

autofile

Timescale concerns for loan-shark laws

Issues have been raised about a discussion document on rules aimed at improving the information finance providers supply to people taking out loans.

Paul Goldsmith, Minister of Commerce and Consumer Affairs, has put out proposals for consultation as part of tightening up the so-called loan-shark laws.

The government says the new regulations will mean borrowers will be able to get in-depth information to make "good decisions" before signing credit contracts.

It is now inviting feedback

by December 1 to ensure they create consumer benefits while minimising compliance costs to finance providers, including those in the automotive industry.

The proposals cover what information lenders should disclose in relation to costs of borrowing. Also included is:

- ▶ Updating disclosure statements to include "key information" for borrowers before taking out loans.
- ▶ Calculating rebates on extended warranties and repayment waivers when

consumers make early repayments.

- ▶ Setting up warnings for minimum credit-card repayments.

The regulations are among reforms to the Credit Contracts and Consumer Finance Amendment Act (CCCFA).

"They aim to promote efficient and transparent credit markets, and promote competition, consumer choice and protection," says Goldsmith.

The Ministry for Business, Innovation and Employment (MBIE) is

[continued on page 4]

Hilux's reign almost over

The Hilux's 32-year run as this country's best-selling utility vehicle is all but over – unless sales of Ford's Ranger drastically drop compared to the first 10 months of 2014.

That's the view of Steve Prangnell, Toyota New Zealand's general manager of sales, and the irony is the model is enjoying a 20

per cent jump in registrations this year compared to 2013.

The Hilux was sitting on 4,780 sales at the end of October compared to the Ranger on 5,072 – a difference of 292. The full-year gap between the two utes in 2013 was 118 units – 5,046 compared to 4,928.

"We are selling about 550 to 650 Hiluxes a month, so we're looking

at about 1,400 over November and December to get in front," Prangnell told Autofile.

"We don't have those numbers to sell in two months and we cannot drag in the Ranger at our current rates. If the Ford sells as it has been, we don't have the capacity to beat it.

[continued on page 7]

In this issue

- p8 Cars 'better value' than ever
- p9 Heartland aims for expansion
- p12 Minister's electric estimates
- p15 Benefits of Google Analytics
- p16 Regional report on Timaru
- p18 Traders' EECA compliance



Adding Value to Your Business

see article on page 21

Extreme Jeep unveiled in Vegas



p19

ACCESSORY BUNDLING

CREATE AN EXCLUSIVE MODEL FOR YOUR BRAND

- MORE SALES
- MORE PROFIT
- CUSTOMERS FOR LIFE



WWW.DEALERSHIPEDITIONS.CO.NZ



Retro Vehicle Enhancement
www.rve.co.nz
0800 RETRO 4 U





MAY COVER
EXISTING
DAMAGE

***Protect your investment
with
RimPro-Tec***

- ▷ PREVENTS KERBING DAMAGE
- ▷ RANGE OF COLOURS
- ▷ COST-EFFECTIVE
- ▷ EASY TO INSTALL AND REMOVE



"Our dealership has installed the system on its loan vehicles. They're prone to a bit of kerbing, so RimPro-Tec has saved us quite a bit of money. For owners of high-performance cars with alloys worth \$7,000 to \$8,000, it's an economical way to save rims. We're selling quite a few each month." - Evan Lorezon, Jerry Clayton BMW



0800 4 RIMPRO

www.RIMPRO-TEC.COM



Drive your business forward with provident insurance

Call Steve Owens now on 021 947 752

Lower limits far from 'game changer'

The NZTA says lower legal-alcohol limits coming in next month will begin to make our roads safer heading into the festive season.

The new legislation means the maximum for people aged 20-plus will be lowered from 400 to 250 micrograms of alcohol per litre of breath.

The agency claims that alongside other measures, such as zero-alcohol limits for teens, interlocks and penalties for serious and repeat offenders, this will make New Zealand's roads less dangerous.

It means motorists with more than 400 micrograms of alcohol per litre of breath will continue to face criminal sanctions as is currently the case.

But here is where it may all come tumbling down. Those failing evidential breath tests between 251 and 400 micrograms will receive infringement notices with \$200 fees and 50 demerit points.

Those who accumulate 100 or more demerits from driving offences within two years will get three-month licence suspensions, but the infringement offences will not result in offenders receiving criminal convictions.

That's a bit like police officers saying to a bank robber armed with a toy gun, "hey mate, that's not real so we won't take you to court – just make sure we don't catch you with an AK47 next time".

The AA says stopping crashes caused by drink-driving will take more than reducing the adult limit – and it would be a rash person to disagree with that.

After all, many people – myself included – have driven after having "one too many" brought about by complacency and the legal limit being so high in this country compared to so many overseas jurisdictions,

including Australia and England where the tolerance is much lower.

The lower limit in New Zealand reinforces the message to the general public that drinking and driving is unacceptable, but more needs to happen if the numbers of people hospitalised or killed by drink-drivers is to be impacted on.

Research has shown that about half of the drink-drivers caught in 2012 were repeat offenders, so perhaps more is needed to keep those sorts of people off our roads.

The AA is calling for high-risk recidivists to have alcohol interlocks fitted to their vehicles. These only allow someone who is completely sober to get behind the wheel.

The courts could also do more assessments of motorists with alcohol problems so they can access treatment combined with their sentences.

Alcohol interlocks are like breathalysers people must use before being able to control vehicles.

They became a sentencing option in this country about two years ago, but – according to the AA – out of 11,692 eligible offenders who went before the courts in their first year, only 228 received interlock licences.

The government describes the new drink-drive rule it's introducing as a "game changer", but to many it's people more like a halfway house between doing something and nothing.

There is a culture in New Zealand that's not always apparent in other western countries where "drink-drive at your peril" is the message because "if you get caught over the legal-alcohol limit, you will be banned from driving".

Governments twitter on about "getting tough on crime". Perhaps it's about time they did.

Darren Risby, editor

autofile

EDITOR

Darren Risby
editor@autofile.co.nz
021 137 5430

JOURNALIST & ONLINE PRODUCER

Cameron Carpenter
cameron@autofile.co.nz

ADVERTISING

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

DESIGNER

Adrian Payne
arpayne@gmail.com

Autofile is also available as an electronic copy via email. If you'd like to receive electronic copies please send an email with your name and organisation to: subscribe@autofile.co.nz. Back copies are also available on request.

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

All statements made, although based on information believed to be accurate and reliable, cannot be guaranteed, and no liability can be accepted for any errors or omissions. Reproduction of autofile in whole or part, without written permission, whether by xerography or any other means, is strictly forbidden. All rights reserved.

ARE YOU **HAPPY** WITH YOUR CURRENT VEHICLE SUPPLIER?

WHAT YOU GET WITH HEIWA AUTO

RELIABILITY
First choice for NZ dealers for 20 years

EXPERIENCE
Our buyers are knowledgeable about NZ dealers requirements

CHOICE
100,000 vehicles per week available through our auction search engine

PEACE OF MIND
All vehicles Ramp Inspected before departure

STOCK READY FOR SHIPPING
Extensive range of pre-purchased stock available for shipping NOW

TRUE DEALER WHOLESALE
Fixed fee includes all Japan side: transport, documents and taxes

STRICTLY DEALER ONLY
Heiwa Auto never sell or export vehicles to private buyers

Greg Bardsley
ph: 0279 363 595 email: greg@heiwa-auto.co.jp

Jason Robb
ph: 027 413 3222 email: jason@heiwa-auto.co.jp

www.heiwa-auto.co.nz

Costs of finance in spotlight

developing the regulations to come into force by June 6 next year "to give lenders time to adapt processes".

However, the Financial Services Federation, which represents many providers of motor-vehicle credit, has raised issues around the timescale and costs involved.

Many changes are coming about through the CCCFA that's being expanded to include provisions from the Credit (Repossession) Act, which is being scrapped.

The government claims updating the law will ensure creditors lend money and manage contracts responsibly.

Part of the process is developing a responsible lending code to provide guidance to assist finance providers to comply with its principles.

Other changes will cover licensing arrangements for repossession agents and a new

infringement offence regime, while different criteria aim to promote certainty for lenders, minimise compliance costs and not unnecessarily restrict access to credit.

DISCLOSURE AND COSTS

The CCCFA requires four types of disclosure – initial, continuing, variation and request. It also includes rules relating to credit-related insurance (CRI) guarantees.

The government says current problems include delayed disclosure and terms differing from what consumers expect.

Specific issues have included creditors providing the required information in different ways making comparisons difficult.

Initial disclosure can occur up to five days after a contract is signed meaning consumers aren't afforded protection beforehand,

while details about the cost of credit is limited.

The government says CRI can be a significant extra cost because the disclosure of its terms isn't required until 15 working days after contracts start.

The new CCCFA adds to key information creditors must publish before loans are entered into.

From June 2015, creditors must ensure the fine print on "all costs of borrowing" in relation to "every class of contract" is publicly available.

The costs will have to be displayed on websites with copies supplied free on request.

If a lender or agent – such as a car dealer – operates from premises accessible to the public, it must display a notice that a copy of information about fees and rates is available.

The MBIE intends to assess how

creditors present this and determine if a prescribed form will be needed.

From next year, borrowing costs will cover credit and default fees, and interest charges.

Credit fees include establishment fees, which relate to costs incurred with the application, processing and considering it, documenting the contract and advancing the money.

They also cover repayment fees and CRI premiums if the creditor requires the consumer to obtain insurance cover from a particular insurer. Default fees are payable if contracts are broken, but exclude default interest charges.

The MBIE proposes creditors will be required to express fees in dollar amounts if possible. If based on formulae, these will have to be outlined, and factors – such as whether customers are new or

Is your desk limiting your sales opportunities?

Use MotorWeb where and when it is convenient for you.

Our new mobile responsive website allows access from your smartphone while you are on the move.

Nothing to download or setup; just login to your MotorWeb account or scan the QR code at the base of this page. It's that simple!

You will then be greeted by our login page with a handy 'remember me' function

Now you're done!



ph 0800 668 679



◀ existing – will have to be spelled out.

When a range of interest charges apply, factors in selecting one – such as provision of security – need to be specified. Annual rates must be disclosed, and if fixed, variable or subject to change.

The Credit Contracts and Consumer Finance Regulations 2004 set out model disclosure statements.

When creditors use one, they will be treated as having complied with initial standards, while current statements must be updated with key information.

This includes more details when describing security interests, including information on disabling devices to be attached to cars.

The Financial Services Federation (FSF) says the models being put forward may provide “safe harbours” for lenders by providing compliance guidance.

But executive director Lyn McMorran warns what’s being proposed “looks too wordy” and suggests if they are too long,



Paul Goldsmith, the new Minister of Commerce and Consumer Affairs

people will simply not read them.

“If the objective is to provide information to benefit consumers, it all needs to be carefully written and not overboard in explaining things,” she told Autofile.

As far as CRI obligations are concerned, the FSF still has to consult with its members.

“A tricky balance has to be made between providing information in a way people can understand

without turning everything into huge documents,” says McMorran.

“With costs of borrowing, lenders need time to implement systems. These models should provide some clarity, but require work.

“If we can get the responsible lending code out of the way, the consumer credit industry would welcome the opportunity to get issues around fees and charges sorted out once and for all.”

WORKING OUT REBATES

Borrowers can pay off the full amount of loans at any time with the CCCFA requiring lenders to refund proportionate rebates of any amounts paid for CRI in the case of prepayments.

Lenders will also have to pay back a percentage of repayment waivers or extended warranties.

The government says waivers cease to benefit consumers after full loan repayment, while more consistency is needed with CRI policies.

The MBIE proposes a formula for proportionate rebates of waivers. For example, when the debtor enters into a 36-month loan agreement, agrees to pay \$200 for a waiver and prepays the loan after 17 months, the rebate will be \$57.

Under section five of the act, an extended warranty is classed an agreement between the creditor and debtor under which the creditor, for an additional payment, will repair or replace defective goods outside of the warranty period that would otherwise apply.

Extended warranties provided by a party other than the creditor are not subject to the rules.

Under new section 52b of the CCCFA, in the event of full prepayment of a credit contract the lender will be required to refund to the debtor a proportionate rebate of any amounts paid for an extended warranty.

“Unlike insurance or repayment waivers, the benefit of the extended warranty does not diminish with

[continued on page 6]

Code's draft published

The government has released the draft version of its responsible lending code, which forms part of the Credit Contracts and Consumer Finance Amendment Act (CCCFA).

It says the guidelines, which are now out for consultation, aim to protect borrowers without imposing unnecessary compliance costs on lenders already conducting business properly.

The code will not be binding, but compliance will be viewed as evidence of meeting lender responsibility principles laid down in the CCCFA. It's also intended to promote best practice in all lenders' processes.

The guidelines will be used to implement reforms made to the Credit Contracts and Consumer Finance Act earlier this year.

“Achieving the right balance between consumer protection and industry flexibility is a difficult balancing act,” says Paul Goldsmith, the Minister for

Commerce and Consumer Affairs.

“I will be listening to feedback from interested groups. I intend to issue a final code in March to give lenders time to adjust processes before it comes into force in June 2015.

