annual total	1,521	4,516	2,225	8,262	18.4%	54.7%	26.9%
Change on Jan 2014	3.2%	-0.5%	-9.9%	-2.5%			
					National YTD average		
					18.4%	57.1%	24.4%

Blenheim vehicle sales - Jan 2014 to Jan 2015				
	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS
Jan '14	45	61	4	20
Feb '14	46	44	11	19
Mar '14	54	62	7	31
Apr '14	38	46	2	25
May '14	41	44	4	39
Jun '14	48	52	9	41
Jul '14	65	63	4	52
Aug '14	51	55	3	32
Sept '14	42	61	2	46
Oct '14	63	48	3	33
Nov '14	51	50	4	48
Dec '14	53	45	2	50
Jan '15	66	51	5	38
12-month total	618	621	56	454
NZ sales - past 12 months	132,244	91,332	7,944	37,034
% of national sales	0.5%	0.7%	0.7%	1.2%
Change on Jan 2014	46.7%	-16.4%	25.0%	90.0%
POPULATION	NEW ZEALAND	BLenheim	%	
	4,242,051	43,416	1.02	



Seymour Square, Blenheim

About the area

Marlborough is known for its picturesque sounds and wine. It was named after John Churchill, 1st Duke of Marlborough, an English general and statesman.

Its geography can be divided into four areas. Two sections, to the south and the west, are mountainous. This is particularly true in the southern part as it rises to the Kaikoura Ranges' peaks.

Then there's the long valley of the Wairau River. This broadens to wide plains at its eastern end in the centre of which is Blenheim.

This region has fertile soil and temperate weather, which is a great combination for wine production.

The fourth zone lies along its north coast – the drowned valleys of the Marlborough Sounds.

◀ to be prepared to wait," says Morris. "Freighting services are maxed out because there are so many cars to deal with. But they do a great job and it's just a matter of working with them."

McDermid says the market in Blenheim can be driven by customers' perceptions about when they think the best times to buy are.

"There are definitely peaks and troughs for new vehicle sales, and there's a perception Fieldays is the best time to buy," he says. "But the pricing then is very similar to the rest of the year."

STACKING UP NUMBERS

For the 12 months between February 2014 and January 2015, Blenheim recorded 621 new passenger and 454 light-commercial vehicle registrations.

Comparing January 2014 to last month, sales of new cars were down by 16.4 per cent from 61 to 51 but light commercials rose by 90 per cent from 20 to 38.

Sales of used imports for the same 12-month period were 618 for passenger vehicles and 56 for light commercials.

In terms of January comparisons, cars went up by 46.7 per cent from

45 in 2014 to 66 last month. Light commercials also increased by 25 per cent increase, albeit by one unit.

Blenheim also recorded 2,225 dealer-to-public transactions between February 2014 and the end of last month.

Phil Brown, owner of Phil Brown Motors, has been in the industry for about 40 years and believes margins on used vehicles are now tighter.



Phil Brown

"Customers are price-aware and many have done their homework before they come in, so national prices affect us," he says.

"Before the internet, we had a regional pricing thing going on. Now the web has levelled it out and has turned the whole of New Zealand into one marketplace."

Brown says Blenheim has battled issues surrounding roadside traders, but they aren't proving to be too much of a problem now.

"There were people dealing without infrastructure and avoiding the Consumer Guarantees Act," he says.

The Blenheim Toyota dealership with sales manager Scott McDermid, inset



The Interislander ferry Kaitaki

"We fought it really hard about four or five years ago. The council will now stamp a notice on any vehicle that's being sold on the side of a road."

John McIntyre, of J & R Autos in nearby Picton, says despite strong local sales, he still has inquiry from buyers across New Zealand. "If the pricing is right online, people will come from around the country to buy."

He has been in the industry since 1992 and believes deregulation has not helped traders.

"There are now more undesirables in the industry with more people being ripped off. People used to moan about the rules, but it was a pretty well-oiled machine back then."

McIntyre was a car dealer in the Bay of Plenty before moving to Picton.

"It's a complete change of lifestyle from Tauranga, which has turned into a mini Auckland," he says.

"Customers here are good to deal with and we don't seem to have too much in the way of crime. We haven't regretted the move." ☺



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NEWS in brief

Government eyes up autonomous cars opportunities

The Minister of Transport is keen for New Zealand to benefit from any opportunities presented by testing driverless vehicles.

Rules governing their use are being reviewed by the government, but Simon Bridges says new legislation may be urgently passed if there's demand for trials to be conducted here.

The news comes as speculation mounts that two technology companies are in talks to test their products in this country.

Bridges has declined to name them, but says discussions are progressing. Obstacles to be overcome include mapping New Zealand's roads, safety features and liability issues.

The minister plans to fly to Silicon Valley in California, and technology hubs in Japan and Korea, to carry out research.

"I will be talking to players in this space and telling them New Zealand has advantages as a test bed," he says. Visit www.autofile.co.nz for more on this story.

Rare vehicles worth millions of dollars found in barn

About 100 cars have been found in a French barn, including a rare 1961 Ferrari 250 GT SWB California Spider, pictured. Also



discovered were a 1956 Maserati A6G Gran Sport Frua and Bugatti 57 Ventoux.

They all belonged to Roger Baillon, a transport magnate who started assembling his collection in the 1950s.

But two decades later, his business suffered problems so he sold about 50 cars and didn't have enough money to restore the other 100.

It's thought 60 of those found are salvageable and have an estimated combined value of about NZ\$21 million.

Italian marque records country's biggest sales rise

Maserati notched up a 400 per cent sales increase in New Zealand last year compared to 2013 for the biggest proportional rise of any marque. Its 70-unit total was also greater than the three previous years combined.

General manager Glen Sealey says a new dealership involved considerable investment, but "the excellent sales achieved last year is in no small part due to Auckland Maserati".

The trident brand has also invested in its Christchurch facility by bolstering customer service.

Autofile Online has regular updates on overseas markets. For example, Australians bought 82,116 new passenger cars, SUVs and commercials in January with the Mazda3 topping the ladder on 3,903 units.

European cars lined up for Kiwis in extended range

New Zealanders are one step closer to seeing European-sourced vehicles in Holden's range with the first Insignia VXR coming off the production line in Germany.

It will be one of four new models from the continent to join the marque's range in the second quarter of this year, with the Astra VXR and GTC and Cascada convertible completing the line-up.

Retail spending increase across automotive industry

Statistics NZ reports retail spending continued to rise in the December 2014 quarter and was driven by the motor-vehicle industry.

The overall volume of total retail trade sales went up by 1.7 per cent after increasing by 1.6 per cent in the September quarter. For detailed analysis of the numbers, visit www.autofile.co.nz.

Work starts on wharf

Ports of Auckland is removing the northern part of Marsden Wharf, which has been used to hold imported vehicles, because of its poor condition.

Matt Ball, head of communications, says the work will have no effect on the arrival of roll-on, roll-off vessels.

"It means we will have slightly less space, but vehicles can be held elsewhere," he told Autofile.

The work will see piles left in place until the port can deepen the shipping basin in

that area for vessels berthing at Bledisloe Wharf.

"It will mean we are able to utilise a berth that's inaccessible and this reduces the need to extend further north," says Ball.

"The work is part of the port's long-term plan to optimise layout to improve efficiency and keep reclamation needs to a minimum."

He adds the extensions mean the port will be able to handle more vehicle carriers, especially when cruise ships dock in Auckland. ☺



Marsden Wharf



Some of the models from the 2015 Ford Falcon range

Debut for hands-free system

The new Falcon is the first Ford available in New Zealand to have the manufacturer's SYNC smart hands-free communication system with MyFord Touch.

It allows users to manage the entertainment system, climate control, satellite navigation and linked mobile devices through voice commands via a touch screen, physical buttons or advanced voice control.

