

autofile

Changes across market go past 'tipping point'

The Colonial Motor Company's chairman says the shift from new hatchbacks and sedans to SUVs and light commercial vehicles has resulted in considerable change for New Zealand's automotive industry.

Jim Gibbons describes the transformation of the market as now having reached a "tipping point".

"It has long been expected large cars would decline and small cars grow in volumes, but that hasn't happened," he says.

"Instead, large and medium cars have declined, and have been

replaced by SUVs. Small cars have remained steady."

According to the Motor Industry Association, sales of new SUVs make up this country's dominant segment with a 34 per cent market share so far this year.

National registrations of pick-up and chassis cabs is the second-biggest sector with 21 per cent, with small passenger vehicles third on 15 per cent.

Colonial bought Jeff Gray BMW and Mini in August last year with Gibbons describing the luxury market as "competitive within itself as the mass market".

He says this sector is "in many ways similar to the heavy-truck market with individual, high-value sales".

Gibbons highlights BMW as having "a strong presence backed by superior cars with a loyal following among its customers and staff".

Jeff Gray made a small, but positive, contribution in its first year to Colonial's overall performance.

Its facilities in Wellington, Christchurch, Palmerston North and Hastings are leased – some only short term – with significant future upgrades expected, especially in the Garden City.

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Action to combat import threats

Biosecurity measures for used vehicles arriving in New Zealand from Japan are to be tightened by having them processed offshore.

The government is planning to introduce the requirement by amending its import health standard governing vehicles, machinery and tyres with a draft implementation timetable expected

to be released early next year.

The Ministry of Primary Industries (MPI) says used imports are likely to cause more problems than new vehicles, while issues arise depending on the location and conditions they are used and stored in before being exported to this country.

Threats it has identified include the Asian gypsy moth, ants and

"other significant biosecurity risks".

It is being proposed that all used vehicles shipped as break-bulk cargo from Japan will have to be processed through offshore facilities based there and approved by the MPI.

The rationale behind the move includes about 95 per cent of used vehicles being imported here currently come from Japan.

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Malcolm Yorston visits Tokyo Motor Show



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Industry needs to tackle call-backs

With about a month to go, 2015 is likely to be remembered by many people as the year of recalls.

The scale of call-backs has been mind-boggling with the Takata airbag fiasco ever-expanding to take the total number of cars affected worldwide to more than 40 million.

The Japanese company was this month fined about NZ\$308 million by regulators in the US for the way it has handled recalls of exploding airbags. The number of people killed is close to double figures while those injured exceed 100.

When the recalls for these systems will end is anyone's guess, although it's good to see marques taking action of their own. For example, Honda and Mazda will no longer use Takata inflators in front airbags of new vehicles.

The emissions cheating engulfing the Volkswagen Group has mushroomed beyond it installing defeat devices in about 11 million diesel engines.

It recently revealed data inconsistencies for carbon-dioxide emissions for 800,000 more vehicles – mainly cars with small diesel engines and one petrol model. That total has now jumped by about 43,000 units with some being petrol-fuelled.

Meanwhile, US authorities believe three-litre diesel powertrains in some Porsches and Audis may also have false test results.

A German government agency is extending its probe beyond vehicles made by Volkswagen to more than 50 models produced by 23 marques on suspicion of fiddling nitrogen-oxide results.

They include BMW, Fiat Chrysler, Ford, General Motors, Honda, Hyundai, Jaguar Land Rover, Mazda, Mitsubishi, Nissan, Peugeot, Renault and Toyota. Visit www.autofile.co.nz for a list of the models.

It's not hard to feel some

sympathy for those running the Volkswagen's Group companies in this country, who are dependent on information from their parent company's headquarters.

In the meantime, owners are left wondering when vehicles will be remedied and marques must fear how the scandal will affect future business – it is already doing in Europe.

Once the head office in Germany comes up with a solution, Kiwis will be informed about what will happen and when.

The group appears to be struggling to speedily get to grips with the situation. It was only late last month that Matthias Müller, chairman of its management board, announced "five key steps to realign" it.

His top priority is supporting customers affected by working "intensively to develop effective technical solutions", which are due to start in January – quite a time lag since September 18 when the news broke.

He has also pledged to "drive forward the investigation" because "we must learn from it". Then there are plans to decentralise the group's management, which many industry experts describe as cumbersome at best.

The fourth priority is tackling the company's "culture and management behaviour", while the fifth is transforming its strategy until 2025.

All of this hardly invokes confidence that it is currently anywhere close to being well run and – judging by reports coming out of Europe – it's bordering on chaos.

Let's hope the issues are resolved soon, and all car manufacturers and their suppliers work to ensure there are less recalls next year.

Darren Risby, editor

Note: There will be one issue of Autofile in December and January, which will be published mid-month

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Autofile magazine is also available online as a readable file or downloadable as a PDF. Subscriptions are available at Autofile Online – www.autofile.co.nz. Back copies are also available on the website.

Copyright: Published twice monthly by 4Media Ltd, PO Box 6222, Dunedin 9059.

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ISSN 0112-3475 (print)
 ISSN 2350-3181 (online)

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Major investments by company

Colonial's new dealership in South Auckland, Southern Autos – Manukau, officially moved into new premises in mid-September.

The business had been operating for 10 months starting from scratch out of portable buildings while a purpose-built facility was constructed.

"There was no customer base for brands it sells – Isuzu, Peugeot, and Citroen," says Gibbons.

"Peugeot and Citroen, in particular, haven't had strong profiles in recent years. However, they are complementary to the nearby Ford and Mazda brands, and add incremental sales.

"The site has been owned by the company since the mid-1990s. But the buildings didn't fit in with the adjoining Ford and Mazda dealership, so it was leased out for some years."

Work has also started on a

new service-only facility for South Auckland Ford and Mazda aimed at people working at and around the airport.

"Two years ago, we commenced a major rebuild of Southpac Trucks' facilities on Wiri Station Road," Gibbons told shareholders at Colonial's annual general meeting earlier this month.



"While we respect our history, we cannot afford to sit back and ignore the changes around us."

– Jim Gibbons, chairman of the Colonial Motor Company

"This began when we took possession of an adjoining property and rebuilt a warehouse into a retail truck workshop with eight 25-metre drive-through bays.

"That freed up space on the original site, which enabled a

rebuild of the parts and truck preparation area. The final stage – the sales, parts showroom and office areas – has just been completed."

In the current financial year, Colonial hopes to enhance the reception building at its Tuam Street property occupied by Team Hutchinson Ford.

continue in business are sorted out.

"It's expected a public lane will traverse our site despite the existence of fully fledged cycle lanes on the street. Meanwhile, the dealership is operating very successfully."

Colonial has sold its Capital City Motors site in Taranaki Street, Wellington. The deal went

"Following the Christchurch earthquakes, the parts building and most of the showroom were demolished," says Gibbons.

"The project has been delayed while conflicting demands of planners' dreams and our desire to

unconditional on June 30 with settlement on September 1.

The property has been sold with a two-year lease-back to give it time to identify alternative locations for the business.

The company has occupied

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Colonial's nine-storey building at 89 Courtenay Place was Wellington's tallest when it opened in 1922 as New Zealand's first automotive assembly plant

◀ the Jessie Street sections of the site for many years going back to the 1920s assembly days in Courtenay Place.

"However, while we respect our history, we cannot afford to sit back and ignore the changes around us," says Gibbons.

"Taranaki Street is changing from car dealerships to much more intensive uses of land, such as offices and apartments. Dealerships are poor users of space.

"We need a large site and cannot continue on expensive land. We are looking for alternative sites in the region that are affordable."

In addition, the company's registered office recently moved

to an upgraded and smaller facility in Courtenay Place, while the sales and administration building at Energy City Ford in New Plymouth has just been remodelled.

Colonial reports 12 successful months for the past financial year with a trading profit after tax of \$16.37 million.

That was down on the previous year's record, but higher than the year before that for the company's second-best results.

"After four years of significant profit growth, we have levelled off just below the peak," says Gibbons, who adds the "first and most important focus" is to ensure

Colonial uses its assets efficiently and its operating companies continue to perform profitably.

"The first call on our profitability is to reinvest in the businesses to ensure they have long-term futures," says Gibbons. "Next come dividends.

"This is a company that has long-term shareholders. Many span multiple generations and a few go back to the first years of the last century when the company was formed out of the previous partnership.

"Long-term shareholders get their returns from a strong business and the dividends that come from that – not from a gain on sale.

"Our focus is existing shareholders. We are also looking to grow in a manner that does not risk what we have.

"Finding a good fit to our existing businesses is the key. We have to recognise the strengths and constraints of being a franchisee."

MORE ABOUT COLONIAL

Visit www.autofile.co.nz for more on Jim Gibbons' speech to the company's shareholders on November 6.

Turn to page 25 of this issue of Autofile magazine for his views on how company sales of new vehicles have been performing. ☺

Fuel-economy issues

JIM Gibbons describes concerns about fuel-economy figures as "compelling".

The Colonial Motor Company's chairman recognises most Kiwis are aware of the issues and recognise their vehicles fail to match official statistics for fuel consumption.

"There are many justified criticisms of official fuel-economy figures, but at least there's a known standard," he says.

"Official figures for engines' carbon emissions are in most new vehicles' brochures or on websites, but few people get them tested to see if they achieve that.

"Nitrogen-oxide figures for an engine are harder to find. Some brochures say a vehicle is Euro 4, 5 or 6 compliant, but specific figures aren't normally published.

"New Zealand's fleet of cars – all three million of them – has an average age of 14 years with many lasting in excess of 20 years before being scrapped.

"It's simply a stretch of credibility

to think all cars on the road achieve anything near the official emissions.

"Very few people have their vehicles tested. Not many know what the emissions are from their own cars.

"There would be lot more public awareness if cars were tested for emissions as part of their warrants of fitness."

Gibbons says this subject is back in the headlines because of the scandal at the Volkswagen Group, which has admitted to installing device devices in diesel engines of about 11 million vehicles globally to create false nitrogen-oxide readings.

He describes the company's actions as "deliberate" and going "to the core of the brand's credibility".

"Over the past 20 years or so, new vehicles have had to pass increasingly stringent emission tests," adds Gibbons.

"In New Zealand, emissions are equated with fuel economy, but it's not the same thing."

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Biosecurity measures 'make sense'

"The import of used cars from Japan continues to be managed as a high-risk pathway," says the MPI.

"It is managed almost completely by offshore MPI-approved systems already, which has proven to be the most successful way to manage the risk.

"Under these systems, vehicles are cleaned and inspected offshore. A proportion arriving are reinspected by the MPI to verify that management offshore is effective."

Between five and 10 per cent of used vehicles from Japan arrive in New Zealand without going through systems approved by the government and are inspected on arrival at dedicated transitional facilities on or near ports.

Many have to be cleaned in this country and some have arrived with high-risk pests on board.

"Although the pests are found during MPI inspections, it is difficult

to manage the risk of mobile pests on vehicles at the port when they are coming in large numbers and are not containerised.

"This proposal will prevent uncleared contaminated used vehicles from Japan arriving in New Zealand and keep significant risk offshore. The used import industry's systems already in place in Japan are tried and tested."

Euan Philpot is the chief executive of JEVIC NZ, which specialises in pre-shipment inspections.

He says: "The overseas market with significant volumes for New Zealand is obviously Japan at the moment, so it makes sense for the MPI to focus on the used-vehicle pathway from that country.

"The MPI has made it clear with



Euan Philpot, of JEVIC NZ

its proposed changes to the import health standard that it is concentrating on what poses the highest contamination risks for vehicles coming into New Zealand.

