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Trade Me take a stand on Australian write-offs

Government vows to make changes on importation legislation

The decision by Trade Me to launch a new policy surrounding written-off imported Australian vehicles has prompted the government to consider new legislation.

Applying to vehicles imported from January 1, 2011, all Trade Me listings will have to disclose in the listing body if a vehicle imported from Australia was a statutory write-off. The policy comes into effect on July 1, 2016.

Trade Me manager of trust and safety, Jon Duffy, says they had to do something.

"We have become increasingly concerned over the last 18 months or so that many vehicles that have been through the statutory write-off (SWO) process in Australian states are coming through our website, without that history being disclosed.

"They may have suffered fire or flood damage or been involved in significant accidents in Australia, been repaired, and in some cases slip through the cracks so they don't end up on the NZTA database of written-off vehicles.

"All we want is a level playing



"Our decision has garnered more attention than we anticipated, but most of it has been positive. There are obviously a lot of people concerned about this issue."

- Jon Duffy, Trade Me

field for our customers. There are traders out there being completely straight up and disclosing the facts

and history of a car and they're clearly not getting the prices that less scrupulous dealers are getting for similar vehicles. It's not fair on the guys that are being honest."

From a legal perspective, Duffy says more needs to be done.

"There is a loophole in the system. We've met with NZTA and the Commerce Commission (CC) previously, discussing this as a breach of the Fair Trading Act and are aware that the Commission is very interested in these cases. We've also had brief chats with Customs.

"Our decision has garnered more attention than we anticipated, but most of it has been positive. There are obviously a lot of people concerned about this issue. But it's not new, it's been in the media for the last 18 months or so, but this hasn't engendered any moves from the government."

MINISTERIAL RESPONSE

However, the Commerce and Consumer Affairs Minister Paul Goldsmith exclusively told Autofile: "The government recognises that this information needs to be more

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GUEST EDITORIAL

Hold true to lessons of the past

As this week's guest contributor, we welcome industry stalwart and pioneer Rod Milner, who was the first chairman of the Licensed Motor Vehicle Dealers Importers Association in 1988.

It's a pleasure to be able to share my take on the motor industry as it stands today and perhaps where it is heading.

After 53 years in the trade, I can now be considered an elder statesman, but never an expert. With constant change and new innovations, our industry never sits still.

The key perspective to keep in mind is that we provide an individual form of transport. This has evolved since Henry Ford, but in itself means the trade will always be here and buyers and sellers are an integral part of the economy.

While we are often criticised as being sharks and thieves, it has to be acknowledged we are a very efficient industry.

Being such an open sector with little barriers to entry, we are always going to attract the odd villain, but really no more than any other industry – and the beauty of free trade is these people don't stay in business for very long.

I believe it's always important to remember lessons from the past; such as customers do matter and it's a very expensive exercise to find new ones every month. Therefore, look after the customers you have – along with their families, they are the future of your business.

We all know the revolution that took place with the arrival of used imported cars and how it changed NZ motoring.

Inflation was rampant at that

time and interest rates were high; in 1982 I remember borrowing money to buy stock at 35 per cent, but rents were cheaper and so were wages – somehow we survived.

The biggest problem we had back then was getting stock to sell. I remember when GST was introduced in October 1986, I only had three cars left in stock and just

could not replace them in the local market, so we had to find another source.

I first imported BMW and Mercedes from South Africa and soon after purchased my first cars from Japan. After

that, we never looked back.

The future for the motor industry, rest assured, is going to continue to change as it has always done, but it will be change of a different nature.

With electric vehicles being introduced to solve our emissions problems, don't be surprised when you see a mileage tax introduced, similar to a road-user tax we now pay on diesels.

EVs will not generate the tax revenue that current vehicles do, so the government will have to pay for the roads somehow!

Another useful development is self-driving cars. And although this may be 20 to 30 years away, as our population gets older I see this being hugely popular; again, that individual form of transport our industry will provide.

An industry continuing to change and adapt. ☺



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readily accessible to consumers and is making changes.

"I am aware of the work NZTA are doing in this area. I am working closely with the Associate Transport Minister [Craig Foss] and one of the options could involve changes to the requirements of the CIN [Consumer Information Notice]. While there is no specific timeline, I will be watching the developments closely and have asked officials to report back to me on progress.

"I noted Trade Me's comments with interest. They had not contacted my office directly but I welcome their views and will be following up in the coming weeks."

It appears the communication lines with the government are about to become more open and Duffy is hoping for impactful change.

"We've spoken to the Ministry of Justice, who administer the Motor Vehicle Disputes Tribunal. They are seeing increasing numbers of cases where people are dealing with traders and have bought vehicles either through Trade Me,

or other means, which fall into this category. That was the main catalyst for this new policy. It's just borne of frustration."

The NZTA contacted Autofile and stated that it is committed to making it easier for people to access information.

"Vehicles identified on the Australian Personal Property Securities Register as written-off are flagged in the Motor Vehicle Register as damaged imports, and are listed on the NZTA website as being previously written off," says an NZTA spokesperson.

"We've worked with Trade

Me to help improve access to consumer information on written-off vehicles. We provide vehicle information to a number of third-party websites, including Trade Me. This process has recently been updated to include the written-off vehicle data currently displayed on the NZTA website.

"This will enable Trade Me (and others) to flag these vehicles on their sales listing. The Transport Agency's Rightcar website is also being updated to include this written-off vehicle data when users search for a vehicle by Registration plate. The Transport Agency has also

had preliminary discussions with the Ministry of Business Innovation and Employment (MBIE) regarding whether better information can be provided on the CIN."

QUESTION OF COMPLIANCE

Gordon Shaw is the chief executive of Vehicle Inspection New Zealand (VINZ) and welcomes these latest steps.

"It's basically a consumer issue. People that buy cars should have the information that says this car was a statutory write-off in Australia and has been repaired and put back on the road.

"It's great that Trade Me has put it out into the marketplace that



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◀ they want to do something about this issue and ultimately they are using their dominant market position to make a stand. It's just unfortunate that the regulator is not leading the way on this.

"However, Trade Me has stated the following: 'We understand that vehicles are meant to get a statement of compliance before vehicles are able to be driven on NZ roads, but there are ways to 'work around' this regulatory requirement.' That is actually incorrect. What they're talking about is you can apply to have exemption from the stripping process, but coming from the angle of an inspectorate, they're effectively saying that the whole industry is rife with people dodging around the compliance process – I disagree with that.

"There are cases, and we see them, where people are trying to disguise flood damage – nine times out of 10 they are picked up during the compliance process.

"But if you talk to the Insurance Council or the Repair Certifiers Association, they don't want these vehicles coming in either. People are potentially buying lemons. There's a problem here and there is an easy fix – ban them."

A story in the April issue of Autofile headlined Australian Write-Offs Under Scrutiny (visit <http://autofile.co.nz/autofile-april-issue/>) spoke extensively with key players in the industry, many expressing reservations about these cars landing on our shores.

The Motor Trade Association (MTA) has also stated its support for Trade Me.

"MTA raised this issue with government in 2015 and we are happy to see movement, but the industry can do better," says acting MTA chief executive Craig Pomare.

"We are in the position of addressing the 'accident at the bottom of the cliff'. Perhaps we should step back as an industry and ask why we even allow the importation of previously written-off vehicles in the first place.

"Better disclosure will add to the existing protections consumers have when purchasing a vehicle from a reputable trader. As long

as the customer receives full transparency around the history of the vehicle, they will not be disadvantaged in making their purchase decision."

"But what happens if it's a private seller, not a trader? Arguably the same declarations should still be provided," says Tony Everett, MTA dealer services and mediation manager. "The buying and selling of existing used vehicles already in our fleet predominantly occurs within the 'private to private' arena. More guidance is needed encouraging consumers to search all available resources to minimise the risks when buying a used vehicle, either via a trader or a private seller."

The MTA says that the situation with SWOs from Australia is clear because the way such vehicles are 'tagged' there. Ensuring such history is evident and able to be considered by consumers is important. It also raised the question as whether the industry can be sure that similar issues do not arise when importing used vehicles from other markets.

"A final point is that local traders' hands are tied to some extent," says Everett. "Traders are not able to add other 'unprescribed' information to the CIN card. If a vehicle was a SWO ex-Australia and is no longer 'flagged as a damaged import' because the damage (e.g. hail) was later deemed to be non-structural in nature during the compliance check, the vehicle might not be highlighted. However, the trader's ability to report the SWO status is limited to including alerts and notes within supplementary documents, e.g. the Vehicle and Operator Services Agency (VOSA)."

CONSUMER INFORMATION Trade Me has stated that New Zealand importers will be fully aware of the history of vehicles they import from Australia as this is always recorded on the documentation accompanying the vehicle. Other traders may use NZTA or MotorWeb to check the status. The listings site says traders may wish to consider exploring the vehicle's repair certification status – and they expect traders to make best endeavours to determine the



"If you talk to the Insurance Council or the Repair Certifiers Association, they don't want these vehicles coming in either. People are potentially buying lemons."

- Gordon Shaw, VINZ

vehicle status and disclose if it was a write-off.

But the issue of Consumer Information Notices is complex.

"We are looking at, as a body [Trade Me], listing the CIN ourselves – it's something we've been talking to MBIE about. Auction listings have a requirement for the CIN to be displayed, but classifieds don't, which seems crazy to us," says Duffy.

"We don't want to be seen as the de-facto regulator or a hindrance to people listing vehicles. But it's a case of being able to access all of the data required to produce the CIN, which isn't particularly straightforward. It's certainly an option and something we're working through at the moment.

"But we're not trying to kill the industry that's grown up around the importation and repair of vehicles coming from Australia. We just want these vehicles repaired properly and complete honesty for our customers so they can make an informed decision." ☺

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The electric master-plan

Prime Minister John Key has spoken passionately about the future of electric vehicles on New Zealand roads, but not everyone is happy.

The government announced new initiatives to encourage uptake of EVs with Mr Key, Transport Minister Simon Bridges and Air NZ chief executive Christopher Luxon among the speakers in Auckland.

The eye-catching figure was a target of doubling the number of EVs in New Zealand every year to reach approximately 64,000 by 2021 – but Key is actually setting his sights higher.

“The number of EVs on New Zealand roads is very low and we have set a target of 2 per cent by 2021, but we should be more ambitious than that and see it ramping up very rapidly.

“With modern technology prices are coming down and electric



cars will be able to travel further. Also the overwhelming bulk of car trips that New Zealanders take are shorter than 120km.”

The Prime Minister also focused on the environment.

“Climate change is becoming a more top-of-mind issue and has to be dealt with in a more aggressive manner. My view is that New

Zealanders will absolutely adopt a lower-carbon footprint – they just don't want to do that at the expense of a lower quality of living. Well I've driven an EV and they're fantastic.”

There was a large selection of EVs on show at Auckland War Memorial Museum, including corporate fleet investment by the likes of Air New Zealand and

Mighty River Power. And it's this big-business influence that Key says is essential.

“One of the things that will assist in bringing through EVs is when the corporate sector buy them as part of their fleet. Air New Zealand's recent announcement is a great example of that. Like any business, Air NZ will be turning its cars over reasonably regularly and those cars then flow into the second-hand market and other people buy them.

“If we can get the DHBs, to the big corporates, buying EVs then the price will come down, volume discounts will be greater and the efficiency and environmental benefits are huge.”

Medium-term, National is reviewing tax depreciation rates and fringe benefit taxes to ensure electric cars are not being unfairly disadvantaged, but there is strong opposition to the package. ▶

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◀ “Sadly, National has failed to make electric cars more affordable and accessible for New Zealanders,” says Green Party transport spokesperson Julie Ann Genter.

“The policy is actually unfair and counter-productive. Those wealthy enough to afford electric vehicles will be exempt from paying to maintain the roads we all drive on, and will be allowed to clog up bus lanes, making congestion worse in our largest cities.

“Offering access to bus lanes and announcing a series of reviews, investigations and ‘coordinated activities’ isn’t going to move New Zealand to a low-carbon economy,” says Genter.

“The Green Party would exempt electric vehicles from fringe benefit tax, a move that would cut at least \$8,000 off a \$40,000 electric vehicle. We’d also require that 20 per cent of new government cars be electric within seven years.

“The government’s failure to move with any speed on electric vehicles saw Nissan pull the world’s most popular and affordable electric car, the Leaf, from the New Zealand market late last year.”

With just over 1,000 EVs registered in New Zealand, awareness is a key issue according to Automobile Association spokesperson Mark Stockdale.

“There are few electric vehicles for sale in New Zealand and most

National blueprint

Doubling the number of electric vehicles in NZ every year to reach approx. 64,000 by 2021

Extending the Road User Charges (RUC) exemption on light electric vehicles until they make up 2 per cent of the light vehicle fleet

New RUC exemption for heavy electric vehicles until they make up 2 per cent of the heavy vehicle fleet.

\$1m annually for a nationwide electric vehicle information and promotion campaign over five years

Contestable fund of up to \$6m per year to encourage and support innovative low-emission vehicle projects.

Allowing electric vehicles in bus lanes and high-occupancy vehicle lanes on State Highway network and local roads.

AA members say they know little about them. Twenty-five per cent of AA members don’t even know that an electric car costs less to fuel than a conventional car.

“With our high level of renewable electricity, New Zealand is ideally suited to adopt electric vehicles,” says Stockdale.

“Other countries have led the way in introducing policies to speed the uptake of electric vehicles, and interest is mounting here so it’s good to see the government taking action to stimulate their growth.” ☺

Hybrid range for BMW

BMW has launched a host of new plug-in hybrid vehicles. Coming under the iPerformance banner, they are due to be released next month.

The new versions will be known as the 225xe Active Tourer, 330e Sedan, X5 xDrive40e Sports Activity Vehicle and 740e Luxury Sedan.

“The BMW Group is known for its advanced, forward-thinking technology, and these new BMW iPerformance vehicles combine our

most popular body styles with the latest innovations in sustainable personal transport,” says BMW Group New Zealand managing director Florian Renndorfer.

“We have the 225xe which adds an electric power-train to the already versatile Active Tourer; the iconic 3 Series is now available as the 330e; the legendary X5 with eDrive and xDrive technology; and our luxurious flagship 7 Series is now available with the latest in BMW powertrain technology.”

The BMW i3 will also shortly receive an update, boasting improved battery technology and the inclusion of DC rapid charging as standard. ☺



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– MIKE FARMER, Group Managing Director, Farmer Motor Group Limited.



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Safety Act an industry wake-up call

The Health & Safety at Work Act 2015 (HSWA) is now officially in effect and the automotive industry must respond or face the possibility of heavy penalties.

As part of the Health and Safety Reform Bill, the Act was devised as a governmental response to the Pike River disaster and worrying statistics on workplace safety. It's part of "Working Safer: a blueprint for health and safety at work."

Staff in New Zealand are twice as likely to be killed or suffer serious harm in the workplace compared with those in Australia and six times as likely as those in the UK – on average, 75 people die on the job each year in NZ.

With numerous workplace hazards at car yards, workshops, compliance centres and dealerships, the automotive industry is acutely affected by the new legislation.

WHO IT IMPACTS

Anyone who has a significant say in the day-to-day running of an organisation, as well as employees, has a responsibility under the Act – and Crown Agency and government health and safety regulator, WorkSafe, expects all industries to meet their duties. Practice owners, directors and

managers need to understand workplace risks and have processes in place to keep staff safe, along with anyone else who comes into the work area. There is also a clear focus that workers have responsibilities for their own health and safety and that of other employees/persons.

"It's basically a framework to try and lift New Zealand's health and safety performance," says WorkSafe general manager of communications, John Tulloch.

"We are looking to educate and engage, with a focus on areas of high hazard and high risk. In the case of a car yard, as with any other place of work, some new concepts apply, including overlapping duties and worker engagement.

"Let's say a big truck delivers vehicles. There is an expectation that the company delivering the cars has a plan in terms of safety and there's been communication. The businesses need to be working together. What the law looks at is having systems and processes in place to manage risk.

"Within the automotive industry there are lots of areas where safety is a key issue. For example, at a panel beater there can be respiratory issues with dust. The

big change is we are now very clear about duties for directors, the business, other businesses they engage with and workers."

With around 180 WorkSafe inspectors covering an estimated 500,000 businesses, assessment visits are targeted towards specific industries where there are high rates/high incidence of work-related harm/illness.

New, more stringent penalties have also been put in place for those individuals classed as a Person in Charge of a Business or Undertaking:

- ▶ **Category 1** – \$100,000 fine
- ▶ **Category 2** – \$300,000 fine
- ▶ **Category 3** (reckless conduct) – five years in prison and/or \$600,000.

Gordon Shaw is chief executive of Vehicle Inspection New Zealand (VINZ) and welcomes the Act.

"In an industry where there are many potential hazards, we have to ensure the safety of our staff and customers. The new legislation puts more focus on participation and this is good. Everyone has a responsibility for being safe at work.

"At VINZ we had spent the lead-in time to the new act updating our systems and processes. We undertook some

external audits of our sites and used the results to implement minor changes. Like other Key Service Delivery Partners, we have inspection staff working at compliance businesses off-site.

"We work in partnership with our compliance partners to ensure we have an aligned safety approach and provide assistance with the management of their H&S policies and procedures."

GUIDELINES TO FOLLOW

To assist those who don't have such operations in place, the Imported Motor Vehicle Industry Association (IMVIA) has produced a Health and Safety Manual, in conjunction with HRtoolkit, to provide an advisory framework.

"We basically felt a moral obligation to the industry and our members – it's far better to be proactive than reactive," says IMVIA membership and technical services manager, Malcolm Yorston.

"It's an imperative legal requirement to have a health and safety plan in place to protect the company and employees, so we decided to construct a generic program – and people can just pick up the manual and adjust it to suit their circumstances.

"We used a compliance shop ▶

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◀ in Penrose as the test to pull something together and HRtoolkit can also provide assistance.”

While the Act applies to all industries, Yorston believes it’s imperative the automotive sector gets to grips with it.

“People need to understand their responsibilities. You don’t need to know everything about the Act, but you do require an overview. Our manual is a set of guidelines to work with to make sure that those in charge have put processes in place.

“A lot of it is common sense. One of our instructions in the manual is if a staff member goes to move a car, they should wind the window down and turn the radio off. But whether you’re a groomer or the car jockey, you must be kept safe. It could be that on a sales yard, you don’t actually let a customer extricate the car from the site. Staff need to drive it off-site, where it can then be test-driven,” says Yorston.