The 2015 Falcon is also the first model in this country to feature SYNC's high-resolution, eight-inch colour screen, which provides an easy point of entry to

manage the vehicle's controls.

It heralds the return of the XR8 featuring the Boss five-litre and supercharged all-aluminium engine – the first time a performance V8 has been installed in the XR Series since 2010. The 32-valve unit produces 335kW and 5,700Nm of torque.

The FPV GT RSPEC suspension features retuned front and rear dampers and springs, a larger rear stabiliser bar, and stiffer front upper spring mounts and arm bushing.

The front and rear suspension geometry has been adjusted to complement 275 rear tyres.



There are Brembo four-piston caliper brakes at the front, rear single-piston caliper brakes, a high-specification cooling fan, limited-slip differential and sports steering gear.

The XR6 and XR8 showcase

the Australian design team's interpretation of the marque's "global design DNA" with a trapezoidal grille, chiselled headlamps and wrap-around tail-lamps with LED technology.

Corey Holter, managing director of Ford NZ, says: "The new model will make its long-time fans happy and we're confident it will also win over new ones.

"It's a blend of legendary performance and handling with smart new technology and design."

Pricing for models range from \$54,340 for the XR6 automatic sedan to \$59,340 for the auto G6E Turbo sedan. They are now on sale. ☺

Performance gears up

Lexus has announced it's adding a second high-performance F model to its range after last year's launch of the V8-powered RC F sports coupe.

The GS F builds on the marque's popular luxury mid-size sedan to "further cement" the emerging brand as a "true enthusiast's offering".

Neeraj Lala, Lexus NZ's general manager of product, believes it showcases lineage from the "halo model" LFA supercar.

"Halo models are designed to inspire and that's exactly what the LFA has done," he says.

"With the standalone F line, we're starting to see new models, such

as the RC F and new GS F, that embody design and performance aspects of the LFA – and boast performance and passion.

"Lexus isn't chasing high sales volumes with F brand cars. The new GS F is engineered and designed to deliver on-road and on-track experience."

Although the model will go on sale later this year, the new RC F, and IS350 F Sport and GS350 F Sport, have been in action at Lexus track days and other events.

They were timed to coincide with this year's rounds of the Toyota Racing Series, which ran until February 15. ☺



The Lexus GS F

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Industry movers

MARK BERNHARD is returning to Holden as chairman and managing director.

He started his career with the company in 1986, and has held senior finance roles in General Motors' global operations over four decades.

Bernhard is a former chief financial officer of GM Holden, and is currently vice-president and CFO of Shanghai GM.

Stefan Jacoby, GM's executive vice-president, says: "Mark's knowledge of GM Holden, including New Zealand, our region and GM's global operations will serve him well.

"He will champion its transition in Australia to a national sales company, and reposition the Holden brand for long-term growth and profitability."

Bernhard will take up his new role in the third quarter of this year and will succeed Jeff Rolfs, interim managing director. Visit www.autofile.co.nz for more on this story.



MEENAL REEDY has joined Jacanna Customs and Freight after working in the freight-forwarding industry for five years.

In her last role, she qualified as a customs broker, and enjoys dealing with customers and agencies associated with the industry.

Reedy plans to further her studies by taking a diploma in business management in mid-2015.



SEAN TUPP has been appointed general manager of General Motors' division in this country.

His priorities include overseeing the introduction of new vehicles, such as those Holden will source from Europe in the future.

Tupp was previously general manager of Skoda and returns to distribution after a spell in vehicle leasing. He has also worked for Ford, Audi and Volkswagen.



FRANK WILLETT has been made operations manager of AUTOHUB New Zealand.

"I have come in to assist John Davies with day-to-day operations with vehicle arrivals and processing," he told Autofile.

Willett was previously chief executive officer of VINZ and is vice-chairman of the North Island branch of the Imported Motor Vehicle Industry Association.



DAVID COULL, pictured, has taken a place on the Energy Efficiency and Conservation Authority's board, while Marion Cowden has been reappointed as deputy chairman and Mervyn English as a member.

Coull, a commercial lawyer, has worked in the energy sector for more than 10 years, while English was the Electricity Commission's general manager from 2004-10.

Cowden is a chartered accountant with 25 years' experience in private and public sector management.



STEPHEN MATTHEWS has been made national parts manager of Holden and Isuzu Truck in this country. He was previously after-sales manager.

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

NZ labour market report

SKILLED JOB VACANCIES

advertised online increased by 0.7 per cent during January and were up by 6.3 per cent in the past 12 months to last month, according to the latest Jobs Online report published by the Ministry of Business, Innovation and Employment (MBIE).

January's increase in skilled vacancies was driven by construction and engineering, which rose by 1.4 per cent, and hospitality and tourism, which went up by 1.1 per cent.

The occupation groups with the biggest month-on-month increases were managers – up by 1.6 per cent – followed by technicians and trade workers, which saw a rise of 1.3 per cent.

Skilled job vacancies increased in most regions. The Bay of Plenty had the highest growth, both monthly and annually – up by 2.4 per cent and 27.8 per cent respectively.

This was followed by Waikato with an increase of 2.1 per cent over the past month.

Vacancies fell slightly in Northland, Nelson, Tasman, Marlborough, West Coast and Canterbury – all by 0.3 per cent.

However, skilled vacancies in Canterbury increased over the year by 6.5 per cent. This was driven by construction and engineering, which increased by 14.9 per cent, and sales, retail, marketing and advertising – up by 14 per cent.

David Paterson, MBIE's labour market and business performance manager, says growth in skilled vacancies has remained strong over the year.

This has been underpinned by demand for technicians and trades workers, which returned an 11 per cent increase.

"The monthly increase in vacancies is consistent with the latest results from a household labour-force survey showing the market continues to be strong, with increased labour demand and supply," he says.

The skilled vacancies index by industry group saw sales, retail, marketing and advertising vacancies drop by 0.1 per cent when January was compared to December, but they increased by 3.9 per cent from January 2014 to last month.

The figures for accounting, human resources, legal and administration were minus 0.4 per cent and plus 7.5 per cent respectively.

Over the year to January, skilled job vacancies increased in most industry groups.

Construction and engineering rose by 18.3 per cent, and hospitality and tourism's increase was 14.9 per cent.

Over the year, the fastest-growing occupation was engineering manager in the managers' category.

This section saw such vacancies in finance rise by 11 per cent to claim sixth spot on the ladder, while advertising and sales managers, up by nine per cent, came seventh.

Among professionals, actuaries, mathematicians and statisticians topped the chart with a 75 per cent jump.

Occupational and environmental health professionals came next on 43 per cent, while industrial, mechanical and production engineers came third and one per cent behind.

Vacancies rose for electrical engineers by 28 per cent – the fourth biggest increase. Advertising and marketing professionals came eighth on 12 per cent with accountants ninth on 10 per cent.

Air-conditioning and refrigeration mechanics headed the ladder for technicians and trades with a 62 per cent jump, and were followed by metal fitters and machinists on 41 per cent.

Glaziers were next up on 37 per cent and electricians were on fourth 29 per cent, while the structural steel and welding trades rounded off the top 10 on 17 per cent. ☺

Quality training pays dividends

Everybody in a motor vehicle or motorcycle dealership is a salesperson – from the groomer to the receptionist, business manager and dealer principal, literally everyone.

All contacts with customers or potential customers, conducted professionally and with purpose, will either increase or decrease your chances of them buying from you – not just once, but again and again.

These are called “touch points”. They are critical to the success of any business in that customers are left in no doubt they would like to continue trading with you and your company.

I’m sure you can easily recall an instance when you went into a retail store and left with the impression that the staff there were not looking after your best interests.

Or when they had no structured sales pitch that was genuine and left you in no doubt that they really could not, or wanted to, help you.

In fact, they were probably just “winging it”, or in other words doing the best they could with the lack of training they had received.

Winging it is a common issue among salespeople throughout many businesses.