"These are the Asian gypsy moth from Japan and the brown marmorated stink bug from the US, so it is targeting areas it knows creates vulnerabilities.

"I have no doubt whatsoever that these measures will better protect our borders when it comes to biosecurity risks."

Philpot told Autofile the proposals will not lead to great changes having to be made in the motor-vehicle industry, especially given the high volume of cargo already being inspected in Japan, so "it will be more of a

case of business as usual".

He adds: "However, what it means is importers of used vehicles from Japan will no longer be able to have them inspected on arrival in New Zealand.

"Instead, they will all have to go through our approved systems already in place overseas.

"The changes to the import health standard from our company's perspective are reasonably straightforward because the vast majority of vehicles are inspected pre-shipment before they leave ports for New Zealand.

"We are obviously supportive of the MPI's stated ambition to get all of these inspections completed offshore.

"We have set up a business model that supports this and have been conducting such inspections since 2001. In addition, we have a good and proven track record of providing services that the

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Action on American imports

ANY untreated vehicles arriving from the US may be sent back at the shipper's expense under strict rules intended to keep New Zealand free of brown marmorated stink bugs.

A Ministry for Primary Industries (MPI) directive has come into force making it compulsory for all bulk-imported vehicles and machinery from there to be heat-treated or fumigated before being shipped here.

Biosecurity staff have previously found increasing numbers of the bugs during border inspections of vehicles arriving from the US.

"The rules will minimise the risk of stink bugs establishing in New Zealand well before vehicles reach New Zealand," says Andrew Spelman, MPI border-clearance manager.

"This is about pushing the biosecurity risk offshore. We will be assessing each arriving vessel on a case-by-case basis, but ultimately some could have to return untreated vehicles and

machinery at their own expense."

The MPI introduced mandatory treatment requirements in December 2014 for all vehicles and machinery imported from the US, but allowed some treatment of bulk imports on vessels before landing or while at Auckland's wharf.

"We are taking the restrictions a step further now that treatment facilities are fully operational at the main US vehicle export ports in Baltimore and Savannah," adds Spelman.

"We have worked closely with importers on this issue. There is agreement that sufficient facilities are now in place in the US to allow them to comply with MPI requirements."

Brown marmorated stink bugs can cause serious damage to New Zealand's horticulture industry.

The MPI has been running an awareness campaign highlighting the dangers they pose. It encourages suspected sightings to be reported to its pest and disease hotline on 0800-809-966. ☎

◀ automotive industry requires.”

The MPI says vehicles and machinery are a higher risk than other “inanimate cargo”, such as shipping containers.

This is because their complex construction creates more habitats for pests, and makes inspection and cleaning harder.

It adds vehicles and machinery usually remain permanently in this country, and “are used well outside the main MPI surveillance networks, which increases the likelihood of pests establishing in New Zealand”.

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (IMVIA), supports the MPI placing more emphasis on biosecurity compliance by moving to more inspections offshore “as a matter of principle provided there are commercial services available to perform the necessary functions”.

He says: “We do not want the industry to be in a position where the MPI comes down hard and fast with requirements without capability and capacity

already in place to achieve them.

“The IMVIA would like this implemented in a measured way and with the industry, which is what the MPI normally does.

“Our concern is about the timing and management of this transfer of work, and the IMVIA has made its submission on that basis.

“We are not yet confident there are sufficient facilities in place now, so we are looking for a pragmatic approach from the MPI.”

The review of the import health standard also extends to used agriculture, forestry and horticultural vehicles and machinery in that they will also have to be cleaned and be free of contamination offshore.

Used tyres and vehicles parts – including those to be dismantled – will not be given border clearance unless treated as outlined in the MPI’s approved biosecurity treatment schedule.

Vehicles and machinery that fail to comply with the standard will not be cleared and directed for further action, such as decontamination,



A vehicle undergoing an inspection by JEVIC

being reshipped or even destroyed.

Deliberate non-compliance or negligence may lead to increased intervention or prosecution under the Biosecurity Act.

To comply, vehicles, machinery and tyres must be cleaned and or treated internally and externally, especially areas not readily accessible to physical inspection. This often means using a device, such as a videoscope.

The standard for general transitional facilities for uncleared risk goods contains specific requirements.

Any live insects found must be treated immediately using a knock-down spray and the

vehicle quarantined to prevent others from escaping with the MPI notified immediately.

The consultation period for the review of the import health standard closed on November 5.

The MPI will now consider submissions to inform its final issue and guidance document.

“After we have considered all submissions, we plan to publish a provisional standard for 10 days to give authorised people a chance to ask for an independent review,” a spokesman told Autofile.

“If there’s no review, the standard becomes final after 10 days. We expect the provisional standard to be ready by early next year.” ☺

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Discovering visions of the future

It was only a 300-metre walk from the Ginza Grand Hotel in Shinbashi to catch the Yurikamome driverless train to Rainbow Bridge to cross over to the Big Sight complex where the 44th Tokyo Motor Show was being held.

Arriving at 8am meant waiting with global media folk who had arrived to see the latest and greatest from the world's vehicle manufacturers, writes Malcolm Yorston.

With typical Japanese punctuality, the barriers came down 30 minutes later for the sea of journalists and cameramen to flow into the event, which took over two massive halls.

The new Prius took pride of place at the first of Toyota's stands alongside the SIFR, CH-R concept hybrid and FCV Plus concept.

Daihatsu's stand had two specially configured Tantos 1s – one for loading wheelchairs from the rear, the other with a "welcome seat" for the front-seat passenger.

Mitsubishi's electric vehicles (EVs) and Outlander PHEV were prominently exhibited along with its under-vehicle electrical componentry and the pure-electric i-MiEV.

On the other side of the east hall was Nissan's new NV200 taxi that it wants to introduce in Japan



Toyota's CH-R concept hybrid



Daihatsu's disability transporter concept



Nissan's NV200



Toyota's Alphard Hercule Concept

– the same as those replacing New York's old yellow cabs.

Then there was Toyota's new Hiace Platinum Lounge, which is basically the old Hiace high-top revamped, along with the Alphard convertible and Noah Active Cross concepts, which seems to be aimed at surfers.

Mercedes-Benz had its Maybach S600 limousine next to its AMG GT, F1 racing car and other AMGs,

including a MV Augusta motorcycle.

Honda's new NSX, which was stunning in red and ready for club track days, was joined by the Clarity fuel-cell vehicle (FCV).

It was Back To The Future with the 1960s-looking Cub – an EV – while Honda's turbofan engine is being installed into executive jets built by its aerospace division. This contrasted with the small S660 looking sexy in canary yellow.

In the afternoon, the west hall beckoned. Intelligent transportation systems (ITS) were on display upstairs with vehicle-to-vehicle, vehicle-to-infrastructure and vehicle-to-people and objects technology (known as V2X), interfacing computers, smartphones with in-car systems and others that New Zealand is likely to see sooner rather than later.

They included Smart-glass, which will enable head-up displays to become commonplace.

The smart-mobility area had Toyota's i-Road and COMS, Honda's MC-B, and Nissan's mobility concept and ZeiD-C1. Toyota's hydrogen FCV Mirai was shown next to a refuelling station.

Upstairs was also the Style-D Piana. This little two-seater, front-



MV Augusta F3 800 AMG Concept



Honda's electric Cub



The Honda MC-B

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The Honda NSX



Mazda's RX-Vision

◀ door entry EV reminds me of the old BMW Isetta except it has a wheel on each corner as opposed to the Isetta's narrow-track rear wheels. Its power is delivered by a lithium-ion battery for a top speed of 75kph and range of about 120km.

Mazda's head-turning RX-Vision is its replacement for the RX-8 and is powered by the new SkyActiv engine. Also displayed downstairs was also a CX-3 fitted with a SkyActiv 1-5-litre diesel unit and a refurbished 1970s Cosmo Sport.

The Nissan stand took virtually half the bottom end of the west wing, and included the IDS zero-emissions EV and Gripz concept, which is a small SUV crossover.

From there, it was on to the

e-NV200 – the electric-powered delivery van that uses the Leaf's EV technology – while the Wagon-G is configured as a seven-seater and, I would imagine, should prove reasonably popular with those looking for an electric people-mover.

The new Leaf boasts a larger solar panel. Not only is Nissan producing EVs, it is also making hybrids, such as its all-new X-Trail.

Then there was the GT-R Nismo – its good looks should rock a few socks – the 2020 Gran Turismo concept, which looked a bit like a spaceship, the Skyline hybrid and Fuga.

Porsche showed off its new GT3 Cup race car, which shared the stage with the twin-turbocharged

911 Carrera 4S and Macan GTS.

Next up was Audi's Q7 e-tron quattro PHEV, which was smart and ready for action, its new TT coupe cabriolet, TTS in canary yellow and R8 V10 Plus in a stunning blue.

Fiat-Chrysler Automobiles exhibited its new Jeep Renegade in canary yellow, the Alfa Romeo Spider – also in yellow – and the Giulietta in more traditional red livery.

My thoughts after attending Tokyo Motor Show are that we're going to see greater connectivity between vehicles and infrastructure with the implementation of more ITS solutions.

Electronic stability control (ESC) has become standard across cars with the exception of base-grade vans, while many heavy vehicles

now also come ESC-equipped.

As I predicted after 2013's event, many more hybrids are being produced by a larger number of manufacturers.

A marked increase in PHEVs and pure EVs will become available for consumers, while changes in New Zealand will be supply-driven – as has been the shift from manual transmissions to automatics over the past 20 years.

Hydrogen FCVs are in their infancy, but I'm sure we will see a rise in their availability over the coming years. ☺

Malcolm Yorston is technical services manager of the IMVIA. Visit www.autofile.co.nz for the full version of this story and galleries of his photos

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'Shake up' for new car industry

Parallel imports of 2015 vehicles from Japan are now being sold in New Zealand.

2 Cheap Cars celebrated the opening of its 16th dealership in this country by throwing a party at its new site in Greenlane, Auckland.

About 150 people went along with plenty from the industry calling in.

Vice-president Darren Marmont says: "It was great to catch up with some old friends.

"Our guests included Graeme Macdonald, of the Imported Motor Vehicle Industry Association, dealers, industry suppliers and members of the public.

"We even sold two cars on the opening night and the event was hugely successful for us."

Marmont told Autofile the Greenlane dealership is specialising



Opening day at 2 Cheap Cars in Greenlane, Auckland, on November 13

in late-model vehicles and is taking its brand offering "to include the other end of the market with a lot of the stock being 2015 and showing less than 1,000km".

"We have plenty of commercials at the moment with the likes of Toyota vans and Land Cruisers," he adds. "As is the case for every yard, we are competing with others to access vehicles and we also aim to have late-model stock next year."

Its recent 2015 stock has included a Prius S with 77km on the

clock for \$32,989, a Hiace Regius with 37km for \$35,898, a Vellfire with 36km for \$54,998 and a Land Cruiser with 28km for \$79,898.

Eugene Williams, chief executive of 2 Cheap Cars, says the parallel imports it is selling "have never been registered privately in Japan or elsewhere before".

He adds Japan's new car market is big with dealerships working on a quota system, so "the cars they can't sell, we can import".

Williams stresses parallel

importing is not illegal, but it hasn't been done with cars until now, and 2 Cheap Cars has spent several months establishing its supply of new vehicles out of Japan.

The scale of his company's used car purchasing operation in Japan allows it to reduce the costs of importing and

to buy new cars at cheaper rates.

"We see this as a major shake-up for the new car industry in New Zealand, which can only be good for the consumer," he adds. "I hope to see prices drop."