“But the ACT also recommends toolbox talks, where staff have

a discussion about a specific or potential issue and make sure it is dealt with or raised so that actions can be taken to avoid potential harm, or if something has happened to avoid it being repeated. This is recorded in the manual and tracked through the process, if an inspector comes

HOW HSWA HELPS

Five Key Concepts



around, there’s documentation of how you dealt or are dealing with a problem.

“This means that an employee can not only raise an issue, but also take ownership of it.

“A lot of people may struggle

with it, so we’re here to help. And not just our members... we’ve spoken to those outside our membership and don’t have a problem helping them out also.”

Frances Carlisle of HRtoolkit says everyone needs to be involved.

“We worked with a compliance shop known to be well run and

onto their H&S. I performed a hazard identification and risk assessment on the premises and had discussions about the day-to-day work and culture.

“What I emphasise is the need for the business owner to be

proactive in creating a culture of health and safety, which requires a continuous conversation throughout the business, where observations and suggestions of workers are a key component to the H&S process.”

And the legal message from WorkSafe is quite clear.

“The law might be new, but the risks aren’t. It’s all about managing risk,” says Tulloch. “HSWA is about doing what is ‘reasonably practicable’ and proportional. The chance of an incident happening, the severity of the impact on people and how much influence and control a business has in preventing it. Everyone has a role to play.

“There are various new concepts in HSWA and WorkSafe understands in the early months businesses may be still getting their heads around these and getting procedures and policies in place. But we would expect to see clear evidence of knowledge of these duties and work underway to ensure they will be met.”



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Aussie imports row continues

A war of words has broken out between the power brokers of the Australian car industry, with New Zealand's Imported Motor Vehicle Industry Association (IMVIA) caught in the middle.

Controversial legislation has been a hot topic across the Tasman for the past two years, with Australia's 90-year history of building cars coming to an end by late 2017, when Ford, Toyota and Holden will have stopped manufacturing.

But a newspaper article last month in the Sydney Morning Herald (SMH) and The Age alleged a "major astro-turfing campaign" had been in place. Astro-turfing is the practice of masking the sponsors of a message or organisation.

At the heart of the story was the Australian Imported Motor Vehicle Industry Association's (AIMVIA) connections with its New Zealand counterpart, the IMVIA, and how it is "under direct instruction of its New Zealand-based parent".

The headline ran, "Treasure Island: How New Zealand sees Australia's Car Industry", with the story then moving across the Tasman. "Fairfax Media can reveal the changes to the law announced in February gained traction in Canberra after a major 'astro-turfing' campaign by a group of multi-national car importers based in New Zealand, along with lobbying firm GRA-Cosway."

These changes refer to the private importation of cars from 2018, from Japan or Britain, that are less than 12 months, with no more than 500km on the odometer.

An unnamed New Zealand industry source also added: "Our cars are shipped past Brisbane and Melbourne to get here. It has always made sense for us to try and crack the Aussie market. When you decided to shut down your manufacturing industry, that opened the door."

QUESTION OF DEREGULATION
Talking exclusively to Autofile, Tony Weber, chief executive of the



Australia's ports will be busier when the car manufacturing plants close

Federal Chamber of Automotive Industries (FCAI), was clear on its position. "We understand that New Zealand used-car importers have been actively lobbying for market deregulation here, so as to overlay their established business model onto the Australia market.

"We observe they have been forthcoming and bullish about their sales ambitions in statements to the Australian media."

But with an election underway and legislation still to be signed off,

Index, which measures vehicle affordability in Australia, is at its best level in 41 years.

"Open competition already exists in the industry and to state otherwise is incorrect. The proposed parallel imports legislation undermines our stability and growth and could threaten the viability of the established dealer network.

"With the calling of the Federal election, caretaker conventions are now in effect. All legislative activity will be suspended until

In terms of the SMH article and overall, we basically feel that they're not really looking after the interests of the Australian consumer – it's all about protecting their monopolistic profits. They're there for manufacturers.

"What they don't realise is that 90 per cent of their cars are imported right now and, by 2018, 100 per cent will be imported. The FCAI don't talk about the Harper Review [into competition policy] and Productivity Commission



"The appetite of Australians for cars is only going to increase and manufacturing is going to cease. We will need to import cars and Aussies will continue to buy them." – Jack Sandher

the organisation is also hopeful of a change of heart.

"It is the view of the FCAI that market deregulation would benefit used-car importers at the expense of well-established Australian levels of consumer protection, erode established brand values, create significant issues for the Australian repair and service industry and undermine the profitability of Australia's dealer networks.

"The Australian vehicle market is already one of the most competitive in the world, with some 67 brands and over 400 models. The CommSec

the outcome of the election and a timetable established for the sitting of the new parliament. The FCAI remains hopeful that the proposed parallel imports legislation will be reviewed."

AIMVIA VIEWPOINT

But the AIMVIA, which was registered in June 2014, has responded strongly to alleged "astro-turfing" and the influence of the IMVIA on its decision-making. President Jack Sandher says the media attacks are completely unjustified.

"Obviously the FCAI are not happy with the law changes.

Report. These aren't our opinions; they're separate reports recommending deregulation as soon as manufacturing ceases.

"This newspaper article is just the second wave of arguments. The first wave was talking about radioactive cars [in response to the Fukushima nuclear disaster in 2011]. This is merely the next phase. I think the FCAI just want to keep up the scare tactics and make sure that legislation will go their way."

Sandher is also adamant his organisation has not been compromised by links to the IMVIA.

"New Zealand has a very successful deregulated market

◀ and we should learn from them. We don't want a New Zealand system, but we should apply successful practices to ours.

"I think our relationship with the IMVIA has propelled us a lot further than we could have got on our own and we have contracted them to use their 25 years of experience – and we have learned a lot. But I want to emphasise that AIMVIA is an Australian industry body and we're representing Australian consumers and business.

"The appetite of Australians for cars is only going to increase and manufacturing is going to cease. We will need to import cars and Aussies will continue to buy them, so it's a conversation we need to have.

"The government is also planning to introduce the idea of an inspectorate. It's an independent organisation where all cars are checked yearly to make sure the fleet is safe.

"Cars will be brought in through the proper standards and we welcome healthy competition."



Holden's Elizabeth plant is due to cease vehicle and engine production by the end of 2017

The IMVIA's relationship with AIMVIA has never been more than as an adviser, insists David Vinsen, IMVIA chief executive.

"We have a contractual management agreement. But it's a very close relationship – in fact one of my directors and staff members is working with them currently. The only intention was to assist them with setting up, then gracefully withdraw over time. We have a strictly defined management agreement to provide specific services.

"As for the future, the FCAI is worried about the Australian public discovering they are

being held to ransom by the multinational motor companies. But I don't think anything is going to happen quickly. It's always been understood that this will be a long game."

In 2015, the volume of cars and SUVs in Australia was 1.15 million, valued at \$AU20bn, with more than 304,000 vehicle industry jobs and 49,700 businesses. The current Malcom Turnbull government is proposing its main assistance package, the Automotive Transformation Scheme (ATS), will come to an end when manufacturing ceases – saving an estimated AU\$400m. ⊕

Legislation timeline

- Sep 2013:** Tony Abbot government is elected as part of a coalition.
- Oct 2013:** Treasurer Joe Hockey asks Productivity Commission to investigate "long-term profitability of automotive manufacturing industry".
- Dec 2013:** General Motors Holden announces the company will stop making vehicles by the end of 2017.
- Aug 2014:** Productivity Commission report takes negative view of government assistance to auto manufacturing sector.
- Apr 2015:** Harper Review, which examines Australia's competition policies, recommends removal of restrictions on parallel imports on second-hand cars.
- Feb 2016:** Australian government announce planned changes to the Motor Vehicle Standards Act 1989, allowing personal imports up to once every two years.
- Oct 2016:** Ford Australia engine and vehicle plants scheduled to close.
- By the end of 2017:** Ford, GM Holden and Toyota will all have stopped manufacturing.



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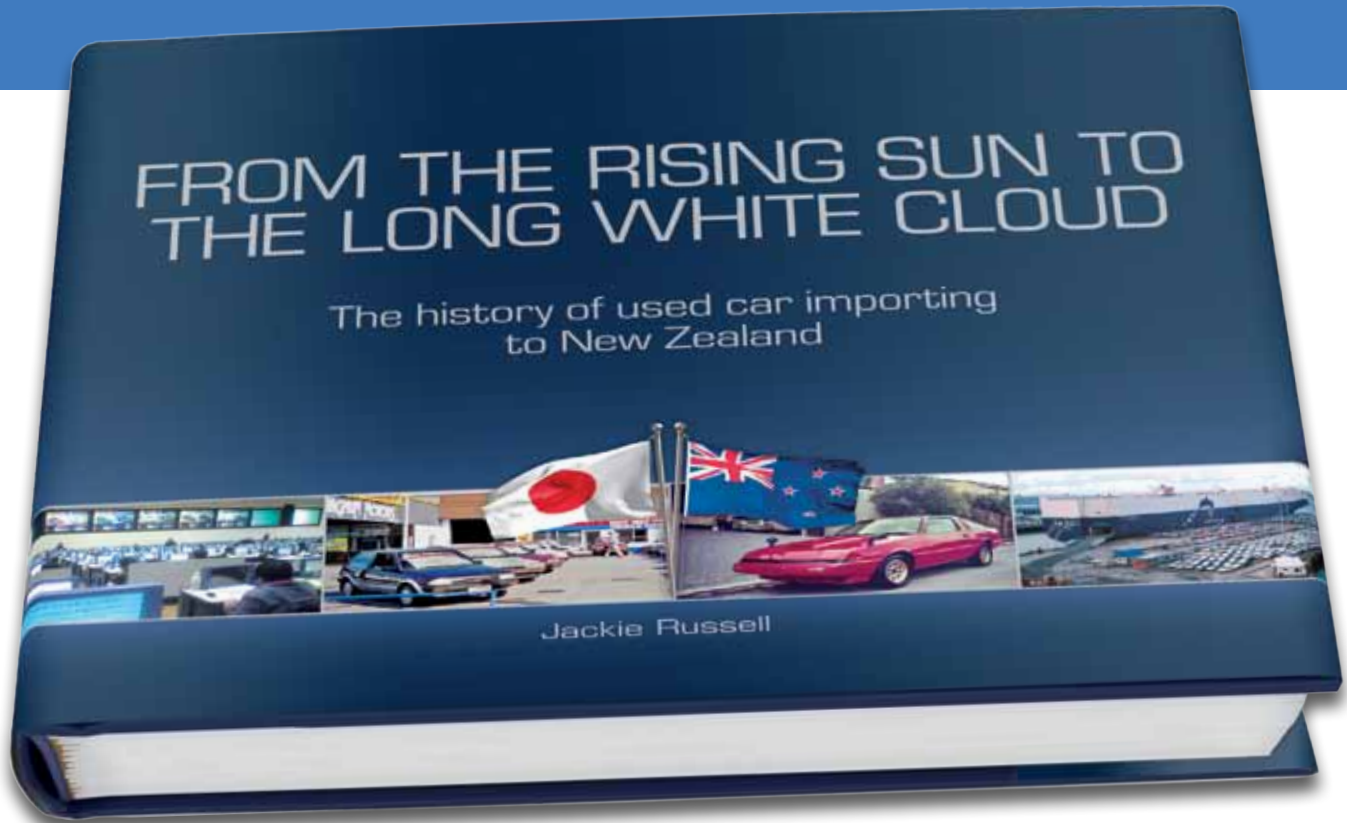
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Supreme Court dismisses MTF case

In a case that Autofile has been covering for a number of years, the Supreme Court has dismissed Motor Trade Finance Limited (MTF) and Sportzone Motorcycles Limited's second and final appeal in the credit fees case brought by the Commerce Commission (CC), providing the definitive ruling on a key piece of credit law.

The Court's ruling upheld earlier High Court and Court of Appeal judgements that backed the Commission's approach to assessing whether credit fees charged by lenders are reasonable as required by the Credit Contracts and Consumer Finance Act 2003 (CCCFA).

After starting an investigation into MTF and Sportzone back in 2006, the CC filed court proceedings in 2009, alleging that they were charging unreasonable establishment and other credit fees on 39 finance contracts entered into between 2005 and 2008.

In September 2013 the High Court released its first judgement, saying that the fees were unreasonable and in breach of the CCCFA, with a further judgement the following year, further clarifying the rules lenders must follow when charging credit fees.

MTF and Sportzone took both decisions to the Court of Appeal, which dismissed their case in March 2015. As a final step, they took their case to the Supreme Court in November 2015.

In its ruling, the five Supreme Court Justices were unanimously of the view that the CCCFA: "indicates a transaction-specific approach to the setting of fees. It is not permissible to take all operating costs (or virtually all) and allocated them to one fee of the other. The consequence of this is that any costs incurred by a credit provider will not be referable to particular credit transactions and will therefore have to be recovered in the interest rate".

Commission general counsel Mary-Anne Borrowdale said the Supreme Court had now definitively ruled on the approach lenders

should take to fee charging.

"The Supreme Court has made clear that credit fees should only cover costs that are closely related to the particular loan transaction. It agreed with the Commission that the purpose of the CCCFA is to protect borrowers, ensuring transparency in the costs of borrowing. Fees should not be used to recover general business costs or to generate profits – that is what interest is for," Borrowdale said.

"Consumer credit issues, such as lenders charging excessive fees and not meeting their disclosure requirements, are a real focus for the Commission. We are obviously pleased that the Court has backed our approach in this case and sent a clear message to all lenders, large and small, on what the law requires."

The Court has instructed MTF and Sportzone to pay \$25,000 plus reasonable disbursements toward the Commission's costs.

MTF responded to the decision with the following statement.

"While MTF is disappointed with the decision, it acknowledges the decision clarifies the legislation for consumers, shareholders and the wider finance industry. MTF has confidence that the legislation can now be applied evenly and fairly by all industry participants.

"The judgement, as it applies to MTF, relates only to 39 loans, written in the 2006-2008 period in the absence at the time of any meaningful guidance from the regulator or courts on the interpretation of what was then new and descriptive consumer legislation. A key purpose of the Credit Contracts and Consumer Finance Act 2003 (CCCFA) is to assist consumers to distinguish between competing credit arrangements and this judgement provides assistance on the principles that apply to the recovery of finance costs through fees included in all consumer credit contracts.



responded in its MTF half-year report 31 March 2016.

"Late last year Heartland New Zealand Limited expressed an interest in acquiring MTF as a consequence of Turners Limited making an offer for up to 20 per cent of the ordinary shares of MTF. The offer from Turners, an existing MTF shareholder, resulted in it increasing its holding to close to 8 per cent of the ordinary shares.

"In response to Heartland's initial approach the Board stated it would not approve Heartland holding 10-20

per cent of the ordinary shares. Heartland signed a confidentiality agreement in October 2015 and, since that time, has continued to undertake due diligence to help it decide whether it will make a full takeover offer. At this time Heartland has not presented an offer for consideration by the board." ⊕

"The amount by which the fees have been held to be unreasonable, and are to be repaid to the 39 borrowers, is less than \$10,000 in total. Court costs relating to the judgement total \$25,000."

With regards to Heartland NZ Ltd's acquiring a cornerstone shareholding in MTF, the company

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UN adopts road safety resolution

The United Nations (UN) is making a global effort to improve vehicle safety – and New Zealand agencies are working as hard as anyone to maintain the highest standards.

Last month, the UN adopted a resolution representing the strongest ever commitment to road safety made by member states.

Driven by Global New Car Assessment Program (NCAP) and Stop the Crash Partnership, ambitious road safety targets included in the Global Goals for Sustainable Development and Global Plan of the UN Decade of Action for Road Safety (2011-2020) now have full UN support.

Focusing on Electronic Stability Control (ESC) and Autonomous Emergency Braking (AEB), the resolution endorses the standard fitment of active safety systems – these refer to vehicle technologies



that help prevent crashes.

David Ward, Stop the Crash Partnership chairman, said: "The Stop the Crash Partnership was created to promote active safety systems with a proven track record in crash avoidance. The recognition of this approach by the UN will help accelerate the adoption of the legislation required by governments across the globe."

The importance of vehicle safety has recently been highlighted by Australasian New Car Assessment

Program (ANCAP) adjusting ratings for maximum five-star scores.

It has stated that cars without self-braking systems may fall short of five-star results.

"It is very likely that if the industry doesn't step up with things like AEB, unfortunately we're going to see more four star-vehicles in the marketplace," says James Goodwin, ANCAP chief executive.

"We urge the manufacturers to step up and meet what customers are expecting from a new car in 2018"

Stella Stocks, AA general manager motoring service, believes we are moving in the right direction.

"For New Zealand motorists, we are in a good space. Most late-model vehicles have very good safety systems (there are some exceptions with vehicles from emerging markets). Most have good cabin integrity and protection in the event of a crash, but increasingly we are seeing features that will help prevent crashes. AEB is the next Safety Assist Technology (SAT) we will see more of – and this is very real in preventing crashes.

"While legislation plays a part in vehicle safety, the work done by ANCAP has a greater effect and has certainly sped up the introduction of SATs in New Zealand.

The biggest issue is average age of the fleet, with a large number of older vehicles on the road that only have basic safety features." ☺

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Commission warns lenders

The Commerce Commission (CC) has reiterated its position that lenders must repay all fees and interest if they don't comply with disclosure rules.

Changes to the Credit Contracts and Consumer Finance Act 2003, (CCCFA) in June last year mean lenders must disclose specific key information to borrowers, including the loan's terms, total amount, interest, fees, any security taken and the effect of that security and the borrower's right to apply for relief on grounds of unforeseen hardship.

The CC has a number of investigations underway involving lenders that haven't complied with disclosure obligations.

Commissioner Anna Rawlings says: "If that key information is not adequately disclosed, lenders are unable to enforce any interest or credit fees during

the period of non-compliance. For some lenders this could run into millions of dollars.

"The law applies to lenders of all sizes and types, from small payday lenders through to our major banks. The responsibility to ensure contracts comply with the law rests squarely with those lenders and it is essential that they ensure their disclosure documents have been reviewed and they are satisfied that the documents contain all of the relevant key information required by the CCCFA," says Rawlings.

Penalties for breaching disclosure rules include infringement notices, a fee of \$1,000 per breach or prosecution and a fine of up to \$30,000. Complete failure to provide disclosure can lead to prosecution and a fine of up to \$600,000.