But with proper training and support structures, this is an issue that can be minimised dramatically.

The first step is to develop a spiel or presentation that



RAY MEHARG
National sales manager
Protecta Insurance

will establish your customers’ buying needs.

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Winging it may work in 30 per cent of cases, but professional sales presentations will more than double your chances of success so which outcome would you prefer?

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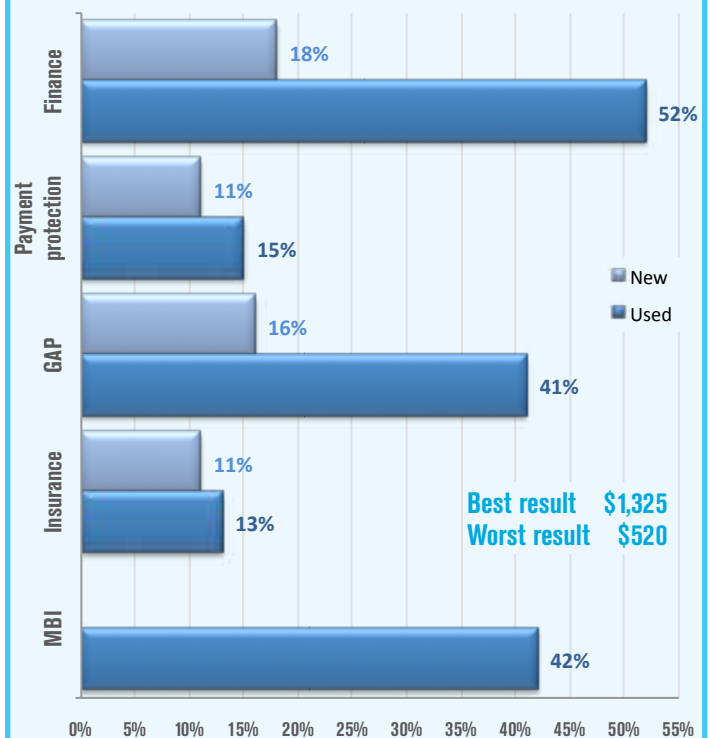
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Tribunal rules owner was aware of leaking pump before engine failed

Background

Jan Cronje bought a 2002 Land Rover Freelander from Apple Cars for \$11,995 on October 15, 2012.

He wanted to reject it after claiming its engine failed.

The trader said Cronje, after becoming aware the engine was leaking or consuming too much water, continued to drive the car.

The case

The car had 117,808km on its odometer when supplied. The vehicle offer and sale agreement (VOSA) recorded that in addition to the sale price, Cronje bought a three-year AA warranty for an extra \$1,400.

Cronje used the vehicle from October 2012 until late December 2013 to travel about 10,192km.

After saying it vibrated and the trader rebalancing the tyres, in October 2013 he returned the car to be serviced.

The invoice recorded the dealer pressure-tested the cooling system and replaced a hose clamp.

It noted the coolant reservoir needed replacing because the plastic was starting to crack. The trader also stated the starter motor was faulty and suggested a transmission service.

On November 14, the dealer repaired the starter motor and a CV joint for \$1,269 and charged two "excess payments" of \$300.

Cronje paid the trader \$600 for them and \$377 for the servicing work.

At that time, he discovered the warranty for the vehicle had never been bought by the dealer. The apparent reason was because the

AA wouldn't insure Freelanders because of their reliability.

The tribunal was surprised the trader appeared not to have told Cronje it had been unable to purchase the policy and refund his \$1,400 premium.

It didn't have jurisdiction to deal with contract claims so any recourse the buyer wished to have against the trader for failing to supply the warranty would need to be taken to the Disputes Tribunal.

Cronje said he topped up the coolant in the radiator reservoir with about 500ml of water every two or three months for some time.

He was unable to recall how long he had done that and didn't have the leak's cause diagnosed.

Cronje appeared to have ignored the trader's warning that the coolant reservoir needed replacing after the vehicle was serviced.

On December 26, he took visitors from South Africa to Shakespear Regional Park and noticed the engine had overheated. He said he let it cool down and added coolant before driving back to where he was staying.

The next morning, he found the car's radiator had no liquid in it. He said he removed the skid plate and found some coming from the side of the water pump.

Cronje phoned the trader and arranged to take the vehicle back the next day – a distance of about 7km.

Mr D Murphy, director for the dealer, produced an undated statement signed by its mechanic. This stated the car was delivered after Christmas and was driven about 25 metres to the workshop.

The mechanic found the timing belt had slipped allowing the valve to come into contact with the pistons.

He believed the main timing belt had jumped due to the water-pump bearing collapsing and not holding sufficient tension on the belt. The tribunal understood the engine was damaged beyond repair.

Murphy produced a tax invoice dated October 17, 2012. It showed the vehicle – before being sold – had been taken to Rykas Ltd, trading as Albany Village Automotive, to be checked for coolant loss and a leaking water pump when its odometer was on 117,813km.

Rykas replaced the pump, idler and tension bearings, refitted the cam belt, renewed the engine oil and did a warrant of fitness (WOF) inspection. It charged the trader \$1,230.

Murphy gave sworn evidence – the veracity of which was denied by Cronje – that the buyer had phoned the trader two days before Christmas 2013 and told him the vehicle was leaking water.

He added he told Cronje to have the car towed into the trader immediately, but Cronje told him that it was only a small leak and he would take it in after Christmas.

Cronje didn't and the next Murphy said he heard was that the vehicle had been brought in after the holiday and its engine had been damaged.

The finding

Although Cronje sought to make an issue of the car's vibration,

The case: The buyer rejected a Land Rover Freelander under the Consumer Guarantees Act (CGA) after claiming its engine failed. But the dealer argued the owner continued to drive the car while being aware it was leaking and using too much water.

The decision: The tribunal ruled the purchaser knew, but chose to ignore, the fact the water reservoir needed replacing because it was cracked and rejected the application.

At: The Motor Vehicle Disputes Tribunal, Auckland.

the tribunal considered it was probably a minor fault that the buyer admitted was finally fixed in November 2013 when the trader replaced the CV joint.

Cronje used the vehicle for about 14 months from October until the end of December 2013 to travel 10,192km. He acknowledged that it was leaking and consuming water, and he needed to top up the radiator tank periodically.

The tribunal considered Cronje knew, but chose to ignore, the fact that the reservoir needed replacing because it was cracked. He was probably aware the water pump was leaking.

It also thought he probably told the trader in December 2013 that the vehicle was leaking and was asked to take it in to be assessed, but decided to risk driving it over the Christmas period.

The tribunal considered that, having regard to the car's type, age, mileage and price paid – and the fact Cronje had 14 months' use over about 10,000km – it would have met the expectations of a reasonable consumer.

Order

The application was dismissed. ☹

FINDING IT HARD GETTING A
MESSAGE
TO YOUR TARGET MARKET?



Buyer provided with 'bogus invoice' for repair work not carried out

Background

Graham Hooton bought a 2010 BMW M3 from Euro Vehicles on July 11, 2014.

Within three days, an engine warning lamp lit up on the instrument panel due to faults with the throttle actuator and parking-distance control (PDC) unit. The trader was asked to fix them and failed to, so Hooton had them repaired for \$3,197 and sought an order that the seller reimburse him.

The dealer was sent notice of the time, date and place of the hearing on October 20.

It was asked to provide the tribunal with a copy of the consumer information notice (CIN) and a statement of defence, but failed to do so.

The tribunal's case manager phoned the trader on November 6 to remind it about the hearing.

Mr Meno, its sales manager, said he wouldn't need to attend because the dealer was putting funds into Hooton's account that day to resolve the matter.

The tribunal decided to hear the application in the trader's absence because it had adequate notice of the hearing, but opted not to attend.

The case

Hooton bought the BMW M3 after taking it for a test drive and didn't have it inspected by a specialist.