“Most lenders already act responsibly when lending money. However, a percentage still engages in irresponsible or predatory practices that may put customers in difficult situations. The act and code will look to curb those practices.”

Lyn McMorran, of the Financial Services Federation, told Autofile: “It was really important for the industry to get the draft code sooner than later.

“The code will require finance providers to change processes – that’s for sure. They needed to know what the details are to sort out their documents.”

For more on the law changes, log onto www.autofile.co.nz. The deadline for submissions is 5pm on December 23.



BLACKBIRD FINANCE

Let Blackbird Finance put you in the driving seat.

Import finance for car dealers now with extended terms up to 180 days

Visit www.blackbirdfinance.co.nz to find out how Blackbird can get your business moving today

Blackbird Finance helps NZ Dealers grow their business with straightforward flexible finance for the importing and marketing of vehicles. We work with you, but let you decide who you use to buy, ship and comply your vehicles.

Contact us and let us show you how we can help you grow your business.

+64 9 366 1951 or 0800 000 999
sales@blackbirdfinance.co.nz

Level 2, Heards Building,
168 Parnell Road, Auckland

Rules to focus on warranties

time," states the discussion document.

"The formula provides for the rebate to be calculated on a straight-line basis."

When a borrower signs on the dotted line, agrees to pay \$200 for a 12-month extended warranty on a motor vehicle and prepays the loan six months into the warranty period, the rebate will be \$100.

The FSF says the principals around rebates make sense, "so it's a case of working out how to do that".

WARNINGS ON STATEMENTS

The CCCFA requires a minimum repayment warning on credit-card statements.

The government says the minimum amount can be as low as two to three per cent of the balance and will only reduce the principal by a small amount after paying interest.

"The tendency of consumers to

focus only on short-term costs means some may choose to only make the minimum repayment," it says.

The act allows for rules on warning information on statements, how this is presented and how amounts are calculated.



"The industry would welcome the opportunity to get issues around fees and charges sorted out."

– Lyn McMorran, Financial Services Federation

McMorran says: "One of our biggest concerns is around proposed requirements for cards because some members issue them."

These include the likes of GE Money, which provides personal loans, car loans, credit cards and CRI.

"Having to work out individual

calculations for every card holder's minimum payment will require monumental system builds," she says.

"There is no way companies will be able to get near to doing this by the due date because of the timescale.

within two-and-a-half months cannot happen.

"Also, such calculations are only a snapshot of one moment in time."

Submissions on the MBIE's proposals for new disclosure and rebate requirements to be

"From when the submissions process end to ratification by the minister, we would be looking at March until we know what the regulation says.

"Giving a generic warning on statements is one thing, but being able to do individual calculations

introduced through the CCCFA close at 5pm on December 1.

They can be emailed to consumer@mbie.govt.nz or posted to CCCFA regulations, Ministry of Business, Innovation and Employment, PO Box 1473, Wellington 6140. ☺

**a fresh approach
to dealer finance**



my finance
we're in this together

www.MyFinance.co.nz 0800 385 385

Snap election in Japan

Japan's Prime Minister has called an election two years ahead of schedule.

Shinzo Abe dissolved parliament this week and is

delaying a planned, but unpopular, increase in consumption tax – the country's equivalent of GST.

He was elected two years ago on the back of reviving the economy, but some commentators believe he has

struggled to achieve this.

Although Abe's popularity has waned, he is expected to win mid-December's election.

His Liberal Democrats party already has a majority in the lower house, but analysts believe he hopes to consolidate power over an opposition party in disarray.

"I need to hear the voice of the people," says Abe, pictured.

"I will step down if we fail to keep our majority."

The rise in Japan's sales tax was brought in by the previous government during 2012 to put

the brakes on public debt, which is the highest among developed nations.

The first hike – from five per cent to eight per cent – was in April. The government hoped this would boost government income, but people

stopped spending instead.

The tax increase has also hit sales of new motor vehicles. They fell by six per cent in October compared to the same month of last year. It was the fourth consecutive month of drops.

The second increase in sales tax to 10 per cent was set for October 2015, but that's expected to be delayed by at least 18 months. ☺



[continued from page 1]

Blue oval gears up for ute title



"However, the four-wheel-drive [4WD] Hilux is 400 units ahead of the Ranger equivalent and we're hell-bent on preserving our 4WD heritage because that's where it all started!"

He says it's worth noting the Ranger is new, comes in automatic, and as an XLT and HiRider.

"From my own perspective, many people outside of the industry have no idea it has been 32 years. It has been a target for other distributors, but it doesn't really mean that much.

"What matters is how much a truck depreciates, keeps its residual value and performs. On that basis, the Hilux stands on its record.

"It's not that the ute is bleeding customers. It's selling a lot of units to new buyers and retaining the majority of existing ones.

"You only have to look at the used market – a seven or eight-year-old Hilux that's been driven for 150,000km is still fetching about \$25,000."

When it comes to supply, Toyota is at the top of its limit for global production capacity.

"Most manufacturers look to produce at 70 per cent, but Toyota hasn't invested in any new production facilities since the global financial crisis and it's now operating at 95 per cent of capacity globally," explains Prangnell.

"This is well above a normal level and because of that there are spaces in the market.

"I don't think any distributor in New Zealand anticipated this year's level of demand with the industry on track for 126,000 or 127,000 units in 2014.

"We have been unable to alter our orders, which were locked up at the start of the year. But our overall volumes are still up and we're on target for 25,000 units this year."

VIEWES FROM BLUE OVAL

"Our philosophy is we have always left it up to customers to decide and I don't feel it's up to us or Toyota to say which will win," says Corey Holter, managing director of Ford NZ.

"Up to October, the Ranger came top seven out of 10 months, so there's a shift happening with more people buying it and that's something we can be proud about.

"This year has also seen three record months for Ranger sales, including September and October.

"It's not only customers who are voting with their wallets, it's also the motoring media because the Ranger is the most-awarded truck and awards keep coming.

"We will find out come January, but I don't anticipate any changes in buyer behaviour for the Ranger."

Ford has no stock issues with

"Up to October, the Ranger came top seven out of 10 months."

– Corey Holter, managing director of Ford NZ


the Ranger – unlike 2013 when it experienced supply problems with some derivatives.

Holter adds: "We haven't been surprised by the level of demand for new vehicles this year considering the dairy pay-out, Christchurch rebuild and increase in consumer confidence.

"We predicted these numbers and ordered up accordingly. As for residual values, lease companies are telling us it's the Ranger that will have higher residuals in the future." ☺




JAPAN
to
NEW ZEALAND



FULL PORT TO DOOR SERVICE

- » Vessels arriving every two weeks
- » Servicing Auckland, Wellington, Lyttelton & Nelson with 'Direct Port Calls'

CALL ME NOW!
Gerry Claudatos
Mob: 0274 400 734
Ph: 09 373 5881 Fax: 09 303 0072
Email: gerry@dolphinshipping.co.nz



www.dolphinshipping.co.nz



Toyota's Hilux could soon be dethroned after a 32-year reign

New cars 'better value' than ever

The Colonial Motor Company (CMC) has now recorded five years of growth, with profits after tax for the 2014 financial year coming in at \$18.22 million – up by 31 per cent on 2013.

Chairman Jim Gibbons puts the Wellington-based company's success down to a combination of factors.

He says the automotive industry has developed while management has ensured growth has been profitable.

"The economy has been buoyant, but the new vehicle industry has been stronger," says Gibbons.

"From a low point in 2009, we've had five years of growth. The industry has averaged growth of 15 per cent for five years on end. Cars have more features, are better quality and cost less than 20 years ago."

Gibbons adds the market for new vehicles responds quickly to

changing demand for better safety and fuel economy.

"Modern vehicles have responded to consumer expectations without increasing in price. They are very good value."

He says some of CMC's products have exceeded overall market growth and describes Ford's Ranger as "a star performer".



"The industry has averaged growth of 15 per cent for five years on end."

– Jim Gibbons, chairman of The Colonial Motor Company

"As of October, the Ranger was the top-selling light commercial in New Zealand. The Mazda CX-5 and Mazda3 are also successful products."

Gibbons says dealership

management comes under pressure from franchisors to sell at any price in an expanding market.

"Too often the pursuit of volume or market share is at the expense of profitability.

"We emphasise strong disciplines with working capital budgets and monitor key ratios – old stock in a retail environment is low margin

prices – and a reduction in the exchange rate of the New Zealand dollar."

He says these have added to uncertainty for business revolving around the outcome of the general election.

"With new dealerships we have recently opened and acquired, our challenge is to reflect our strengths

and a waste of resources."

He describes brand identity as being essential to long-term success. "Our public identity is our brands – be it Ford, Mazda, BMW, New Holland, Case, DAF or Kenworth."

In 2013, CMC's profits increased by 17 per cent over the previous year. Rises have included 42 per cent in 2012 and 35 per cent in 2011, with a total of 197 per cent since 2010.

This year, dividends paid out in April and October came to 35 cents per share – up by 16 per cent on the previous year.

"We have paid out a lower percentage as we are funding a number of acquisitions and new developments."

Chief executive Graeme Gibbons says the importance to New Zealand's primary product exports – and the benefits and costs of the kiwi's exchange rate compared to trading partners – are now more apparent.

"For three years, our exchange rate has moved relentlessly upwards reducing the price of imported goods," he says.

"At the time of our preliminary full-year profit announcement, we commented there were increasing signs favourable conditions were easing.

"A month later, there have probably been more movements in export markets and commodity

of people, financial and trading disciplines into these businesses.

"We are confident that in achieving this we will see further opportunities come our way in the future."

CMC has been investing in projects in South Auckland. Earlier this year, it acquired land near the airport to build a service operation for South Auckland Motors, which holds franchises for Ford and Mazda.

This facility is in its design and consent phase with building work expected to start later in this year for completion by mid-2015.

CMC is opening Southern Autos – Manukau Ltd on the Bakerfield Place property it owns by South Auckland Motors on September 1.

It will represent Peugeot, Citroen and Isuzu light commercials, with Matthew Newman now being chief executive of South Auckland Motors and Southern Autos – Manukau.

Michael Tappenden is the new dealer principal of the former with Andrew Craw appointed to this position for the latter.

Steve Lyttle has retired after 15 years as chief executive and dealer principal and 27 years with Fagan Motors in Masterton.

Keith Allen, vehicle sales manager at the dealership, whose first industry job was as a parts junior there in 1982, has been appointed in Lyttle's place. ☺

TSNZ TOYOFUJI SHIPPING NEW ZEALAND LIMITED

FORTNIGHTLY SERVICE

"On time, every time"
www.toyofujinz.co.nz



From JAPAN to NEW ZEALAND **SHIPPING GUIDE**

Trans Future 6	Voyage 75
Osaka 3 Nov, Nagoya 4 Nov, Yokohama 8 Nov, Auckland 26 Nov, Lyttelton 28 Nov, Wellington 30 Nov, Nelson 1 Dec	
Spring Wind	Voyage 27
Osaka 25 Nov, Yokohama 27 Nov, Auckland 10 Dec	
Trans Future 7	Voyage 75
Osaka 17 Nov, Nagoya 18 Nov, Kawasaki 22 Nov, Auckland 11 Dec, Lyttelton 13 Dec, Wellington 15 Dec, Nelson 16 Dec	

Blain Paterson Ph.09 358 5515

Bank set sights on expansion

Hearthland New Zealand (HNZ) says its strategy is to occupy leading positions in specialist and less-contested areas of banking.

The company's primary focus will be on the Kiwi market where it has a long history and confidence to grow its businesses.

"We have a strong portfolio of specialist products, brands and channels," Geoff Ricketts told the annual general meeting.

"We will grow organically, and by bolt-on and other acquisitions. We have a strong platform and strategy for growth."

He added the board was comfortable with its forecast of a net profit after tax (NPAT) of \$42-\$45 million in the 2015 financial year.

Ricketts told shareholders they were now witnessing the impact of the merger of Canterbury Building

Society, Southern Cross Building Society, Marac Finance and PGG Wrightson Finance.

The past year has seen HNZ's share price and dividends increase, with growth coming in 2013-14.

Ricketts highlighted that period's successes as HNZ's differentiated bank strategy, divestment of non-core property loans and assets, focus on specialist sectors, NPAT of \$36m, and increased credit ratings from Fitch and Standard & Poor's.

"This background gives confidence in the coming year and beyond. Heartland has an opportunity to sustain growth."

Ricketts noted highlights of the 2014 financial year included a lift in NPAT from \$7m to \$36m, acquiring

Seniors Money International and consistent earnings growth with net operating income up by 14 per cent.

In his presentation, chief executive officer Jeff Greenslade said HNZ had market capitalisation of \$460m-\$470m and total assets of about \$3 billion.

He added HNZ was a regular dividend payer with its share price going up by 92 per cent and total shareholder return increasing by 127 per cent since July 2012.

On HNZ's 10 per cent shareholding in Harmony, Greenslade said it was a funding line to give New Zealand's only licensed peer-to-peer lending platform momentum and it was a valuable channel to attract household customers.

"Heartland's strategy is to occupy

leading positions in niche markets through specialist offerings different to traditional banks. The Harmony investment fits with this strategy.