2 Cheap Cars is targeting a 10 per cent share of Japanese new cars sales in this country within three years.

Williams says: "We believe the time is right to expand our low-margin, high-volume approach into the new vehicle market." ☺

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Delivering quality customer experiences

The poor attitude many used vehicle dealerships take towards experiences they create for valued customers when delivering cars continues to puzzle me.

Whether your clients are making \$5,000 or \$100,000 purchases, the delivery of their new pride and joy should not be different.

Remember that any vehicle purchase is hugely significant for most people and, in many cases, the biggest purchasing decision of their lives except for their homes.

A new vehicle is something they are excited about and have aspired to be in a position to own, so don't let sloppy, lazy delivery practices ruin that experience for them.

Remember you need to create a lasting impression on customers as to why they should buy from

your dealership – not just now, but in the future as well.

It is statistically proven that the experience they have is the biggest generator of referrals to friends, family and acquaintances.

You want to give your buyers every reason to share their stories and experiences of dealing with you and your business.

So make the most of this time, stand out from the others who don't care, and ensure when delivering vehicles that you and



MARK GREENFIELD
Motorcentral

all your staff treat all customers as if they are buying brand-new \$400,000 supercars.

Here is a simple delivery process that helps to contribute towards the experience your customers deserve:

- 1 Whenever possible, ensure your staff member who sells the vehicle delivers it. He or she has built the relationship, but just because the sale may be done doesn't mean the experience is over.

- 2 Schedule deliveries so they are at least 30 minutes apart. This allows the process to be professional and ensures time is available to be dedicated to each customer.

- 3 Methodically show the new owner at least all of the following – how to adjust the driver's seat, how to adjust the steering wheel and wing mirrors, how to open the bonnet, boot and fuel cap, how to keep the bonnet up, and how they can check the oil and water.

“You want to give your buyers every reason to share their stories and experiences of dealing with you and your dealership.”

You should also show them how to use the air-conditioning system, how to open and close windows, how to turn the headlights on and off, where switches for the window wipers and indicators are, how to use the horn, key, remote and alarm, and where the spare tyre and tools are to change one if required.

Showing a customer how to use the stereo is important. If a band expander is fitted, ensure the stations are pre-set and tune in any ones of preference.

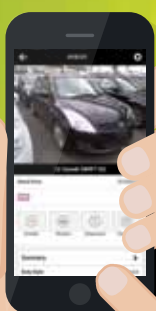
Spending these 15 minutes with each customer – and making them feel respected and valued by the dealership – is such an important step towards maximising referral and retention rates.

This process also requires your salespeople to do their own quality control before delivery to ensure nothing unsuspecting isn't right that may halt this process – or worse still, lose the sale altogether. ☺



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Tourism trickles down to economy



A view of Lake Tarawera near Rotorua

Rotorua is in recovery phase evidenced in long-term planning through the council's sustainable economic-growth strategy with a recent surge in residential house sales and a slight increase in their prices.

With logging still the primary industry, the redevelopment of Waipa Mill owned by Red Stag Timber has provided a much-needed boost to the flagging log-processing industry, previously impacted by large exports of raw product to China.

Plans are in place to build a multi-million-dollar urban tourist attraction, including a climbing wall complex with cafés and shops, while a large Countdown supermarket opens in the city next month.

Tourism remains steady with government estimates showing that 9.8 per cent of the region's gross domestic product is gained from this sector, but there are challenges with infrastructure.

The end of international flights by Air New Zealand to and from Sydney in April somewhat stymies

the feel of Rotorua as an accessible tourist destination. The region also missed out being included on a Jetstar route.

The lower pay-out from Fonterra to dairy farmers in the previous quarter has also made its mark on the local economy.

Bruce Lowe, dealer principal of Rotorua Hyundai and Isuzu, says: "There has since been some relief around the dairy pay-out and we have seen a slight lift, but there's always room for improvement.

"I am always a glass-half-full

guy with Rotorua – it's one of New Zealand's best-kept secrets. It has a tonne of potential and there has been a bit of expansion in the area.

"With some of the best mountain-biking tracks in the country, it is also close to ski fields, the large centres of Tauranga, Hamilton and Taupo, and with its lakes and trout fishing Rotorua remains one of the country's important tourist destinations."

PROPERTY MARKET PICKS UP
Figures released in late October by QV show the region's housing market is on the mend with a 6.1 per cent increase on the previous year being reported.

With average house prices sitting at \$287,911 and an influx of buyers from other regions, Rotorua's economy looks stable for the coming quarters.

Investment in the region is now crucial, says Lowe. "When we looked to invest here before we bought this place in 2013, we went and talked to a couple of people to get an insight and our ideas were poo-pooed.

"It was remarkable how many people asked 'why would you do that? There are better options!' But we just boxed on with it. Rotorua has since started to get stronger and the population has started to increase, although slowly."

The 2013 census has its population as 65,280 and it is

Rotorua vehicle sales - November 2014 to October 2015

	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS	PUBLIC TO TRADER	PUBLIC TO PUBLIC	TRADER TO PUBLIC
Nov '14	110	81	10	38	95	681	255
Dec '14	116	49	9	40	105	695	285
Jan '15	116	77	6	39	100	707	237
Feb '15	82	112	4	46	108	715	255
Mar '14	109	142	16	37	107	883	272
Apr '14	89	67	12	35	109	700	240
May '15	88	83	8	73	119	734	288
Jun '15	125	68	7	50	91	751	265
Jul '15	135	65	14	45	101	847	268
Aug '15	118	100	12	61	93	923	302
Sep '15	116	105	7	47	75	869	299
Oct '15	116	108	6	51	97	834	318
Total 12 months	1,320	1,057	111	562	1,200	9,339	3,284
Past 12 months NZ sales	143,292	94,732	8,755	38,408	208,130	495,173	154,638
Rotorua's % of national sales	0.9%	1.1%	1.3%	1.5%	0.6%	1.9%	2.1%
Previous year sales Nov 13 - Oct 14	1,208	810	105	485	1,461	8,247	3,204
Units increase/decrease Nov 13 - Oct 14	112	247	6	77	-261	1,092	80
% increase/decrease Nov 13 - Oct 14	9.3%	30.5%	5.7%	15.9%	-17.9%	13.2%	2.5%
Population	New Zealand	4,242,051	Rotorua	65,280	1.5%		

Maori culture in Rotorua draws in visitors from around the world



Rotorua's mountain-biking tracks and geothermal areas are big attractions





Rotorua Hyundai and Isuzu

now increasing at a steady rate.

"I think the future is relatively bright," Lowe told Autofile. "We just have to ensure we have the right skill-sets and encourage families to move here."

At dealership level, he reports excellent sales in new commercials with utes "on fire here at the moment".

He adds: "We are fortunate enough to be the dealer for a brand on the up. Isuzu is trucking along nicely and we are seeing a lot of foot traffic. Our sales are up three times where they were from last year."

Alistair Douglas, sales manager at Rotorua Toyota, confirms the lift in the property market.

"There's been a good lift in housing sales in the city. Real-estate agents are reporting records. We are close to Tauranga, which is feeding off the back of Auckland's housing market, and we are getting some overflow from that.

"The property market here had been stagnant for a few years, so that little boom also drives confidence for the region.

"Sales are good and we've seen a lift from last year. Obviously we have the new Hilux being released as we speak and that's a huge positive. It's the country's best-selling four-wheel-drive commercial and with the logging we are a four-by-four town.

"The whole city really does feed off the logging industry in one form or another. Things are picking up, but it seems to go up and down quite quickly.

"As an example, I heard the largest logging ship to ever leave New Zealand departed the other day for India, so new markets are opening up."



The new Hilux outside Rotorua Toyota

RUNNING THROUGH NUMBERS

While there was no significant change on sales of used passenger vehicles in Rotorua from the previous year, there has been an increase of 112 units between November 2013 and October 2014.

Notably, new car sales jumped from 80 units to 108 and new commercials from 40 to 51 over that period.

Alan Murrell, dealer principal of Redwood Motors, believes there is still some way for dealerships to go before feeling the positive effects of the tourist trade.

"Tourism has always plodded along, but I don't think the yards see direct results from that because tourists aren't here to buy cars," he says. "However, if you talk to hoteliers and motellers, they seem to think trade is fairly buoyant and we are noticing a lot of locals coming in for the mountain-biking tracks, which are among the best in the world.

"Weekends can get busy in town as visitors from other regions

take advantage of the area's natural resources.

"We have some of the world's best trout fishing and are two hours to the ski fields. It's an hour to Tauranga and Taupo, and hour and 10 minutes to Hamilton. It's a great part of the world.



"I am always a glass-half-full guy with Rotorua – it's one of New Zealand's best-kept secrets."

–Bruce Lowe

reasons," he says. "Although we have two good lenders on board, some people do get turned away because of their credit histories."

If employment levels increase – Rotorua's jobless rate is 7.4 per cent according to Infometrics – then credit ratings will improve.

McKnight says there is not a lot of wealth in the area compared to Tauranga and making Rotorua accessible should be a priority.

"It is one of New Zealand's tourist meccas, so the cancelling of the international flights was disappointing.

"Although tourists aren't buying cars from us, they do come and stay in our motels and visit the tourist spots, which pays into the local economy." ☺



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NEWS in brief

Automotive sector leads way at workplace awards

Vehicle Testing NZ (VTNZ) has taken out a top honour at the 2015 IBM Kenexa Best Workplaces Awards.

About 30,000 employees from 193 organisations took part in a survey as part of the programme. Forty-one made the finals across five categories – small, small to medium, medium to large, large and enterprise.

VTNZ took out the title for best enterprise workplace, while most-improved honours went to the Motor Trade Association, AA Insurance, Hyundai Motors NZ and Trade Me.

The awards are this country's largest and longest-running study of "workplace climate and employee engagement".

Employees grade where they work across key categories such as leadership, development, recognition and staff engagement. Mars NZ won this year's overall title.

First model in marque's top-end brand unveiled

Hyundai has revealed its first rendering of the Genesis G90, pictured, as the flagship sedan for its new premium brand.

The model will also succeed Hyundai's Equus, which is slated to be phased out.

The marque describes the G90 as "elegantly designed" and packed with technology. It will form the basis for the design cues of Genesis, which will launch five more nameplates through to 2020.



Finance company predicts challenging conditions

Profits made by Motor Trade Finances (MTF) before commission and fair-value movements have increased by 6.9 per cent to \$45.2 million thanks to strong asset growth in recent years.

Commission paid to shareholder originators has increased by six per cent to \$33.4m, while originator payments rose by 3.3 per cent to \$51.7m.

In the past financial year, MTF's underlying profits after tax increased by 21 per cent to \$8.1m.

Glen Todd, chief executive officer, reports sales have decreased by 7.3 per cent in 2015 after a record year in 2014.

"MTF's market of used car finance has come under pressure with the high New Zealand dollar making new cars attainable for consumers," he says.

"The market generally remains competitive. We anticipate conditions to be challenging and growth difficult to achieve as demand for credit abates.

"MTF will target growth in quality lending by expanding car dealer and franchise distribution, and increasing our focus on retention of preferred existing customers."

Industry leaders elected onto board across Tasman

The Australian Imported Motor Vehicle Industry Association held its annual general meeting on October 20.

Additions to its executive committee are Euan Philpot, chief executive of JEVIC NZ and a director of its parent company, and Daryl McIntyre, managing director of Autohub Australia.

The executive committee now consists of president Jack Sandher, vice-president Ross Pendergast, treasurer Zoran Todorovic and secretary Andrew Troha with Philpot and McIntyre as members.