The purchase price was \$65,000, of which \$32,000 came from the dealer accepting a 2008 BMW 335i as a trade-in. The M3 had 38,000km on its odometer when sold.

Hooton said the trader didn't

display a CIN on the car as required by the Consumer Information Standards (Used Motor Vehicles) Regulations and didn't obtain his written acknowledgement he had received this document.

The vehicle offer and sale agreement recorded the dealer had supplied a copy of the CIN, but Hooton said that was untrue.

An engine warning lamp on the instrument panel lit up on July 14 and Hooton contacted Meno about it. He said Meno told him to ignore it.

Hooton said the light came on periodically over the next few weeks. He made numerous unanswered calls and left messages for Meno, but he didn't return them. He produced a log of the times and dates he had phoned the trader.

Hooton took the car to Jerry Clayton BMW on August 5. In a report dated August 12, it stated the PDC unit and throttle actuator were faulty. It estimated \$3,577 to replace them.

A copy of the estimate was given to the trader, but Meno told Hooton that replacing the actuator wasn't necessary and it merely required reprogramming.

The dealer asked for the vehicle to be returned for this to be carried out and Hooton did so on August 26. The trader had the car for a day and claimed to have repaired the fault.

For some time, the dealer failed to send Hooton an invoice. When it did, it sent him one from NZ Fast Cars & Euros dated October 7 for replacing the steering rack at a cost of \$1,200

with no charge for labour.

The invoice claimed NZ Fast Cars checked the electronic diagnostic systems and found no faults.

When Hooton phoned NZ Fast Cars to discuss the invoice, it admitted it hadn't done any work on his vehicle and the steering rack had been put in another one.

Hooton had Jerry Clayton replace the PDC unit at a cost of \$976 on September 30. It also replaced the oil in the differential for \$365, which the buyer accepted was his responsibility.

He emailed the trader on October 2 requiring it to fix the throttle actuator. When his request was ignored, he had Jerry Clayton supply and fit it on November 7 for \$2,220.

Hooton sought reimbursement of the \$976 paid for the PDC unit and \$2,221 for the actuator – a total of \$3,197.

The finding

The tribunal – in determining if the car was of acceptable quality – had regard to the fact it was a four-year-old BMW M3 with only 38,000km on its odometer when sold by the trader in July 2014 for \$65,000.

It was satisfied it was supplied with a faulty PDC unit and throttle actuator.

The tribunal didn't consider this vehicle was as free of minor defects or as durable as a reasonable consumer would regard as acceptable having regard to its age, make, mileage and purchase price, so it didn't comply with the

The case: The trader was requested to remedy two faults on a BMW M3, but it failed to do so. The buyer had the repairs completed elsewhere and sought an order for reimbursement.

The decision: The tribunal ruled in favour of the purchaser because the car failed to comply with the Consumer Guarantees Act (CGA) when supplied. It also ordered the dealer to pay costs for failing to attend the hearing.

At: The Motor Vehicle Disputes Tribunal, Auckland.

guarantee of acceptable quality in section six of the CGA.

Hooton gave evidence that he required the trader to remedy the faults on August 26 and took the car to the dealer for that purpose.

The vehicle was returned without them being remedied and, after being pressed by Hooton for an invoice, he was sent what appeared to be a false invoice from NZ Fast Cars for repairs not completed on it.

Hooton, after giving the trader a reasonable time to fix the faults, had the PDC unit and actuator replaced by Jerry Clayton at a cost of \$3,197.

The tribunal ruled Hooton required the dealer to remedy the problems, the trader's repairer failed to fix or replace the parts after being given the chance on August 26 to do so and Hooton was sent what appeared to be a "bogus invoice" for work not done on his car.

The dealer failed to attend without good cause and was ordered to pay hearing costs.

Orders

The trader had to pay the buyer \$3,197 immediately and pay tribunal costs of \$600. ☺

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AROUND THE COUNTRY

January 2015

BIGGEST INCREASES/DECREASES BY TOWN YEAR-ON-YEAR

(JANUARY 2015 vs JANUARY 2014)

BIGGEST INCREASES

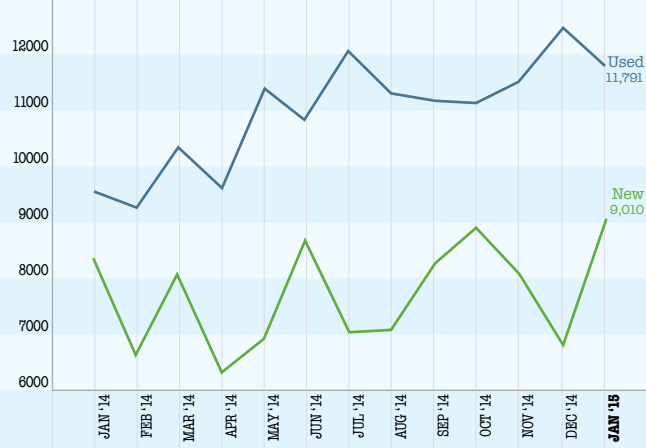
NEW		USED	
Oamaru	▲43.8%	Gisborne	▲57.1%
Wanganui	▲28.6%	Blenheim	▲46.7%
Masterton	▲18.2%	Tauranga	▲46.2%

BIGGEST DECREASES

NEW		USED	
Gisborne	▼40.0%	Masterton	▼12.3%
Rotorua	▼27.4%	Westport	▼11.1%
Greymouth	▼25.0%		