"Margins in financial services industry remain high with an absence of alternatives to the mainstream and choice in consumer markets.

"Technology will overcome these – disruption and switching is inevitable."

WORKING WITH COMMUNITIES


The Heartland Trust holds more than five million shares in HNZ and deposits its cash surpluses with the bank.

During the past financial year, about \$300,000 in grants and sponsorships were made to around 100 organisations.

"As the dividends of Heartland grow, the charitable distributions will increase," said Ricketts. ☺



Geoff Ricketts, chairman of Heartland New Zealand



vtnz
a DEKRA company

Speed up your Statement of Compliance


As a vehicle importer you know time is money, so we've made it a lot easier to get a Statement of Compliance for any imported light vehicle that was manufactured for the European market and first registered in either Japan or UK.

Because of our association with DEKRA SE, one of the world's leading experts in vehicle testing, inspection and certification, your Statement of Compliance requests can be processed overnight to speed up the process and make sure you receive a response within just three working days.

To really get things moving, simply make your request at any of our 82 VTNZ stations throughout New Zealand.

For more information or the location of your nearest VTNZ station visit www.vtnz.co.nz/soc or call 0800 88 88 69.



Check in...drive on...

Opening up New Zealand with online marketplace for trade-ins

Hundreds of dealers are taking advantage of market-led prices and higher margins via an innovative online approach to trade-only sales.

Dealer-Auction.co.nz already has more than 300 members signed up since launching a few weeks ago.

It's aimed at franchise dealers who want to sell products to other traders, while there are plenty of benefits for used car dealers, and being backed by Manheim means this trading platform is here to stay the course and gearing up to expand.

"Our system has benefits whether you are buying or selling," explains Graham Green, business development manager.

"Dealer-Auction.co.nz is a great way for franchises to dispose of trade-ins to a larger dealer base and for car dealers in the market to buy from who don't normally have access to."

HOW DEALER-AUCTION WORKS

The online auction system is unique in offering a large and varied choice of trade-ins being sold by franchises.

There are no monthly fees or administration costs – annual membership costs \$299 + GST and there's a selling or buying fee of \$99 per unit.

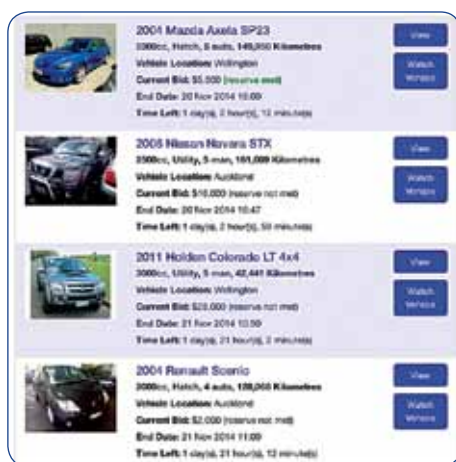
The trade-only website provides the opportunity for franchises to offer stock, generally trades, to a large base of signed-up dealers. Typically these don't align with their brands, but are in demand on other yards.

Potential buyers view and bid on stock they may not normally have access to, while listings have detailed condition appraisals and photos.

A maximum bid can be set for the site to manage, so there's no need to monitor the auction.

If the current bid required is \$10,000, the buyer places a maximum bid of \$12,000 and there are no other bidders, the purchaser pays the \$10,000 as a minimum to start.

If a maximum bid is beaten, the customer gets an email alert to this affect that can be accessed on a smartphone and other portable device. Simply adjust the bid via the watchlist or drop out. Minimum bids are \$100 until the



Examples of some of the vehicles being auctioned



Icons can be dragged and dropped onto a vehicle flatplan to indicate its condition

last 12 hours when they can decrease to \$50.

There's even an easy-to-use dashboard page to keep track on lots being watched, bid on and bought.

Listings have the region the seller is in. This means the buyer can factor in costs, such as transportation. Winning bidders then receive contact information for payment and collection or delivery. If a reserve isn't reached, the franchise dealer can negotiate with the highest bidder.

Dealer-Auction.co.nz also pays attention to what specific kinds of cars members want. When they come up, representatives from the company, who are called negotiators, will contact members to say they are available.

BENEFITS FOR BUYERS

Purchasers get access to stock via Dealer-Auction.co.nz they may not be normally offered. Listings change every day to give buyers greater variety.

Graham says: "There's some anonymity in the process, but we list in what region the vehicle is located so traders can work out transport costs. There's our \$99 buying fee, but add-on costs are minimal.

"Buyers can get online as often as they like – the more they use the system the more they will benefit.

"It's great because anyone using a personal computer, tablet or smartphone can access auction information. A good practice is for a dealer to log in daily, check offerings and place bids.

"In the past, traders relied on phone calls or visiting premises, whereas this process is easy and opens up the country in one place for trade-ins. Stock is available 24/7 and being online takes the hassle out of searching for the right stock for a yard."

BENEFITS FOR FRANCHISES

Franchises are already seeing great value in using Dealer-Auction.co.nz to on-sell trade-ins.

"They traditionally keep some on yards, but our system provides a fast service that delivers fair market prices for the rest," says Graham. "Franchises have picked up our benefits. They realise we're in this for the long haul.

"Through our system, they get the best possible prices for trade-ins. And as all dealers

know, higher trade-in prices mean better margins all round.

"If there's no sale, there's no fee. Dealers typically have a small number of options to dispose of trades with limited reach. Dealer-Auction.co.nz puts the seller in contact with more than 300 members nationwide – a number that's expected to double in the next 12 months."

BENEFITS ACROSS THE BOARD

The online platform "delivers true prices for trade-ins" because the market sets them in auction settings.

"As more people come on board, Dealer-Auction.co.nz will create its own momentum," says Graham.

"In the past, buyers and sellers have been faced with problems of connecting with each other and accessing stock they want.

"But we open up the entire network on one website for members to see fresh and fully evaluated trades on offer.

"There are many possibilities on the horizon with our product. With Manheim's support, we will be in the dealer-to-dealer space for years to come."

THE BACK STORY

Dealer-Auction.co.nz was launched in New Zealand after the concept was originally

Try it out for free

Dealer-Auction.co.nz's annual membership fee of \$299 + GST has been waived until the end of this year. "It's a small charge for the benefits, but we're encouraging traders to try us out without having to pay that for a while," says Graham Green. "Once they see the system's benefits and the quality of stock available, we're sure they will see it as a no-brainer."

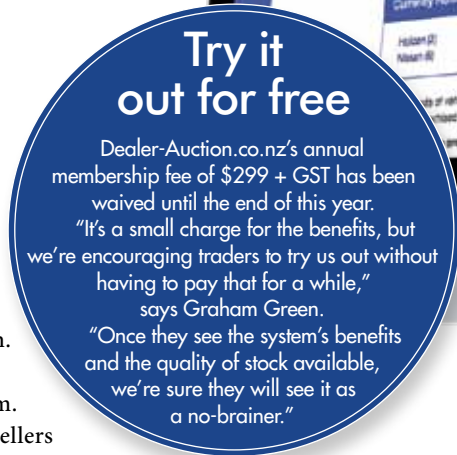
"Dealer-Auction.co.nz is a great way for franchises to dispose of trade-ins and for car dealers in the market to buy." – Graham Green

developed by two enthusiastic dealers in England from their home garage about six years ago.

They thought they would give this channel a go and were aiming to sell 50 units in a month.

After two or three years, the company was bought by Manheim and it's now selling 5,000 vehicles monthly.

Manheim is expanding the system. It started up an operation in Canada a few years ago, Australia went live two months before New Zealand and Spain is the latest to join.



"Dealer-Auction.co.nz is a great way for franchises to dispose of trade-ins and for car dealers in the market to buy." – Graham Green

Meet the Dealer-Auction.co.nz team



Craig Ross
Managing Director



Graham Green
Business Development Manager



James Thompson
Negotiator



Declan McCarthy
Negotiator



Daniel Hood
Negotiator



www.Dealer-Auction.co.nz



Minister backs electric cars

The Minister of Transport believes electric vehicles (EVs) can play to this country's strengths with New Zealand having a 79 per cent renewable electricity system.

Simon Bridges, who also holds the energy and resources portfolio and is Associate Minister for Climate Change Issues, says EVs can be an important part of the mix.

The comments came during his speech at the official opening of New Zealand's first BMW i dealership in Newmarket, Auckland, on November 11, which was also attended by Nina Englert, managing director of BMW Group NZ and Ian Gibson, dealer principal of Team McMillan.

Bridges said: "In relation to new vehicle purchases in New Zealand, 60 to 80 per cent are done by fleets.

"I acknowledge Mighty River



From left, Nina Englert, Simon Bridges and Ian Gibson

Power making a clever and economically right decision to go EVs over the next two or three years.

"I think you're going to see more businesses in New Zealand do that and quite rapidly because EVs make sense reputationally, environmentally and economically."

The minister said he was going to start monitoring sales levels

of EVs in New Zealand closely.

"That number started at zero not long ago. Halfway through this year, it was 271 EVs sold in this country. The Ministry for the Environment has since said it could be 500 by the end of this year.

"The only problem is if you have enough of them to sell in New Zealand. I hope you remedy that issue as soon as you can.

"I'm confident we will get into the thousands and then tens of thousands in the medium to long term."

PRICE OF RANGE CONFIRMED
Englert told guests at the event that BMW's i range represented a "world-leading and innovative solution for sustainable personal mobility".

She said the marque only had a new i8 in the country for the past few weeks, and described it as "dynamic, exciting and delivering the feeling of a real sports car".

As part of the launch, the cost of the range was announced. The i3 has a driveaway price from \$83,500 and the i8 starts at \$278,000.

"We consider this to be competitive for what are all-new models designed from the ground up with leading-edge technology," said Englert. ▶

AUTO LOGISTICS LTD

Nationwide delivery with depots in:

- Auckland • Palmerston North
- Napier • Wellington
- Christchurch • Dunedin



SPECIALIST SERVICES

- Transporting all types of vehicles • Vehicle storage
- Enclosed transporters • Vehicle distribution management
- MPI & Customs Facilities • Security & confidentiality

'Our Service, Your Solution'

Phone: 09 622 0909

www.autologistics.kiwi

Car sales outstrip finance

Motor Trade Finances Ltd (MTF) says growth in demand for funding has performed modestly compared to vehicle sales over the past year.

It reports Personal Property Securities Register (PPSR) registrations increasing by four per cent compared to a 22 per cent jump in automotive sales.

Managing director Angus Bradshaw and chairman Stephen Higgs say the past two years have provided sales growth for MTF in an economy buoyed by consumer and business confidence.

"We anticipate growth to continue, perhaps at levels that are more subdued.

"MTF will target growth in quality lending on vehicle assets through expanding dealer and franchise distribution, and retaining existing customers.

"The board and management are confident that technology, secure funding and a focus on

service will enable MTF to prosper."

Their annual report adds a steady increase in the company's market share confirms its distribution strategy is delivering desired outcomes.

Profit before commission and fair-value movements went up to \$42.3 million during the 2014 financial year thanks to interest margin, asset growth and funding efficiencies. Underlying profits after tax dropped by \$300,000 to \$6.7m.

Commission to shareholder originators increased by eight per cent to \$31.6m. Total amounts paid to MTF originators went up by 1.8 per cent to \$50m. Sales climbed by 30 per cent to \$415.5m and franchises increased from 30 to 35.

Market share – measured by PPSR registrations – was 12.7 per cent in October, while sales in the first two months of this financial year provide "confidence for a good result in the first half of 2015". ▶



The mist rises as the wraps come off BMW's i3 and i8



Nina Englert making her speech



The i8 in its showroom setting with doors open

More pictures online

The opening of the BMW i dealership was first reported by Autofile Online.

Visit www.autofile.co.nz for a gallery of photos from the night and more of Nina Englert's views.



Guests exploring the BMW i dealership in Newmarket

◀ “They are tailor-made innovative vehicles, constructed from a clean sheet and as such are literally born electric.”

In terms of range and performance, the i3 available here has a small two-cylinder 650cc range extender fitted as standard and a range of about 340km – the equivalent of driving from Auckland to National Park.

The two-seater i8 has a three-cylinder 1.5-litre engine that provides drive to the rear axle. When working in tandem with the forward-mounted electric engine, it offers a range of around 600km.

The four to five-seater i3 can accelerate from 0-100kph in 7.9 seconds, while the i8 makes the dash in 4.4 seconds.

The vehicles are built at a dedicated plant in the eastern German city of Leipzig and are being restricted to only a few markets because of strong global demand.

Fewer than two dozen of the two plug-in hybrids will be sold in the coming year – and those are going to buyers who have already ordered them and paid a deposit. ☺

◀ Administration expenses included \$1.1m incurred to defend Commerce Commission proceedings and \$400,000 for a special meeting “called by a small group of shareholders and the approach from Heartland”.

Total assets increased by \$100.9m. Assets under management totalled \$571m compared to \$488m in 2013.

The company's ordinary dividend policy now targets distribution of 40-50 per cent of underlying profit after tax after any perpetual preference dividends.

Ordinary dividends paid for the year will total 11.2 cents per share compared to 4.4 cents in 2013.