About 30 members from organisations in the imported vehicle supply chain attended the meeting in Sydney. The association now has a lobbyist in Canberra to help get its message across to ministers and officials. ☺

Getting in swing for charity

About 90 people teed off at a golf day to support an organisation that helps teach youngsters in New Zealand about health issues.

Protecta Insurance supports the event each year, which was well-attended by car dealers, members of the finance and automotive industry, and a number of suppliers.

The fundraiser for the Life Education Trust on November 9 at Pakuranga Golf Club in Auckland was followed by a prize-giving ceremony, light dinner, drinks and an auction.

Stephen Glading, managing director of Protecta, says: "Over the past few years, the event has been sponsored by Continental Cars – Audi and AA Roadservice along with a number of industry hole sponsors.

"We have assisted the Life Education Trust in raising more than



Above: Brian McCutcheon of 4 Media Ltd, Murray Greig of Loansmart, Craig Stewart of Metro Motors in Hamilton, Harold – the Life Education Trust's mascot, Ron Gibson of Protecta Insurance, Eugene Elisara of Allianz NZ and Stephen Glading of Protecta

Below: The Finance Now team – Sudesh Reddy, Andrew Brough and Brett Williams



\$15,000 over the past two years since it became a principal beneficiary.

"We like to support organisations that do not receive any taxpayer funding and know money raised goes towards paying for its great work in the community.

"I would like to thank everyone who took part in the event and all of our sponsors for helping to make it such a success."

The trust works with about 245,000 primary and intermediate school children each year by taking a preventative approach to health matters.

Its work is linked into the curriculum, but it attends schools by invitation and not by right.

Rather than frightening youngsters with scare tactics, it focuses on creating sensitivity to values, which lead to an understanding and appreciation of life, while Harold the Giraffe – its mascot – makes learning fun. ☺

Car sales boost economy

Vehicle sales have resulted in the automotive sector topping national figures for retail growth in the September 2015 quarter, says Statistics NZ.

Total transactions across all industries were worth \$19.2 billion in the reporting period – up by 4.8 per cent and by \$874 million compared to the same period of 2014.

After removing the effect of price changes, total retail sales volumes rose by 5.7 per cent.

The motor-vehicle industry contributed almost one-quarter of the overall boom with an increase of \$193m.

"Several car dealers told us they experienced a busy September quarter and were on target to achieve record sales this year," says Neil Kelly, Statistics NZ's senior manager of business indicators.

The volume of sales in vehicle and parts retailing rose by five per cent in the September 2015 quarter after a one per cent increase in the June quarter.

The value of those transactions climbed by 5.4 per cent – or by \$143m – after a 0.4 per cent, or \$10m, rise in the June 2015 quarter.

The September quarter's boom in automotive retailing was the largest dollar-value increase since Statistics NZ's series began in September 1995.

Sales of vehicles and parts have risen steadily for five years and are 45 per cent higher than the most recent fall in the September 2010 quarter.

When adjusting for seasonal effects, the volume of total retail sales across all sectors rose by 1.6 per cent during the last quarter.

This increase follows a modest rise of 0.1 per cent in the previous quarter, while 10 retail sectors had higher seasonally adjusted figures for the past quarter.

Other big gainers were electrical and electronic goods – up by 6.6 per cent, and food and beverage services – up by 2.4 per cent.

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Industry movers

GRANT SMITH, former general manager of Porsche NZ and ex-head of Sime Darby's distribution operations in this country, has returned to the marque.

He is now general manager of Porsche Centre Hong Kong and Macau.

Smith left Sime Darby in April as part of restructuring to closer align its Australasian operations.



JAZ ROGERS has joined Motorcentral's team in Auckland as business development and account manager.

She has more than 14 years' experience in the automotive industry, and has spent much of her career with Toyota franchises in Australia and more recently with the software provider to Toyota dealerships.



DARREN MARMONT has been appointed a vice-president of 2 Cheap Cars.

He was previously national sales manager with Motorcentral and before that he worked for Autosure NZ.

"I'm delighted to be part of the team at 2 Cheap Cars," says Marmont. "It's a big family, on the move, growing and evolving."



PETER AITKEN has retired as an independent director of the Colonial Motor Company after taking up the position in 2007. He was previously managing director of Mazda NZ.

"Peter's experience was with the franchisor, import and supply areas," says Jim Gibbons, chairman of Colonial. "We will miss his awareness of the dynamics of the industry."

Ash Waugh has replaced Aitken. Waugh started his career with Ford in New Zealand before becoming its marketing manager. He then worked for Ford LioHo in Taiwan.

CHRIS MOLLER has been reappointed as chairman of the board of the NZTA.

"He is a professional director with experience in finance, accounting and general management," says Simon Bridges, Minister of Transport. "He has successfully led the board since being appointed in March 2010.

Mark Oldfield has been reappointed as a member of the agency's board.

BEN HUNT, winner of 2015 NZ Rally Championship, is now a brand ambassador for Subaru of New Zealand with the use of a new WRX STi NR4 as part of the deal.

Wallis Dumper, managing director of the marque, says: "Ben is a sponsor's dream. He's humble, hard-working and grateful for the help he has been offered over the years."



JAMES GOODWIN has replaced Nick Clarke as ANCAP's chief executive officer.

He has moved to this position from the Australian AA where he was director of government relations and communications, as well as having a period as acting chief executive.

Goodwin also worked for the Federal Chamber of Automotive Industries following a journalism career in Sydney and Canberra.

NZ labour market report

THE COUNTRY'S UNEMPLOYMENT rate increased to six per cent in the September 2015 quarter – up from 5.9 per cent in the June quarter, reports Statistics New Zealand.

At the same time, 11,000 fewer people were employed for the first quarterly decline in the total for three years.

"Until recently, the labour market has been keeping pace with New Zealand's population growth, but in the past three months this has changed," says Diane Ramsay, labour market and household statistics manager.

"This quarter also had the largest increase in the number of people outside the labour force since the March 2009 quarter."

For the year to the September quarter, annual employment growth slowed to 1.5 per cent – down from three per cent in the 12 months to June – although the construction sector performed well.

Auckland's annual employment growth has fallen after a particularly strong period of expansion over the past two years. It has slowed to 1.5 per cent – or by 11,500 people – and was down from 3.9 per cent in the year to June 2015.

The city's construction industry has boomed with 14,700 more jobs, while the retail trade, accommodation and food-service sectors employed 8,400 more people.

However, decreases in financial and insurance services, manufacturing and wholesale trade contributed to Auckland's overall slowdown.

Canterbury's annual employment growth continued to ease by going up by 1.3 per cent or by 4,200 people overall.

The Garden City saw 5,400 extra jobs created in the agriculture, forestry and fishing sectors, along with 5,000 more people employed in construction.

The Bay of Plenty had a statistically significant – and the highest – annual employment

growth of 6.1 per cent or 8,100 people.

The Tasman, Nelson, Marlborough and West Coast experienced a 5.7 per cent unemployment rate, which was up by 2.1 percentage points.

Unemployment rates differed between the sexes. For men, the number of jobless rose by 4,400 while the total for women fell by 1,500 in the September quarter.

These statistics resulted in a 5.6 per cent unemployment rate for men – up by 0.4 per cent – and 6.6 per cent for women for a drop of 0.1 per cent. It was the highest male unemployment rate since the September 2013 quarter.

The labour force participation rate for this year's September quarter was 68.6 per cent, down by 0.7 percentage points from the June quarter and from the March quarter's record high of 69.5 per cent.

The rate has now reverted to the same level as in June 2014. Despite the growing working-age population, the labour force – unemployed and employed – has failed to expand at the same rate.

While Auckland made the greatest contribution to year-to-date growth in the working-age population up to September with 36,800 people, it also had 23,700 more out of work.

Over the same period, labour-force growth was highest for 20 to 29-year-olds with 35,900 more people in jobs. This came from increases in the numbers employed – 28,300 – and 7,600 unemployed.

In comparison, increases in those outside the labour force came from people aged 50-54 at 10,900, and those aged 65 and over at 14,100. The growth in numbers not in the labour force came predominately from 20,100 retirees.

Annual wage inflation, as measured by the labour-cost index, remained at 1.6 per cent for the September quarter, which compared with annual consumer price inflation of 0.4 per cent. ☺

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

Counting cost of lost opportunities

It often astounds me the number of dealers trying to simultaneously cover sales and finance and insurance (F&I) roles.

When I ask why they haven't considered hiring a dedicated F&I manager, the answer is always "it costs too much".

It is Protecta's goal to work with business partners to increase their profitability and it often takes a change in that mindset regarding such positions.

There are many other benefits in addition to extra long-term income a dedicated F&I person will generate, such as customer satisfaction and long-term protection for the dealership.

There are a critical amount of retail sales positions required depending on the yard's size, and stock held and sold. There is also a point at which not having a dedicated F&I manager will start to cost the business

more through missed opportunities.

This was hammered home during a Deloitte course – the critical number is thought to be about 30 retail units per month.

Is your dealership operating at this level of turnover, and still trying to wear the sales and F&I hats? Are you missing opportunities? Is your business slow to respond to inquiries due to being tied up with an F&I application?

Are you exhausted after test drives, negotiation and sale closures before moving into the finance office, and as a result only offering F&I if asked?

Think about it from the customers' perspective. They have spent a lot of time with the "vehicle expert" and deserve the



SIMON MOORE
Motor-trader development manager
Protecta Insurance

same treatment when it's time to consider all of the F&I options they need to protect their future motoring.

With a quality handover and sense they are dealing with an expert, an instant level of trust is established.

With the customer still in buying mode, it's then that a well-trained F&I manager can focus on uncovering things, such as how the buyer intends to pay or insure the vehicle and offering superior well-priced alternatives.

Because of the trust factor, customer retention is enhanced. Clients will often call in to ask about their policies or finance contracts. This provides first-hand knowledge of what they may be thinking about in terms of refinancing, reinsuring or trading in.

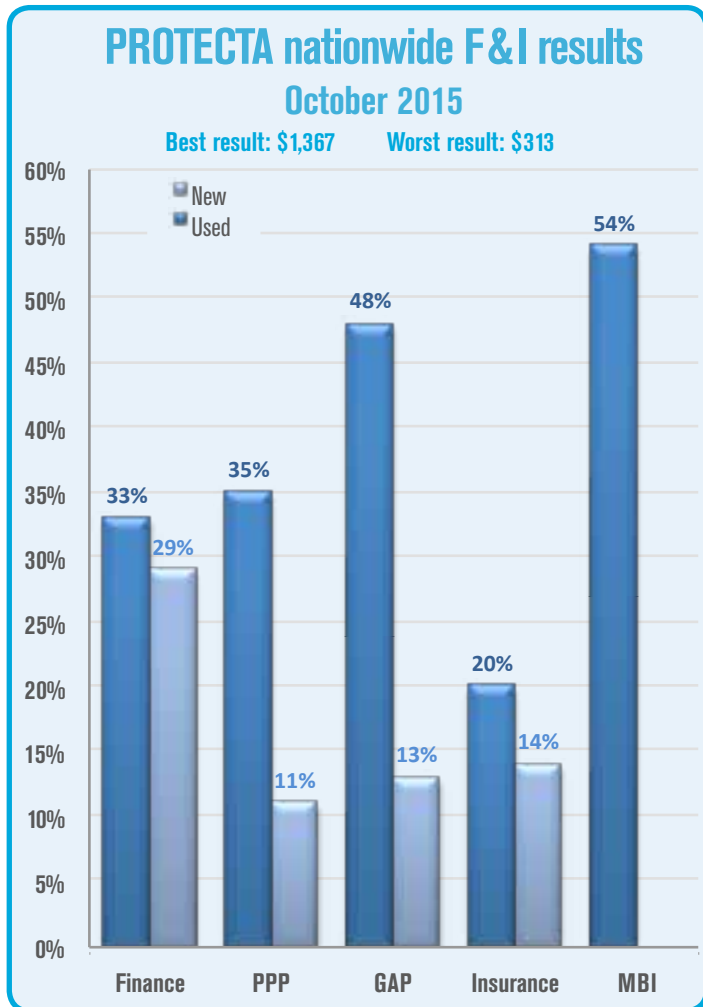
F&I is a major revenue stream for franchises when compared to other departments with higher head counts and overheads.