Changes to New Zealand's consumer credit law took effect on June 6, 2015, and apply to contracts entered into after that date. ☺

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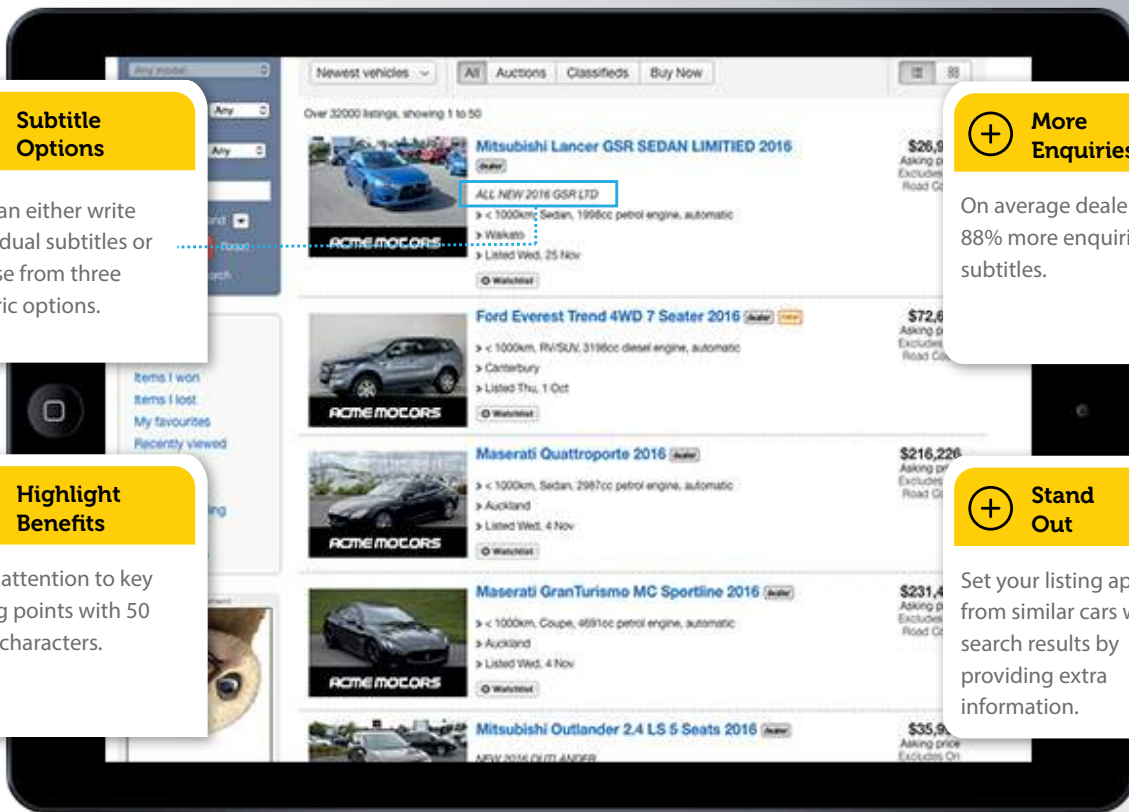
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- 1 RV/SUV
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- 3 Sedan
- 4 Station wagon
- 5 Hatchback

Most popular makes of motorbike searched*

- 1 Honda
- 2 Harley-Davidson
- 3 Suzuki
- 4 Yamaha
- 5 Triumph

An Auckland Ferrari dealer has a rare 1970 Ferrari 365 GTB/4 on its yard with a price tag of \$1.6m. The front-engined, rear-drive coupe is powered by a 4.4-litre V12 with six Weber twin carburettors and produces 352hp. Its top speed of 280km/h made it the fastest production car from 1968 until 1974.

Show time in Beijing



The LeEco LeSee is revealed at the Beijing Show

The big names all came to pitch products at the 2016 Beijing Motor Show (Auto China), with an array of sports cars, luxury vehicles and innovations making their long-awaited debuts.

Held every two years since 1990, the Beijing event has become an important week on the industry calendar and this year was no exception.

With an ever-growing middle class becoming more and more obsessed with cars, China is a hotbed of industry movers and shakers. So where better to start than the LeEco LeSee?

The LeSee was perhaps the most space-age exhibit all week. The smartphone and electronics manufacturer sees the concept vehicle as competition for the Tesla Model S.

The self-driving automobile has a retractable steering wheel and multiple connected entertainment systems.

LeEco has become a huge player in the electronics sector in Asia and although the car is currently only a concept, company CEO Jia Yueting is a seriously ambitious billionaire.

LeSee stands for Super Electric Ecosystem and it certainly attracted plenty of interest. Four-doors with fastback proportions and a sloping roof, its battery and electric engine developments have been reportedly developed alongside Faraday Future and Aston Martin.

As well as the car, LeEco also unveiled smartphone, TV and VR products – with an ultimate vision

of an integrated, cloud-connected ecosystem, sharing hardware and software.

But apart from self-parking and being summoned by a smart phone, we don't know much more about this eye-catching model.

Not to be outshone, the limited-run Bentley Mulsanne First Edition also got tongues wagging and iPhones flashing.

The ultimate in luxury, new owners can choose from options such as bespoke Mulliner sterling silver vanity kit inlaid into the rear picnic table, special tread plates, Union Jack inspired embroidery on the seats and a champagne cooler. The extended-wheelbase variant was on show in Beijing, based on the large luxury Mulsanne which made its debut



Bentley Mulsanne First Edition

at the Geneva show in March.

There are only 50 vehicles available. Power is delivered through a 6.75 litre V8 engine via an eight-speed automatic.

"The Mulsanne is the epitome of our DNA – exquisite, individual and powerful," says Wolfgang Durheimer, CEO and chairman of Bentley Motors.

Audi unveiled four vehicles



The interior of the LeSee features a retractable steering wheel when in autonomous mode

at Auto China, with the main attractions being the Audi TT RS Coupe and Audi TT RS Roadster.

The TT RS Roadster has a five-cylinder engine offering 294kw (400hp) of power, alongside Quattro drive for maximum traction. The Coupe goes from 0-100km/h in 3.7 seconds, thanks to a lighter weight and stiffer chassis.

Audi also showcased their Connected Mobility Concept car, based on the

estimates that it can offer a faster mode of transportation, the system recommends that the driver continues the trip with the electrically-powered board. It has a range of more than 12km at a top speed of 30km/h.

Finally, Porsche unwrapped the 718 Cayman. It's the fourth redeveloped generation of the mid-engine sports coupe and certainly made an impact under the motor-show lights.

The entry-level model gets a turbocharged 2l engine producing 221kw (300hp) and maximum torque of 380 Nm, while the 718 Cayman S boasts a 2.5l engine featuring a turbocharger with variable turbine geometry to give 257kw (350hp) and maximum torque of 420 Nm.

You can go from zero to 100km/h in 4.7 seconds, while the S version shaves off another half a second. Top speed is 275km/h, 285km/h for the Cayman S.

If you want to pick one up in New Zealand, 718 Cayman pricing starts at \$123,900; \$148,500 for the Cayman S. ☺

new Q3 that is due to hit the market later this year.

Designed for the busy urban environment, the Connected Mobility Concept has a multifunctional longboard integrated into the rear bumper, which helps compute the fastest mobility mix based on real-time traffic data, destination and time of arrival. If the 1.05m longboard



Audi unveiled its new-generation TT RS (right) and the Connected Mobility Concept, which comes complete with an electric longboard



The value of knowing your market

Pick a vehicle on your dealership right now. Describe in your mind the person you expect to walk in and purchase that vehicle. Thinking about that description, where is that person most likely to be right now, tonight, this weekend?

Are they young, old, have a family, sporty, male, female? Now try this same exercise with another vehicle on your dealership right now. Is the exact same person going to buy that vehicle? Chances are they aren't – and that's why there are huge benefits to identifying who the most likely person is to purchase any given vehicle on your dealership.

This information, or insights as I like to refer to it, is highly valuable and very important for any successful vehicle dealership business. The more you know about who buys your vehicles,

the more you can specifically target the right demographics and get the best return for your advertising dollar and marketing efforts.

If you know not only who purchases, but also why, then you could take any identifiable trends even further with creative descriptions and images that best suit the needs of the most likely buyers.

It's all too easy to take such a blanket approach across all vehicles and not really put any thought into how or where you would advertise, who the target market is, and also what you'd say about the cars. The sheer size of this task, starting with existing stock, has most rolling their eyeballs and saying it's all too hard. Yes, it will take effort, but



MARK GREENFIELD
Motorcentral

targeting a vehicle at a specific market will generate results.

I think most would agree that it makes sense to ensure you stand out where you can. Standing out and being relevant, especially from the

private seller, is easier when using information that they don't have. Use the insight you have to actually sell the vehicle effectively in an online space, to influence an enquiry, an appointment and then the all-important sale.

But let's focus on the data. The key is to understand it, then leverage the information to be effective – this starts with what you have available. Traditionally this information is very fragmented and you need to filter through various reports,

then attempt to stitch it together in an effort to hopefully find out who buys what. This process is somewhat time-consuming and it can be challenging to piece it all together.

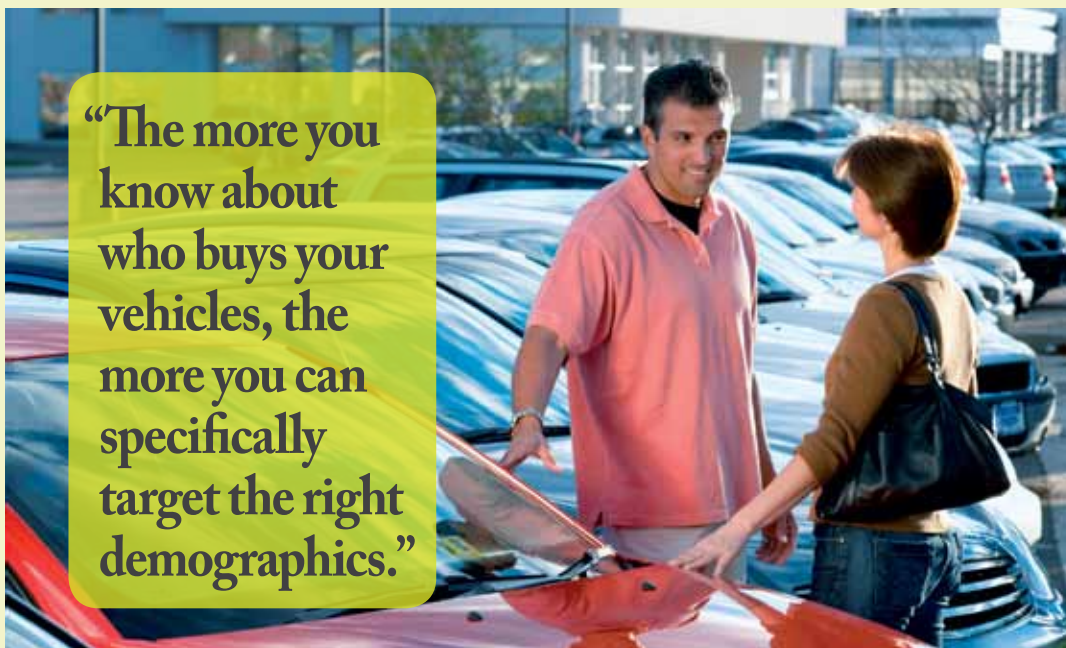
This is all changing, though, and the cloud-based environment we work within these days allows this data to be pushed easily to the forefront and find its way to your eyes without the need to go looking for it.

This information needs to come to the surface of your Dealer Management System (DMS) and each vehicle should tell you who the most likely buyer is from the data it can leverage off.

Knowing what advertising medium the customer came from also allows you to understand how different vehicles and customer demographics perform in relation to the advertising method. The data is further enriched if your website is linked to your DMS, allowing the combination of real time and looking-forward analytics.

Once you start understanding your customers and your vehicles on a data-driven level, you will be empowered to make even smarter decisions for your business. You will be able to ensure your return on investment is maximised and that you are placing the right vehicles in front of the right customer's eyes.

The old shotgun approach has its place, and you hope a pellet or two sticks, but the sniper rifle approach is very effective in targeting the people that are the most likely buyers for your vehicles. ☺





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NEWS in brief

RETRACTION OF HEADLINE – Dealer Finance Limited

In our April issue, Autofile ran a story on page nine relating to Dealer Finance Limited. In our headline, we incorrectly stated “Christchurch finance firm hit with big fine”. Autofile acknowledge that Dealer Finance Limited were not fined, they had fully cooperated with the Commerce Commission’s investigation and were complying with a settlement to refund overcharged interest to its customers. Autofile wish to apologise to the members of Dealer Finance for the misleading headline and offer a full retraction.

MPI standard outcome still set for next month

The current Draft Ministry for Primary Industries (MPI) Standard for Vehicles, Machinery and Tyres Import Health Standard is still scheduled to be published in June 2016.

MPI senior adviser Michael Tana says: “Submissions are being looked at and we’ve basically gone out to answer some further questions from submitters. The amended standard will be released provisionally for a 10 day period which will allow people to read the responses to submissions and put forward any further questions or queries on the standard.

“We’re confident that we’re still making the right calls and believe the position is a good one – the requirements are firmly based on the scientific evidence and have been tested against the latest information available. Everything is still planned for a June sign off.”

Le Mans Jaguar C-Type sold for \$12m at auction

A unique, unrestored, ex-Le Mans 24-Hour race Jaguar C-Type sports car, reg POV 114, sold for a cool \$12.1m at Bonhams Monaco Sale on the French Riviera. “Following



months of painstaking research, working with the best historians and notable marque specialists, Bonhams unravelled an intriguing mystery involving the unrestored Jaguar C-Type,” says James Knight, international group director Bonhams marketing.

“We established that it really is the 1953 Belgian-entered Le Mans, still bearing its original, complete ‘K 1047’ body.”

A 1925 Bugatti Type 35 Grand Prix Two-seater sold for \$1.7m.

Mitsubishi’s star players receive full recognition

Mitsubishi has recognised its network’s outstanding performers, with the Diamond Dealer Awards. Fifty-six dealerships across New Zealand delivered their best sales result in 20 years and were rewarded at the company’s annual black-tie event in Christchurch.

The winners were: Mark Barton (Auckland Motors Mitsubishi), Aaron Chatfield (Bay City Mitsubishi), Simon Lucas (Simon Lucas Mitsubishi), Nigel Rumlper (Piako Mitsubishi Rotorua), Darrell Russell (Piako Mitsubishi Morrinsville), Justin Scelly (Baigent Motors) and Andrew Simms (Andrew Simms Mitsubishi).

It was a 12th consecutive award for Mark Barton, while Aaron Chatfield also won Overall Parts Excellence, Top Market Share for his region and Finance People’s Choice.

“Aaron has been a rising star in our network over the past few years and continues to take his business from strength to strength,” says Mitsubishi general manager sales and marketing Warren Brown.

“Excellence in parts and service are vital aspects of our business and our customers’ ongoing satisfaction.”

BMW add to Coupe range

There's a new addition to the BMW 4 Series range, with the Gran Coupe 420i. It features the same aesthetic appearance as its stable-mates, but the specification enhancements seem impressive.

There's a Sport Line package, 19-inch alloy wheels, Bi-Xenon headlights with high-beam assist, sports front seats and automatic tailgate operation – as standard.

The 420i Coupe is powered by a 135kW/270Nm four-cylinder engine, sipping fuel at 5.8l/100km and emitting only 134g of CO2 per kilometre and can travel from 0-100km/h in 7.3 seconds (automatic 7.5s). In terms of looks, the whole 4 Series range was designed to offer the practicality of rear doors, alongside a sporty slick design. With its wider stance and sloped roof, it certainly differs from the 3 Series.



BMW is confident the new model will appeal.

"The 4 Series Gran Coupe at \$77,000 is without a doubt one of our most attractive cars – and the 420i Gran Coupe has the outstanding aesthetics, high levels of specification, class-leading driving dynamics as well as exceptional pricing," says Florian Renndorfer, managing director of BMW Group New Zealand.

"This new model will create a

more attainable, but incredibly desirable and aesthetically pleasing addition to the local line-up, which helps to make it the ultimate statement in luxurious mid-size performance motoring.

"The BMW 4 Series Gran Coupe first arrived in New Zealand in August 2014 and launched to rave reviews. This was primarily due to its striking appearance combined with increased functionality courtesy of the four-

door coupe body-style, coupled with a huge load carrying ability achieved by way of the hatch boot compartment."

Essentially following the 3 Series Sedan in terms of specification and performance, the 420i Gran Coupe adds the extra dimension of a sportier, coupe-based silhouette design with the functionality of a large tailgate.

The BMW ConnectedDrive suite of technologies in the 4 Series Gran Coupe 420i include:

- ▶ Parking Assistant for parallel and perpendicular parking
- ▶ Lane Change Warning system
- ▶ Driving Assistant system including Lane Departure Warning
- ▶ Forward Collision Warning with light city braking and pedestrian recognition

Prices start at \$77,000 for the 4 Series Gran Coupe 420i. ☎

Mirage makes a move

Mitsubishi Mirage XLS has had an upgrade, inside and out.

Originally dating back to 1978, the Mirage has always been an important car in the Mitsubishi range and the new model XLS is offering a sophisticated look, with improved suspension and stability.

Emissions of 113g/km are combined with a 1.2l Mitsubishi Innovative Valve Timing Electric Control engine that draws air into its cylinders to minimise energy loss. It has a maximum power of 58kW and maximum torque of 192Nm.

The INVECS III CVT automatically selects gear ratios in response to driving conditions, for smoother acceleration.

Standard safety features in the five-seat XLS include dual-stage driver, passenger, side and curtain airbags with four-wheel ABS, EBD and ASC. Hill Start Assist and Smart Brake technology are also part of the package, with a five-star safety rating.

Good visibility is a priority, with the new front-end design allowing the driver to see both corners of the bonnet, with the placement of the front pillar and a low belt line offering a wider field of vision. A new rear spoiler, 15-inch alloy wheels and tinted rear windows provide that extra privacy.

For a limited time, the Mirage XLS is priced at \$17,990 plus on-road costs. ☎



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Mr Nissan learning more every day

He started as a sales person and is now at the head of Nissan NZ. We spoke to John Manley, who has witnessed many changes in his 35 years in the industry.

Despite not coming to the automotive trade until his 30s, the managing director of Nissan NZ, John Manley, has enjoyed an incredibly successful three decades with just one company.

Born in Auckland and a graduate of Rosmini College, John's pathway to managing director was certainly an unconventional one.