Interim dividends totalling 3.3 cents per ordinary share were paid in January, April and July. On November 13, the directors approved a final dividend of 7.9 cents for December 1.

Total distribution for the period will be \$2.6m – up from \$1m in 2013 and 50 per cent of underlying profit. Perpetual preference share dividends totalling \$1.5m, up from \$1.4m, were paid.

ESTIMATE ON FEE COSTS
MTF says the overall amount its fees being judged as unreasonable in respect of 39 Sportzone loans will come in at less than \$10,000.

It notes the high court's recent quantification judgement in the Commerce Commission case doesn't quantify the amount by which the charges are deemed unreasonable in terms of the liability judgement.

Precise quantification needs more calculations to be done by the commission and finance company. They are almost complete, but subject to court consideration.

Bradshaw says: “On the basis of calculations – and pending consideration by the court – the aggregate amount by which the MTF fees in respect of 39 Sportzone loans would be said to be unreasonable would be less than \$10,000.”

He adds calculations are based on judgements that MTF considers to be incorrect with the appeal hearing set for November 19 and 20. ☺

Dealer Information Notice



MTA MEMBERSHIP INFORMATION

Cost National Subscription \$700 Excl GST & Branch fee		Interests of motor vehicle dealers a priority <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Brand Strong & nationally recognised	Year Since 1917	Capacity 4000 members	
MTA is NZ's largest dealer representative group: Franchise dealers, used dealers, motorcycle dealers, and truck dealers			
Mediation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Market analysis - regular, accurate and detailed		
HR Advice <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Advocacy - pushing the causes for your industry		
MTA stationery <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Benefits - save money with key business partners		
IT Advice <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Business Managers	Range of newsletters	Need a mentor <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Industry research	Specialist training <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Business Advice <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

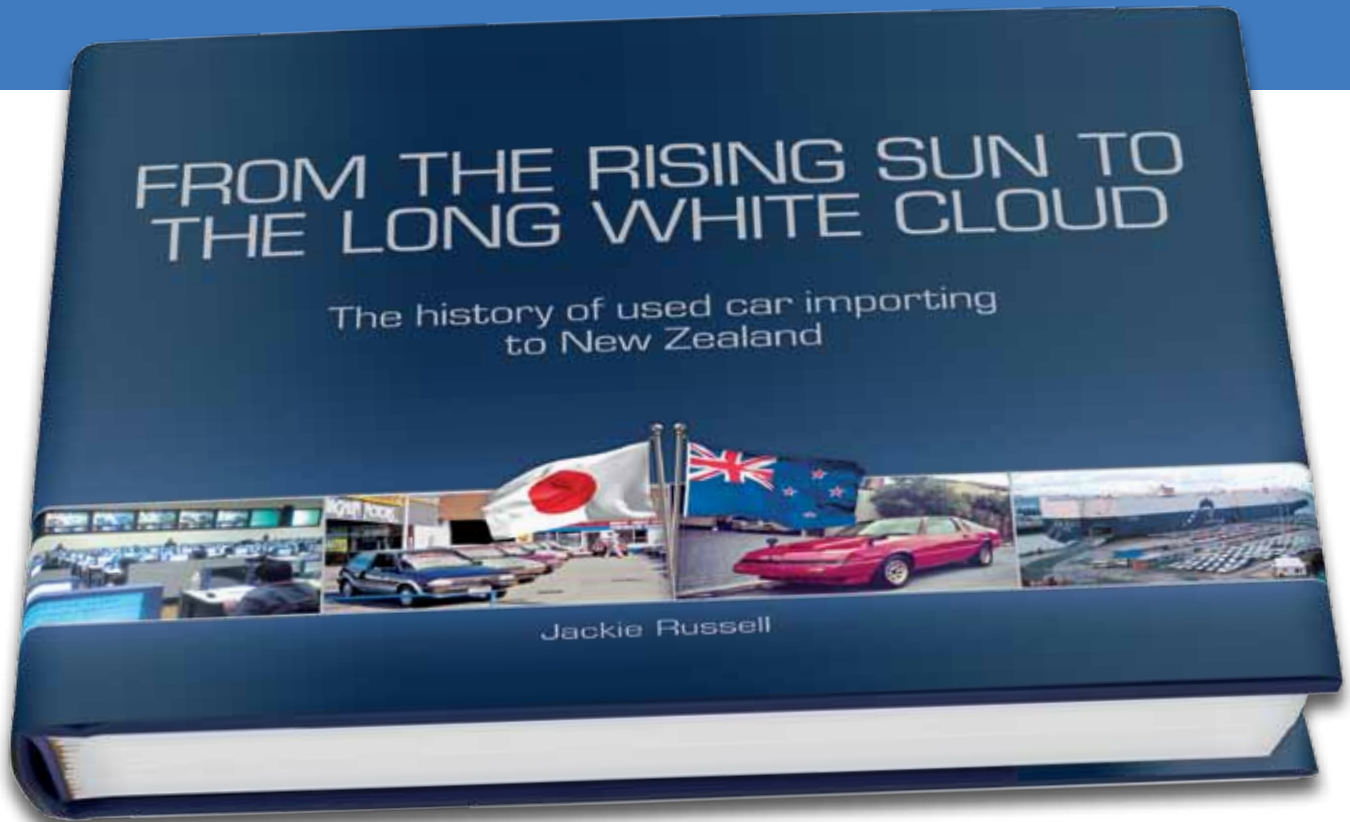
FURTHER INFORMATION ABOUT MTA

Website www.mta.org.nz	Events / get together	Free phone <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	------------------------------	--

CONTACT US

Tony Everett 04 381 8827

EVERY VEHICLE DEALERSHIP IN NEW ZEALAND SHOULD OWN THIS BOOK



The pioneering spirit of used imported car dealers, from the early days to modern era

What “they” threw at the industry to try to shut it down - the politics, the barriers, big corporates against small business

How the used import industry thrived - the fun, the antics and, most of all, the will to make a buck

Half-cuts, double invoicing, speedos, emissions, seatbelts, frontal impact, legislative change. It's the history of your industry and it's all in...

FROM THE RISING SUN TO THE LONG WHITE CLOUD

BUY IT NOW

To order visit autofile.co.nz/book and fill in the order form or call Brian McCutcheon on 021 455 775

Profits from the sale of the book will go to not-for-profit organisations

Online analysis with Google

Google Analytics has proven to be one of the most useful tools to measure online performance.

It is slowly defining the way we think and talk about the internet, and is an important tool for dealers considering utilising their websites as a primary sales avenue.

When it comes to your website, there is an endless amount of data that can be captured for in-depth analysis.

I will go over some of these measurements in this article, but first I would like to give you a bit of background on how Google Analytics came to exist.

Google is in the business of generating large amounts of advertising revenue.

It also happens to be the most

popular website in the world. Along with other technology businesses, it dominates the podium for Forbes Top 10 companies by brand and value. Apple, Microsoft, IBM are still ahead of McDonald's and Coca-Cola.

The term "Google" is a creative spelling of "googol" – number 10 to the power of 100, a tribute to the almost endless amount of data on the web.

Google Analytics is a free tool provided by the company that helps measure the success of sites. It constantly measures your site for key performance indicators to allow you to create a successful website.

For example, gaining vehicle inquiries may be one of your goals.



DARREN MARMONT
Motorcentral

With Google Analytics, you can assess how many visitors are required to gain that inquiry – allowing you to calculate a viable online marketing budget to achieve the right lead generation for success.

Google Analytics offers an array of numbers, tabs, filters, comparisons, conversions, graphs and charts designed to help your site perform better.

Dimensions that describe data, such as your traffic and audience, include:

- ▶ How they find your dealership website – browser information.
- ▶ Where they come from – referral sites and links.
- ▶ What they do when they get there – exit page, duration of stay and so on.

Metrics that measure data include what their behaviour was, quantitative numbers and averages, such as "bounce rates".

Among the many measurements, the bounce rate is an easy and popular one to understand.

It refers to the percentage of visitors who go to your site and then leave without viewing any other pages than the one they landed on. As you would imagine, we want this measurement to be low.

The longer people are on your website and the more pages they view, the higher the likelihood they will contact you for more information or – better

than that – to make a purchase.

Pages to focus on are finance, support for out-of-town buyers and testimonials.

Another strong indicator for a high bounce rate is a potential lack of mobile optimisation. If visitors cannot navigate easily, they may also bounce straight away.

Website duration is another important indicator. If people aren't spending the time on your site, it probably means it isn't engaging enough or they are unable to find the information they want quickly.

This could be down to ease of navigation, such as finding information easily, or content isn't capturing their attention enough.

A good target for duration will of course depend on the size of the website, but aiming for more than four minutes is a great initial target.

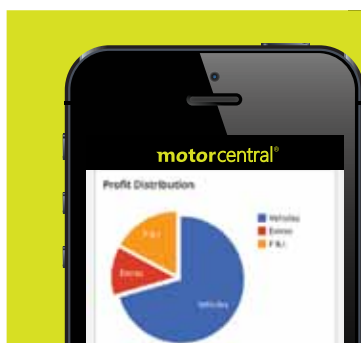
There are many that get closer to six to eight minutes and their conversion rates are much higher.

Google Analytics can be exciting when results go your way. We barely touch the surface here, but your site provider should be able to help get you on the right track.

Remember, sharp website design is only half the journey. Simplistic content is needed to back it up. Then its measurement through Google Analytics will ensure you can constantly improve it. ☺

Darren Marmont has a passion for website design and good content. For help in understanding your site better, email him at darren@motorcentral.co.nz

Google Analytics offers an array of services designed to bolster the performance of websites



Access your dealership anywhere.

Get your most important DMS information on your mobile phone. Work when you want, where you want - it's that simple.

PHONE US ON 0800 623 687 FOR A FREE NO OBLIGATION DEMO.

www.motorcentral.co.nz

TRUSTED IN NZ BY
270+
DEALERS

FASTER. EASIER.
SMARTER.

Big investments bolster growth



Timaru is booming on the back of a strong primary sector and an expanding port that's driving exports overseas with locals benefitting from a surging jobs market.

More than 4,000 positions have been created in the city over the past 10 years, while the area has consistently remained below the national unemployment rate.

Currently, it's five per cent in Timaru – 1.6 per cent below the New Zealand average of 6.6 per cent.

While it's great so many people have jobs, it does put some pressure on the availability of staff, says Roger Patterson,

director of Henshaw Quality Cars.

There are 800 people on jobseeker's benefit in Timaru, but the issue – as is the case in other parts of the country – centres on finding people with the right skills for vacancies when they come up.

With the earthquake rebuild well under way, workers have also left the city for emerging opportunities in Christchurch, which is 157km up the road.

"This is creating a kind of domino effect," says Andy Wilson, branch manager of South Canterbury Toyota in Timaru.

"A lot of contractors have gone to Christchurch and left a bit of a hole because there's a building boom here. It's not only builders, but also plumbers, electricians and related services."

Despite this shift in manpower,

"Tauranga is a hub and we can feed that from Timaru by sea, so it brings in a new logistics chain"

- Roger Gower, chairman of PrimePort Timaru



building consents have soared this year – they have gone up by 7.8 per cent to 1,375 from 1,275 in 2013.

"Local tradespeople have expanded their businesses and some have closed here before reopening in Christchurch," adds Wayne Pateman, dealer principal of Timaru Motors, which holds franchises for Ford and Mazda.

A report by economic research firm Business and Economic Research Ltd predicts the district will lose about 400 residents over the next decade, which will put further pressure on staffing shortages in the city.

PORT PRIMES CONFIDENCE

A shipping deal made between PrimePort Timaru and the Port of Tauranga will see activity in Canterbury reach an all-time high and this is helping to bolster business confidence.

PrimePort says the agreement positions it as the prime central hub of the South Island. It acts as a feeder to the Bay of Plenty facility, which is dredging shipping channels so they are big enough for the next generation of larger container vessels.

"Tauranga is a hub and we can feed that from Timaru by sea, so it brings in a new logistics chain," explains Roger Gower, chairman of PrimePort.

"Larger ships and other lines serving Tauranga we will be able to feed those from Timaru, which will give them direct connections to the world. We think it's a game-changing investment."