Why should used-vehicle retailers not take advantage of the same opportunities by taking a leap of faith and hiring a dedicated manager for this part of the business?

The team at Protecta is happy to come out and discuss options, such as a review of your dealership, profit-projection analysis and help transition to a dedicated F&I office with customised point-of-sale material.

Some of our long-term partners even ask us to advertise for and interview potential candidates.

We also take great pride in these appointments, and train, monitor, measure and coach people in new roles while proving their worth to the dealer principal. ☺



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Adjudicator accepts faults may be overlooked in compliance process

Background

Donna Guy bought a 2005 Toyota Estima from Glenfield Wholesale Ltd, trading as Real Wholesale Cars, on June 13, 2015.

She rejected the Japanese import because it had a damaged sub-frame, which she claimed made it unsafe, and wanted her purchase price refunded.

The dealer said the vehicle wasn't imported damaged, had passed border checking and compliance, and later passed a warrant of fitness (WOF).

None of these inspections found the sub-frame to be faulty and the dealer claimed any damage could have occurred after Guy took possession of the car.

The trader said it wasn't responsible for the problem and denied Guy was entitled to reject it.

The case

Guy saw the Estima on Trade Me on June 10. The advert stated the AA had carried out a pre-purchase inspection, and the car had "AA certified mileage" and was "AA appraised". The buyer said she was attracted to the vehicle because of these three things.

The purchaser had a friend in Auckland inspect and test drive it. He reported it appeared to have no faults and drove well.

Guy didn't require the trader to provide a copy of the pre-purchase inspection report before agreeing to buy it for \$9,500.

She collected the vehicle on June 13. It had a new WOF issued by Autozone Services.

The following day, when Guy was driving the car to her Palmerston North home, she heard an unusual road noise and stopped. She discovered its two front tyres were flat as was the spare.

Her husband bought a pump and reinflated them before she drove the vehicle to North Waikato Tyre Centre, which found the front tyres and space saver had faulty valves.

Guy emailed the trader's manager before buying replacements for \$440, but received no reply. The dealer later refused to reimburse her and said she should have discussed the issue with it before buying them.

A month later, she noticed the brakes felt soft and took the car to her mechanic, who bled them and drew her attention to its damaged sub-frame.

Guy contacted the trader three days later to notify it about the structural issue and that she had taken it to VTNZ, which told her the vehicle shouldn't have passed a border check. She asked the trader how it wished to proceed.

On July 15, she emailed the dealer stating she wanted it to take the car back because "it was not fit for purpose".

The AA informed Guy it hadn't done a pre-purchase inspection of the vehicle, but had carried out an appraisal on December 8.

She emailed the trader rejecting the car on July 17, and again on August 3, requesting a refund of her purchase price.

On July 22, Guy notified

Autozone about the damaged sub-frame, which offered to pay to have it replaced.

Guy told the tribunal she was the vehicle's sole driver and she hadn't been involved in a crash involving the Estima since buying it.

The trader said during the car's safety systems compliance check on October 3, it was found the front tyres were replaced and rear sill damage was repaired.

It added that it was unlikely damage to the sub-frame was missed during border, compliance and WOF inspections, and it believed the vehicle might have been damaged by the buyer.

The finding

The tribunal took into account the Estima was a 10-year-old Japanese import that had travelled 116,500km when sold for \$9,500.

It found its tyre valves had perished making the tyres unsafe when it was supplied and it had serious structural damage, which was found a little less than one month after the vehicle was sold.

The tribunal accepted Guy's evidence it hadn't been involved in an accident that could have affected the sub-frame, so the damage must have existed at the time of sale.

The trader claimed there wasn't any such problem before it was supplied because it would have been detected.

However, the tribunal accepted

The case: The buyer wanted to reject her vehicle under the Consumer Guarantees Act (CGA) after she found its sub-frame was faulty. The trader said the car passed three inspections, so it must have been damaged after it was supplied.

The decision: The dealer was ordered to refund the Estima's purchase price, the buyer's costs to replace faulty tyres and her costs to attend the hearing. The trader had to collect the car at its own expense.

At: The Motor Vehicles Disputes Tribunal, Auckland.

faults might be overlooked during compliance inspections.

Its assessor said corrosion around the sub-frame's damaged areas would have taken at least several months to get into its present state.

It was possible the damage occurred while the vehicle was being test-driven by another potential buyer or by a member of the trader's staff between October 2014 and June 2015.

In summary, the tribunal ruled the fault was more than likely present when the car was supplied to the buyer.

It ruled the damaged sub-frame rendered the vehicle unsafe under section 21 of the CGA and agreed with the purchaser that she was entitled to reject it.

Orders

The application to reject the Estima was upheld. The trader had to refund the vehicle's purchase price of \$9,500, the \$440 to replace the tyres and the buyer's costs of \$288 to attend the hearing – a total of \$10,228.

The dealer was instructed to collect the car at its own expense. ☺

CONNECT & ENGAGE

Tribunal rules some problems found happened after vehicle was supplied

Background

Shylah Huisman purchased a 2001 Nissan Primera from Turners Group NZ for \$3,990 on November 29, 2014. She rejected it on April 1, 2015, after claiming it had several faults.

She referred to "the likelihood of future issues with the suspension", which she believed to constitute a failure of substantial character.

Huisman wanted the tribunal to uphold her rejection and order her purchase price be refunded.

The trader said the faults were normal wear-and-tear items any reasonable consumer would expect of a car of its age, mileage and price.

The case

Huisman bought the vehicle after taking it for a test drive during which a friend with mechanical knowledge looked at it. It was sold with a new warrant of fitness (WOF) and had clocked up 171,701km.

She had the car serviced by Challenge Longburn on December 4 when it had travelled 172,452km. Its invoice recorded that it checked all fluid levels and conditions, and added fluid as required.

Huisman said the engine overheated on December 14 and she had it inspected by the AA. Its mechanic checked the cooling system and topped up the coolant level, but found no leaks.

On January 1, the vehicle began to over-rev and surge. Three days later, Huisman contacted the trader about this, which paid the excess on her mechanical insurance policy to replace the crank-angle sensor.

Three months later and 6,000km

after purchase, the Primera began to feel sluggish and was over-revving, so Huisman took it to Courtesy Ford.

She contacted Autosure and the trader paid her excess to have the transmission's stepper motor replaced.

Huisman was concerned about the vehicle's reliability and was told by a mechanic the rear suspension was "on its way out".

She sought advice from Manawatu Community Law Centre, which – in a letter dated April 1 – purported to reject the car on the grounds of the repaired faults and "the likelihood of future issues with the suspension".

The dealer and Huisman agreed to have it independently assessed by a mechanic.

On April 10, the Primera was inspected by Palmerston North Automotive, which reported no faults with the suspension arms and bushes.

It found the radiator cap was fitted incorrectly due to broken stop tabs on the filler neck and, as a result, the radiator was faulty.

Huisman claimed this report wasn't thorough enough and, four days later, she took the car to Challenge Longburn, which carried out an inspection and found some issues.

These included different rear-shock absorbers having been fitted, poor performance, worn bump stops, deteriorated radiator mount rubbers allowing excessive movement, the radiator filler neck was damaged due to incorrect

cap use and the engine oil had been contaminated by coolant.

Challenge Longburn added the cylinder head or head gasket, or both probably, had failed.

However, removal would be needed to determine the exact fault and it estimated the repairs would cost up to \$5,000.

Huisman obtained a report on the engine from a Nissan franchised dealer at the tribunal's request.

Manawatu Nissan noted the car had mismatching rear shocks, an after-market radiator had been fitted, rubbers were worn but there were no external leaks, the cooling system was empty, the head gasket was suspect, and the pressurising system and its coolant level were low.

The trader said the different rear shocks didn't make the vehicle unsafe and it had passed a WOF.

It added damage to the radiator tabs must have occurred after the car was sold because its cooling system was inspected by Challenge Longburn and the AA in December.

If there had been a fault with the radiator neck, it would have prevented the cap from being applied to pressurise the cooling system.

The trader said Palmerston North Automotive found no evidence of combustion gases in the coolant, which was a sign of a blown head gasket.

It insisted there was no evidence in Challenge Longburn's report of April 14 or on Manawatu Nissan's invoice as to whether

The case: The buyer wanted to reject a 13-year-old Primera under the Consumer Guarantees Act (CGA) claiming it was faulty. The trader said its unmatched rear shock absorbers weren't an issue, damage to the radiator tabs had occurred after the car was sold and there was no evidence its head gasket had blown.

The decision: The tribunal ruled that the vehicle was of acceptable quality for its age, mileage and price when supplied.

At: The Motor Vehicles Disputes Tribunal, Palmerston North.

either mechanic had done tests to establish a basis for the former's "experience-founded view" that the head or its gasket – or both – have failed, or to support the comment on the invoice that the head gasket was suspect.

The finding

The tribunal considered the Primera's age, mileage and price before making its decision.

Its assessor said mismatched shock absorbers wouldn't fail a WOF.

The tribunal did rule, however, that there was a fault with the radiator neck due to broken tabs.

As a result, the cooling system hadn't been pressurised and probably expelled liquid from the top of the radiator causing the engine to overheat, which possibly resulted in damage to the cylinder head or head gasket.

However, the tribunal said this was likely to have occurred after the vehicle was supplied.