"I always loved cars, but when I left school I went to work for the Government Tourist Bureau as a travel cadet. At that stage the government was largely responsible for promoting New Zealand overseas. Then, in my early-20s I decided I needed a job in a healthy outdoor environment and took on a bricklaying apprenticeship and spent several years working on all sorts of building sites around Auckland. I am certain I would be one of the few people in New Zealand who can say they have built a giraffe house!"

So what was the catalyst for another dramatic career change?

"Well, I literally saw an advert in the paper for a sales person at Newmarket Nissan – it was entirely speculative. It offered a company car and commission rates and seemed like a great opportunity. I just figured it would suit me."

It quickly became pretty clear that John had made a sound decision.

"When I started out, we were

selling the last of the Datsun 200Bs, the Bluebird was just coming in, along with the Sunny, and then there was the first Pulsar – which was astounding. It was a five-speed hatchback, 1300cc, with tinted glass, velour trim and electric windows.

"Back then these cars were assembled in New Zealand, with Nissan having a plant at Wiri. It was such an exciting time.

"I remember that the very first person I spoke to actually bought a car off me. We had a phone conversation and she came in and purchased a Nissan Sunny Coupe. The selling gave me a real buzz and I enjoyed it – the \$30 commission was pretty good too, at the time."

RAPID RISE

It wasn't long before John started to make sharp progression up the Nissan ladder.

"I've always sold new vehicles and the Newmarket dealership was owned by Nissan Motor Company, so it was a factory shop. I started there as a salesperson, then went up to fleet sales manager, completing two years at Newmarket.



"Then I was made branch manager at Takapuna, with the title then changing to dealer principal – as a DP you would really need to know your stuff, including parts, service and after-sales. And it was a great time and on one of Nissan's best sites.

"Over the next decade Takapuna Nissan consistently won sales, parts, service and customer service awards – it was Nissan's highest award-winning dealership with a wall full of trophies. We even managed to win the World's Best Radio Commercial at the New York

International festival in 1992 – we had a great team and a lot of fun."

Success continued for John, appointed national sales manager at Nissan New Zealand in 1996, before moving on to sales and marketing manager and a directorial position by 1999. A passion for the product is obviously a key to his success.

ROLLERCOASTER RIDE

With 35 years under his belt, John has seen his fair share of change and ups and downs in the sector.

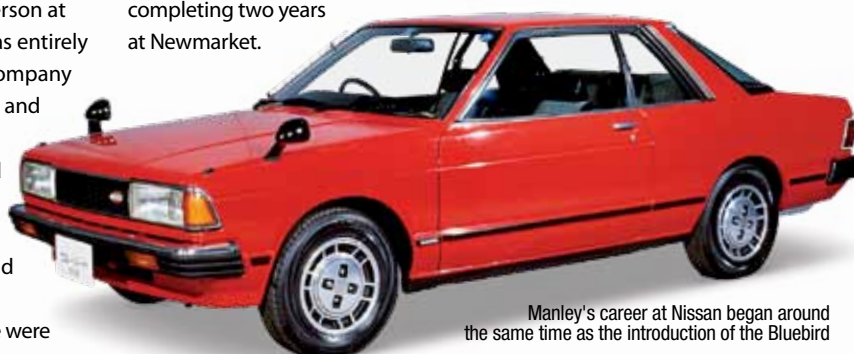
"There were a few key events along the way that have shaped things. Obviously the arrival of used Japanese cars in the late 1980s was significant. And also in 1998, when the government removed all duties and tariffs from new vehicles – basically local assembly closed down, which was quite momentous. All of the major players had big assembly facilities here in New Zealand and that changed the landscape quite considerably. When you deregulate, distributors start importing cars from everywhere, so the industry became a very different beast.

"I can remember a time in the 1980s when inflation was rampant, we would have three or four price rises a month. The global financial crisis also smacked us around quite a lot. We've had to handle a few downturns and it's been hard work."

John thinks the industry is in far better shape today.

"The economy is in a pretty good place and things have changed for the better. I believe that car sales are a relatively good barometer of how the country is performing – and the fact we're selling over 130,000 new units a year indicates that people are fairly confident.

"There is also the fact that consumers here get a sensational amount of choice on new cars. They're extraordinarily well catered for with great competition. ▶



Manley's career at Nissan began around the same time as the introduction of the Bluebird



The Nissan Takapuna team enjoyed great success in the late 1990s.



A classic retro shot with wife Helen

◀ The market essentially drives itself"

With such a depth of knowledge, it's no surprise to see John as incumbent president of the Motor Industry Association of New Zealand (MIA).

"It's a position I really enjoy. As a collective for the industry, we have a number of different roles – from spokesperson to information gatherer and dispenser of statistics. It also does a lot of legwork for the industry and is a single point of contact.

"I also like working with chief executive David Crawford. He has a wonderful knowledge of government with a colossal number of contacts and is exceptional at what he does."

THE EV DEBATE

A particularly hot topic right now is the electric vehicle, with John having personal experience of the product with the Nissan Leaf, which is no longer sold in the market as of earlier this year.

"We just weren't able to source a vehicle that suited the conditions here, in terms of the accepted or minimum level of specification for the consumer. Getting alignment of the specs, the market requirements and the price-point in an available right-hand drive model proved too difficult.

'But it's not just electric cars that are important to the future. I think they're a component and fit very well with our energy generation, but there are plenty of other things going on with all of the major manufacturers investing huge amounts of money.

"Remember that Nissan has a corporate objective to be number one for zero-emissions vehicles with electric vehicles the best option to achieve this at present. Looking forward, we will see increasing use of smaller-capacity, high-output engines. So you get the benefits of smaller dimensions, lighter weight, greater fuel-efficiency and reduced emissions – but with a high power output.

"Fortunately in New Zealand we have transport minister, Simon Bridges, who is also energy minister, and is very engaged in the industry and likes cars – that's a bonus for us."



One of John's passions is collecting Lee Enfield rifles

The constantly changing face of the industry is what keeps John interested.

"It's definitely a moving feast, very dynamic, with something always happening. Every day you learn something new.

"I mean, if you look at where the industry is now, the new vehicle total industry volume reached a peak in the last couple of years. In the 1980s, for example, there were around 100,000 cars sold annually – with a population at the time of around 3.2 million.

"Japanese imports then came in and took a huge chunk of the new vehicle market and it has taken 30 years for the industry to get back to the volume it was selling when they first came in. The industry has been through some very lean times and I've seen the new car market down to between 50,000 and 60,000 units through the 90s."

SUPPORT NETWORK

Looking trim and in good shape, John doesn't have any immediate plans for retirement. "I guess that's between me and Nissan – but I absolutely love my job."

And away from the showroom, he has quite a unique hobby.

"I collect firearms... Lee Enfield 303s. They date back from about 1896 through to 1954, but only full-wood, military rifles – the original collectables. I'm also partial to a drop of red!

"But of course I love cars. My first one was a Morris Super 6 – somebody T-boned it for me which

wasn't a pleasant experience.

I also have two Nissan Skylines, an R32 and R33 – beautiful cars which, in my mind anyway, are very collectable."

Married to Helen for 25 years, with a son James (24) and daughter Rosie (22), it appears his better half is getting some payback for John's absences.

"I remember having to be away in places like Japan, sometimes up to 12 times a year. But now Helen is a flight attendant for Air New Zealand so she gets to jet away. She's really happy with it."

But the key to high achievement is undoubtedly putting in the tough yards.

"Hard work is absolutely everything. I still get up at 4.30am, then go to the gym nearly every day, and get home around 7pm. I don't think there's any way I could cruise through life.

"But there are still great jobs to be had and a good living to be made in the car industry – so many opportunities out there. And when it comes to selling them, things are exactly the same as they have always been.

"People have an expectation as to what they want, so you need to listen to them and be empathetic. You're selling yourself when you're pushing a product. Let's face it... no-one ever buys anything off someone they don't like!" ☺



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Industry movers

RUI SANTOS has joined Farmer Auto Village as divisional manager for Farmer Hyundai. Originally from South Africa, Santos, an accountant by trade, was dealer principal of a successful Honda dealership. He has moved permanently to New Zealand to continue his successful career in the motor industry.



Holden New Zealand has appointed **ED FINN** as general manager corporate affairs. Finn commenced his new role at the start of May and is based at Holden head office in Mangere.



Finn's latest position follows six years in corporate communications roles at BMW Group New Zealand and 10 years with Ford in New Zealand and Australia.

SANDY ABBOT has joined Provident Insurance as Wellington sales executive. Having had 18 years in the insurance industry in NZ and the UK, he recently relocated back to NZ where he has worked in Auckland and Palmerston North, the latter as a sales executive at a Prestige Motor Vehicle Dealership. Abbot has a love for the motor trade and a passion for freelance photography.



Joining MINI New Zealand in the role of brand and sales manager is **KEVIN RICHARDS**. He spent several successful years at Mitsubishi Motors, where he was senior business development manager, focusing on large corporate fleets.



Kevin has been in the industry since joining Peugeot UK straight from university and has held a number of positions within Peugeot UK, as well as Honda UK and Fiat/Alfa Romeo UK. He replaces Brett Waudby, who has taken a position at MINI head office in Munich.

PETER BREWER has been appointed new communications manager for the Federal Chamber of Automotive Industries (FCAI). Brewer is an experienced journalist, having been a general news, business, sports and specialist motoring journalist for various News Limited and Fairfax Group publications.

He was the media and public engagement team leader at the Australian Federal Police for 10 years and more recently held several key media roles within the ACT Government.

CRAIG PEACH recently joined Autosure as account manager, Auckland. Peach brings a wealth of industry experience, having spent over 30 years in and around dealerships. He has held both sales and management roles, including more than 14 years as a business manager. He will be working out of Autosure's Takapuna office, predominantly looking after the West Auckland region.



TODD MACKIE has also joined Autosure, based in Wellington as account manager for the Lower North Island, covering the areas Wellington to Kapiti, Wairarapa and Taranaki. Mackie replaces Nigel Trewitt after his promotion to southern regional sales manager.



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

NZ labour market report

NEW ZEALAND'S LABOUR market report for the first quarter of 2016 has revealed an increase in labour force, but also a jump in the unemployment rate.

The Statistics New Zealand figures show that the labour force grew 1.5 per cent in the March 2016 quarter, the largest increase since December 2004.

"The total labour force increased by 38,000 people," says Jason Attewell, labour market and households statistics senior manager. "This resulted in more New Zealanders in unemployment and employment than three months ago."

Unemployment increased to 5.7 per cent of the labour force (10,000 people), however the growth in people employed (1.2 per cent) exceeded the growth in the working-age population (0.8 per cent).

Seasonally adjusted employment grew by 1.2 per cent, or 28,000, in the first quarter to around 2.4 million, or 65.1 per cent of the working-age population.

"Nearly half of the annual employment grown in New Zealand was in the Auckland region. By industry, construction and the professional services each employed 17,500 more people," says Attewell.

The response in the business sector was generally positive.

"Overall the data suggests the labour market started 2016 in good health," according to Anne Boniface, senior economist at Westpac Banking Corp.

"There appears to be little to worry the RBNZ on the inflation front in today's data and, at the margin, they may feel slightly more comfortable about their inflation outlook."

However, wage inflation as measured by the labour cost index is subdued, rising at 0.4 per cent in the quarter, for an annual rate of 1.6 per cent.

The Minister for Tertiary Education, Skills and Employment Steven Joyce defended the increase in unemployment, saying that

51,000 additional new jobs have been created in the past six months. He also says the numbers are related to a lift in the participation rate, not fewer jobs in the economy.

However, Council of Trade Unions secretary Sam Huggard says more needs to be done.

"The labour market is at a record high. There's a lot of people out there in the labour market looking for work. We want to make sure people who are moving into new jobs are well supported to do so."

The region with the lowest unemployment rate in the North Island is the Bay of Plenty, with a drop in its unadjusted rate over the year – down from 7.8 per cent to 5.1 per cent.

Meanwhile the number of job vacancies rose by 0.7 per cent in March 2016 and by 7.9 per cent over the year, according to the latest Ministry of Business, Innovation and Employment (MBIE) Jobs Online report.

In March, the largest increases were in the education and training industry (up 1.8 per cent) and the construction and engineering industry (up 1.6 per cent).

Three out of eight occupation groups saw more job vacancies last month – technicians and trades workers (up 2.8 per cent), managers (up 1.2 per cent) and labourers (up 0.9 per cent). The largest decrease occurred in sales (down 1.2 per cent).

Of the 10 regions, five experienced an increase in vacancies in March. Vacancies in Northland and Otago/Southland grew by 0.7 per cent. In Canterbury, vacancies fell by 2.3 per cent.

MBIE labour market trends manager David Paterson says: "The slight increase in the vacancies is consistent with a small upshift in ANZ's employment intentions figures, which track employers' expected hiring activity, for March 2016."

Annual wage inflation, measured by the labour cost index, increased to 1.6 per cent. Private sector wage inflation was up 1.8 per cent and public sector up 1.4 per cent. ☺

The importance of building rapport

I trust you are all enjoying this unseasonably warm weather around the country and I hope it is bringing out more walk-on custom as a result. We are certainly in a wonderful part of the world and business is booming with the total industry volume continuing to exceed expectations. On our team travels around the different territories we have noticed, given the high volumes of sales, that some business managers are losing the art of building rapport.

A business manager holds a very important sales role within the dealership, where you have to establish a bond with the customer in a very short space in time. You need to put the customer at ease right from the start. They have just made one of the largest purchases of their lives and therefore need reassurance they have made the right choice.

Tell them the next step can take up to 20 minutes and offer to make them a coffee. Compliment them on their purchase – post-purchase reinforcement makes the customer feel good about the decision they have made. This is also a good time to discuss any specific features that may have been part of the decision making. If they have children, for instance, then safety may have been a major motivator for their decision. But don't get tripped up by going into too much technical detail. If there are other cues that identify hobbies or interests, these are also



SIMON MOORE
Motor-trader development manager
Protecta Insurance

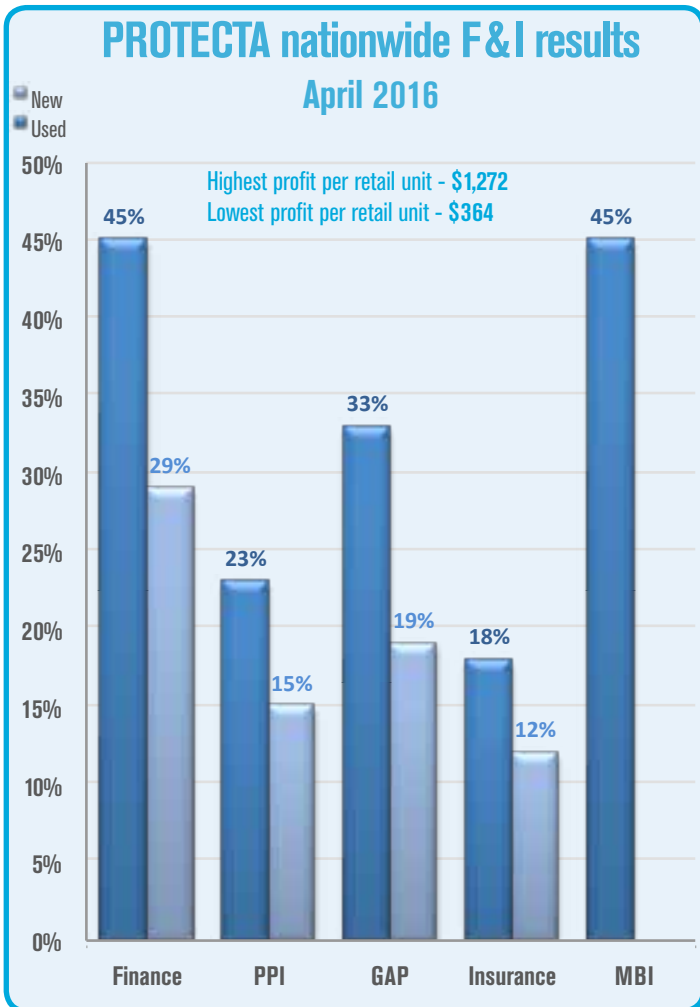
The ultimate goal is that the customer will remember you as the most important person within the dealership

opportunities to build rapport. Sometimes offering up some personal information about yourself can break down any barriers and make the customer feel more comfortable.

In this currently busy environment, it is more common to see a business manager under pressure to churn through the customers as quickly as possible and get onto the next – as a result they cut straight to the paperwork and quizzing the customer on personal information. The customer tends to then put up a barrier and will be reluctant to purchase any

insurance or aftermarket products. Why churn through and pre-judge when you will be losing great opportunities to increase your income and that of the dealership? One in the hand is better than two in the bush, as they say!

The ultimate goal in all of this is that the customer will remember you as the most important person within the dealership structure. The person that puts them first, someone they are at ease with and facilitated their finance and insurance in a stress-free process. As a result, they will call you first every time they have a query – not the salesman, sales manager or finance company. The reason this is so important is that you will be the first to know when they are thinking of trading in or refinancing, giving you more chances to build a long-term business relationship and sell more product. ☺



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Trader who supplied damaged vehicle ordered to cover full costs

Background

Rebecca Steenstra bought a 2009 Mazda Demio for \$8,399 from V Do Motors on November 8, 2015. The vehicle was not supplied with a warrant of fitness (WoF) issued within 30 days prior to the date of sale.

On December 4, Steenstra was informed that the vehicle's subframe had been damaged in an accident and required repairs.

On December 17, Steenstra rejected the vehicle on the grounds it was unsafe to drive. She sought a refund of the purchase price under the Consumer Guarantees Act (CGA) 1993 and its faults constituting a failure of substantial character.

The trader said the vehicle had passed inspection before it was shipped from Japan and again on arrival in New Zealand, both prior to and as part of the compliance process – no damage was detected in the subframe. The trader claimed the purchaser must have had an accident after the vehicle was bought and that they were willing to repair the subframe and obtain a WoF. The trader denies that it wasn't of substantial character, therefore Steenstra has no right to reject the vehicle.

The case

Steenstra and her husband travelled from Hamilton to Auckland, inspected, test-drove and bought the vehicle. The trader did not supply a new WoF because it says the purchaser wanted to take it away that day and it was

not possible to obtain one on a Sunday.

Steenstra was not aware that a trader is required to obtain a fresh WoF issued within 30 days, prior to the date of sale for every vehicle they sell.

On December 4, Steenstra heard a strange noise coming from the front driver's side wheel. Her mechanic at Total Automotive & Engineering, Craig Silvester, inspected the vehicle.