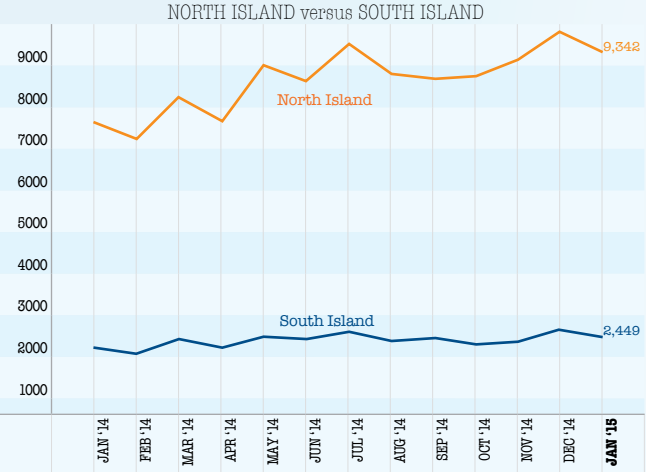
PASSENGER VEHICLE REGISTRATIONS

NEW versus USED



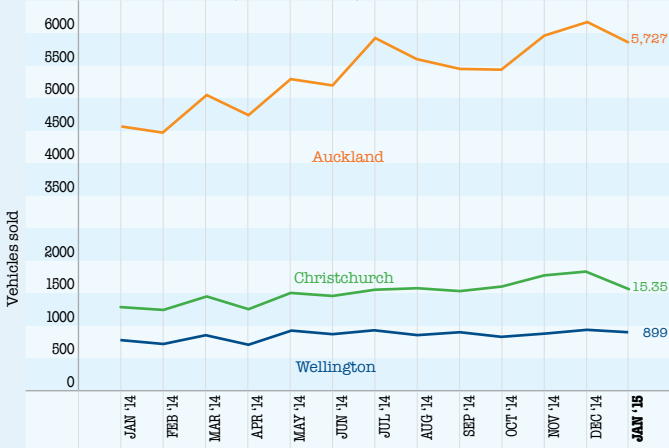
USED VEHICLE REGISTRATIONS

NORTH ISLAND versus SOUTH ISLAND

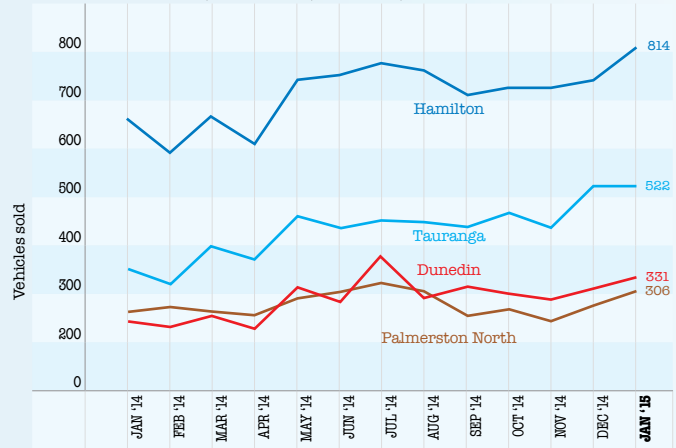


USED IMPORT PASSENGER VEHICLE REGISTRATIONS BY CITY

AUCKLAND, WELLINGTON, CHRISTCHURCH



HAMILTON, TAURANGA, DUNEDIN, PALMERSTON NORTH



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LATEST SCHEDULE

Port Calls	Morning Miracle V15	Liberty V11	Morning Midas V1	Morning Miracle V16
Osaka	15 Feb	4 Mar	16 Mar	3 Apr
Nagoya	16 Feb	5 Mar	17 Mar	4 Apr
Yokohama	17 Feb	6 Mar	18 Mar	5 Apr
Auckland	6 Mar	22 Mar	5 Apr	20 Apr
Wellington	13 Mar	29 Mar	12 Apr	27 Apr
Lyttelton	9 Mar	3 Apr	8 Apr	1 May

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Good times ahead predicted

The head of a vehicle logistics company sees no reason why demand for used cars being imported into New Zealand this year will greatly differ from 2014.

John Davies, managing director of AUTOHUB, points to the cross rate between the kiwi and yen as being good, and this will be a factor for the rest of 2015.

"We have continued to see some big numbers coming in and they are flowing through into sales with dealers reporting good turnover," he told Autofile.

"There were none of the traditional dips in August, September and October of last year that there usually are.

"I think 2015 will be another year when it's business as usual unless the exchange rate falls or the Japanese raise their rates."

This year got off to a strong start with 10,155 imported used passenger vehicles arriving in January.

This was a drop on December's total by 2,596 units and the lowest since August on 9,016 units.

However, last month's numbers represented a 15.2 per cent increase over January 2014's total of 8,813 while 137,638 used imported cars crossed the border last year.

Davies says the market held up well during the Japanese winter with good trade taking place, while the new vehicle market

there performed well until the higher rate of consumption tax was introduced in April 2014.

"There were no major troughs last year, just some slight dips," he adds. "People had a good year and that puts them in good standing.

"There will always be exceptions to the norm by a small percentage who don't quite achieve as well as others, but if people carry on doing good trade I can see nothing on the horizon to make me think there will be a dip in traffic."

As for Australia being possibly opened to more used imports, AUTOHUB is continuing to talk with interested parties across the Tasman.

"The general view is the

government there needs to consider research that has been done and submissions made," says Davies.

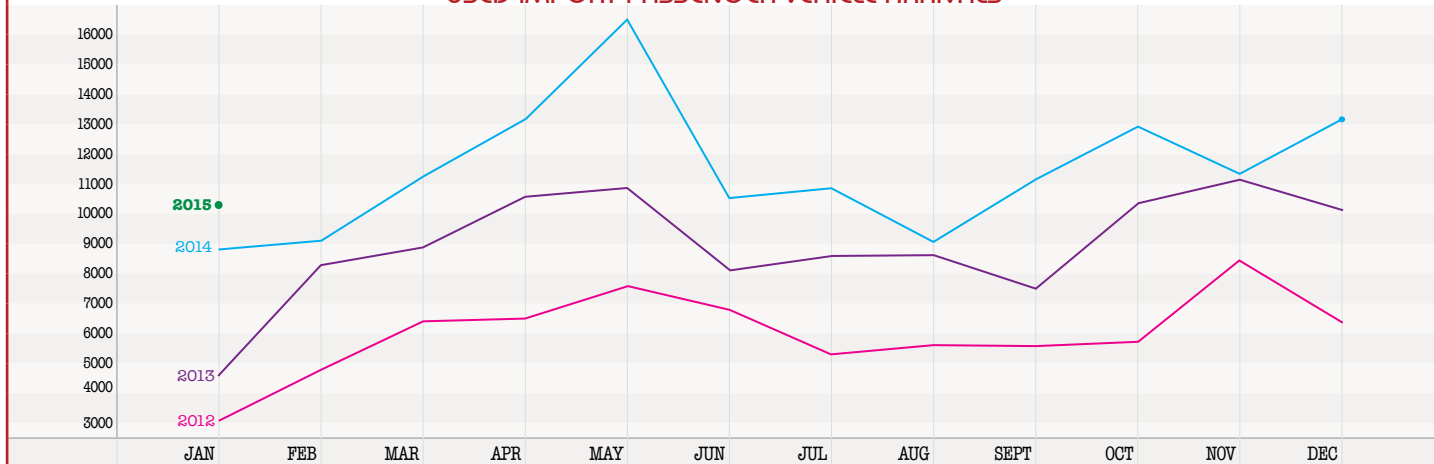
"There are unlikely to be any decisions until 2017. We're keen to continue in Australia and have a lot of infrastructure there at the moment with plans to enhance this in the near future."

Japan accounted for 95 per cent of the used cars coming into New Zealand in January. It was followed by Australia on 2.5 per cent and the UK on 1.1 per cent.

As for used commercial vehicles, January saw 443 cross the border.

This was up by 39.7 per cent compared to January 2014 when 317 were imported. ☺

USED IMPORT PASSENGER VEHICLE ARRIVALS



Used Import Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2015			2014						2013	
	JAN'15	JAN MARKET SHARE %	2015 TOTAL	Q1	Q2	Q3	Q4	2014 TOTAL	MRKKT SHARE	2013 TOTAL	MRKKT SHARE
Australia	258	2.5%	258	710	811	729	917	3,167	2.3%	1,990	1.9%
Great Britain	114	1.1%	114	483	441	450	511	1,885	1.4%	2,908	2.7%
Japan	9,650	95.0%	9,650	27,562	38,446	29,306	35,456	130,770	95.0%	100,784	93.9%
Singapore	30	0.3%	30	53	64	62	73	252	0.2%	146	0.1%
USA	80	0.8%	80	289	298	368	323	1,278	0.9%	1,205	1.1%
Other countries	23	0.2%	23	57	50	49	130	286	0.2%	251	0.2%
Total	10,155	100.0%	10,155	29,154	40,110	30,964	37,410	137,638	100.0%	107,284	100.0%



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Increase recorded in trader deals

There were across-the-board increases in sales of second-hand passenger vehicles last month compared to January 2014.

Dealer-to-public transactions went up by 2.8 per cent from 15,864 units to 16,315.

Trade-ins rose by 1.5 per cent from 11,911 to 12,086, while public-to-public sales increased by 6.2 per cent to 40,231 from 37,900.

Many car dealers contacted by Autofile report a promising start to 2015.

Dave Elley, of Suncoast Autos in Motueka, says: "I used to import a lot of stuff, but most of it now comes locally or from a wholesaler

rather than me taking the plunge in Japan because I prefer to be able to source it myself.

"Our price bracket generally comes in at less than \$10,000. That seems to be the market, unless it's a particularly special vehicle, and you have to be careful with stock in that price range out of Japan.

"I look at clean and low-kilometre vehicles, and keep between 30 and 40 of them on the yard."

The Nelson area recorded a 5.4 per cent increase in dealer-to-public transactions, up from 317 to 334 units, while public-to-trader registrations went up by 5.3 per cent to 260.

Steve Dryden, owner of Steve's Autos, in Invercargill, says: "I'm pretty lucky because no one else does the stuff that I do here, and that's dealing in the price bracket between \$2,000 and \$6,000.