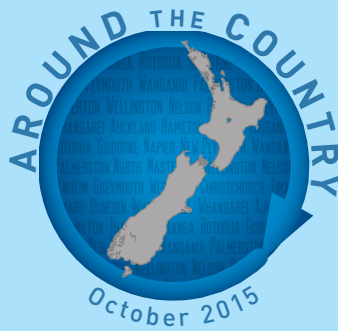
Order

The application to reject was dismissed because the car was of acceptable quality for its age, mileage and price when sold. ☺

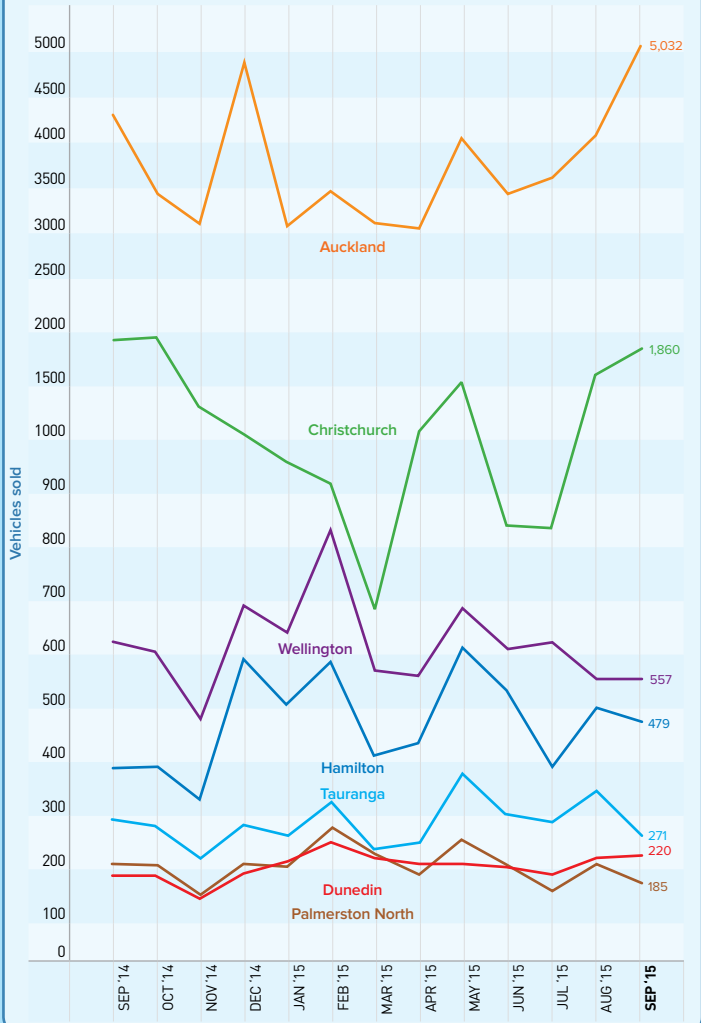
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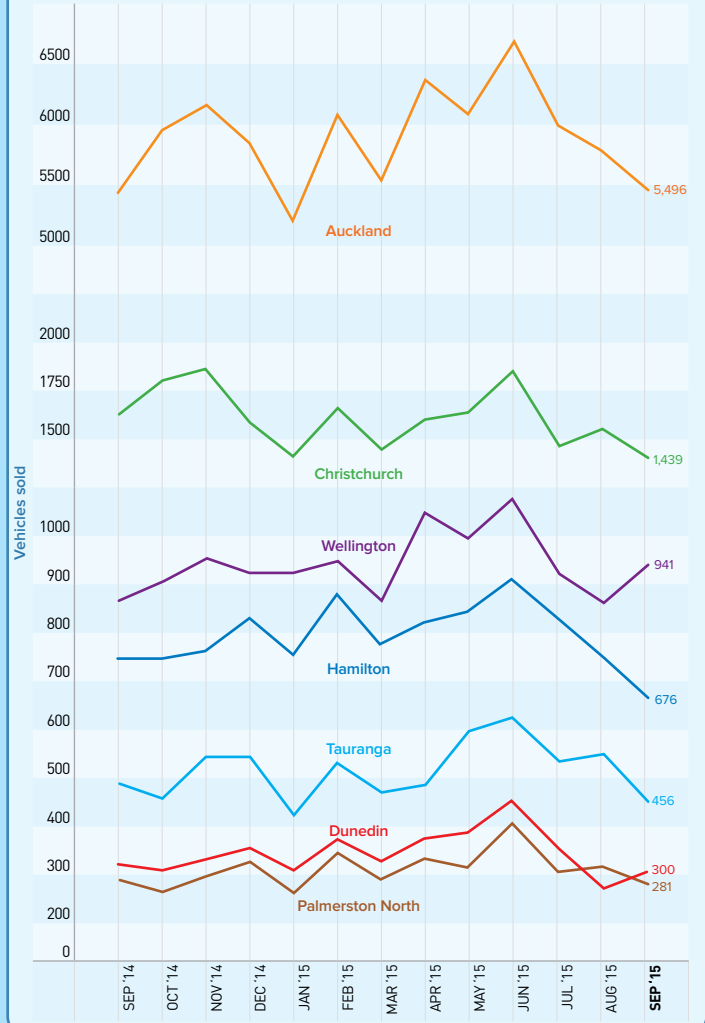




New passenger vehicle registrations by city



Used import passenger vehicle registrations by city



New and used cars registered in October 2015 by region

	WHA	AUC	HAM	THA	TAU	ROT	GIS	NAP	NEW	WAN	PAL	MAS	WEL	NEL	BLE	GRE	WES	CHR	TIM	OAM	DUN	INV	TOTAL
Used cars	235	5,496	676	79	456	116	31	233	182	73	281	64	941	187	54	27	7	1,439	97	19	300	156	11,149
New cars	130	5,032	479	46	271	108	40	146	127	70	185	44	557	86	54	18	3	1,860	50	19	220	89	9,634
Total cars	365	10,528	1,155	125	727	224	71	379	309	143	466	108	1,498	273	108	45	10	3,299	147	38	520	245	20,783

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LATEST SCHEDULE

Port Calls	Morning Miracle V21	Tokyo Car V5	Morning Midas V7	TBA V601
Moji	14 Nov	–	–	–
Osaka	15 Nov	2 Dec	16 Dec	2 Jan
Nagoya	16 Nov	3 Dec	17 Dec	3 Jan
Yokohama	17 Nov	4 Dec	18 Dec	4 Jan
Auckland	3 Dec	19 Dec	4 Jan	20 Jan
Wellington	7 Dec	26 Dec	7 Jan	7 Feb
Lyttelton	6 Dec	26 Dec	6 Jan	5 Feb

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Trader changes business model

A used car importer in Auckland is shifting the emphasis of his dealership to overcome issues with accessing vehicles from Japan.

Glenn Hall, of Croydon Wholesalers in Henderson, says the drop-off in demand for vehicles across the Japanese market is affecting what he can source for his customers in New Zealand.

"If people are not buying new in Japan, then they are not trading old vehicles so auctions are therefore smaller, which forces a lot of competition," he told Autofile.

"We are now more inclined to sell good quality trade-ins more

than we were in terms of replacing some of our stock.

"I would normally have just flicked these off to a wholesaler, but I'm keeping hold of them for on-selling.

"If – as dealers – we start doing the numbers again to increase stock, it's not going to be helpful in as much as that the margins just aren't going to be there. There is a cap on what anything is really worth.

"Even with a seasonal increase in foot traffic and if we increase stock numbers, it's still going to be reasonably tough trading."

Hall's most popular cars are the Suzuki Swift and Nissan

Tiida. He adds: "We deal in a few European cars, but that is more out of interest rather than as a business model."

As for the overall numbers, the total for used passenger vehicles entering New Zealand during October came to 12,388 – significantly up on September by 3,705 units for the fifth biggest month of 2015.

There were 11,741 used cars imported from Japan last month to bring that country's year-to-date total to 117,436 while the overall aggregate for this year from all countries comes in at 123,764 units.

Australia had its fifth lowest month of 2015 with 412 units, but still

came second overall on the ladder.

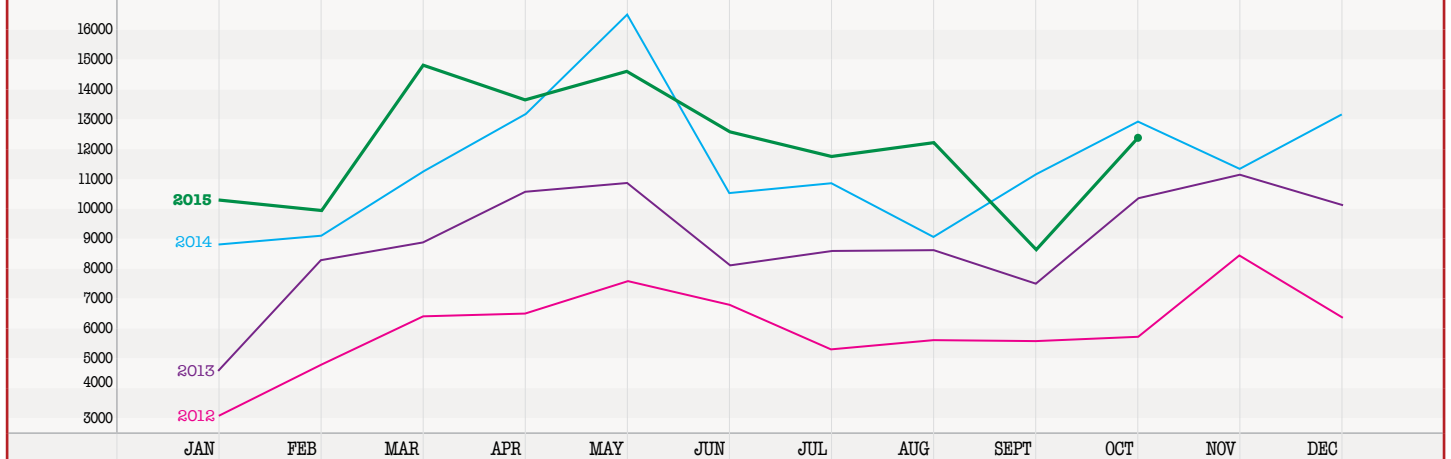
Used imports from the US broke into three figures for the second time in 2015 on 101, but behind 121 in March.

Singapore came third with 60 units for its joint-second highest total of this year, while the amount from the UK slumped to its lowest of 2015 on 56.

Meanwhile, used light commercials notched up their third best figures for the year with 576 crossing our wharves in October to bring the total to 5,135 for far in 2015.

The vast majority – 538 – came in from Japan while 23 were sourced from Australia. ☺

USED IMPORT PASSENGER VEHICLE ARRIVALS



Used Import Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2015												2014	2013
	JAN'15	FEB'15	MAR'15	APR'15	MAY'15	JUN'15	JUL'15	AUG'15	SEP'15	OCT'15	OCT SHARE %	2015 TOTAL	2014 TOTAL	2013 TOTAL
Australia	258	407	414	359	424	449	476	409	378	412	3.3%	3,986	3,167	1,990
Great Britain	110	87	86	71	73	108	66	64	65	56	0.5%	786	1,885	2,908
Japan	9,635	9,357	14,301	15,554	13,892	12,148	11,221	11,512	8,075	11,741	94.8%	117,436	130,770	100,784
Singapore	30	30	17	48	55	57	77	45	60	60	0.5%	479	252	146
USA	80	58	121	92	77	77	92	83	87	101	0.8%	868	1,278	1,205
Other countries	26	24	25	31	10	25	12	20	18	18	0.1%	209	286	251
Total	10,139	9,963	14,964	16,155	14,531	12,864	11,944	12,133	8,683	12,388	100.0%	123,764	137,638	107,284



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PEACE OF MIND
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Utes provide more versatility

Transactions by traders during October were a mixed bag compared to the same month of last year.

There were 18,062 dealer-to-public sales last month for a 0.9 per cent increase on the same month of 2014 when there were 17,904.

Trade-ins, on the other hand, decreased by 5.2 per cent from 13,282 to 12,594, while public-to-public transactions increased by 3.2 per cent to 41,800 from 40,495.

The largest comparative increase in sales by dealers in October was recorded in Rotorua, where they went up by 19.1 per cent from 267 to 318, while Wanganui came second with a 13.2

per cent jump from 182 to 206.

Michael Meyer is the dealer principal of Autohaus Rotorua, which holds franchises for Ford and Mazda but also sources used imports from Japan.

"In general, we get a good vibe from private customers," he told Autofile.

"On the whole, trade is looking a lot better than it was 12 months ago particularly with passenger car sales. Obviously, the performance of Ford's Ranger is self-explanatory.

"We typically have about 60 units on the yard. We have a lot of utes and that is to meet demand. Within reason, we are trying to

keep one of each model in stock.

"The Mazda 2 and 3 are flying, and always CX-3s when we can get our hands on them.

"We are seeing a lot more people from the private passenger vehicle sector buying utility vehicles as alternatives for SUVs as they have become more versatile.

"We stock our yard from trade-ins and the odd buy-in. The private sector is selling a lot, which we in the industry know is not always for the best because they are getting it cheaper but buying at full risk."