Used car sales for Timaru - Oct 2013 to Oct 2014

	PUBLIC TO DEALER	PUBLIC TO PUBLIC	DEALER TO PUBLIC	TOTAL	PUBLIC TO DEALER %	PUBLIC TO PUBLIC %	DEALER TO PUBLIC %
Oct '13	172	479	281	932	18.5%	51.4%	30.2%
Nov '13	176	494	280	950	18.5%	52.0%	29.5%
Dec '13	142	520	261	923	15.4%	56.3%	28.3%
Jan '14	160	547	238	945	16.9%	57.9%	25.2%
Feb '14	145	503	227	875	16.6%	57.5%	25.9%
Mar '14	130	606	215	951	13.7%	63.7%	22.6%
Apr '14	141	522	200	863	16.3%	60.5%	23.2%
May '14	176	576	262	1014	17.4%	56.8%	25.8%
Jun '14	114	523	192	829	13.8%	63.1%	23.2%
Jul '14	160	568	275	1003	16.0%	56.6%	27.4%
Aug '14	132	557	231	920	14.3%	60.5%	25.1%
Sept '14	170	504	273	947	18.0%	53.2%	28.8%
Oct '14	150	513	238	901	16.6%	56.9%	26.4%
Annual total	1796	6433	2892	11,121	16.1%	57.8%	26.0%
Change on Oct 2013	-12.8%	7.1%	-15.3%				
					National YTD average		
					18.5%	56.9%	24.6%

Timaru's vehicle sales - Oct 2013 to Oct 2014

	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS
Oct '13	78	45	9	40
Nov '13	70	57	3	40
Dec '13	73	50	7	39
Jan '14	88	68	2	39
Feb '14	72	56	9	33
Mar '14	88	68	14	46
Apr '14	87	67	3	30
May '14	118	61	8	48
Jun '14	86	57	6	65
Jul '14	101	62	8	45
Aug '14	119	53	6	48
Sept '14	111	80	9	52
Oct '14	92	55	6	49
12-month total	1105	734	81	534
NZ sales - past 12 months	124,837	89,579	7670	36,042
% of national sales	0.9%	0.8%	1.1%	1.5%
Change on Oct 2013	31.4%	-3.5%	100.0%	22.5%
POPULATION	NEW ZEALAND	TIMARU	%	
	4,242,051	43,932	1.0	



Dealer principal Wayne Pateman at Timaru Motors' site



Andy Wilson, of South Canterbury Toyota



The sales team at South Canterbury Toyota

◀ The effect of this on the automotive industry has created more consumer confidence, comments Pateman.

"It hasn't made any difference on the supply of vehicles, but has attributed to confidence in the region with people making more purchases."

DAIRY AND BUILDING BOOM

Fonterra has plans to build two new dryers at its plant in Studholme, south of Timaru, and will be spending about \$800 million on the project.

While it will take about 10 years to complete, it is expected to create more than 250 local jobs – as well as several hundred

during the construction phase.

"If you talk to people in the rural sector, it's strong across the board and it doesn't matter what part of the industry they are in," Wilson told Autofile.

South Canterbury is one of the fastest-growing areas for the dairy industry, and that has been helped by new irrigation projects and the possibility of further expansion.

In turn, this is boosting sales of commercial vehicles, which came in 534 between October 2013 and last month.

"Although there has been a lowering in what Fonterra is paying farmers, confidence remains and they are still buying Ford Rangers," says Pateman.

Wilson says there are probably no real patterns to farmers' purchasing decisions, but they tend to renew their vehicles every two or three years.

"They do it when the revenues are there. When things are tighter, they spend money on reinvesting in their farms."

MOVEMENTS IN CAR MARKET

Used car sales in Timaru came in at 1,105 between October 2013 and last month, while the total for new was 734.

"It all comes down to if the dairy farmers are happy because this filters down," says Patterson. "There has been a bit of knock with milk prices and we have

seen that slow trade a little bit.

"Sales seem to be fluctuating wildly, whereas going back a few years they were a lot more consistent.

"The full effect of the port is set to crank up in December and there's a lot more confidence out there. But, as I say, we go from virtually a record month to a quiet one."

Pateman is anticipating growth in the new vehicle market will remain relatively similar to 2014 next year. "I predict 2015 will be much the same. It will not have the same amount of growth as 2014, but I don't think business will drop."

Wilson adds: "Provided the infrastructure is there and interest rates are relatively low, there will be more consistency – that's for sure." ☺

Finance firm's collapse

Timaru was hit hard by the collapse of South Canterbury Finance (SCF).

It was New Zealand's largest locally owned finance company when it went under in 2010, which triggered a \$1.6 billion bail-out of investors' deposits by the government.

The city's retail sector struggled during this period as consumers held back spending.

"After the collapse, the economy was a real struggle in all sectors," says Wayne Pateman, of Timaru Motors. "People were unsure whether they were going to get their investments back."

"A lot of older people lost money in finance companies," adds Roger Patterson, of Henshaw Quality Cars. "At least with SCF, the government bailed them out."

With the government's payouts to SCF investors and the dairy sector booming, the outlook is getting much better in Timaru with the statistics painting a good picture for the future.

"People are more confident,"

says Pateman. "The government pay-out for SCF investments definitely helped the community."

Two former SCF heads were cleared of any wrongdoing in what has been dubbed as the "biggest fraud in New Zealand's history".

Ex-chief executive Lachie McLeod and a former director, accountant Robert White, were found not guilty of all charges on October 14.

Former director and lawyer Edward Sullivan was found guilty on five of nine charges, including making false statements and misusing a document for pecuniary advantage.

Justice Paul Heath said as the global financial crisis began to bite, SCF grew and reacted in a "knee-jerk fashion". SCF showed a "less-than-orthodox approach" to debt impairment. But it couldn't cope with the growth.

Because of the crown's retail deposit guarantee scheme, 35,000 investors were bailed out with \$1.6b. Only \$800m was recovered. ☺



NYK VEHICLE EXPRESS SERVICE



Reliable fortnightly vehicle logistics service JAPAN to NZ

PORT TO PORT / DOOR TO DOOR to Auckland, Christchurch, Wellington, and Nelson

Full MPI inspection service from Kawasaki, Osaka, and Nagoya

NYK FREIGHT CO., LTD. + Marine Insurance available

FOR EFFICIENT CUSTOMER FOCUSED SERVICE CONTACT NYK

Auckland Branch 0800 695 546 Christchurch Branch 0800 695 2424
 email: nz_vehicleimports@oc.nykline.com

VEHICLES WANTED DEALERS BUYING NOW

FARMER AUTOVILLAGE
We like cars. But we love drivers.

SUBARU NISSAN Jeep CHRYSLER DODGE Audi VW SKODA HYUNDAI

**WE PURCHASE NZ NEW CARS AND COMMERCIALS
FOR ALL OUR FRANCHISES**

Brett Harris 029 293 1232
Brett@FarmerAutoVillage.co.nz www.farmerautovillage.co.nz

CentralMotorGroup.co.nz
FORD AND MAZDA DEALERS IN TAIPO

**ALWAYS BUYING
GOOD NZ NEW VEHICLES**

Call Guy Walker 021 992 048



317 THE VAN AND UTE SPECIALISTS

Buying: **Vans, Utes, Light Trucks.** Nationwide.

Contact Gareth 021660180 gareth@southcitymotors.co.nz www.317.co.nz

TO ADVERTISE HERE, CONTACT:
advertising@autofile.co.nz or ph 021 455 775

SUV 'redefines' market

Ford's all-new seven-seater SUV has been launched in Beijing at a time when the global market has grown by almost 90 per cent since 2008.

The Everest will arrive in New Zealand in 2015, although the company is unable to confirm pricing or specifications. It will be available in rear and four-wheel-drive (4WD) depending on market demand.

It boasts an "intelligent" 4WD system, active transfer case with torque on demand, terrain management system (TMS), clearance of 225mm and wading capability of 800mm.

The TMS has four preset settings – normal, snow, gravel and grass, and sand and rock.

These alter throttle response, transmission, drive system and traction control. For extreme off-road conditions, the transfer case can be manually locked in low-range 4WD mode for extra control.

The Everest comes with a choice of three petrol and diesel engines mated to six-speed automatic or manual transmissions with availability to differ across markets.

A two-litre four-cylinder twin-scroll EcoBoost petrol engine will debut in Asia Pacific with projected best-in-class fuel economy and carbon-dioxide emissions. ☺



NEWS in brief

Rental operators provide safety advice for tourists

Guidelines are being rolled out by operators of rental vehicles to help teach overseas visitors about safety, with the Tourism Industry Association (TIA) working with the NZTA to develop them.

"They reflect good practice for communicating with drivers at three key stages – when they book, arrive to check out their rentals and on their journeys," says Steve Hanrahan, of the TIA.

"This ranges from providing links to road-safety videos and travel-distance calculators, to encouraging drivers coming off long-haul flights to rest overnight before picking up their vehicles and recommending they use GPS guides that broadcast safety messages."

Vehicle logistics company spreads festive cheer

AUTOHUB kicked off its Christmas roadshow by hosting a function in Orakei, Auckland, on November 14.

Chief executive officer John Davies thanked the company's suppliers and staff for their support, and said it was on track to import 44,000 vehicles this year.

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (IMVIA), said more than 130,000 used vehicles will be imported in 2014 – not an all-time record, but a big improvement on recent years.

He added there was nothing major on the horizon that might change the landscape for used imports entering this country.

Mandatory electronic stability control was coming and would be introduced over a favourable timescale, said Vinsen. Other matters down the line will be intelligent transport systems and electric vehicles.



Motor vehicle levy to be almost halved next year

The ACC levy component of the motor vehicle licence, excluding motorcycles, is being reduced by an average of 45 per cent from July 1, 2015.

The IMVIA suggests members recommend to their customers they minimise the number of months their vehicle is licensed at the old rate.

They can consider different licensing periods available, such as three or six months, to ensure they aren't paying the present rate past July next year.

Officers checking dealerships for label compliance

Energy Efficiency and Conservation Authority officers are visiting car traders in November and December to measure and help out with compliance matters.

Compliance for franchises is coming in at 95 per cent and at 91 per cent for used dealerships, which is described as a "fantastic result".

The authority says labels must be displayed clearly and prominently so they can be read from a reasonable distance. This means not behind dark windows, sale signs, on back seats and so on.

They must also be displayed on unregistered vehicles in showrooms and available by VIN or model code when no number plates are fitted.

Motorbike registrations increase across the board

Used and new registrations of all types of two-wheelers have increased, according to figures supplied by the Motor Trade Association.

New sales of 762 last month were up by 21 per cent compared to October 2013. They are up by nine per cent year to date at 6,122.

Sales in the used imported market rose by 49 per cent in October to 251 units. The year-to-date total is now 1,722 – up by 32 per cent. ☺

Added style and performance

Alfa Romeo's new Giulietta is now on sale in New Zealand with the choice of two new engines and extra technology.

The Distinctive variant is powered by an advanced 1.4-litre turbocharged drivetrain.

With 125kW of power and 250Nm of torque with overboost, it has the punch of a bigger engine.

Its compact size, light weight and efficiency return combined fuel figures of 5.1l/100km with 4.3l/100km on open roads.

It makes the 0-100kph dash in 7.7 seconds and has

a top speed of 218kph when matched to a self-shifting gearbox.

The Giulietta QV is powered by the drivetrain first seen with the 4C.

The four-cylinder, direct-injection, turbo-petrol engine delivers 177kW at 5,750rpm – and 340Nm of torque between 2,000 and 4,000rpm with 80 per cent available from 1,800rpm.

The QV can get from 0-100kph in six seconds and has a top speed of 244kph.

All versions of the Giulietta are

available with the advanced twin-clutch TCT gearbox.

This combines a conventional automatic with performance and economy that the marque says is better than the manual, with selection via steering wheel-mounted paddles or the gear lever.

The marque's Uconnect telematics system has its associated USB/aux ports relocated to a more convenient position in the centre console.

The system is operated through a five-inch colour

touchscreen or voice commands, and includes Bluetooth and wireless music streaming.

The new Giulietta has a recommended retail price of \$40,990 for the manual Distinctive and \$44,990 with the TCT. The QV is \$55,990 in manual and \$59,990 with the self-shifting gearbox.

A QV equipment pack for the Distinctive costs an extra \$4,000. All prices exclude dealer costs and delivery. ⊕



Alfa Romeo's new Giulietta Quadrifoglio Verde



Transforming vehicles

Mopar – Fiat Chrysler Automobiles' accessories, parts and performance equipment division – was out in force at the Specialty Equipment Market Association (SEMA) show in Las Vegas.

The company exhibited modified vehicles at last month's event, with each representing an interpretation of how buyers can personalise and transform their cars.

Among those unveiled was Jeep's Dakar, which the marque describes as "the most extreme Cherokee ever" because of its extra suspension modifications.

Front-end features are enhanced by two prototype inserts on Jeep's

traditional seven-slot grille, as well as through a lower-fascia trim.

The Dakar is fortified for off-road action with Jeep Performance Parts rock rails, an oil-pan skid plate, front suspension skid plate, two-piece fuel tank and underbody skid plates.

Wider fender flares with riveted bolts give a tougher appearance – and accommodate the wider track and larger tyres – while a rear fascia allows for more aggressive departure angle and enhances the higher ride height.

Visit www.autofile.co.nz for more on SEMA and an online gallery of vehicles launched at the event. ⊕



The Jeep Cherokee Dakar

VEHICLES WANTED

Mercedes Benz
Volkswagen
Nissan
Lexus
Kia



Toyota
Chrysler
Jeep
Dodge



We are always looking to purchase late model
NZ NEW CARS AND COMMERCIALS

PAUL CURIN 0274 333 303 pcurin@miles.co.nz



miles motor group



Vehicle Inspection Specialists

VINZ proudly bring you the IMVIA Technical Report

TALK TO THE TEAM YOU CAN TRUST: 0800 GO VINZ (0800 468 469) / email: info@vinz.co.nz / www.vinz.co.nz

Are electric vehicles really greener?

With the recent headlines about electric vehicles (EVs), I wanted to take a moment to discuss their environmental benefits to New Zealand by asking this question – are they really greener?