He emailed Steenstra on December 15, confirming his advice that the subframe had been damaged and mounting bolts and lower suspension arms had been moved. He believed that the damage had not just happened and considered the vehicle to be un-roadworthy and wouldn't issue a WoF.

When Steenstra had telephoned the trader on December 4 to initially advise them that her vehicle was damaged, the trader referred her to Drivesure Vehicle Testing, who had issued the original WoF. However, it did not get involved because six months had elapsed since they issued a previous WoF in May 2015.

On December 17, 2015, Steenstra sent the trader a letter rejecting the vehicle, saying that it had a serious fault: damage to the K frame, making it unfit for a WoF. She also provided Mr Silvester's email.

The vehicle then failed a VTNZ WoF inspection on December 23, at 59,085km, and the reasons

for failure were: 'Right front suspension subframe bent panel beaters report required' and 'right front lower suspension control arm bent'.

The trader emailed Steenstra on December 18, claiming the vehicle was not accident damaged and could be repaired for around \$400. Under the Act, the trader claimed he had a right to remedy the problem and asked for a time and address to collect the vehicle and fit it. Steenstra stood by her rejection.

On January 12, 2016, Steenstra had the vehicle inspected by Ron Wood Ltd panel beaters in Hamilton who found: 'Damage consistent with R/F wheel having sustained a substantial impact, damaging R/F suspension, K beam, and driving R/F wheel back into R/F guard'.

The trader said the vehicle had been inspected before it left Japan, again on arrival in New Zealand and then a third time as part of the compliance process – he then produced copies of the reports. The trader thought the vehicle must have been damaged by Steenstra.

The finding

The tribunal considered the age and mileage of the Mazda Demio when assessing if it had complied with the guarantee of acceptable quality.

Steenstra gave sworn evidence at the hearing that she was the sole driver and had not been involved in an accident in the

The case: The purchaser wanted to reject her six-year-old vehicle after claiming that it was unsafe to drive due to a damaged K frame. The trader rejected the claim, saying that the vehicle had been involved in an accident since its purchase.

The decision: The purchaser's application was upheld. The trader was ordered to refund the purchaser full purchase price because it was of unacceptable quality when supplied.

At: The Motor Vehicle Disputes Tribunal, Auckland

short period she had owned the vehicle. Steenstra said she arranged comprehensive insurance in the trader's presence when she bought it, so there was no need for her to be deceitful about any damage.

The Tribunal accepted that it would be highly unlikely that Steenstra would have had an accident within a month of purchase, have it repaired, then claim that the repairs had been poorly done and reject the vehicle.

The Tribunal stated that it didn't know when the vehicle was damaged, but suspected it probably occurred whilst in the trader's ownership since it was issued a WoF in May 2015.

The vehicle did not comply with the guarantee of acceptable quality in s6 of the Act because it was not free of faults or as safe as a reasonable consumer would regard as acceptable.

Order

The purchaser's application was upheld. The trader was ordered to immediately refund the purchaser \$8,399 and the \$80.50 paid to Ron Wood Ltd. ☺

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Adjudicator rejects purchaser's financial estimates of repair work

Background

Alison Arms bought a 2000 Mitsubishi Pajero for \$6,850 from Parts West Limited on September 28, 2015.

Within three months the purchaser rejected the vehicle, claiming it had two water leaks, an engine vibration and worn brakes. She applied for the Tribunal to uphold her rejection for a failure of substantial character within the guarantee of acceptable quality within the Consumer Guarantees Act (CGA) and order the trader to refund the purchase price.

The trader was willing to repair the water leaks and vibration at its cost, but considered the brakes were of warrant of fitness (WoF) standard and denied they needed replacing.

The case

Arms and her partner, Mr Lindsay, saw the Pajero on Trade Me and visited the trader's premises. Lindsay test-drove the vehicle and noted it had a vibration.

The purchaser bought the vehicle and paid an extra \$350 for a tow bar which the trader fitted. The vehicle had a new WoF and the odometer read 149,295km, although the Consumer Information Notice displayed 146,352km. The trader gave the purchaser a hand-written receipt.

After being driven to Whangarei, on October 2 Lindsay replaced two cracked tyres and had the cooling system flushed before driving to New Plymouth on October 4.

During this journey, the engine made a clattering noise and, on

October 5, W.R Phillips Ltd diagnosed a severe engine knock. Invoice notes say they suspected damage to the bottom end of the engine.

Lindsay telephoned the trader, who asked for the vehicle to be transported to Henderson. The trader supplied and fitted a second-hand crankshaft, new bearings and second-hand harmonic balancer. Arms and Lindsay collected the vehicle on October 26. The trader warranted the repairs would last at least three months.

On November 26, Lindsay says the vehicle developed coolant leaks, which Whau Valley Motors 2014 Ltd reported were coming from around the water pump area and another at the back of the engine against the firewall.

In a service estimate dated December 3, Pacific Motor Group (PMG) also reported a coolant leak from the water pump area. Neither Whau Valley nor PMG invoices record the odometer at that time, but Lindsay said it was 152,171km – showing the vehicle had travelled 2,876km since it was purchased.

Lindsay then claimed the brakes were worn and required replacement. PMG provided a service estimate of \$984.69, plus GST, for brake parts, but did not state the brakes were faulty.

The trader said he had a phone call from Lindsay on December 11 regarding coolant leaks. He told Lindsay that if the leaks were anything to do with his work repairing the crankshaft, he would fix them. The trader said that Lindsay also asked him to replace

the brakes, but he replied that although they were glazed, they were still serviceable and had passed a WoF inspection prior to sale. The trader was willing to provide the purchaser with brake parts, but that offer was unacceptable to Lindsay.

On December 16, the purchaser sent the trader a letter claiming that the water leaks, a continuing vibration at 2500rpm and "the extensive work required on the brakes" were substantial faults. The purchaser wanted to reject the vehicle and have a refund for the price paid, plus \$1,173 spent on evaluation, transport and tyres.

The finding

The tribunal took into account the nature of the vehicle, which had travelled 149,295km at time of sale, and the price of \$6,500 when considering the guarantee of acceptable quality.

The adjudicator considered that within a week of supply date, the crankshaft bearings failed. The trader repaired the engine and returned it to the purchaser with a three-month warranty.

While the vehicle had a vibration, the purchaser agreed to buy with knowledge of it. However, because the vibration was not disclosed on the Consumer Information Notice, the vehicle is not to be regarded as acceptable with that defect.

After discovering coolant leaks in late November, the cost of rectifying the leaks was estimated by Whau Valley Motors at \$2,000. The trader claimed that if the fault

The case: The purchaser wanted to reject her Mitsubishi Pajero saying it had faults of substantial character and sought a refund of her purchase price. The trader was willing to undertake some repairs but says the brakes were of WoF standard.

The decision: The purchaser's application was dismissed. The trader was ordered to rectify water leaks, vibration and check brake components.

At: The Motor Vehicle Disputes Tribunal, Auckland

was with the water pump he could have replaced it for \$591 and a quote from Macmotors Ltd was produced.

The tribunal found that the vehicle did not comply with the guarantee of acceptable quality because crankshaft bearings failed within a week of supply. However, the trader replaced the crankshaft at its cost. The vehicle's vibration present at the time of sale was considered an existing minor fault.

The purchaser, in her December 16 letter of rejection to the trader, claimed the cost of remedying the faults would exceed the value of the vehicle. After taking the advice of the assessor, the tribunal did not believe that to be the case and the faults could be rectified for probably less than \$1000.

Order

The application to reject the vehicle was dismissed. The purchaser was ordered, at her cost, to return the vehicle to the trader and give it reasonable time to fix the coolant leaks and vibration. The trader should also rectify any brake faults prohibiting it passing a VTNZ WoF inspection. ⊕

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Look out for ride-sharing and romance

This is my final article highlighting the possible futures presented on the Ministry of Transport's (MOT) website (<http://www.transport.govt.nz/futures>). This particular future is one in which the primary focus is reducing carbon-emissions.

The story begins with a few interesting anecdotes about how past revolutions in transport were seen as solutions to environmental issues at the time. For instance, motor vehicles saved us from the mounds of horse manure that were building up in our urban environs.

"The Great Horse Manure Crisis of 1894" was a prediction made that major cities would be buried in nine feet of manure within 50 years. The automobile was seen as the saviour of the environment and by 1912 the needs of most cities were met by motorised vehicles.

Carbon emissions are today's manure. That manure is a leading factor in radical shifts occurring in the earth's climate. Predictions are just as dire as those made in 1894 – only our nine feet of manure will include global effects, increased temperatures, aridification, rising sea-levels and acidification of the oceans.

As before, the revolution that saves us from our manure problem will involve new technologies, which in turn change the way we live. The adoption of electric vehicles will play a role, but this cannot be a universal solution. New Zealand, with approximately 80 per cent renewable power production, is one of the few places in the world suited to the wide scale adoption of EVs.

Many jurisdictions, such as our sibling across the Tasman, have such a dirty power production profile that hybrids and other high-efficiency vehicles would be 'more green' than an EV powered by the local grid.

Autonomous vehicles will be programmed to drive in ways that optimise fuel economy. 'Ride-share' services are investing massive amounts of money, often in conjunction with computing companies and vehicle manufacturers, to develop autonomous vehicles. The idea behind this investment being the option to remove drivers from the equation. With cheap and convenient transportation on demand, would it be worth it for the average person to continue to own a personal vehicle?

Many are predicting a future in which transport will be seen as a service as opposed to an investment. The obvious impact



KIT WILKERSON
IMVIA policy adviser
and analyst

of this is the potential to decrease the size of our fleet. The MOT suggests this might reduce our fleet to 33 per cent of the current size – I have read research that suggests our current needs could be met with 10 per cent. To clarify, this

does not necessarily mean there would be fewer vehicles on the road; it simply means there would be no need to park cars that were not being used. Autonomous cars would only need to stop to recharge or refuel and occasionally receive maintenance. Parking lots could be repurposed as green space, further mitigating the harm of carbon emissions.

We will begin seeing decreases in the number of vehicles on the road as this "transport as a service" model is further expanded to increase ride-sharing. I predict the development of exclusive pre-vetted ride-share "clubs". Since the vehicle is self-driving, commute

time becomes an opportunity for (in person or via teleconference) business meetings, networking, socialising or, dare we consider, even romance. Membership to these clubs will cost extra, but will ensure transport becomes productive in the manner that best suits our individual needs.

We will see community-owned vehicles, purchased for use by residents of a sub-community and paid for through Body Corporate or similar housing fees. These are similar to the idea above, but the exclusiveness is determined by where one lives as opposed to special interest or other association.

As explained in previous articles, the ministry's goal is not to advocate for any specific future, nor is it even to predict what might happen. Their goal is to spark debate. More information can be found at the link above.

My purpose in sharing this information is twofold. First, I am advocating for all interested parties to get involved in the discussion. Second, as an adviser to the industry, I see it as my job to explore these possibilities and consider ways in which our industry can be impacted, negatively and positively. Instead of simply reacting, we want to be poised to take advantage of benefits and to mitigate risk as it occurs.

This particular story is especially relevant, since we can already see the movement, both in technology and in social engineering, to reduce carbon emissions – the manure of our age. ☺



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JAPAN	Moji	15 May	-	-	-	-
	Osaka	16 May	2 Jun	16 Jun	2 Jul	16 Jul
	Nagoya	17 May	3 Jun	17 Jun	3 Jul	17 Jul
	Yokohama	18 May	4 Jun	18 Jun	4 Jul	18 Jul
NZ	Auckland	5 Jun	23 Jun	7 Jul	22 Jul	7 Aug
	Wellington	9 Jun	27 Jun	11 Jul	29 Jul	9 Aug
	Lyttelton	8 Jun	10 Jul	10 Jul	5 Aug	11 Aug
	Nelson	14 Jun	12 Jul	12 Jul	7 Aug	18 Aug

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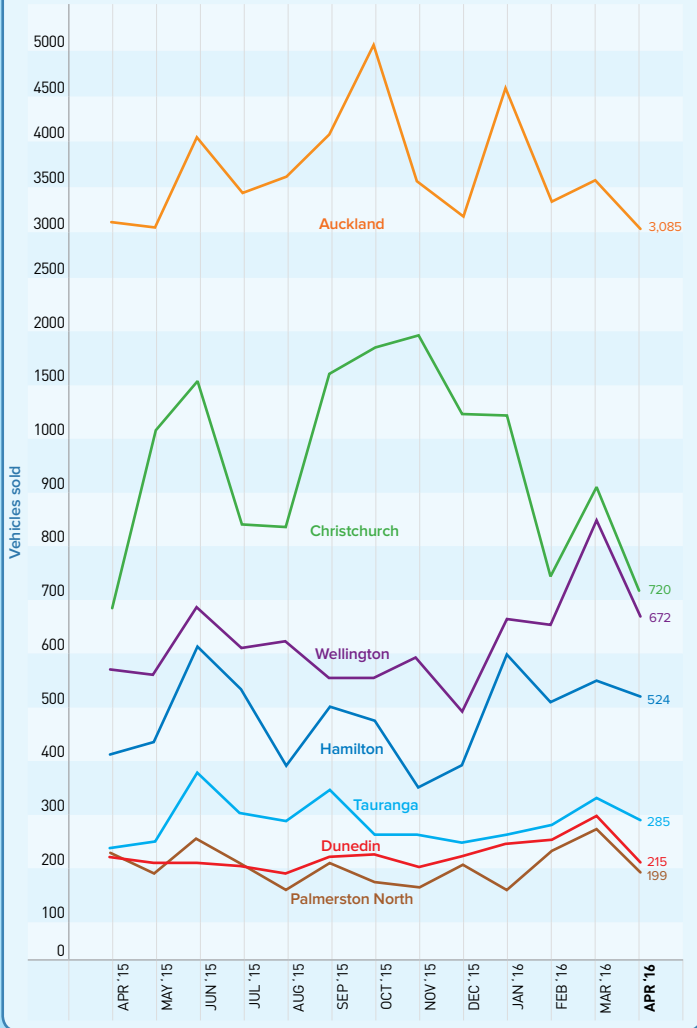
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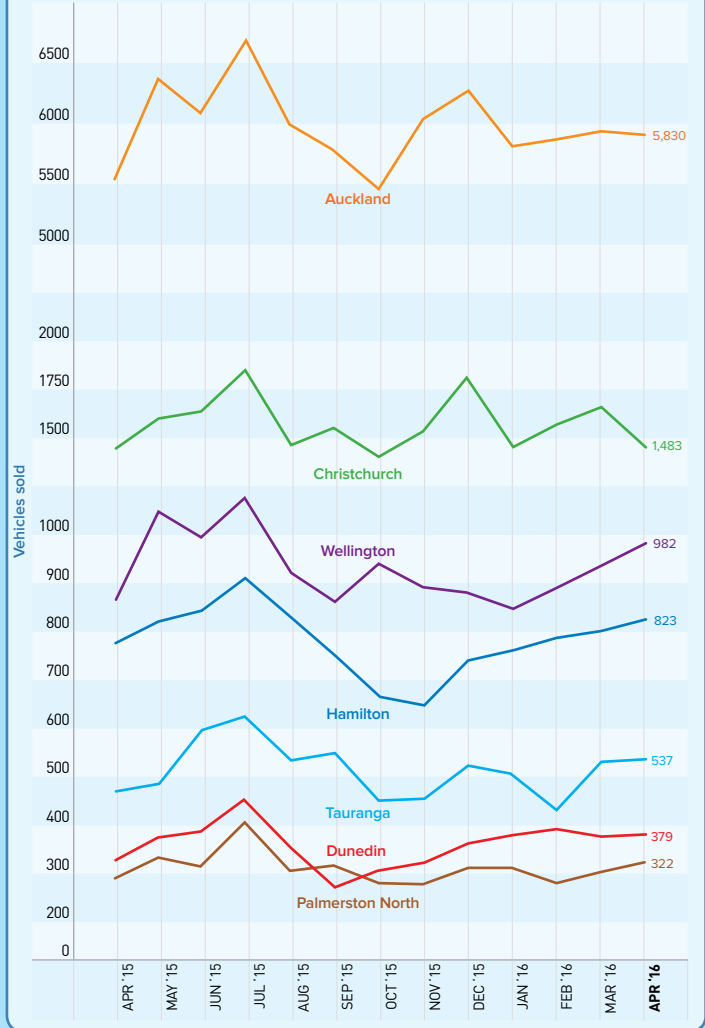
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New passenger vehicle registrations by city



Used import passenger vehicle registrations by city



New and used cars registered in April 2016 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
New cars	155	3,085	524	60	285	99	43	196	108	59	199	53	672	76	44	20	3	720	55	17	215	102	6,790
Used cars	285	5,830	823	79	537	150	60	264	198	72	322	61	982	238	51	28	8	1,483	104	30	379	156	12,140
Total cars	440	8,915	1,347	139	822	249	103	460	306	131	521	114	1,654	314	95	48	11	2,203	159	47	594	258	18,930