The two biggest drops in trader-to-public registrations

during October were seen in Oamaru and Greymouth. They fell by 28.9 per cent from 83 to 59 in Oamaru and by 17.8 per cent from 107 to 88 in Greymouth.

Oamaru also recorded the steepest decline – of 66.7 per cent, from 24 to eight – when it came to public-to-dealer transactions. The second biggest decrease – from 822 to 608 or by 26 per cent – was recorded in Palmerston North.

The biggest rise in trade-ins was in Wanganui where they went up from 109 to 149 or by 36.7 per cent. Blenheim came second – up by 29.2 per cent from 106 to 137. ⊕

SECONDHAND CAR SALES - October 2015

	DEALER-TO-PUBLIC				PUBLIC-TO-PUBLIC				PUBLIC-TO-DEALER			
	OCT '15	OCT '14	+/- %	MARKET SHARE	OCT '15	OCT '14	+/- %		OCT '15	OCT '14	+/- %	
Whangarei	560	564	-0.7	3.10	1,840	1,838	0.1		216	256	-15.6	
Auckland	6,484	5,891	10.1	35.90	14,750	14,181	4.0		4,720	4,745	-0.5	
Hamilton	1,469	1,453	1.1	8.13	3,269	3,069	6.5		1,152	1,207	-4.6	
Thames	233	231	0.9	1.29	590	525	12.4		80	103	-22.3	
Tauranga	995	945	5.3	5.51	2,045	2,035	0.5		592	607	-2.5	
Rotorua	318	267	19.1	1.76	834	680	22.6		97	129	-24.8	
Gisborne	160	160	0.0	0.89	384	362	6.1		112	97	15.5	
Napier	550	587	-6.3	3.05	1,350	1,304	3.5		380	428	-11.2	
New Plymouth	389	422	-7.8	2.15	954	1,029	-7.3		214	237	-9.7	
Wanganui	206	182	13.2	1.14	527	398	32.4		149	109	36.7	
Palmerston North	716	797	-10.2	3.96	1,635	1,630	0.3		608	822	-26.0	
Masterton	154	181	-14.9	0.85	395	330	19.7		90	90	0.0	
Wellington	1,527	1,613	-5.3	8.45	2,906	2,761	5.3		1,131	1,174	-3.7	
Nelson	343	349	-1.7	1.90	915	983	-6.9		235	241	-2.5	
Blenheim	189	217	-12.9	1.05	416	383	8.6		137	106	29.2	
Greymouth	88	107	-17.8	0.49	173	218	-20.6		35	44	-20.5	
Westport	26	27	-3.7	0.14	98	104	-5.8		0	0	0.0	
Christchurch	2,302	2,399	-4.0	12.74	5,170	5,271	-1.9		1,755	1,854	-5.3	
Timaru	249	238	4.6	1.38	522	513	1.8		136	150	-9.3	
Oamaru	59	83	-28.9	0.33	164	220	-25.5		8	24	-66.7	
Dunedin	657	781	-15.9	3.64	1,878	1,774	5.9		439	563	-22.0	
Invercargill	388	410	-5.4	2.15	985	887	11.0		308	296	4.1	
NZ total	18,062	17,904	0.9	100.00	41,800	40,495	3.2		12,594	13,282	-5.2	

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Passenger Car and SUV Sales by Private/Business split

MAKE	PRIVATE	% PRIVATE	BUSINESS	% BUSINESS	TOTAL
Alfa Romeo	6	60.0	4	40.0	10
Aston Martin	1	33.3	2	66.7	3
Audi	27	22.3	94	77.7	121
Bentley	1	50.0	1	50.0	2
BMW	58	31.7	125	68.3	183
Chery	14	100.0	0	0.0	14
Chrysler	1	14.3	6	85.7	7
Citroen	17	85.0	3	15.0	20
Dodge	16	40.0	24	60.0	40
Fiat	58	59.8	39	40.2	97
Ford	176	29.7	417	70.3	593
Holden	199	20.1	793	79.9	992
Honda	219	77.1	65	22.9	284
Hyundai	166	24.2	521	75.8	687
Isuzu	4	22.2	14	77.8	18
Jaguar	4	50.0	4	50.0	8
Jeep	34	21.3	126	78.8	160
Kia	150	56.8	114	43.2	264
Land Rover	38	49.4	39	50.6	77
Lexus	10	20.0	40	80.0	50
McLaren	1	100.0	0	0.0	1
Maserati	2	28.6	5	71.4	7
Mazda	323	35.7	582	64.3	905
Mercedes-Benz	55	30.6	125	69.4	180
MG	1	100.0	0	0.0	1
Mini	17	29.3	41	70.7	58
Mitsubishi	208	57.0	157	43.0	365
Nissan	139	35.2	256	64.8	395
Peugeot	21	26.6	58	73.4	79
Porsche	19	67.9	9	32.1	28
Renault	1	7.1	13	92.9	14
Skoda	18	19.4	75	80.6	93
SsangYong	53	23.5	173	76.5	226
Subaru	98	51.6	92	48.4	190
Suzuki	248	61.8	153	38.2	401
Toyota	241	8.8	2,498	91.2	2,739
Volkswagen	109	43.3	143	56.7	252
Volvo	11	26.8	30	73.2	41
Total	2,764	28.8	6,841	71.2	9,605

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

Emissions scandal to 'test loyalty' of buyers

Volkswagen is hoping its customers in New Zealand will stick with the marque in the wake of the global emissions-testing scandal affecting around 11 million vehicles with diesel engines.

Its parent company in Germany recently admitted to "data inconsistencies" for carbon-dioxide emissions for 800,000 more cars – a total that has since risen to about 1.23 million and includes some petrol models.

On top of that, US authorities suspect diesel powertrains in some Porsches and Audis have also been designed to cheat emissions tests.

Owners of affected vehicles in this country were emailed at the start of November to update them on the parent company establishing what will be involved in rectifying affected models.

"The first priority is getting the situation fixed for customers," says Tom Ruddenklau, general manager of Volkswagen NZ.

Once the Volkswagen Group in Germany decides on the solution and how it will be rolled out, Kiwis will be told what steps will be taken.

Ruddenklau adds the company is doing its best to keep in constant contact with owners. "It will be a test of how we value our customers and their subsequent loyalty or otherwise."

When Autofile went to print, there was no update on whether the number of affected cars sold new in this country has grown from the 5,548 already identified, while the

marque is working with the NZTA to identify affected used imports.

The scandal has hit the Volkswagen Group's sales globally with its bid to take the worldwide crown off Toyota seemingly doomed and insignificant in relation to its emissions cheating.

Sales of new Volkswagen passenger vehicles in this country took a hit in October with the total coming in at 252. This was down by 17.6 per cent compared to 307 in the same month of 2015.

Of those 252 units, 43.3 per cent – or 109 – were sold to private buyers. Out of all marques selling more than 100 units, Volkswagen had the sixth-highest proportion of registrations to members of the public.

In September, when the emissions scandal broke, it sold 314 units – down by four per cent compared to the same month in 2014.

Volkswagen's year-to-date total is 3,271 new passenger vehicles compared to 3,408 by the corresponding period last year.

Meanwhile, Audi sold 121 cars last month with 27, or 22.3 per cent, being private transactions.

The marque is less affected by the global Volkswagen Group scandal, but its total for October was down by 30.1 per cent compared to 173 registrations by this time last year.

Mercedes-Benz is leading 2015's ladder for prestige marques on 1,728 units. BMW, which took out the title in 2014, is second on 1,637, while Audi is third on 1,576. ☺

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

Mixed fortunes across market

The chairman of the Colonial Motor Company has highlighted Mazda as being a high-performing marque over the past financial year.

Jim Gibbons says the CX-3 has "defined the new class of smaller SUVs – think of a Mazda 2 configured as a sporty SUV", while the Mazda 3 and CX-5 are in the New Zealand industry's top 10 by sales volume.

He points out Ford has notched up significant success with its Ranger, which is the country's best-selling new vehicle so far in 2015.

However, the blue oval's passenger car range has been less

successful although its products have "good potential" to increase sales.

"Ford will close Falcon production in 12 months," adds Gibbons. "This would have been a major issue in past years, but in today's market it is not.

"The market for large rear-drive sedans, outside of performance vehicles, is now small.

"The Falcon now sells about 50 units per month compared to an average of 550 Rangers. It's the end of an era, not the future."

On the overall market, Gibbons says the 12 months to June 2014 were unusual for Colonial in that all

areas performed well, while the past financial year was "more normal – a mix of good and not so good".

"Our car dealerships have had to contend with a more difficult environment," he explains.

"National numbers of new car and light commercial registrations grew driven by rentals, which do not generate margin to our dealerships.

"That extra bit of fizz from fresh, new and desirable product was missing. Sales were achieved, but at higher cost.

"The heavy-truck industry was driven by attractive exchange rates. Within this rising market,

Kenworth and DAF met customer expectations in terms of price, features and emissions.

"Tractors ran into the expected downturn flowing from the lower dairy pay-out."

As for the wider picture, overall sales of new vehicles in New Zealand last month rose by 5.6 per cent compared to October 2014 and are delivering steady year-to-date growth of 5.4 per cent.

So far in 2015, 112,217 new vehicles have been registered in this country compared to 106,422 by this time last year – up by 5,795 units. ☺

NEW VEHICLE SALES BY BUYER TYPE - October 2015

	OCT '15	OCT '14	MTH%	2015 YTD	2014 YTD	% YTD
Passenger	5,250	5,683	-7.6	41,382	43,681	-5.3
Private	1,384	1,563	-11.5	15,497	16,048	-3.4
Business	1,572	1,952	-19.5	17,611	19,713	-10.7
Gov't	138	177	-22.0	1,931	2,065	-6.5
Rental	2,156	1,991	8.3	6,343	5,855	8.3
SUV	4,355	3,178	37.0	37,961	31,692	19.8
Private	1,380	1,145	20.5	14,540	12,451	16.8
Business	1,636	1,469	11.4	17,192	15,966	7.7
Gov't	66	63	4.8	626	630	-0.6
Rental	1,273	501	154.1	5,603	2,645	111.8
Light Commercial	2,550	2,589	-1.5	28,094	26,370	6.5
Private	679	546	24.4	7,040	6,163	14.2
Business	1,693	1,802	-6.0	18,937	18,452	2.6
Gov't	94	132	-28.8	1,126	1,148	-1.9
Rental	84	109	-22.9	991	607	63.3
Sub Total	12,155	11,450	6.2	107,437	101,743	5.6
Private	3,443	3,254	5.8	37,077	34,662	7.0
Business	4,901	5,223	-6.2	53,740	54,131	-0.7
Gov't	298	372	-19.9	3,683	3,843	-4.2
Rental	3,513	2,601	35.1	12,937	9,107	42.1
Heavy Commercial	414	447	-7.4	4,007	4,170	-3.9
Other	115	111	3.6	773	509	51.9
Total	12,684	12,008	5.6	112,217	106,422	5.4

NEW VEHICLE MARKET SEGMENTATION - October 2015

	OCT '15	OCT '14	MTH% DIFF	2015 YTD	2014 YTD	% YTD
Passenger	5,250	5,683	-7.6	41,382	43,681	-5.3
SUV	4,355	3,178	37.0	37,961	31,692	19.8
Light Commercial	2,550	2,589	-1.5	28,094	26,370	6.5
Heavy Commercial	414	447	-7.4	4,007	4,170	-3.9
Other	115	111	3.6	773	509	51.9
TOTAL MARKET	12,684	12,008	5.6	112,217	106,422	5.4
Micro	148	154	-3.9	1,524	1,548	-1.6
Light	1,326	1,586	-16.4	12,314	11,881	3.6
Small	2,513	2,771	-9.3	16,388	19,032	-13.9
Medium	699	574	21.8	5,982	5,732	4.4
Large	385	399	-3.5	3,631	3,820	-4.9
Upper Large	16	32	-50.0	198	271	-26.9
People Movers	78	84	-7.1	489	510	-4.1
Sports	85	83	2.4	856	887	-3.5
SUV Small	1,277	926	37.9	11,316	8,743	29.4
SUV Medium	1,554	1,225	26.9	13,660	11,733	16.4
SUV Large	1,464	996	47.0	12,615	10,822	16.6
SUV Upper Large	60	31	93.5	370	394	-6.1
Light Buses	50	58	-13.8	665	507	31.2
Vans	405	418	-3.1	4,257	4,750	-10.4
Pick Up/Chassis Cab 4x2	800	804	-0.5	8,716	8,135	7.1
Pick Up/Chassis Cab 4x4	1,295	1,309	-1.1	14,456	12,978	11.4
Heavy Commercial	414	447	-7.4	4,007	4,170	-3.9
Other	115	111	3.6	773	509	51.9
TOTAL MARKET	12,684	12,008	5.6	112,217	106,422	5.4

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Colour important as supply frees up

A dealership reports issues securing cars in consumers' preferred colours while constrained supply around certain models has improved.