There are two primary concerns to think about when answering this.

The first and less obvious consideration is the cost to the environment for the production and manufacture of the vehicle. This has been referred to as EVs' "dirty little secret".¹

The second, and more obvious, concern is the necessity to generate electricity for the car to store and use on an ongoing basis.

Both concerns are primarily dependent on the sources of fuel for power generation.

EVs currently require more resources to produce than an equivalent petrol vehicle.

One large reason for this is the battery. Estimates of the production cost of EVs spread across the life of the vehicle's battery – approximately 150,000km – range from 50g CO₂/km to 90g CO₂/km.²

For simplicity, I assume an average of 70g CO₂/km. Estimates of the production of petrol vehicles are more established, so spreading that across 150,000km is about 40g CO₂/km.

In addition to the production values established above, EVs pull electricity from the grid and store it for use while driving.

The amount of equivalent emissions produced is reliant on two things – the efficiency of the

car and how green the power being provided to the grid is.

For instance, assuming EVs that get 21kWh/100km, which is similar to the 2012 Nissan Leaf,³ a vehicle in Australia would get the equivalent of 9.1l/100km whereas a vehicle in New Zealand would attract the equivalent of 2.7l/100km.⁴

The reason for this difference is obvious when you compare the power generation by fuel type of each.

- ▶ Electricity generated in Australia in 2012 was approximately 75 per cent coal (50 per cent black and 25 per cent brown), 16 per cent natural gas, six per cent hydroelectricity and three per cent wind.⁵

- ▶ The same form of power generated in New Zealand during 2013 was about 53 per cent hydroelectricity, 19 per cent natural gas, 14 per cent geothermal, and five per cent from both coal and wind. It is also important to note



KIT WILKERSON
IMVIA policy analyst and adviser

these values include the base production costs.⁶

The equivalent emissions for operation, minus that of production, would be 45g CO₂/km for New Zealand and 220g CO₂/km for Australia – a huge difference.

There are, however, even more reasons to be excited about the possibility of EVs.

As production increases, manufacturers will find cheaper as well as more efficient means and materials.

Similarly, there's a lot of research going into battery design with the goal of decreasing costs while also increasing the lifespan and efficiency of these power packs.⁷

Every step that can be taken in this direction either directly decreases that 70g CO₂/km base production cost or, to the same effect, spreads it across a greater lifespan.

If manufacturing these cars were to occur in more environmentally friendly jurisdictions, effective efficiency could be increased even further.

Looking at those issues from the

other side, many countries have active initiatives aimed at making their national power grids greener, and this will only increase the validity of the argument for EVs as they come to fruition.

To me, it's obvious that whether the introduction of these vehicles reduces emissions is entirely based on the manner in which the power for the grid is produced.

Countries that rely on dirtier power production will have limited, or even negative, return when compared to higher-efficiency petrol vehicles.

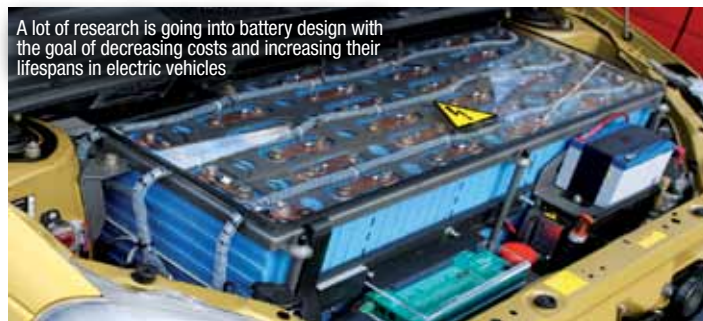
Some countries, such as New Zealand that utilise more renewable and green means of power generation, can benefit greatly.

EDITOR'S NOTE

Autofile would like to welcome Kit Wilkerson for his first column in the magazine. It certainly sheds more light on what is a very hot topic for the industry at the moment.

If you would like to find out more from his terms of reference, you can refer to his sources. Cross-match those below to where they appear in his article to find out more.

- 1 <http://online.wsj.com/articles/SB10001424127887324128504578346913994914472>
- 2 <http://shrinkthatfootprint.com/electric-cars-green>
- 3 http://en.wikipedia.org/wiki/Electric_car
- 4 <http://shrinkthatfootprint.com/electric-cars-green>
- 5 http://www.esaa.com.au/policy/data_and_statistics-energy_in_australia
- 6 <http://www.med.govt.nz/sectors-industries/energy/energy-modelling/publications/energy-in-new-zealand>
- 7 <http://www.bbc.com/future/story/20140331-electric-cars-biggest-threat>



A lot of research is going into battery design with the goal of decreasing costs and increasing their lifespans in electric vehicles



SPECIALISTS IN PRE-SHIPMENT INSPECTIONS

- ✓ Full Border Inspections
- ✓ Biosecurity Inspections
- ✓ Structural Inspections
- ✓ Odometer Verification
- ✓ Pre-export Appraisal
- ✓ Vehicle History Reports

JEVIC NZ

09 966 1779
www.jevic.co.nz

Training essential to be competitive

Where do you put training on your list of business priorities and who should you invest your training budget into? Training should be a top priority for both yourself and your staff.



RAY MEHARG
National sales manager
Protecta Insurance

Is your business manager presenting all of the products all the time? Are you sure and how do you know? Do you use disclaimers that each customer has to sign?

Protecta Insurance believes training is critical and we continually invest

Another question you should be asking is how do you choose what training course to sign up to?

The motor vehicle industry is changing – and changing fast with new technology, compliance and regulations – so how do you conduct business and keep abreast of the changes?

As business people, you have to stay up to date right across time-consuming and complicated legislation with little help from outside supporting groups.

On top of this, the ongoing development of after-market products has seen products improving and changing consistently.

It is important to stay in tune with what to use and what not to use, while it's important to remember that cheap isn't always the best option.

Ask yourself a range of questions.

When was the last time your groomers went on training courses?

Are you across current legislation? Do you know what is coming up and do you know what you need to do?

What may you need to change in the near future? Do you know what changes in the law have the potential to change your business?

Are your staff members saying the right things to your customers?

in our staff to ensure we are ready for any opportunities or legislative changes.

We are members of the Financial Services Federation, which we work closely with, the Insurance Council of New Zealand and the Ministry of Business, Innovation and Employment to try to ensure upcoming legislation changes that will affect the automotive industry are fair and reasonable.

The benefit of spending time and effort on such matters is that we're able to influence changes to legislation and share our knowledge with customers to ensure their ongoing compliance with them.

It's important for you to be up to date, but it's more important you are ahead of the game and preparing for changes.

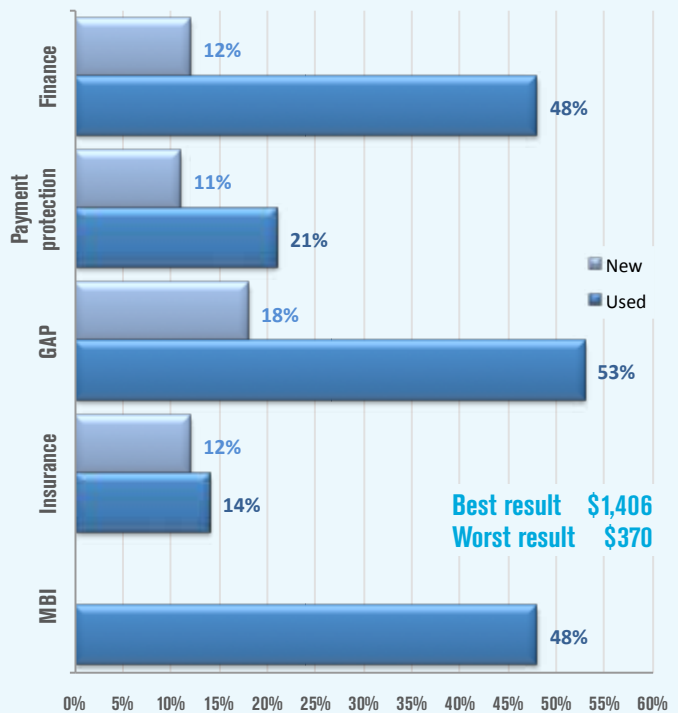
There are some things you can't plan for, but there are plenty that you can.

In 2015, Protecta Insurance will be offering bi-monthly training for your business managers – and any employees who handle the sale of finance and insurance.

So, for all of your training needs, just give us a call. We're happy to share our knowledge and experience – and it's free. ☺

“We try to ensure upcoming legislation changes that will affect the automotive industry are fair and reasonable.”

PROTECTA Nationwide F&I results October 2014



Adding value to your business

- ✓ Knowledgeable people that understand your business
- ✓ Best training to increase sales and profit
- ✓ Supporting dealers for over 25 years

We're happy to share our experience.
Find out more today.



Contact Erin Mills
Business Coach, Protecta Insurance
Email: erin.mills@protecta.co.nz
Phone: 0800 776 832



Dealer advised to carry out repairs and ordered to pay consequential losses

Background

Abhay Sharma bought a 2004 BMW 318i for \$9,012 from Babylon Enterprises Ltd, trading as Babylon Autos, which had an odometer reading of 145,723km at the time.

He rejected the car on the grounds it had serious and ongoing mechanical issues, but the dealer didn't accept this.

The case

Sharma entered into a vehicle offer and sale agreement to buy the car on March 22, 2014, and also purchased an Autosure mechanical warranty for \$851.

He travelled from Wellington to Auckland to collect it. He and his partner, Jessie Eagle, then drove to Napier and stayed the night.

Sharma noticed oil in the cooling system the next day, so he consulted the trader and the vehicle was then towed to Jeff Gray European in Hastings.

He hired a car to get back to Wellington at a cost of \$349 with the dealer contributing \$175.

Sharma was without the car for a month and, after negotiation with the trader, the repairs were carried out by Jeff Gray.

The dealer paid the invoice of \$3,378 when the odometer was on 146,534km. A blown head gasket was replaced, along with head bolts and a new radiator.

Eagle drove the car to Napier on May 31. Before she was going to drive it back to the capital on June 2, her father noticed oil in the cooling system.

Sharma concluded it had the same problem before it was repaired. He contacted Ali Ramadan, the dealer's director, who advised him to get in touch with Jeff Gray.

Ramadan did this because from what Sharma told him it was related to the original problem. His view was that if there was a problem with the repair, Jeff Gray should remedy it.

Sharma and Eagle incurred extra expenses when she had to fly home at a cost of \$306.

The car was towed to Jeff Gray on June 5 and Sharma received a diagnosis on June 11.

He rejected the car under the Consumer Guarantees Act (CGA) on June 9 on the grounds it had a serious fault and, in particular, the problem that had occurred in late March hadn't been remedied.

Jeff Gray diagnosed a faulty oil cooler and said this was unrelated to the earlier repair. The estimate came to \$851, which included \$216 to find the problem and \$145 to tow the car.

Cleaning and flushing the cooling system, and removing and installing the oil cooler, was estimated at \$489.

The finding

The tribunal ruled the first problem – the engine failure – breached the CGA's guarantee of acceptable quality with major repairs costing almost of half the car's purchase price.

The second also failed the guarantee. It occurred within three months of purchase and after about two months' use.

The tribunal was satisfied a reasonable buyer wouldn't expect to complete cooling system repairs so soon after supply.

The first failure was substantial because a reasonable buyer knowing of the problem wouldn't have purchased it.

But it wasn't satisfied the second was substantial. The cost of this repair wasn't high at \$705, while cleaning and flushing the system in a car of this age and mileage wasn't significant.

Section 18 of the CGA has remedies for buyers in respect of failures in the guarantee of acceptable quality.

When the failure can be remedied, the consumer may require the supplier to fix it within a reasonable time.

When a supplier, who has been required to fix a fault, refuses or neglects to do so or doesn't succeed to do so within a reasonable time, the buyer can have it remedied elsewhere and obtain from the supplier all reasonable costs in doing so – or reject the goods.

When the failure cannot be remedied or is substantial, the consumer may reject the goods or obtain damages in compensation for any reduction in value below the price paid.

The buyer may also obtain from the supplier damages for any loss or damage resulting from the failure, other than loss or damage through reduction in value of the goods reasonably foreseeable as liable to result from the failure.

In this case, when Sharma asked the trader to remedy the first failure, it did so by paying for Jeff Gray's repairs.

The tribunal noted because this failure was substantial, it would have been an option to reject the car because of that.

Having elected to have the dealer repair the problem, Sharma

The case: The buyer rejected a 2004 BMW claiming it had ongoing mechanical problems, but this was disputed by the dealer.

The decision: The tribunal ruled that the purchaser rejected the vehicle before he or the trader knew the cause of its second failure. It was wrong to assume this was related to a previous problem, but the trader had to pay the buyer \$626 in losses.

At: The Motor Vehicle Disputes Tribunal, Auckland.

could not now reject the car because of that failure because remedies set out in section 18 of the CGA cannot be exercised sequentially.

Sharma was, however, entitled to claim consequential losses pursuant to section 18(4) and the balance of rental car costs fell into this category.

The remedy available to him for the second failure – the cooling system – was to require the trader to fix the problem.