"We are no frills and no bullshit. All of our cars get a budget groom and VTNZ warrants of fitness, and we stand by everything we sell.

"We don't dabble in fresh imports and take all of our trade-ins off the new car guys."

Richard Murrell, of Southland Vehicle Sales, adds: "We've got a really good service team here and that department is always key for a car dealer.

"You can't afford for that side of the business to fall over and we try to retain every buyer."

Invercargill notched up a 2.3 per cent increase in dealer sales last month compared to January 2014, from 396 to 405 units, although trade-ins fell by 8.9 per cent.

The largest proportional increase in used car sales by dealers to the public came in Oamaru where 81 units were registered for a rise of 26.6 per cent.

Masterton was second with a 13 per cent jump to 174 units, while the biggest drop was in Westport where the market shrank by 48.4 per cent to 16 registrations. ☺

SECONDHAND CAR SALES - January 2015

	DEALER-TO-PUBLIC				PUBLIC-TO-PUBLIC				PUBLIC-TO-DEALER			
	JAN '15	JAN '14	+/- %	MARKET SHARE	JAN '15	JAN '14	+/- %		JAN '15	JAN '14	+/- %	
Whangarei	459	472	-2.8	2.81	1,757	1,683	4.4		230	247	-6.9	
Auckland	5,254	4,836	8.6	32.20	13,582	12,693	7.0		4,203	3,752	12.0	
Hamilton	1,303	1,366	-4.6	7.99	3,085	2,911	6.0		1,097	1,203	-8.8	
Thames	172	187	-8.0	1.05	468	435	7.6		77	83	-7.2	
Tauranga	885	846	4.6	5.42	2,074	1,853	11.9		625	590	5.9	
Rotorua	237	272	-12.9	1.45	707	677	4.4		100	125	-20.0	
Gisborne	173	199	-13.1	1.06	360	341	5.6		108	87	24.1	
Napier	611	568	7.6	3.75	1,370	1,390	-1.4		416	379	9.8	
New Plymouth	432	451	-4.2	2.65	1,027	1,043	-1.5		243	265	-8.3	
Wanganui	182	197	-7.6	1.12	446	412	8.3		114	143	-20.3	
Palmerston North	808	787	2.7	4.95	1,641	1,558	5.3		644	642	0.3	
Masterton	174	154	13.0	1.07	336	320	5.0		96	97	-1.0	
Wellington	1,548	1,381	12.1	9.49	2,779	2,692	3.2		1,133	1,122	1.0	
Nelson	334	317	5.4	2.05	892	964	-7.5		260	247	5.3	
Blenheim	173	192	-9.9	1.06	367	369	-0.5		129	125	3.2	
Greymouth	96	89	7.9	0.59	232	184	26.1		41	52	-21.2	
Westport	16	31	-48.4	0.10	97	93	4.3		1	2	-50.0	
Christchurch	2,070	2,144	-3.5	12.69	5,528	4,976	11.1		1,653	1,824	-9.4	
Timaru	253	238	6.3	1.55	513	547	-6.2		165	160	3.1	
Oamaru	81	64	26.6	0.50	219	186	17.7		25	21	19.0	
Dunedin	649	677	-4.1	3.98	1,796	1,681	6.8		470	464	1.3	
Invercargill	405	396	2.3	2.48	955	892	7.1		256	281	-8.9	
NZ total	16,315	15,864	2.8	100.00	40,231	37,900	6.2		12,086	11,911	1.5	

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Strong business sales in top two

Two marques broke through the 1,000-unit barrier for new sales of passenger cars and SUVs last month.

Toyota notched up 1,941 units to top the ladder ahead of Holden on 1,280, according to Motor Industry Association statistics. Hyundai was third on 746.

The top two recorded a similar number of private registrations, with Toyota on 235 and Holden on 232, although the Japanese marque had more business sales – 1,706 compared to 1,048.

This meant Holden's proportion of registrations to members of the public came in at 18.1 per cent and Toyota's was 12.1 per cent.

Hyundai had the lowest level of business transactions in the top three with these making up at 73.3 per cent of its total – or 547 units.

One New Zealand distributor pleased with its performance in 2014 and looking to build on sales this year is Mitsubishi.

It claimed the mantle of New Zealand's fastest-growing mainstream car and light-commercial marque last year.

"In every year since 2009, more owners have chosen a Mitsubishi than in the previous year," says Daniel Cook, head of sales and marketing.

He underpins the distributor's results in New Zealand on its Diamond Advantage warranty, which helps to attract new buyers from across the board, and the pricing of its vehicles – such as the Lancer sedan from \$26,350.

"Last year, twice as many buyers in this group chose the Lancer than its nearest competitor," says Cook.

"That trend is set to continue with our attractive new line-up for 2015."

The small SUV market is showing strong growth for Mitsubishi with the ASX's sales up by 80 per cent in 2014.

Cook also reports strong interest in the Pajero and Outlander plug-in hybrid electric vehicle (PHEV).

"So quickly was this vehicle adopted by eco-focused individuals and businesses, it single-handedly elevated New Zealand to the status of the world's fastest-growing PHEV nation."

Mitsubishi sold 469 new cars and SUVs last month with 235 being private registrations. The overall total was up by 32.9 per cent compared to January 2014.

Its best-selling model was the ASX, which recorded a massive 479.3 per cent jump to 168 units. Next up was the Outlander with a 57.5 per cent increase from 73 to 115 units, although Lancer sales fell by 42.3 per cent to 109.

This year, competition in the light-commercial market is also set to fire up with a number of marques launching new models – and Cook hopes the Triton will help boost Mitsubishi's numbers.

"Many prospective customers have their eyes on the release of the new-generation ute. It has a powerful and athletic design, and promises a leap forward in efficiency, safety and comfort." ☺

Passenger Car Sales by Private/Business split

MAKE	PRIVATE	% PRIVATE	BUSINESS	% BUSINESS	TOTAL
Alfa Romeo	2	16.7	10	83.3	12
Aston Martin	5	83.3	1	16.7	6
Audi	66	44.6	82	55.4	148
Bentley	5	83.3	1	16.7	6
BMW	56	38.1	91	61.9	147
Chery	14	100.0	0	0.0	14
Chrysler	1	25.0	3	75.0	4
Citroen	8	22.2	28	77.8	36
Dodge	20	64.5	11	35.5	31
Ferrari	4	100.0	0	0.0	4
Fiat	26	65.0	14	35.0	40
Ford	142	28.5	356	71.5	498
Great Wall	2	100.0	0	0.0	2
Holden	232	18.1	1,048	81.9	1,280
Honda	222	62.4	134	37.6	356
Hyundai	199	26.7	547	73.3	746
Isuzu	0	0.0	10	100.0	10
Jaguar	7	35.0	13	65.0	20
Jeep	47	43.5	61	56.5	108
Kia	90	45.5	108	54.5	198
Lamborghini	1	100.0	0	0.0	1
Land Rover	51	41.8	71	58.2	122
Lexus	12	23.1	40	76.9	52
McLaren	2	50.0	2	50.0	4
Maserati	2	25.0	6	75.0	8
Mazda	335	46.4	387	53.6	722
Mercedes-Benz	71	37.2	120	62.8	191
MG	4	100.0	0	0.0	4
Mini	26	40.6	38	59.4	64
Mitsubishi	235	50.1	234	49.9	469
Nissan	300	57.3	224	42.7	524
Peugeot	43	42.6	58	57.4	101
Porsche	43	58.9	30	41.1	73
Renault	10	50.0	10	50.0	20
Skoda	25	28.1	64	71.9	89
SsangYong	26	29.9	61	70.1	87
Subaru	49	42.2	67	57.8	116
Suzuki	198	58.6	140	41.4	338
Toyota	235	12.1	1,706	87.9	1,941
Volkswagen	157	46.3	182	53.7	339
Volvo	10	27.8	26	72.2	36
Other	1	14.3	6	85.7	7
Total	2,984	33.3	5,990	66.7	8,974

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

FROM THE RISING SUN TO THE LONG WHITE CLOUD

The history of used car importing to New Zealand



FROM THE RISING SUN TO THE LONG WHITE CLOUD

The history of used car importing to New Zealand

'Positive' outlook for year

The new vehicle market returned its strongest figures ever for a January with more than 11,000 units being registered last month.