Gavin Murdoch, branch manager of Counties Manukau Toyota in Pukekohe, reports good sales of new vehicles.

"Stock is moving well right across the range, including the Corolla, RAV4, Prius and Yaris, so we aren't pigeon-holed into one vehicle," he told Autofile.

"We are fortunate in that we can sell across the board rather than relying on just one sector – for example, commercials. Sales figures have also been backed by great finance deals on offer."

He notes, however, that stock can run low when it comes to meeting some customers' requirements, such as their colour choices for vehicles.

"Not all of the models we would normally stock are available and

colour is one of the factors for buyers," says Murdoch. "People are much more particular about the colour of a new car than a used one.

"What sells in new doesn't necessarily sell well when it comes to second-hand. Red and blue, for example, sell better in new than used. Black is still very popular too."

Murdoch adds: "Highlander stock has freed up. The all-wheel-drive RAV4 is a little bit tight, but we are due for a model facelift."

Mike Eastwood, dealer principal of Eastwood Motor Group in Masterton, says: "We're not having too many issues keeping up with buyer demand and there is also good networking among dealers.

"Kia is selling well. Its vehicles have the same powertrains as Hyundai, which is great for servicing because the components are similar.

"The Sorento SUV is the most popular model in used that we have sold, while the Rio, Cerato

and Sportage are also performing well for us."

Matt Carman, chief executive officer and dealer principal of Capital City Motors, says: "Our demographics show interest in small cars and any small to medium-sized SUVs.

"Newer cars selling predominantly for us include Ford's Fiesta and Focus, and the Mazda 2 or 3 – those types of vehicles, especially here in Wellington."

Vern Walker, dealer principal of Nelson Bays Motor Group, reports "quite a tough time" when it came to sales a few months ago, but "having said that and – as far as new cars go – we are not experiencing stock issues".

October was the best on record for sales of new passenger vehicles with 9,634 registrations. This was up from September's total of 8,835 – an increase of 1,299 units or by nine per cent.

The number of new cars

crossing the border in October climbed by 271 units, or by 3.3 per cent, from 8,352 to 8,623 over the same timescale.

This created a national stock figure of 55,255 after sales outstripped imports by 1,011 units last month.

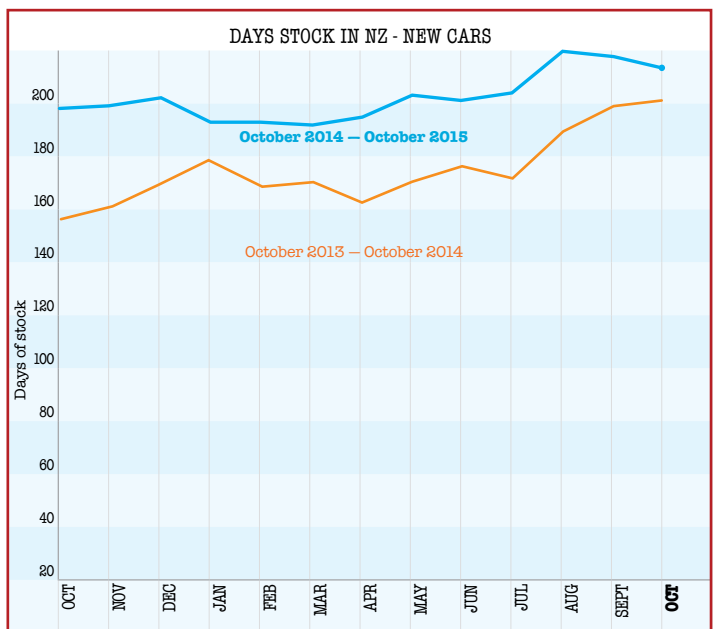
Stock levels in October dropped by 1.8 per cent when compared to the previous month. However, the level of unsold stock has gone up by 7,012 units – or by 14.5 per cent – over the past 12 months.

Daily sales last month – when averaged out over the previous 12 months – came in at 260 compared to 245 in the same month of 2014 meaning 15 more cars being sold each day for a jump of 6.12 per cent.

There have been 84,421 new cars imported so far in 2015 – up by 3.9 per cent since October 2014 – while 8.1 per cent more have been registered for a year-to-date total of 79,872. ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Oct '14	8,297	8,910	(613)	48,243	245	197
Nov '14	9,075	8,063	1,012	49,255	247	199
Dec '14	8,248	6,797	1,451	50,706	248	204
Jan '15	6,713	9,010	(2,297)	48,409	250	193
Feb '15	7,172	7,057	115	48,524	252	193
Mar '15	7,569	8,075	(506)	48,018	252	191
Apr '15	7,746	6,373	1,373	49,391	252	196
May '15	9,395	6,843	2,552	51,943	253	206
Jun '15	8,297	9,021	-724	51,219	254	202
Jul '15	8,842	7,272	1,570	52,789	254	207
Aug '15	11,712	7,752	3,960	56,749	256	221
Sept '15	8,352	8,835	(483)	56,266	258	218
Oct '15	8,623	9,634	(1,011)	55,255	260	213
Year to date	84,421	79,872	4,549			
Change on Oct 2014	3.9% <small>MORE IMPORTED</small>	8.1% <small>MORE SOLD</small>	14.5% <small>MORE STOCK</small>			



Bumper month for used imports

The difference between the number of used passenger vehicles registered for the first time in New Zealand and those imported was turned on its head in October compared to September.

A total of 12,388 units came into the country last month compared to 8,683 in September, while sales amounted to 11,149 and 11,667 respectively.

This meant there were 3,705 more second-hand cars imported in October and 518 fewer sold to increase national stock levels to 22,932 units.

The level of unsold stock has increased by 4,573 units – or by 24.9 per cent – over the past 12 months. In October 2014, unregistered stock came in at 18,359 used passenger vehicles.

Looking at the same period, average daily sales increased from 342 in October 2014 to 393 last month.

This means there have been

51 more registrations per day in comparison for a jump of 14.9 per cent, while the number of days' stock in hand has risen by four units to 58 over the same timescale.

Year-to-date imports of used passenger vehicles totalled 123,781 by the end of October with first-time registrations coming in at 119,312 for a variance of 4,469 in favour of imports.

So far in 2015, 2.1 per cent fewer used cars have been imported and 0.4 per cent more have been sold compared to the same time last year.

Some dealers contacted by Autofile are reporting consistent sales despite the cross-rate between the yen and New Zealand dollar still impacting on ability to access good used stock from Japan.

Glenn Hall, of Croydon Motors in Auckland, notes while used stock is hard to obtain from there at the moment, he is not keen to buy in

at the current exchange rate.

He adds the decline in sales of new vehicles in Japan is affecting what he can source for buyers in this country.

Generally, used car importers are expecting an improvement as the summer arrives with some sourcing supply as more trade-ins come onto the market off the back of high sales of new vehicles.

Some relief is expected when it comes to the supply of used cars with the age of trade-ins also making attractive purchasing for buyers.

"The challenge for yards at the moment is getting good quality stock, not just rats and mice," says Ryan Durry, managing director of Quay Cars in Nelson.

He recently had two cars on the water, but 70 per cent of his stock comes from local yards, "so I'm lucky to be able to keep my business replenished in that way".

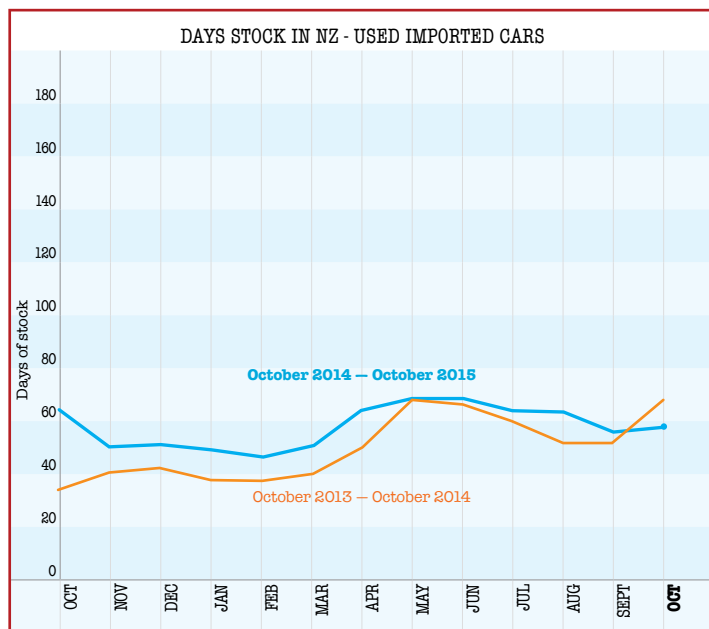
Matt Carman, of Capital City Motors in Wellington, says there was probably an oversupply of imports in September and "that might have been intensified by people getting in before the exchange rate worsens".

He describes keeping up with the demand for quality used cars as challenging, while the change in taste towards bigger vehicles – such as Ford's Kuga – is becoming more common.

"These tend to go pretty quickly," says Carman. "It kind of mirrors the demand for new cars, which seems to be focused on any medium-sized SUV."

"It's definitely harder to buy used vehicle stock and good-quality second-hand cars," says Vern Walker, dealer principal of Nelson Bays Motor Group.

"Most people come onto the yard with a particular model in mind rather than price range." ☺



	CAR SALES			STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED	VARIANCE			
Oct '14	12,650	11,105	1,545	18,359	342	54
Nov '14	11,284	11,532	-248	18,111	348	52
Dec '14	12,800	12,448	352	18,463	356	52
Jan '15	10,139	11,791	-1,652	16,811	362	46
Feb '15	9,963	10,572	-609	16,202	366	44
Mar '15	14,964	12,313	2,651	18,853	372	51
Apr '15	16,155	11,038	5,117	23,970	376	64
May '15	14,531	12,415	2,116	26,086	379	69
Jun '15	12,864	12,415	449	26,535	384	69
Jul '15	11,961	13,891	-1,930	24,605	389	63
Aug '15	12,133	12,061	72	24,677	391	63
Sept '15	8,683	11,667	-2,984	21,693	392	55
Oct '15	12,388	11,149	1,239	22,932	393	58
Year to date	123,781	119,312	4,469			
Change on Oct 2014	-2.1%	0.4%	24.9%			
	LESS IMPORTED	MORE SOLD	MORE STOCK			

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