Only if the dealer refused or neglected to deal with the issue would he be entitled to reject the car.

In this matter, Sharma rejected the vehicle before he or the trader knew the cause of the second failure and on the mistaken understanding it related to the first problem.

The rejection on that basis was invalid, but he was entitled to recover consequential losses – the air fare for Eagle to fly back to Wellington and towing the car to Jeff Gray.

If the trader didn't undertake repairs, Sharma would then be entitled to reject it.

Orders

The application to reject the car was dismissed, but trader had to pay the buyer \$626 for consequential losses. ☺

GET THE LATEST IN AUTOMOTIVE NEWS

Buyer's son became 'obsessed' with obtaining undertaking for refund

Background

Anil Kumar, of South Auckland, bought a 2001 Mitsubishi Dion from Sel Jones Cars in Birkenhead on the North Shore on April 27, 2014.

He wanted to reject it because the engine was cutting out and misfiring, and the trader failed to fix it.

The dealer said the car was faulty, but Kumar refused to return it for repairs. It was willing to remedy the problems at its expense.

The case

Kumar bought the car for \$3,150 when the odometer was on 109,280km.

When he test drove it, the engine wasn't running smoothly, but the trader's director – Mr S Jones – told him that was probably because it was cold.

Mr S Arora, Kumar's son, gave evidence that within a week he phoned Jones to tell him it was cutting out and misfiring.

Arora took the car to two mechanics. The first one said the cause was likely to be the throttle body and the second one suggested the coils might be faulty.

He contacted Jones in June. He said his mechanic had diagnosed the fault and it would cost about \$450.

They agreed to split the cost with the buyer paying \$225 and the trader the balance.

Jones told Arora he used Kaipatiki Bridge Automotive in Beach Haven. The car was taken there on June 29 and Arora collected it on July 4, but found the fault hadn't been fixed.

The mechanic insisted it had been remedied and Kumar should drive the car hard for two days.

Kumar paid \$225 of the \$537 invoiced to the trader.

The work included removing and checking all coils and replacing number-three coil with a second-hand one, sending the graphic device interface computer for repair, cleaning the intake manifold and checking the electrics.

Kumar emailed the trader on July 7 to say the engine was still misfiring and stalling.

He requested the car be fixed by 4pm on July 9, but was unwilling to take it back to Kaipatiki Bridge Automotive.

The trader acknowledged it was its responsibility to fix the problem and it arranged a loan car.

More emails were exchanged in which the dealer confirmed it would repair the vehicle at no cost, but Kumar didn't return it.

On June 8, Arora wanted to know what would be done if it wasn't fixed on the second occasion by Kaipatiki Bridge Automotive. He added Kumar wanted a refund if it wasn't repaired.

He refused to return the car to the trader or its mechanic and insisted it should be collected. The dealer replied he would let the mechanic know of his wish to go ahead.

This prompted more emails with Arora insisting the dealer confirm in writing that if the vehicle wasn't fixed within a reasonable time it would agree to refund the purchase price and what Kumar contributed towards repairs.

The trader replied it didn't intend to involve itself in a refund because it would fix the problem.

On August 22, Kumar took the car to Auckland Motors when the odometer was on 115,249km.

It said the coils, plugs and

fuel pressure were good, the airflow sensor had steady readings and the fuel trim was one per cent.

The invoice suggested testing the injectors and decarbonising the upper engine. It stated there might be one injector faulty and other issues.

The approximate cost was \$900 plus GST for testing and decarbonising, and injectors were about \$500 each plus GST.

The finding

The tribunal was satisfied the engine had a fault. It probably needed decarbonising, and this might have involved removing and cleaning the cylinder heads.

In summary, the vehicle wasn't free of minor faults when sold because it wasn't as a reasonable consumer would regard as acceptable even for a 13-year-old car that cost \$3,150.

The tribunal ruled it didn't comply with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA) because it was faulty and lacked durability.

It thought the problem with the engine, which caused it to cut out and misfire, could have been remedied.

Kumar gave the trader a chance to do so when he took the car to Kaipatiki Bridge Automotive and gave it a week to fix the fault.

But it failed to do so and the issue was now whether Kumar gave the dealer a reasonable time to remedy it.

The tribunal accepted – from Auckland Motors' report – that rectification might not be straightforward, particularly if tests

The case: The purchaser rejected a car under consumer legislation because of engine problems within a week of supply and claimed the dealer failed to carry out repairs. The trader agreed to fix the vehicle, but said it wasn't returned for remedial work.

The decision: The buyer was ordered to return the car to the trader for it to rectify the engine at its own cost in a reasonable time.

At: The Motor Vehicle Disputes Tribunal, Auckland.

had to be done on injectors and the engine decarbonised.

Accordingly, the tribunal thought – on balance – Kumar should have given the trader a second opportunity to remedy the fault.

The dealer wanted that opportunity, but Arora appeared to become obsessed with extracting an undertaking it would refund Kumar if that second chance was unsuccessful.

He need not have pressed the point because he would most probably have been within his rights to reject the vehicle under the CGA if the trader failed to fix the fault the second time.

The tribunal ruled Kumar failed to give the dealer a reasonable time to remedy faults and should return the car so the trader could have one more chance to fix it at its expense.

It considered the mechanic should be able to rectify the fault within five business days. If the dealer failed to remedy it within such a period, Kumar could then submit a formal rejection.

Order

The buyer was to return it to the dealer to enable it to rectify the car at its own cost and within a reasonable time. ☺

Subscribe for FREE to Autofile Online and get up-to-date industry news
PLUS access to the Autofile industry directory

www.autofile.co.nz/subscribe

autofile
ONLINE

AROUND THE COUNTRY

October 2014

BIGGEST INCREASES/DECREASES BY TOWN YEAR-ON-YEAR

(OCTOBER 2014 vs OCTOBER 2013)

BIGGEST INCREASES

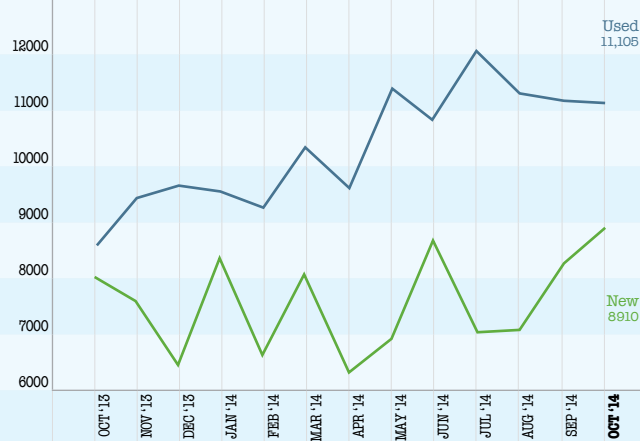
NEW		USED	
Rotorua	▲ 56.9%	Masterton	▲ 165.0%
Oamaru	▲ 22.2%	Whangarei	▲ 75.7%
Timaru	▲ 22.2%	Tauranga	▲ 60.7%

BIGGEST DECREASES

NEW		USED	
Westport	▼ 75.0%		
Greymouth	▼ 62.5%		
Thames	▼ 32.3%		

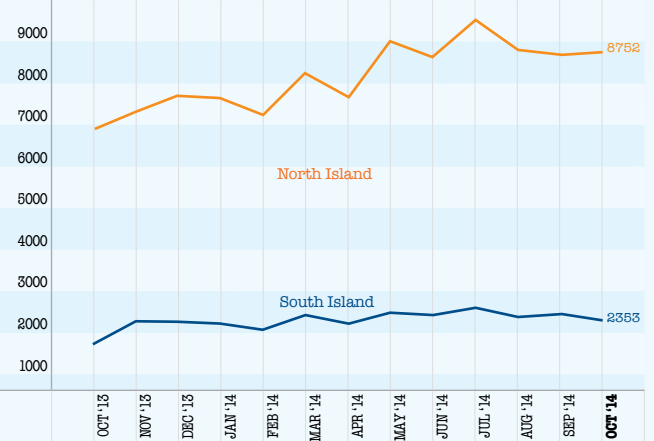
PASSENGER VEHICLE REGISTRATIONS

NEW versus USED

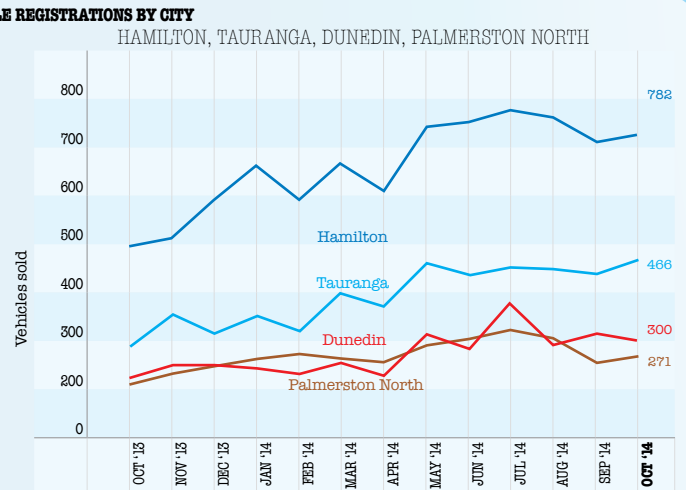
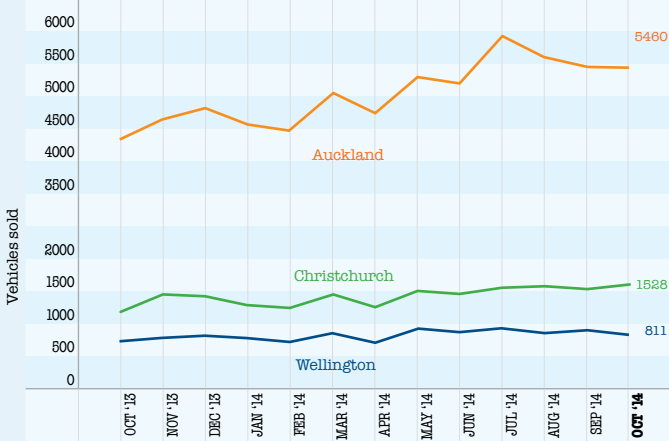


USED VEHICLE REGISTRATIONS

NORTH ISLAND versus SOUTH ISLAND



USED IMPORT PASSENGER VEHICLE REGISTRATIONS BY CITY



Mechanical Breakdown Insurance

Payment Protection Insurance

Loan Equity Insurance

Motor Vehicle Insurance

"The best protection for your customers"

www.autosure.co.nz 0800 267 873



Armacup^{NZ}

DEDICATED CAR CARRIERS

PORT TO DOOR SERVICE

INCLUDING:

- > NZ Customs clearance
- > Odometer certification
- > MPI Border inspection
- > Delivery Nationwide
- > Insurance
- > Digital Photography for prior sales in NZ

TWO SAILINGS PER MONTH JAPAN TO NZ

LATEST SCHEDULE

Port Calls	Morning Miracle V13	Liberty V9	Dream Diva V2	Morning Miracle V14
Osaka	17 Nov	2 Dec	16 Dec	2 Jan
Nagoya	18 Nov	3 Dec	17 Dec	3 Jan
Yokohama	19 Nov	4 Dec	18 Dec	4 Jan
Auckland	6 Dec	19 Dec	4 Jan	19 Jan
Wellington	13 Dec	26 Dec	11 Jan	26 Jan
Lyttelton	9 Dec	26 Dec	6 Jan	24 Jan

YOUR FIRST CHOICE IN SHIPPING

Phone **0800 ARMACUP (276 2287)**

email enquiries@armacup.com

www.armacup.com

Used imports tracking upwards

October turned out to be the third highest month of the year for the importation of used passenger vehicles – with the total so far for 2014 now coming in at 113,194.

Last month saw 12,928 used cars crossing our wharves, with only May and April notching up bigger amounts with 16,450 and 13,102 respectively.

October's total was also up by 1,725 units compared to September.

The year-to-date total of used imported passenger vehicles from Japan now comes in at 107,667 with last month's 12,322 units accounting for 95.3 per cent of the market.

Mike Mapperson, co-owner of Cooper Cars in Auckland along with brother-in-law Brian Sullivan, has just shifted the business from Grey

Lynn to Onehunga. He told Autofile this year has been "exceptional and out of the ordinary" so far.

Mapperson didn't expect it to be bad, but not as good as it has been, although October wasn't as good as September for sales.

He describes New Zealanders as among "one of the fussiest groups of buyers in the world".

"I don't buy anything below grade four and I'm more selective with the cars I choose.

"Probably taken over a long period, a grade-four vehicle used to be absolute pristine but it isn't anymore.

"Meanwhile, people in places such as Russia and Myanmar just want cars and they're not worried about what they look like."

When based in Grey Lynn, Mapperson noticed there were a lot

of returning Kiwis from Australia, the UK and sometimes the US.

"This is bound to have an effect on the market and there will always be those buyers who would like to save a perceived \$2,000 or \$3,000," he says on Gulliver entering the Kiwi market.

"But on the other hand, I don't see an awful lot of Kiwi buyers being prepared to wait six weeks for cars they can't see and I wonder what will happen to the trade-ins in the meantime."