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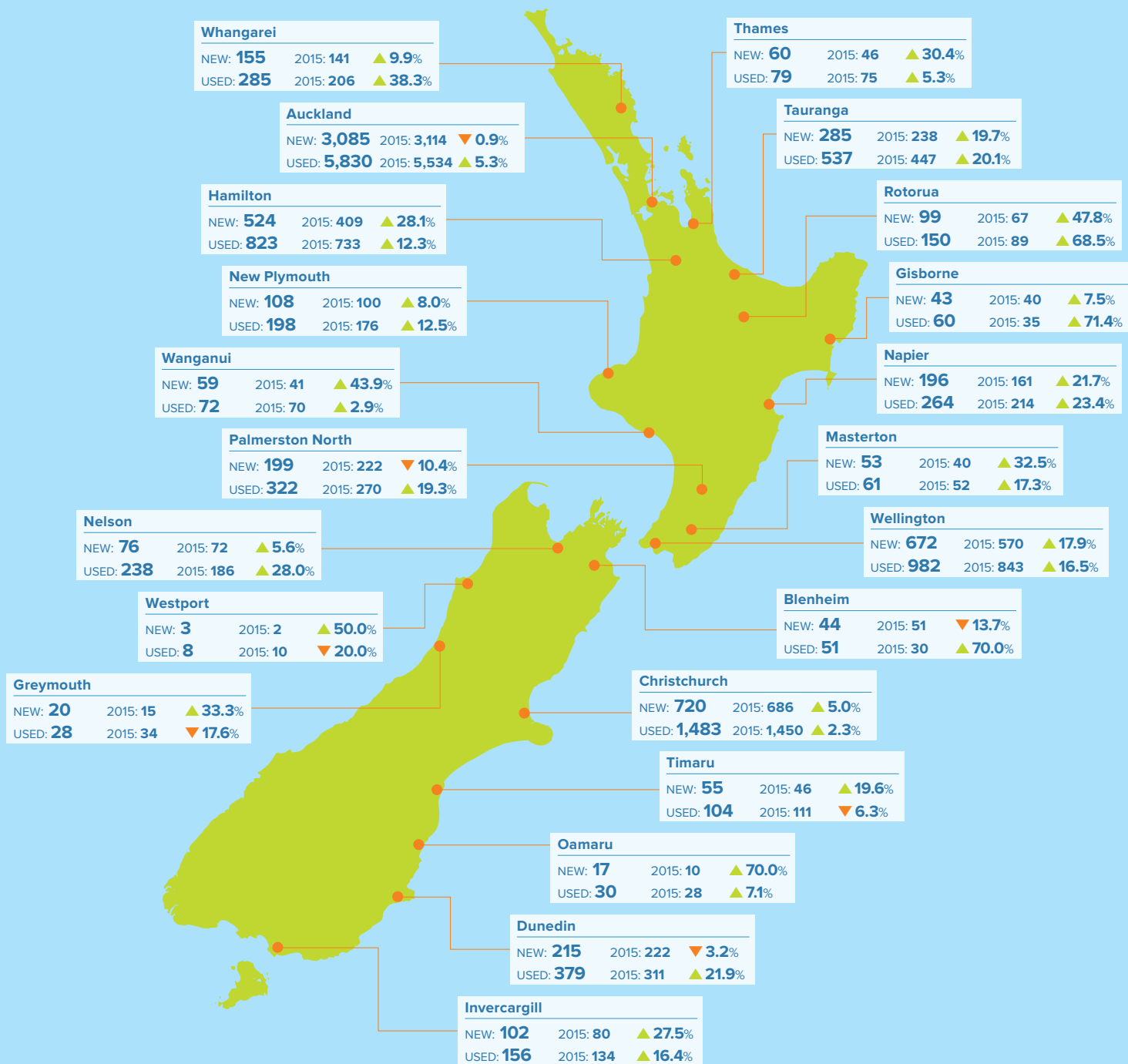


Total new cars
6,790

2015: **6,373** ▲ **6.5%**

Total imported used cars
12,140

2015: **11,038** ▲ **10.0%**



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Imported Passenger Vehicle Sales by Make - April 2016

MAKE	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	2,978	2,468	20.7	24.5%	11,442	24.0%
Nissan	2,357	1,753	34.5	19.4%	8,815	18.5%
Mazda	1,847	1,805	2.3	15.2%	7,364	15.4%
Honda	1,218	1,179	3.3	10.0%	5,166	10.8%
Suzuki	646	653	-1.1	5.3%	2,658	5.6%
Subaru	555	605	-8.3	4.6%	2,336	4.9%
BMW	497	527	-5.7	4.1%	1,906	4.0%
Volkswagen	468	448	4.5	3.9%	1,851	3.9%
Mitsubishi	431	431	0.0	3.6%	1,642	3.4%
Audi	240	246	-2.4	2.0%	916	1.9%
Mercedes-Benz	239	227	5.3	2.0%	880	1.8%
Ford	151	138	9.4	1.2%	555	1.2%
Volvo	80	71	12.7	0.7%	325	0.7%
Lexus	49	39	25.6	0.4%	205	0.4%
Holden	47	47	0.0	0.4%	170	0.4%
Mini	46	63	-27.0	0.4%	175	0.4%
Hyundai	43	34	26.5	0.4%	168	0.4%
Chevrolet	32	67	-52.2	0.3%	202	0.4%
Jaguar	31	39	-20.5	0.3%	143	0.3%
Land Rover	21	32	-34.4	0.2%	105	0.2%
Peugeot	18	18	0.0	0.1%	71	0.1%
Dodge	16	18	-11.1	0.1%	80	0.2%
Jeep	15	11	36.4	0.1%	68	0.1%
Daihatsu	13	13	0.0	0.1%	44	0.1%
Porsche	13	15	-13.3	0.1%	49	0.1%
Kia	11	6	83.3	0.1%	35	0.1%
Chrysler	9	11	-18.2	0.1%	41	0.1%
Renault	8	15	-46.7	0.1%	52	0.1%
Fiat	5	1	400.0	0.0%	16	0.0%
Rover	5	1	400.0	0.0%	18	0.0%
Bentley	4	2	100.0	0.0%	7	0.0%
Rolls-Royce	4	0	400.0	0.0%	7	0.0%
Buick	3	1	200.0	0.0%	8	0.0%
Citroen	3	3	0.0	0.0%	15	0.0%
Skoda	3	6	-50.0	0.0%	11	0.0%
Others	34	45	-24.4	0.3%	158	0.3%
Total	12,140	11,038	10.0	100.0%	47,704	100.0%

Imported Passenger Vehicle Sales by Model - April 2016

MAKE	MODEL	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Nissan	Tiida	636	418	52.2	5.2%	2,372	5.0%
Suzuki	Swift	544	554	-1.8	4.5%	2,216	4.6%
Mazda	Axela	538	521	3.3	4.4%	2,137	4.5%
Mazda	Demio	454	448	1.3	3.7%	1,808	3.8%
Honda	Fit	422	411	2.7	3.5%	1,788	3.7%
Toyota	Wish	301	265	13.6	2.5%	1,169	2.5%
Subaru	Legacy	273	319	-14.4	2.2%	1,174	2.5%
Volkswagen	Golf	271	268	1.1	2.2%	1,101	2.3%
Mazda	Atenza	261	261	0.0	2.1%	1,032	2.2%
Toyota	Vitz	236	237	-0.4	1.9%	933	2.0%
Mazda	MPV	213	215	-0.9	1.8%	894	1.9%
Mitsubishi	Outlander	213	227	-6.2	1.8%	822	1.7%
Toyota	Corolla	202	200	1.0	1.7%	887	1.9%
Toyota	Prius	191	90	112.2	1.6%	677	1.4%
Mazda	Premacy	178	150	18.7	1.5%	614	1.3%
Nissan	Dualis	177	123	43.9	1.5%	533	1.1%
Toyota	Auris	173	118	46.6	1.4%	646	1.4%
Nissan	Note	173	128	35.2	1.4%	605	1.3%
Nissan	Murano	156	110	41.8	1.3%	620	1.3%
Toyota	Mark X	153	121	26.4	1.3%	584	1.2%
Toyota	Blade	145	117	23.9	1.2%	494	1.0%
Honda	CR-V	143	90	58.9	1.2%	538	1.1%
Honda	Odyssey	142	155	-8.4	1.2%	623	1.3%
Nissan	Teana	136	97	40.2	1.1%	527	1.1%
Toyota	Ist	132	98	34.7	1.1%	556	1.2%
Toyota	Estima	131	159	-17.6	1.1%	504	1.1%
Nissan	Skyline	128	95	34.7	1.1%	442	0.9%
Honda	Accord	124	146	-15.1	1.0%	477	1.0%
Subaru	Impreza	114	106	7.5	0.9%	445	0.9%
Toyota	Caldina	108	80	35.0	0.9%	369	0.8%
BMW	320i	107	117	-8.5	0.9%	393	0.8%
Nissan	Bluebird	107	134	-20.1	0.9%	408	0.9%
Honda	Stream	105	114	-7.9	0.9%	468	1.0%
Mitsubishi	Colt	101	71	42.3	0.8%	327	0.7%
Nissan	March	97	93	4.3	0.8%	414	0.9%
Others		4,555	4,182	8.9	37.5%	18,107	38.0%
Total		12,140	11,038	10.0	100.0%	47,704	100.0%



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Tiida on top but Prius making a move

There were 12,140 used-imported passenger vehicles sold in New Zealand during April – a slight drop on the March 2016 figure of 12,153.

However, it is a 10 per cent increase on April 2015, when 11,038 units were sold.

In terms of model, the Nissan Tiida has maintained its position as the number-one seller, with 636 units in April 2016. This is an increase of 52.2 per cent from the 418 registrations in April 2015 and gives it a 5 per cent market share.

The Suzuki Swift sits in second place on 544 units, the exact same number that was sold last month, with a 4.6 per cent market share. This is a 1.8 per cent drop on April 2015.

Next is the Mazda Axela on 538 registrations, jumping 3.3 per cent on the same time last year. The Mazda Demio is fourth on 454 units, while the Honda Fit rounds out the top five on 422 units – a 2.7 per cent increase on April 2015.

But the big mover is the Toyota Prius, selling 191 units last month. This compares to 90 in April 2015 – an increase of 112.2 per cent.

Toyota is the best-selling make, with 2,978 registrations in April 2016 compared to 2,468 the previous year – a jump of 20.7 per cent. Toyota has a dominant market share year to date of 24 per cent.

In second place is Nissan with 2,357 units for April 2016 – a jump of 34.5 per cent on April 2015. Mazda is third on 1,847 units last month, compared to 1,805 the previous year.

Next is Honda with 1,218

Nissan's Tiida recorded the most used registrations in April



registrations, up 3.3 per cent from April 2015. Suzuki sit in fifth place on 646 – a drop of 1.1 per cent from the same month last year.

Murray Dwen is dealer principal at Porirua Motors and has been in the industry for 20 years.

"We've been selling a bit of everything really. We shift people-movers, cheaper cars and different stock.

"Overall the market is pretty slow at the moment, but the smaller cars always go well. Everyone likes the style of the Swifts and they're economical. In fact, any Swift we get on here we sell straight away.

"Toyota and Mazda just do

their general stuff – they always go pretty well on the market. We're certainly hopeful of strong sales as the year progresses."

In terms of regional numbers, Tauranga saw a jump in used-car registrations of 20.1 per cent – 537 units were sold, compared to 447 in April 2015.

Mike Farmer is group managing director of Farmer Motor Group Limited and has been in the industry 24 years.

"Used cars were relatively strong in April, as were new cars for us. We've recently separated our used-car yards into three separate profit and loss centres, so three separate areas of

accountability. This makes us more specialised in terms of specific brands we represent, so that has made a big difference for us.

"All of our specific used-car brands now sit in front of their specific new-car showrooms – so everything has a logical layout now. These strategic changes have made sure that our used-car operation remains strong.

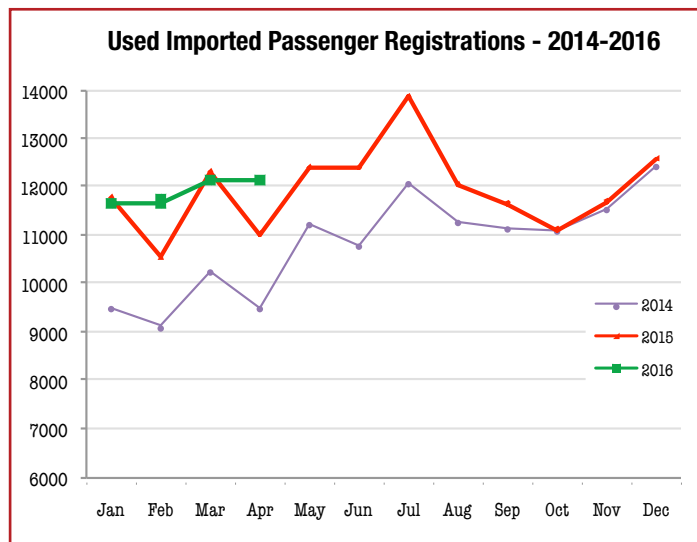
"The majority of the brands are performing well. In terms of used-car numbers, we do a lot of ex-rental stuff on the yard. May has seen a little bit of a slowdown so far, but that's part and parcel of the industry.

"Tauranga is a very strong, growing market. We are one of the fastest-growing cities in the country. Obviously what's happening in Auckland, with house prices and so forth, a lot of people are migrating down to Tauranga. But there are always a lot of variables when it comes to selling cars."

In the other major centres, Auckland sold 5,830 used cars in April 2016, compared to 5,334 in April 2015 – an increase of 5.3 per cent. Wellington's numbers were 982 registrations, compared to 843 the same month last year – a jump of 16.5 per cent.

Hamilton's number was 823, up 12.3 per cent on the April 2015 figure of 733.

In the regions, Napier's figures were strong, with 264 used-car registrations – this was a jump of 23.4 per cent on April 2015. Rotorua also enjoyed a positive April, with 150 used-car sales – up from 89 a year ago, a 68.5 per cent increase. ☺



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Massive month for used car imports

According to statistics published earlier this month by the NZ Customs Service, 18,133 used passenger vehicles entered New Zealand in April 2016.

But some in the industry are questioning the numbers reported.

The figure of 18,133 units is a record-breaking month for the last decade at least, and more than 10 per cent up on the highest previous month, which was May 2014 when 16,450 units came in.

There are many anecdotal indicators the industry uses to gauge overall numbers, including reports of services under pressure like vehicle transporters and compliance shops

– Ports of Auckland can also feel the strain if too many arrive at once.

Ports of Auckland reported a peak of Pure Car Carrier (PCC) activity in the middle of the month when seven vessels came in during an 11-12 day period, approximately 15,000 new and used vehicles were unloaded at that time. Total used cars entering through the port was estimated at 10,500 for the month – these vehicles arrived by PCC, no containerised vehicles were included in this number.

If we look at two anecdotal industry assumptions used to estimate how many used cars have arrived, we get a rough sense of what the expected numbers might be.

- ▶ Over 90 per cent of used cars entering NZ arrive by PCC
- ▶ Over 80 per cent of used cars for the NZ market by PCC enter through Ports of Auckland

Using this as a gauge, Autofile believes that there may have been 3,000 fewer used vehicles arriving last month than were reported and the final figure may be closer to 15,000.

Customs responded directly to questions regarding the high number of used imports.

“Customs’ figures on used car imports for April 2016 are raw data extracted from the Customs import entry processing system that relies

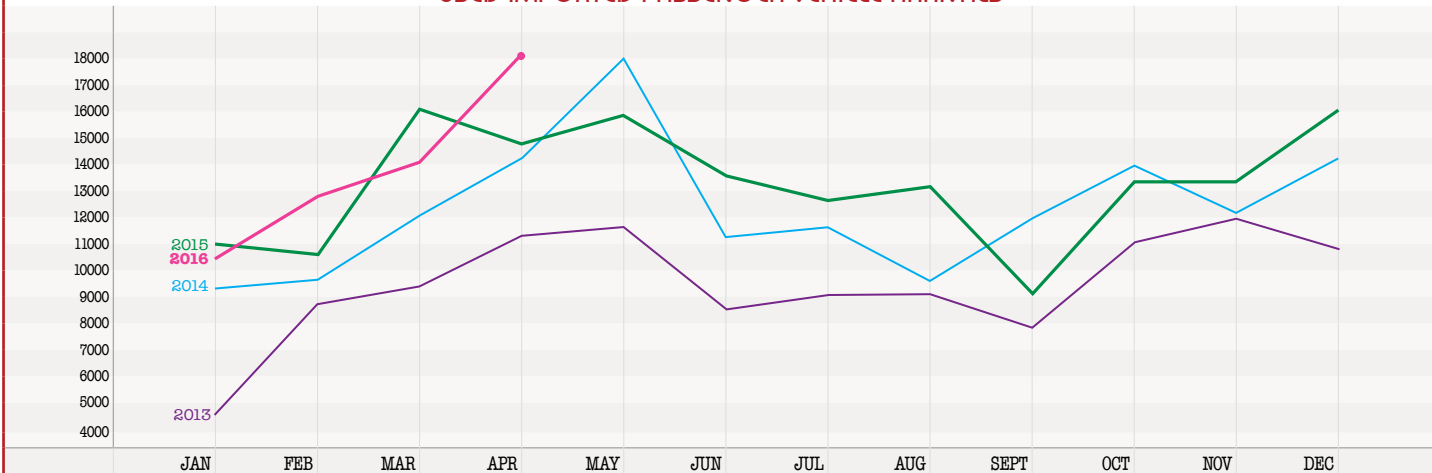
on voluntary compliance i.e. entries are submitted by the importers. This data is not yet tested and validated. Customs will be in a better position to provide comment once we have tested and verified the content”.

The two top countries supplying used cars to New Zealand had record months in April.

Japan recorded 16,806 units, which was 30.9 per cent up on March, but its market share has reduced from 94.8 per cent last month to 92.7 per cent this month.

Australia was the star performer with 1,048 units being imported, more than twice as many as its previous best month. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2016						2015						2014	
	JAN '16	FEB '16	MAR '16	APR '16	APR MARKET SHARE	2016 TOTAL	Q1	Q2	Q3	Q4	2015 TOTAL	MRKT SHARE	2014 TOTAL	MRKT SHARE
Australia	322	445	475	1,048	5.8%	2,290	1,079	1,232	1,258	1,324	4,893	3.2%	3,167	2.3%
Great Britain	68	39	62	66	0.4%	235	283	252	194	210	939	0.6%	1,885	1.4%
Japan	9,183	11,351	12,288	16,806	92.7%	49,628	33,293	41,594	30,804	37,434	143,125	94.9%	130,770	95.0%
Singapore	76	46	79	121	0.7%	322	77	160	182	192	611	0.4%	252	0.2%
USA	90	79	83	66	0.4%	318	259	246	258	278	1,041	0.7%	1,278	0.9%
Other countries	22	12	29	26	0.1%	89	75	66	50	62	253	0.2%	286	0.2%
Total	9,761	11,972	13,016	18,133	100.0%	52,882	35,066	43,550	32,746	39,500	150,862	100.0%	137,638	100.0%



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Secondhand sales on the up

Dealer-to-public sales were generally strong in April 2016 across most of the major New Zealand regions.

A total of 17,057 units were sold last month – this is in comparison to 15,851 in April 2015, a jump of 7.6 per cent.

Trade-ins also saw an increase, with 14,188 sales in April 2016 compared to 12,490 in April 2015 – an increase of 13.6 per cent.

Public-to-public transactions were 42,651 – compared to 38,705 the same time last year, up 10.2 per cent.

In terms of dealer-to-public sales, Rotorua saw the biggest increase year-on-year, with 302

sales last month, a 25.8 per cent jump on April 2015. Hamilton had 1,517 sales, compared to 1,248 in April 2015 – up 21.6 per cent.

Other regions with positive numbers included Auckland, with 5,885 dealer-to-public sales (a 12.1 per cent increase) and Whangarei with 527, up 10.3 per cent on the 478 number of April 2015.

Auckland is the dominant market share of 34.5 per cent. Christchurch is second on 12.66 per cent, with Hamilton third on 8.9 per cent.