Overall sales came in 1,145 – or 10.9 per cent – ahead of the same month in 2014. They were made up of 8,974 cars and 2,657 commercial vehicles.

Passenger vehicles were 717 units – or 8.6 per cent – ahead of January 2014, while commercials rose by 19 per cent and 422 units.

The SUV segment continued its growth with a 32 per cent share of the market in January. It was

followed by small cars on 19 per cent, and pick-ups and chassis cabs with 16 per cent.

"Sales have started where they left off in 2014, with the outlook for this year remaining positive," says David Crawford, chief executive officer of the Motor Industry Association.

His optimism is shared by dealers contacted by Autofile.

"We have increased sales to roughly a 20 per cent share of the commercial market and 24 per cent of passenger cars sold in the district," says Andy Wilson, branch manager of South Canterbury Toyota in Timaru.

"Toyota in general has a decent foothold on the market here."

The marque's offer of 2.5 per cent finance on the Hilux, Yaris and Corolla has boosted business, but the jobs market is still tight.

"We advertised for a technician for some time and ended up getting one from a local company," says Wilson. "They are few and far between, particularly those who are qualified."

Trent Ingham, dealer principal of Ingham Mitsubishi in Hamilton, says the business recently sold two Outlander plug-in hybrid electric vehicles.

"It has been tough with the PHEV and it's selling okay, but it's still a lot of money at \$69,990."

Ingham adds the Lancer has been a strong seller. "Customers are pretty set on that model and it's the best car for us at about \$25,000. It has a reversing camera, Bluetooth and good fuel economy.

"Overall, sales of new vehicles were up hugely last year on what we did in 2013."

Toyota was January's market leader for combined new passenger and commercial sales with a 21 per cent market share and 2,409 units. ☺

NEW VEHICLE SALES BY BUYER TYPE - January 2015

	JAN '15	JAN '14	MTH%	2015 YTD	2014 YTD	% YTD
Passenger	5,247	5,277	-0.6	5,247	5,277	-0.6
Private	1,663	1,843	-9.8	1,663	1,843	-9.8
Business	2,033	2,100	-3.2	2,033	2,100	-3.2
Gov't	130	189	-31.2	130	189	-31.2
Rental	1,421	1,145	24.1	1,421	1,145	24.1
SUV	3,727	2,989	24.7	3,727	2,989	24.7
Private	1,321	1,224	7.9	1,321	1,224	7.9
Business	1,674	1,477	13.3	1,674	1,477	13.3
Gov't	69	40	72.5	69	40	72.5
Rental	663	248	167.3	663	248	167.3
Light Commercial	2,260	1,901	18.9	2,260	1,901	18.9
Private	601	457	31.5	601	457	31.5
Business	1,572	1,375	14.3	1,572	1,375	14.3
Gov't	73	55	32.7	73	55	32.7
Rental	14	14	0.0	14	14	0.0
Sub Total	11,234	10,167	10.5	11,234	10,167	10.5
Private	3,585	3,524	1.7	3,585	3,524	1.7
Business	5,279	4,952	6.6	5,279	4,952	6.6
Gov't	272	284	-4.2	272	284	-4.2
Rental	2,098	1,407	49.1	2,098	1,407	49.1
Heavy Commercial	351	310	13.2	351	310	13.2
Other	82	45	82.2	82	45	82.2
Total	11,667	10,522	10.9	11,667	10,522	10.9

NEW VEHICLE MARKET SEGMENTATION - January 2015

	JAN '15	JAN '14	MTH% DIFF	2015 YTD	2014 YTD	% YTD
Passenger	5,247	5,277	-0.6	5,247	5,277	-0.6
SUV	3,727	2,989	24.7	3,727	2,989	24.7
Light Commercial	2,260	1,901	18.9	2,260	1,901	18.9
Heavy Commercial	351	310	13.2	351	310	13.2
Other	82	45	82.2	82	45	82.2
TOTAL MARKET	11,667	10,522	10.9	11,667	10,522	10.9
Micro	148	160	-7.5	148	160	-7.5
Light	1,465	1,241	18.0	1,465	1,241	18.0
Small	2,184	2,528	-13.6	2,184	2,528	-13.6
Medium	628	671	-6.4	628	671	-6.4
Large	591	417	41.7	591	417	41.7
Upper Large	28	36	-22.2	28	36	-22.2
People Movers	72	78	-7.7	72	78	-7.7
Sports	131	146	-10.3	131	146	-10.3
SUV Small	1,167	852	37.0	1,167	852	37.0
SUV Medium	1,512	1,047	44.4	1,512	1,047	44.4
SUV Large	1,000	1,039	-3.8	1,000	1,039	-3.8
SUV Upper Large	48	51	-5.9	48	51	-5.9
Light Buses	38	24	58.3	38	24	58.3
Vans	373	357	4.5	373	357	4.5
Pick Up/Chassis Cab 4x2	711	584	21.7	711	584	21.7
Pick Up/Chassis Cab 4x4	1,138	936	21.6	1,138	936	21.6
Heavy Commercial	351	310	13.2	351	310	13.2
Other	82	45	82.2	82	45	82.2
TOTAL MARKET	11,667	10,522	10.9	11,667	10,522	10.9

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Decrease seen in stock levels

A total of 9,010 new cars were registered in New Zealand during January compared to 6,739 units being imported.

That meant this segment's stockpile dropped by 2,271 units during the first month of the year.

The statistics for January compared to 8,293 sales and 6,437 imports in the same month of 2014 – a difference of 1,820 units.

The number of days' stock at hand decreased by 10 to 178 last month compared to December, while daily sales – based on a 12-month rolling average – rose by two to 258.

In the past 12 months, the stock level for new passenger vehicles has jumped by 19.4 per cent – imports have increased by 4.7 per cent during that period, while registrations have climbed by 8.6 per cent.

"We have no problem at all

getting good quality stock," says Michael Mason, dealer principal of Southern Automobiles in Invercargill.

"Customers are willing to wait one or two months for the colours they want and those sorts of things providing you didn't overpromise on expected arrival dates."

All of the dealership's franchises – Honda, Mitsubishi, Nissan, Subaru and Suzuki – have "now got their stock in order".

Mason adds: "There were some supply issues with the Jazz towards the end of last year, but it is fine now."

"With the Navara, there was a bit of a delay but then all of a sudden they appeared and this didn't affect sales."

Mike McCready, dealer principal of Robertson Holden in Palmerston North, says: "There have been stock shortages from time to time, but that's just a fact of life."

"Holden has been aggressive

in offering exceptional value and it sold out of some of its product on the ground in New Zealand.

"It certainly hasn't hamstrung us or put us in a position where we have lost sales by any means."

"Customers might have waited a week or two extra, but they are always our priority and we look after them."

"We've also received excellent support from Audi and Volkswagen. We now have more new vehicles of those brands on display than what the Manawatu has traditionally ever had."

"There's so much fresh product across all our brands and we're really excited about the new VW Touareg, which has been updated recently."

Scott McDermid, sales manager of Blenheim Toyota, says: "Stock was an issue last year, but we managed to source enough Hiluxes and locked down

a few by ordering supply straight from the national pool.

"We are lucky with customers with waits. Some had to wait a long time for the Highlander, but we were hamstrung with supply."

"We are still struggling with stock supply on some models. That may continue as some models come out of their life cycles and into their new ones."