The biggest jump in trade-in numbers came in Palmerston North, with 1,043 sales – compared to 680 in April 2015, an increase of

53.4 per cent. Hamilton saw 1,357 trade-in transactions in April 2016, up 22.8 per cent on April last year.

Neville Rapson is the owner of Direct Cars in Hamilton.

“We are finding that currently it’s our really cheap lines that are selling – in the under \$5,000 bracket. As long as it’s cheap, it’s selling, the brand doesn’t seem to matter.

“We have interest in other types, but generally it’s been budget pricing which is our main line of business. For us, we had a bit of a slowdown probably around September last year – we noticed a fairly dramatic drop in what was happening. The figures

have sort of stayed in that slower range right through really, with the odd month that’s been OK.

“But there again, we don’t do any Japanese imports direct to us – we’re really in that lower-grade, budget-price cars. We source from other dealers and the general public, but struggling to get the kind of stock that we really want. I like our range to be around the 5k mark, as that’s the general price-point for the area as well.

“We’ve had imports on the yard from Japan but they’re very hard to sell for us. That could be because of what we’re known for. But it’s tough to get good stock.”

SECONDHAND CAR SALES - April 2016

	DEALER-TO-PUBLIC			MARKET SHARE	PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER		
	APR '16	APR '15	+/- %		APR '16	APR '15	+/- %	APR '16	APR '15	+/- %
Whangarei	527	478	10.3	3.1	1,902	1,713	11.0	226	195	15.9
Auckland	5,885	5,248	12.1	34.5	14,757	13,329	10.7	5,319	4,662	14.1
Hamilton	1,517	1,248	21.6	8.9	3,166	3,021	4.8	1,357	1,105	22.8
Thames	218	199	9.5	1.3	571	474	20.5	94	78	20.5
Tauranga	823	874	-5.8	4.8	2,131	1,972	8.1	597	575	3.8
Rotorua	302	240	25.8	1.8	900	700	28.6	127	109	16.5
Gisborne	171	153	11.8	1.0	366	335	9.3	88	89	-1.1
Napier	555	555	0.0	3.3	1,575	1,335	18.0	447	361	23.8
New Plymouth	381	401	-5.0	2.2	950	922	3.0	233	253	-7.9
Wanganui	171	187	-8.6	1.0	499	391	27.6	143	110	30.0
Palmerston North	809	777	4.1	4.7	1,585	1,586	-0.1	1,043	680	53.4
Masterton	157	167	-6.0	0.9	434	353	22.9	84	87	-3.4
Wellington	1,488	1,430	4.1	8.7	3,018	2,639	14.4	1,271	1,130	12.5
Nelson	270	275	-1.8	1.6	1,005	942	6.7	228	221	3.2
Blenheim	180	160	12.5	1.1	426	391	9.0	123	114	7.9
Greymouth	71	81	-12.3	0.4	212	216	-1.9	36	33	9.1
Westport	13	21	-38.1	0.1	84	96	-12.5	0	0	0.0
Christchurch	2,159	1,998	8.1	12.7	5,377	5,035	6.8	1,914	1,753	9.2
Timaru	238	250	-4.8	1.4	586	484	21.1	142	159	-10.7
Oamaru	57	85	-32.9	0.3	146	204	-28.4	13	18	-27.8
Dunedin	665	637	4.4	3.9	1,963	1,733	13.3	454	416	9.1
Invercargill	400	387	3.4	2.4	998	834	19.7	249	342	-27.2
NZ total	17,057	15,851	7.6	100.00	42,651	38,705	10.2	14,188	12,490	13.6

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New Passenger Vehicle Sales by Make - April 2016

MAKE	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	748	794	-5.8	11.0%	4,436	14.3%
Ford	696	509	36.7	10.3%	2,554	8.2%
Mazda	674	597	12.9	9.9%	3,064	9.9%
Holden	589	576	2.3	8.7%	2,806	9.0%
Hyundai	523	587	-10.9	7.7%	2,302	7.4%
Kia	455	295	54.2	6.7%	1,532	4.9%
Mitsubishi	451	373	20.9	6.6%	1,799	5.8%
Nissan	445	357	24.6	6.6%	1,801	5.8%
Suzuki	382	373	2.4	5.6%	1,738	5.6%
Volkswagen	261	288	-9.4	3.8%	1,220	3.9%
Subaru	221	155	42.6	3.3%	899	2.9%
Mercedes-Benz	206	130	58.5	3.0%	785	2.5%
Audi	138	155	-11.0	2.0%	593	1.9%
BMW	135	195	-30.8	2.0%	728	2.3%
Skoda	108	73	47.9	1.6%	437	1.4%
SsangYong	87	114	-23.7	1.3%	381	1.2%
Peugeot	85	55	54.5	1.3%	253	0.8%
Land Rover	84	49	71.4	1.2%	430	1.4%
Honda	82	261	-68.6	1.2%	1,183	3.8%
Jeep	68	86	-20.9	1.0%	371	1.2%
Lexus	53	53	0.0	0.8%	221	0.7%
Porsche	46	36	27.8	0.7%	187	0.6%
Mini	38	37	2.7	0.6%	210	0.7%
Volvo	38	22	72.7	0.6%	195	0.6%
Dodge	29	34	-14.7	0.4%	145	0.5%
Isuzu	26	5	420.0	0.4%	96	0.3%
Jaguar	20	12	66.7	0.3%	119	0.4%
Fiat	19	41	-53.7	0.3%	180	0.6%
Renault	14	19	-26.3	0.2%	35	0.1%
Chery	13	36	-63.9	0.2%	75	0.2%
Citroen	12	8	50.0	0.2%	57	0.2%
Mahindra	7	0	700.0	0.1%	8	0.0%
Alfa Romeo	5	7	-28.6	0.1%	61	0.2%
Maserati	5	12	-58.3	0.1%	30	0.1%
Yamaha	5	7	-28.6	0.1%	31	0.1%
Others	22	22	0.0	0.3%	109	0.4%
Total	6,790	6,373	6.5	100.0%	31,071	100.0%

New Passenger Vehicle Sales by Model - April 2016

MAKE	MODEL	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Kia	Sportage	290	99	192.9	4.3%	822	2.6%
Mazda	CX-5	224	165	35.8	3.3%	945	3.0%
Toyota	RAV4	204	114	78.9	3.0%	992	3.2%
Toyota	Corolla	195	268	-27.2	2.9%	1,447	4.7%
Hyundai	Tucson	194	0	19400.0	2.9%	683	2.2%
Suzuki	Swift	176	233	-24.5	2.6%	860	2.8%
Holden	Commodore	174	176	-1.1	2.6%	843	2.7%
Nissan	Qashqai	161	100	61.0	2.4%	637	2.1%
Nissan	X-Trail	156	104	50.0	2.3%	598	1.9%
Mazda	Mazda3	150	146	2.7	2.2%	790	2.5%
Ford	Kuga	146	113	29.2	2.2%	400	1.3%
Hyundai	Santa Fe	141	156	-9.6	2.1%	703	2.3%
Mazda	CX-3	135	101	33.7	2.0%	535	1.7%
Mitsubishi	Mirage	130	43	202.3	1.9%	333	1.1%
Holden	Captiva	129	159	-18.9	1.9%	449	1.4%
Ford	Focus	125	93	34.4	1.8%	486	1.6%
Subaru	Outback	122	99	23.2	1.8%	476	1.5%
Ford	Mondeo	119	101	17.8	1.8%	416	1.3%
Suzuki	Vitara	116	0	11600.0	1.7%	500	1.6%
Mitsubishi	Outlander	115	151	-23.8	1.7%	472	1.5%
Toyota	Highlander	112	85	31.8	1.6%	562	1.8%
Mazda	Mazda2	112	112	0.0	1.6%	490	1.6%
Ford	Mustang	108	0	10800.0	1.6%	384	1.2%
Mitsubishi	ASX	105	79	32.9	1.5%	419	1.3%
Toyota	Yaris	88	158	-44.3	1.3%	592	1.9%
Holden	Barina	87	64	35.9	1.3%	405	1.3%
Volkswagen	Golf	84	118	-28.8	1.2%	415	1.3%
Nissan	Pulsar	65	46	41.3	1.0%	302	1.0%
Volkswagen	Polo	63	42	50.0	0.9%	234	0.8%
Mitsubishi	Lancer	62	74	-16.2	0.9%	419	1.3%
Ford	Territory	59	75	-21.3	0.9%	278	0.9%
Skoda	Octavia	58	45	28.9	0.9%	166	0.5%
Hyundai	i20	54	41	31.7	0.8%	276	0.9%
Kia	Sorento	53	75	-29.3	0.8%	172	0.6%
Peugeot	4008	52	6	766.7	0.8%	65	0.2%
Others		2,426	2,932	-17.3	35.7%	12,505	40.2%
Total		6,790	6,373	6.5	100.0%	31,071	100.0%

Sportage and CX-5 post strong numbers

New car sales figures are continuing the positive trend of recent months, with an increase of 6.5 per cent compared to this time last year.

There were 6,790 new passenger vehicles sold in April 2016, compared to 6,373 in April 2015.

The year-to-date total is 31,071, up 1.8 per cent on the 30,515 units sold for the same period in 2015.

For the first time this year, the Kia Sportage is the number-one selling passenger vehicle, with 290 units sold last month – 192.9 per cent up compared to 99 registrations in April last year.

In second place was the Mazda CX-5 on 224 sales, with the Toyota RAV4 in third on 204 units.

The Toyota Corolla (top-selling model in January) now sits fourth on 195 units, but still has a dominant market share of 4.7 per cent year-to-date. The Hyundai Tucson rounds out the top five on 194 units.

The Suzuki Swift sold 176 units, to sit in sixth place – falling from its

number one position last month.

Toyota is still the number one make, registering 748 units last month, a drop of 5.8 per cent from April 2015 – year-to-date they have 14.3 per cent market share.

Ford has moved into second place, selling 696 units – an increase of 36.7 per cent compared to the same month last year. Mazda round out the top three marques on 674 units.

In the regions, Hamilton enjoyed a strong April, registering 524 units – an increase of 28.1 per cent on the same month last year.

Tauranga sold 285 units, up 19.7 per cent on April 2015. Invercargill also saw an increase in registrations, with 102 – a jump of 27.5 per cent on the same month last year.

Wellington sold 672 new cars in April 2016, a jump of 17.9 per

cent on April 2015. Napier's 196 units was an increase of 21.7 per cent on April 2015.

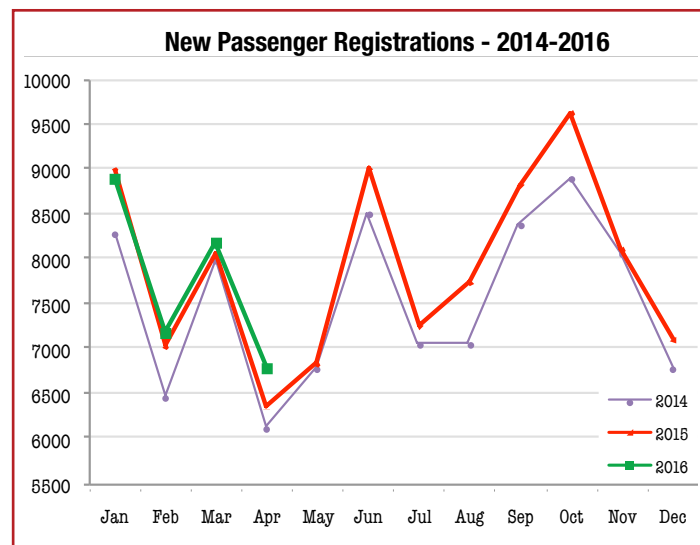
Paul Burborough is dealer principal at Winger Hamilton.

"We've actually seen a good sales trend for a while. Since we shifted premises from the city in May last year to our multi-franchise dealership on the edge of Hamilton at the Base, we have seen growth in sales in excess of 35 per cent.

"But all of the eight brands we represent have been selling well. If people are spending money on their second-biggest asset, their car, then that has to be good news.

"Obviously we are at the heart of the farming sector in the Waikato and farmers have been doing it tough for the past 12 months. However, we haven't felt the hurt yet and hope it doesn't come.

"Every month we start from zero again, keep servicing our database and continue the service that we've been providing for a good 85 years." ☺



NEW VEHICLE SALES BY BUYER TYPE - April 2016						
	APR '16	APR '15	MTH%	2016 YTD	2015 YTD	% YTD
Passenger	3,052	3,364	-9.3	15,599	16,726	-6.7
Private	1,308	1,425	-8.2	6,494	6,765	-4.0
Business	1,525	1,712	-10.9	6,844	7,521	-9.0
Gov't	186	185	0.5	788	765	3.0
Rental	33	42	-21.4	1,473	1,675	-12.1
SUV	3,704	2,949	25.6	15,302	13,547	13.0
Private	1,639	1,190	37.7	6,853	5,466	25.4
Business	1,779	1,601	11.1	7,237	6,733	7.5
Gov't	93	72	29.2	264	250	5.6
Rental	193	86	124.4	948	1,098	-13.7
Light Commercial	2,741	2,562	7.0	11,561	10,497	10.1
Private	606	653	-7.2	2,954	2,640	11.9
Business	1,902	1,708	11.4	7,872	7,184	9.6
Gov't	116	91	27.5	389	390	-0.3
Rental	117	110	6.4	346	283	22.3
Sub Total	9,497	8,875	7.0	42,462	40,770	4.2
Private	3,553	3,268	8.7	16,301	14,871	9.6
Business	5,206	5,021	3.7	21,953	21,438	2.4
Gov't	395	348	13.5	1,441	1,405	2.6
Rental	343	238	44.1	2,767	3,056	-9.5
Heavy Commercial	374	339	10.3	1,426	1,480	-3.6
Other	68	58	17.2	322	271	18.8
Total	9,939	9,272	7.2	44,210	42,521	4.0

NEW VEHICLE MARKET SEGMENTATION - April 2016						
	APR '16	APR '15	MTH% DIFF	2016 YTD	2015 YTD	% YTD
Passenger	3,052	3,364	-9.3	15,599	16,726	-6.7
SUV	3,704	2,949	25.6	15,302	13,547	13.0
Light Commercial	2,741	2,562	7.0	11,561	10,497	10.1
Heavy Commercial	374	339	10.3	1,426	1,480	-3.6
Other	68	58	17.2	322	271	18.8
TOTAL MARKET	9,939	9,272	7.2	44,210	42,521	4.0
Micro	240	153	56.9	721	751	-4.0
Light	804	1,056	-23.9	4,518	5,197	-13.1
Small	993	1,228	-19.1	5,636	6,349	-11.2
Medium	494	498	-0.8	2,261	2,264	-0.1
Large	290	259	12.0	1,418	1,485	-4.5
Upper Large	16	30	-46.7	105	101	4.0
People Movers	45	47	-4.3	185	171	8.2
Sports	170	93	82.8	755	408	85.0
SUV Small	1,003	878	14.2	4,178	4,022	3.9
SUV Medium	1,521	1,054	44.3	5,929	5,200	14.0
SUV Large	1,140	985	15.7	4,993	4,165	19.9
SUV Upper Large	40	32	25.0	202	160	26.3
Light Buses	44	83	-47.0	218	239	-8.8
Vans	464	351	32.2	1,740	1,722	1.0
Pick Up/Chassis Cab 4x2	982	768	27.9	4,072	3,300	23.4
Pick Up/Chassis Cab 4x4	1,251	1,360	-8.0	5,531	5,236	5.6
Heavy Commercial	374	339	10.3	1,426	1,480	-3.6
Other	68	58	17.2	322	271	18.8
TOTAL MARKET	9,939	9,272	7.2	44,210	42,521	4.0

Numbers good as Hilux hits top spot

There's a new leader at the top of the new commercials chart, with the Toyota Hilux usurping the Ford Ranger for the first time this year.

The Hilux sold 535 units in April 2016, compared to 401 in April 2015 – a jump of 33.4 per cent. Ford's Ranger shifted 507 units, up 4.1 per cent on the same month last year when 487 were sold.

Nissan Navara has entered the top three for the first time in 2016, selling 327 units – although this is still down 20 units (-5.8 per cent) on April 2015. Holden Colorado is in fourth place on 229 units,

down 8.4 per cent on April 2015, while the Toyota Hiace is up 18 per cent on the same time last year, with 223 registrations.

Toyota is the number one commercial sales marque, with 768 registrations last month. This is an increase of 23.9 per cent on April 2015.

Ford is second on 580 – a jump of 2.5 per cent (14 units) compared to April last year.

Nissan sits third on 327 units,



Hilux returns to the top of the sales charts for the first time this year

fantastic product to drive.

Small changes to the power-steering just means that with a commercial product with a lower chassis there tends to be lower vibration through the car which is felt through the steering wheel, but going to electronic power steering systems enables them to take out the vibration.

"In terms of commercial market overall, we're steady as she goes.

But we're getting our fair share across the brands that we have so we're pretty happy."

And despite losing top spot to the Hilux, Carman's confident the Ranger will be back on top soon enough.

"It's a lot to do with product timing. We know they had a lot of product on the ground and their sales had been lagging with the new model – and we had a few stock shortages in some key product lines and the top-selling models of the Ranger, so a lean arrival month in April. But we're not too worried. We'll be back when the supply comes right on that."

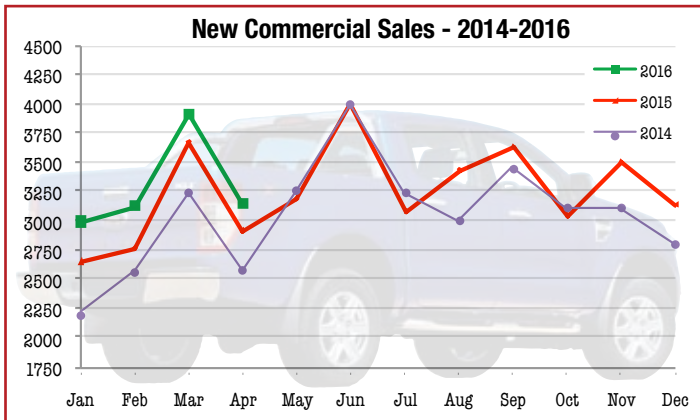
dropping 5.8 per cent on April 2015, with Isuzu fourth on 275 sales.

Matt Carman is dealer principal at Capital City Motors in Wellington.

"The Ranger is our number one seller by far and it's selling well. We have a lower commercial market and more of a passenger skew here in Wellington, so ours is a little bit smaller.

"But changes to the Ranger product late last year have been fantastic, we can't get enough of those. This current model has been launched as a huge success story across the country and also for us in Wellington.

"The enhancements they've made around electronic power steering and some engine and mounting changes make it a



New Commercial Sales by Make - April 2016

MAKE	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	768	620	23.9	24.4%	2,732	20.7%
Ford	580	566	2.5	18.4%	2,693	20.4%
Nissan	327	347	-5.8	10.4%	1,012	7.7%
Isuzu	275	220	25.0	8.7%	1,022	7.8%
Holden	240	263	-8.7	7.6%	1,053	8.0%
Mitsubishi	168	160	5.0	5.3%	1,110	8.4%
Mazda	126	84	50.0	4.0%	498	3.8%
Volkswagen	86	99	-13.1	2.7%	429	3.3%
Hino	73	41	78.0	2.3%	191	1.4%
LDV	71	25	184.0	2.3%	256	1.9%
Hyundai	69	49	40.8	2.2%	265	2.0%
SsangYong	59	36	63.9	1.9%	322	2.4%
Mitsubishi Fuso	45	51	-11.8	1.4%	147	1.1%
Fiat	43	36	19.4	1.4%	196	1.5%
Mercedes-Benz	37	44	-15.9	1.2%	187	1.4%
Volvo	28	46	-39.1	0.9%	109	0.8%
Foton	26	38	-31.6	0.8%	213	1.6%
Iveco	17	6	183.3	0.5%	57	0.4%
MAN	17	17	0.0	0.5%	59	0.4%
UD Trucks	16	17	-5.9	0.5%	73	0.6%
Others	79	151	-47.7	2.5%	563	4.3%
Total	3,150	2,916	8.0	100.0%	13,187	100.0%

New Commercial Sales by Model - April 2016

MAKE	MODEL	APR'16	APR'15	+/- %	APR'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Hilux	535	401	33.4	17.0%	1,880	14.3%
Ford	Ranger	507	487	4.1	16.1%	2,411	18.3%
Nissan	Navara	327	347	-5.8	10.4%	1,012	7.7%
Holden	Colorado	229	250	-8.4	7.3%	987	7.5%
Toyota	Hiace	223	189	18.0	7.1%	799	6.1%
Isuzu	D-Max	177	146	21.2	5.6%	681	5.2%
Mitsubishi	Triton	167	157	6.4	5.3%	1,108	8.4%
Mazda	BT-50	126	84	50.0	4.0%	498	3.8%
Ford	Transit	66	73	-9.6	2.1%	251	1.9%
Hyundai	iLoad	61	49	24.5	1.9%	252	1.9%
SsangYong	Actyon Sport	59	36	63.9	1.9%	322	2.4%
Volkswagen	Amarok	50	76	-34.2	1.6%	239	1.8%
Isuzu	N Series	49	21	133.3	1.6%	173	1.3%
LDV	V80	48	25	92.0	1.5%	151	1.1%
Hino	500	42	19	121.1	1.3%	99	0.8%
Fiat	Ducato	40	26	53.8	1.3%	187	1.4%
Isuzu	F Series	36	35	2.9	1.1%	110	0.8%
Hino	300	26	15	73.3	0.8%	66	0.5%
Mercedes Benz	Sprinter	26	41	-36.6	0.8%	150	1.1%
LDV	G10	23	0	2300.0	0.7%	105	0.8%
Others		333	439	-24.1	10.6%	1,706	12.9%
Total		3,150	2,916	8.0	100.0%	13,187	100.0%

Positive April as Caravan climbs

The total number of used commercial sales last month was 826, up 12.1 per cent on the same month last year – when 737 were registered. The year-to-date total is 3,157 units.

The Toyota Hiace was top-selling, with 304 registrations – this is up 12.6 per cent on the April 2015 figure of 270. It has a dominant 36.3 per cent market share year-to-date.

The Nissan Caravan is in second place on 87 – a 50 per cent increase on the same month last year and a market share of 8.9 per cent year to date.

Mazda's Bongo is up to 40

units, compared to 26 a year earlier – an increase of 53.8 per cent. While the Nissan Vanette sold 33 units in April 2016, down six on the same month last year.

Nissan's NV200 sits in fifth on 32 units – a 166.7 per cent jump on April 2015. The Toyota Regius rounds out the top six on 28 units – down 28.2 per cent on the same month last year.

In terms of make, Toyota is number one, having sold 391 units last month – an increase of 3.4 per cent on April 2015's figure of 378. Toyota's market share is 48 per cent year to date.

Nissan is in second place on

198 registrations – up 41.4 per cent on the same month last year, from 140 units. Its market share for the first four months of 2016 is 22.3 per cent. Mazda is third with 52 registrations – up 44.4 per cent on the 36 of April 2015.

Edrik van Tonder is branch manager for the commercial centre at Manukau Toyota.

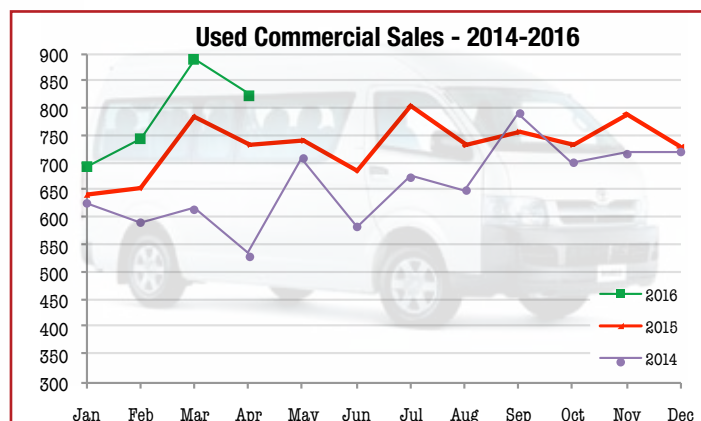
"This year we have been travelling well although this month has been pretty average. The market tends to be quite up and down anyway. We had a strong February and March and a weak April – May is looking a little better.

"But we can't get enough used utes and vans. The Hiace just blows me away, especially the way it holds its value. I've been with a few different brands now and can honestly say that it doesn't break down – I don't think I have ever seen one come in on a tow-truck.

"We've been hoping that the new Hilux would bring out a bunch of used, late-models which hasn't happened yet – but hopefully that will start happening shortly. And we're up heaps on where we were last year in every respect, especially volume." ☺



The Nissan Caravan had a strong sales month in April



Used Commercial Sales by Make - April 2016

MAKE	APR '16	APR '15	+/- %	APR '16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	391	378	3.4	47.3%	1,514	48.0%
Nissan	198	140	41.4	24.0%	703	22.3%
Mazda	52	36	44.4	6.3%	195	6.2%
Isuzu	41	38	7.9	5.0%	150	4.8%
Ford	32	24	33.3	3.9%	106	3.4%
Mitsubishi	26	25	4.0	3.1%	119	3.8%
Holden	17	7	142.9	2.1%	59	1.9%
Chevrolet	14	15	-6.7	1.7%	59	1.9%
Hino	13	13	0.0	1.6%	62	2.0%
Volkswagen	6	4	50.0	0.7%	28	0.9%
Dodge	4	3	33.3	0.5%	19	0.6%
Volvo	4	1	300.0	0.5%	8	0.3%
GMC	3	5	-40.0	0.4%	11	0.3%
Land Rover	3	2	50.0	0.4%	4	0.1%
Mercedes-Benz	3	2	50.0	0.4%	10	0.3%
Suzuki	3	2	50.0	0.4%	11	0.3%
Daihatsu	2	0	200.0	0.2%	4	0.1%
Renault	2	1	100.0	0.2%	4	0.1%
Caterpillar	1	0	100.0	0.1%	1	0.0%
DAF	1	2	-50.0	0.1%	3	0.1%
Others	10	39	-74.4	1.2%	87	2.8%
Total	826	737	12.1	100.0%	3,157	100.0%

Used Commercial Sales by Model - April 2016

MAKE	MODEL	APR '16	APR '15	+/- %	APR '16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Hiace	304	270	12.6	36.8%	1,146	36.3%
Nissan	Caravan	87	58	50.0	10.5%	282	8.9%
Mazda	Bongo	40	26	53.8	4.8%	148	4.7%
Nissan	Vanette	33	39	-15.4	4.0%	133	4.2%
Nissan	NV200	32	12	166.7	3.9%	118	3.7%
Toyota	Regius	28	39	-28.2	3.4%	105	3.3%
Toyota	Dyna	27	37	-27.0	3.3%	113	3.6%
Isuzu	Elf	22	23	-4.3	2.7%	93	2.9%
Nissan	Atlas	14	12	16.7	1.7%	68	2.2%
Toyota	Hilux	13	6	116.7	1.6%	50	1.6%
Nissan	Navara	12	11	9.1	1.5%	47	1.5%
Ford	Ranger	12	7	71.4	1.5%	38	1.2%
Toyota	Toyocace	12	15	-20.0	1.5%	60	1.9%
Nissan	Patrol	11	1	1000.0	1.3%	24	0.8%
Isuzu	Forward	10	14	-28.6	1.2%	32	1.0%
Mitsubishi	Triton	10	6	66.7	1.2%	28	0.9%
Ford	F150	8	4	100.0	1.0%	20	0.6%
Holden	Colorado	7	1	600.0	0.8%	23	0.7%
Hino	Ranger	7	6	16.7	0.8%	22	0.7%
Mazda	Titan	7	7	0.0	0.8%	28	0.9%
Others		130	143	-9.1	15.7%	579	18.3%
Total		826	737	12.1	100.0%	3,157	100.0%

Stock build-up for new-car sector

Stock of new imported passenger vehicles is continuing its upward trend, with 8,840 vehicles crossing the border in April 2016. This is an increase of 1,279 on March 2016. In comparison with April 2015, it's a jump of 14.1 per cent, from 7,746 vehicles.

Stock levels overall have increased to 56,849 – an increase of 2,050 compared to last month.

Average daily sales for the last 12 months are 262, while the number of days stock at hand has jumped to 217 – that figure was 210 last month.

General manager Audi Giltrap, Gary Periam, says they're in a good space right now.

"The new A4 is selling very well, which has been on the market since March 1. We're just delivering our first of the new Avant station wagon and a new model Q7.

"We're pretty good in terms of stock on the ground, although very

light on some models of new car production out of Audi. A little bit short of the new A4 model, but we have plenty of new Q7 on the ground. But stock levels have been pretty static all year – we tend to monitor that pretty heavily.

"Audi is profitable and not in a race to be number one as far as luxury brands, that's a big thing. BMW and Mercedes are fighting it out between themselves and probably have warehouses full of cars with licence plates still on them."

Dean Nicholson is dealer principal of Nicholson Motors across Morrinsville, Matamata and Whakatane with 30 years in the industry.

"We deal in Holden and Suzuki and traditionally quieten off just before Fieldays, so normally have a bit of a lull, then build up stock for that.

"But across the range we've been selling bits of everything rather than



some models finishing up and other ones coming in, but there are lots of different reasons behind that. And I feel there's a little bit of a slowdown happening in new cars, although the numbers may not quite reflect that. Certainly it's a bit tougher with enquiries now, in terms of Holden anyway.

"Sales of new are high, but I think a lot of that is rental deals and big fleets – a lot of them are direct deals and the dealers don't get a part of that," says Nicholson

Sales of rental vehicles did increase last month compared to a year earlier, with a 44 per cent increase from 238 to 343 units for the month. Year-to-date, however, rental sales have slowed considerably, with only 2,767 units sold in the first four months of this year compared to 3,056 for the same period in 2015, a decrease of 9.5 per cent. ☺

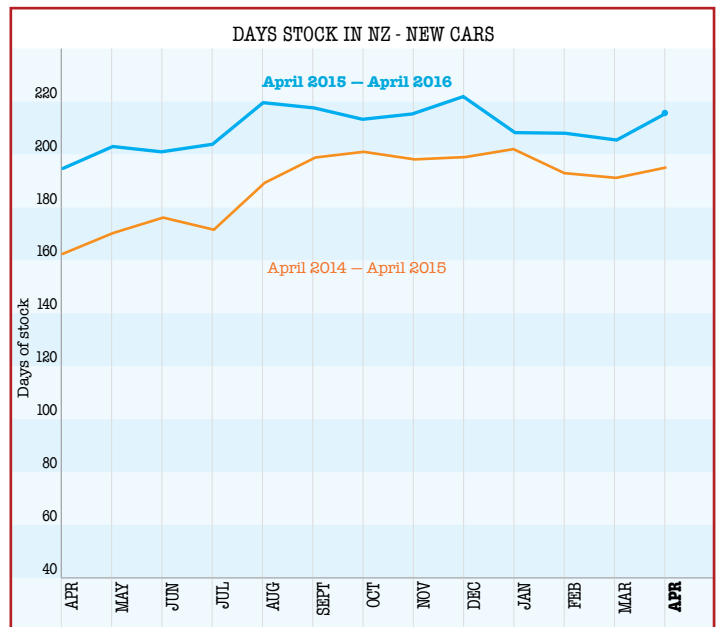
any particular product – although Suzuki Vitara has gone really well. The Colorado has dropped off, but we'll get a good crack at that come the middle of next month.

"However, I'm noticing a build-up of stock with new car dealers. Depending on what brand you're selling, but with Holden there's plenty of stock available. This tends to happen now, for the next few months, then providing we get the sales around June, it's fine. But I don't want too much more than what we're on now though.

"Stock numbers do vary, with

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
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	11,675	7,752	3,923	56,712	256	221
Sept '15	8,254	8,835	-581	56,131	258	218
Oct '15	8,619	9,634	-1,015	55,116	260	212
Nov '15	8,753	8,115	638	55,754	260	215
Dec '15	8,981	7,110	1,871	57,625	261	221
Jan '16	6,648	8,899	-2,251	55,374	260	213
Feb '16	7,246	7,191	55	55,429	261	213
Mar '16	7,561	8,191	-630	54,799	261	210
Apr '16	8,840	6,790	2,050	56,849	262	217
Year to date	30,295	31,071	(776)			
Change on Apr 2015	14.1% <small>MORE IMPORTED</small>	6.5% <small>MORE SOLD</small>		15.1% <small>MORE STOCK</small>		



Online activity driving sales

Dealer stock of used cars jumped to 30,741 in April 2016 – a 5,993 variance on the previous month.

There were a total of 18,133 imported used cars, which is a 12.2 increase compared to April last year.

Days stock at hand has increased to 77, from a figure of 62 in March 2016. Meanwhile the 12-month average for daily sales is at 399 – an increase of three from the previous month.

Neil Videler is dealer principal of Carbase Dunedin and has noticed a trend.

“In terms of stock levels, by the time we get to May everyone is fairly loaded up for the next three months – it’s just the way the cycle is. It happens every year and is hard to avoid, to be honest.

“Sales wise, there was a very positive vibe from the beginning of the year locally, with new and



used. And I think used has been pretty steady and quite buoyant – probably a wee bit of a tail-off at the moment, but the first four months of the year have been pretty strong.

“I certainly think that the \$10,000 import is a perennial seller – it’s pretty consistent. And we’re steady in terms of customer interest and a lot of

the enquiries are driven by what people have seen on Trade Me or our website. There’s certainly a bit of homework done before they arrive. But generally people have been motivated and we’ve only just noticed this month that it has quietened off a touch.”

Videler says the key is to wait for the market to pick up again.

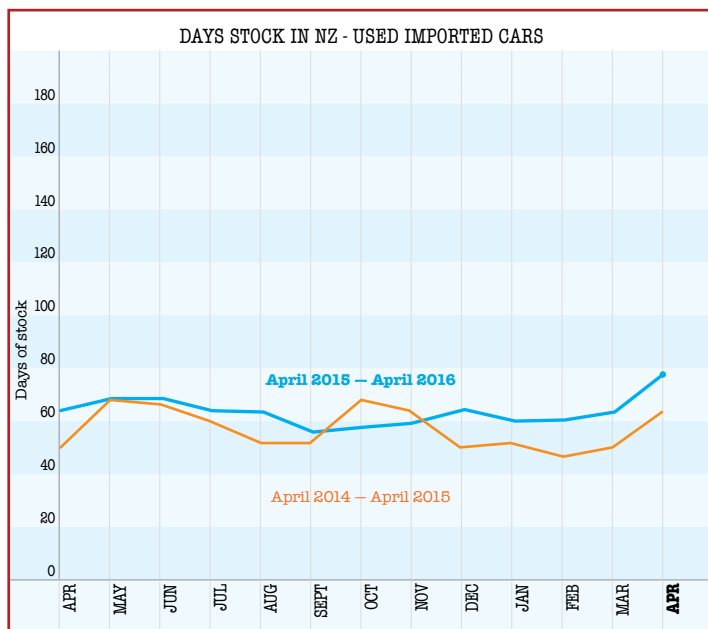
“We’re just patient because you

have to expect a breather from time to time. We just ride that out and I don’t believe there’s a lot you can do when it’s like that... it’s a natural ebb and flow.

“We get some very good trades on new cars and obviously import some vehicles. Any of the popular hatchbacks go well – and obviously if the Ks are good and the colour’s nice, those are the plums. But it’s finding enough of them.

“However, we’re optimistic for the rest of the year, barring any really bad news offshore. The exchange rate has been choppy for most of the year – so if it maintains around 73 yen upward, I think it all bodes well for 2016. I don’t see many problems.

“We all like a bit of stability in the financial markets. Everyone is buying forward and you don’t like to be exposed to a drastic drop – that’s the thing that hits margins in every field of retail.”



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Apr '15	16,155	11,038	5117	23970	376	64
May '15	14,531	12,415	2116	26,086	379	69
Jun '15	12864	12,415	449	26,535	384	69
Jul '15	11,944	13,891	-1947	24,588	389	63
Aug '15	12,129	12,061	68	24,656	391	63
Sept '15	8,673	11,667	-2,994	21,662	392	55
Oct '15	12,381	11,149	1,232	22,894	393	58
Nov '15	12,379	11,732	647	23,541	393	60
Dec '15	14,620	12,598	2,022	25,563	394	65
Jan '16	9,761	11,675	-1,914	23,649	393	60
Feb '16	11,972	11,736	236	23,885	396	60
Mar '16	13,016	12,153	863	24,748	396	62
Apr '16	18,133	12,140	5,993	30,741	399	77
Year to date	52,882	47,704	5,178			
Change on Apr 2015	12.2% MORE IMPORTED	10.0% MORE SOLD		28.2% MORE STOCK		

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