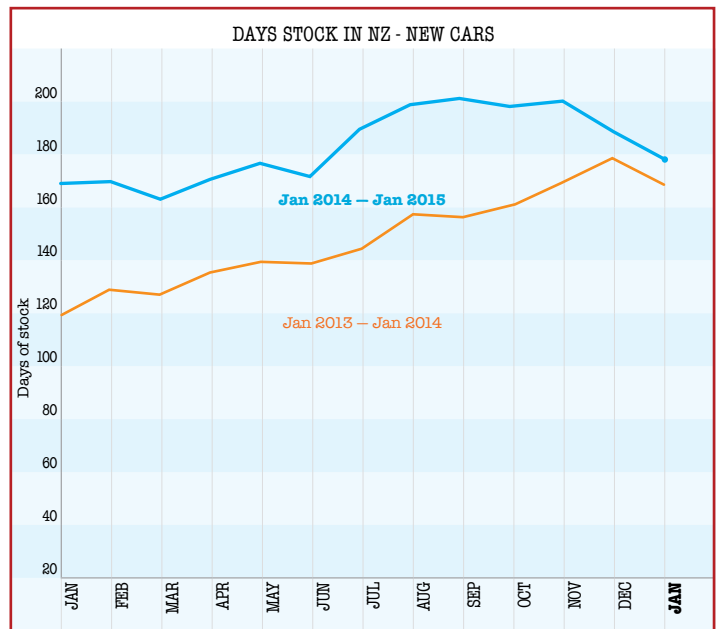
"I think the market is going to grow on last year, but not at the same rate, and we're planning to grow with it."

Jared Morris, director at Wadsco Motorworld also in the Marlborough town, says stock has recently freed up and wait times have come back from where they were at about 12 months ago.

"Commodore sales are down on what they traditionally were," he says. "But we have seen the migration of customers into SUVs, while large cars are still popular." ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jan '14	6,437	8,293	-1,820	38,381	228	168
Feb '14	6,724	6,572	157	38,538	230	167
Mar '14	7,174	7,992	-764	37,774	234	162
Apr '14	7,994	6,150	2,101	39,875	234	170
May '14	8,447	6,802	1,696	41,571	236	176
Jun '14	7,620	8,517	-569	41,002	238	172
Jul '14	11,106	7,071	4,035	45,037	239	188
Aug '14	9,649	7,066	2,599	47,636	240	199
Sep '14	9,602	8,382	1,220	48,856	243	201
Oct '14	8,297	8,910	-613	48,243	245	197
Nov '14	9,273	8,063	1,210	49,453	247	200
Dec '14	8,248	9,594	-1,346	48,107	256	188
Jan '15	6,739	9,010	-2,271	45,836	258	178
Total for past 12 months	100,873	94,129	7,455			
Change on Jan 2014	4.7%	8.6%		19.4%		



Supply and demand hold the key

A car dealer believes the high number of used vehicles imported in recent months is mainly due to the favourable cross-rate with the yen.

Grant Williamson, director of X Factor Cars in Invercargill, says importers have been buying up big in Japan because of the combination of that currency's weakness and the strength of the Kiwi dollar.

"While the cross-rate is good, it doesn't necessarily mean that's reflected in sales," he told Autofile. "There seems to be an acute oversupply."

Williamson says the situation is a bit similar to 2007 when the exhaust emissions rule was introduced and importers brought over a lot of stock before restrictions kicked in.

"Back then, importers tried to negate the emissions rule by buying in bulk," he says. "It turned

out there were more than 10,000 unsold used vehicles here, which pushed prices down.

"Like any commodity, it's about supply and demand. If supply is high and demand is only average, it's harder to find buyers."

Williamson feels what is happening in Australia – with Ford, Holden and Toyota looking to stop making cars there over the next few years – will have little effect when accessing used stock.

"Overall new sales for larger cars have been slipping, but this doesn't affect the supply of second-hand vehicles."

Jared Morris, of Wadsco Motorworld in Blenheim, says: "We did find later-model and lower-mileage vehicles slower to move, but used cars are still strong for us.

"We had a good used year in 2014. There are signs it's going to remain steady. We haven't seen any major glut on used stock yet."

Richard Murrell, of Southland Vehicle Sales in Invercargill, is concerned about the fleet's growing age and believes older stock forms the bulk of what's on Kiwi roads.

"With the road toll over the recent holiday period, it would have been interesting to see whether older vehicles are up to warrant of fitness standard and if that played a part," he says.

"There isn't a huge price differentiation in buying a vehicle that will protect you in a crash compared to one that won't. It just seems crazy that we try to keep this old stuff going forever."

Scott McDermid, of Blenheim Toyota, says: "You can have new and used running at the same time. It's just a matter of having the right stock at the right price.

"A huge amount of our used stock is traded from customers, and we sell and trade a lot of Hiluxes"

In the past 12 months, 138,708 used cars have been imported into New Zealand and 132,246 have been sold – a difference of 6,462 units in favour of imports.

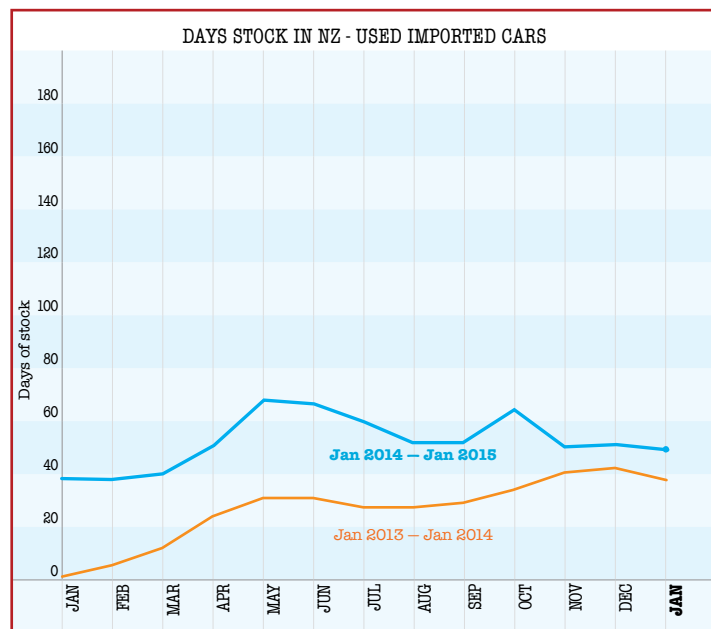
Compared to January 2014, last month's number of used imported cars was up by 15.3 per cent and registrations were up by 24.5 per cent, while the stock level increased by 60.1 per cent.

A total of 10,155 used passenger vehicles were imported in January compared to 11,791 being sold.

This was a difference of 1,636 sales over imports, which decreased the stock level to 17,233 units.

Over on a 12-month average, there were 362 units sold daily last month – an increase of 32 compared to December.

Based on that, continuing stock will last for 48 days if no extra used cars are imported. ☺



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jan '14	8,807	9,470	-663	10,761	277	39
Feb '14	9,093	9,155	-62	10,699	283	38
Mar '14	11,254	10,247	1,007	11,706	290	40
Apr '14	13,102	9,501	3,601	15,307	296	52
May '14	16,450	11,223	5,227	20,534	304	68
Jun '14	10,558	10,760	-202	20,332	311	66
Jul '14	10,745	12,052	-1,307	19,025	318	60
Aug '14	9,016	11,290	-2,274	16,751	325	52
Sep '14	11,203	11,142	61	16,812	335	51
Oct '14	12,650	11,105	1,545	18,357	264	69
Nov '14	11,351	11,532	-181	18,176	322	56
Dec '14	13,131	12,448	683	18,859	330	57
Jan '15	10,155	11,791	-1,636	17,223	362	48
Total for past 12 months	138,708	132,246	6,462			
Change on Jan 2014	15.3%	24.5%		60.1%		

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