Australia again took out second spot ahead of the UK for used import arrivals during the month of October.

A total of 268 units came from across the ditch for a market share of 2.1 per cent, while the UK notched up 1.3 per cent with its 172 units.

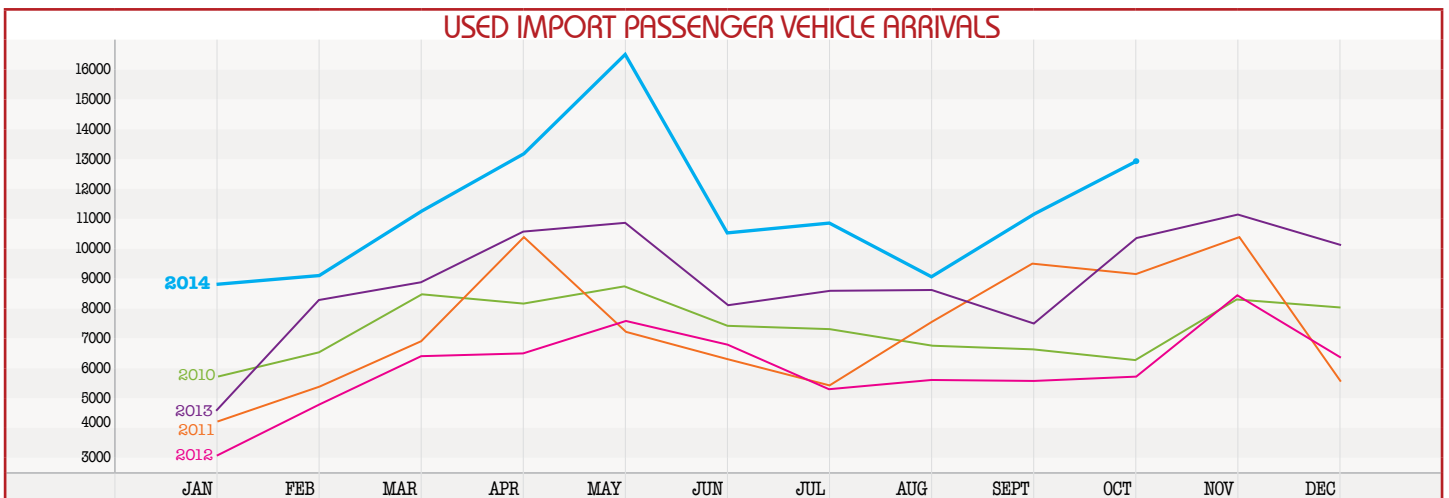
The only month this year that the UK came close to beating Australia was January, when 208 used cars were imported from both countries.

The year-to-date totals come in at 2,524 for Australia and 1,546 for the UK, while 1,070 used cars have so far been imported from the US.

Meanwhile, there were 772 used commercial vehicles imported in October, which was the biggest month of the year.

The vast majority – 720 – came from Japan followed by Australia on 25 and the UK on 15. So far this year, 5,192 used commercials have been imported into New Zealand.

Ports of Auckland's indicative forecast as of November 6 was for the arrival of 13 roll-on, roll-off vessels for both this month and December. ☺



Used Import Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2014											2014 TOTAL	2013		2012	
	JAN'14	FEB'14	MAR'14	APR'14	MAY'14	JUN'14	JUL'14	AUG'14	SEP'14	OCT'14	OCT SHARE %		2013 TOTAL	MRKT SHARE	2012 TOTAL	% TOTAL
Australia	208	264	238	263	285	263	236	233	266	268	2.1%	2524	1,990	1.9%	1,199	1.6%
Great Britain	208	133	142	151	165	125	136	133	181	172	1.3%	1546	2,908	2.7%	2,730	3.7%
Japan	8,268	8,599	10,695	12,544	15,858	10,044	10,195	8,527	10,615	12,322	95.3%	107,667	100,784	93.9%	67,442	92.6%
Singapore	15	19	19	29	17	18	22	27	14	30	0.2%	210	146	0.1%	154	0.2%
USA	81	60	148	104	105	89	141	124	103	115	0.9%	1070	1,205	1.1%	976	1.3%
Other countries	27	18	12	11	20	19	15	10	24	21	0.2%	177	251	0.2%	336	0.5%
Total	8,807	9,093	11,254	13,102	16,450	10,558	10,745	9,054	11,203	12,928	100.0%	113,194	107,284	100.0%	72,837	100.0%

Boom times for car dealers

October saw further rises in sales of second-hand cars with a total of 71,681 units changing ownership.

There were 17,904 sales from traders to members of the public, which was 24.98 per cent of all transactions. This compared to 17,427 in the same month of 2013 – an increase of 2.7 per cent.

Trade-ins also increased by 4.3 per cent from 12,734 in October 2013 to 13,282 last month, with public-to-dealer sales making up 18.53 per cent of all transactions.

Greymouth topped last month's ladder for the biggest proportional increase in trade-to-public transactions at 27.4 per cent, while Blenheim came second on 26.9 per cent.

Richard Bateman, of Richard

Bateman Motors in Blenheim, says this year has panned out well.

"We have been exceptionally busy right through from October last year, so it has all gone down well for another year," he told Autofile.

"Our customers are spending money instead of holding onto it and a lot of our stuff is bought with finance, so interest rates being down have helped out.

"We import from Japan and prices have gone up a little bit. It's just supply and demand. We don't have as many choices, so we just have to work a little bit harder."

Bateman also gets in New Zealand-new vehicles from other parts of the country – stock he believes will suit buyers in Marlborough.

"It's just a matter of filling

your market," he explains. "We sell 30 cars per month and hold 38 in stock."

He's expecting the market to ramp up heading into the summer. "Our busier time is generally when the sun comes because people come out then as well."

Mike Eastwood, of Eastwood Motor Group in Masterton, says: "We have been riding that wave with new vehicles and it has had a little effect on our sales of used stock.

"We are holding quite a few late-model used vehicles that we have traded.

"We need to look at how we entice our customers because there's lots of great stock out there."

"Nationally, the used vehicle market is pretty hard work now with Trade Me making it more difficult for everyone,"

says Wayne Kirk, of Wayne Kirk Mitsubishi in Napier.

"The public-to-public sales figures are a lot greater than dealer to public, which makes it quite difficult for traders."

Wayne Pateman, of Timaru Motors, says: "South Canterbury has always had vehicles for sale on the side of the road, but that doesn't seem to cause any issues for the local dealerships."

He adds there has been an increase in customers selling their vehicles on Trade Me instead of trading them in.

Myles Gazley, of Wellington's Gazley Motor Group, says: "The prices of new vehicles haven't seemed to make a difference on our used vehicles, although we are short of used car stock at the moment." ☺

SECONDHAND CAR SALES - October 2014

	DEALER-TO-PUBLIC			MARKET SHARE	PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER		
	OCT '14	OCT '13	+/- %		OCT '14	OCT '13	+/- %	OCT '14	OCT '13	+/- %
Whangarei	564	605	-6.8	3.15	1,838	1,625	13.1	256	269	-4.8
Auckland	5,891	5,735	2.7	32.90	14,181	13,361	6.1	4,745	4,388	8.1
Hamilton	1,453	1,527	-4.8	8.12	3,069	2,953	3.9	1,207	1,251	-3.5
Thames	231	200	15.5	1.29	525	462	13.6	103	73	41.1
Tauranga	945	853	10.8	5.28	2,035	1,897	7.3	607	538	12.8
Rotorua	267	262	1.9	1.49	680	633	7.4	129	124	4.0
Gisborne	160	165	-3.0	0.89	362	364	-0.5	97	105	-7.6
Napier	587	515	14.0	3.28	1,304	1,251	4.2	428	368	16.3
New Plymouth	422	467	-9.6	2.36	1,029	976	5.4	237	225	5.3
Wanganui	182	184	-1.1	1.02	398	421	-5.5	109	133	-18.0
Palmerston North	797	788	1.1	4.45	1,630	1,478	10.3	822	744	10.5
Masterton	181	151	19.9	1.01	330	329	0.3	90	82	9.8
Wellington	1,613	1,416	13.9	9.01	2,761	2,665	3.6	1,174	1,130	3.9
Nelson	349	359	-2.8	1.95	983	884	11.2	241	245	-1.6
Blenheim	217	171	26.9	1.21	383	379	1.1	106	115	-7.8
Greymouth	107	84	27.4	0.60	218	187	16.6	44	41	7.3
Westport	27	29	-6.9	0.15	104	83	25.3	-	1	-
Christchurch	2,399	2,433	-1.4	13.40	5,271	4,911	7.3	1,854	1,856	-0.1
Timaru	238	281	-15.3	1.33	513	479	7.1	150	172	-12.8
Oamaru	83	81	2.5	0.46	220	176	25.0	24	32	-25.0
Dunedin	781	685	14.0	4.36	1,774	1,554	14.2	563	514	9.5
Invercargill	410	436	-6.0	2.29	887	902	-1.7	296	328	-9.8
NZ total	17,904	17,427	2.7	100.00	40,495	37,970	6.6	13,282	12,734	4.3

- ✓ Consumer Guarantees Act 1993
- ✓ Motor Vehicle Sales Act 2003
- ✓ Sale of Goods Act 1908
- ✓ Fair Trading Act 1986
- ✓ Energy Efficiency and Conservation Act 2000

Compliance made simple... since 1999



Business deals up as private sales fall

Passenger Car Sales by Private/Business split - MIA statistics

MAKE	PRIVATE	% PRIVATE	BUSINESS	% BUSINESS	TOTAL
Alfa Romeo	5	29.4	12	70.6	17
Aston Martin	0	0.0	1	100.0	1
Audi	82	47.7	90	52.3	172
Bentley	1	100.0	0	0.0	1
BMW	85	42.7	114	57.3	199
Chery	23	85.2	4	14.8	27
Chrysler	8	53.3	7	46.7	15
Citroen	12	50.0	12	50.0	24
Dodge	28	48.3	30	51.7	58
Ferrari	3	100.0	0	0.0	3
Fiat	21	38.2	34	61.8	55
Ford	135	20.4	526	79.6	661
Great Wall	7	30.4	16	69.6	23
Holden	146	15.1	820	84.9	966
Honda	261	82.3	56	17.7	317
Hyundai	202	30.0	471	70.0	673
Isuzu	2	50.0	2	50.0	4
Jaguar	3	37.5	5	62.5	8
Jeep	39	29.5	93	70.5	132
Kia	95	38.9	149	61.1	244
Lamborghini	1	100.0	0	0.0	1
Land Rover	25	45.5	30	54.5	55
Lexus	21	38.2	34	61.8	55
Maserati	5	83.3	1	16.7	6
Mazda	234	37.7	387	62.3	621
Mercedes-Benz	68	50.4	67	49.6	135
MG	1	100.0	0	0.0	1
Mini	23	37.7	38	62.3	61
Mitsubishi	184	43.1	243	56.9	427
Nissan	151	47.5	167	52.5	318
Peugeot	31	39.2	48	60.8	79
Porsche	27	81.8	6	18.2	33
Renault	6	14.6	35	85.4	41
Skoda	22	25.9	63	74.1	85
SsangYong	29	32.2	61	67.8	90
Subaru	60	39.0	94	61.0	154
Suzuki	161	43.0	213	57.0	374
Toyota	317	13.2	2078	86.8	2395
Volkswagen	175	57.6	129	42.4	304
Volvo	12	37.5	20	62.5	32
Other	3	60.0	2	40.0	5
Total	2,714	30.6	6,158	69.4	8,872

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

Demand for business vehicles increased last month compared to September as private registrations dropped back.

Sales of passenger cars to businesses accounted for 69.4 per cent of the market on 6,158 units, which was a 15 per cent increase on the previous month's total of 5,343.

However, the number of sales to members of the public dropped by nine per cent when compared to September with 2,714 private registrations making up 30.6 per cent of last month's split.

Toyota led the market in October with 2,395 passenger vehicle sales. It had a split of 13.2 per cent of buyers being private and 86.8 per cent being businesses.

Holden secured second spot on 966 sales, with 820 business transactions accounting for 84.9 per cent of its total.

Hyundai was third with 471 business purchases coming in at 70 per cent of its 673-unit total.

Taking out fourth spot was Ford on 661 units, of which 526 – or 79.6 per cent – were business transactions.

Mazda was next and had the highest proportion of private registrations in the top five. It sold 621 units last month with 234 – or 37.7 per cent – being retailed to members of the public.

Toyota's Corolla was once again the top-selling passenger model with 14 per cent market share on 1,257 units. Its Yaris secured five per cent with 438 registrations.

Last month, the marque was

boosted by 936 Corolla rental sales – or 74.5 per cent of the model's total.

"The Corolla's success in October was down to a combination of those rental sales and our 2.5 per cent finance offer in the retail market, which created strong demand," says Steve Prangnell, Toyota NZ's general manager of sales.

Passenger vehicle registrations across the board went up by 11 per cent on October last year, with the Japanese marque securing 29 per cent of that market last month.

"The Yaris was number one in October's small car segment and its sales were on fire," Prangnell told Autofile.

"It was in the top 10 in government sales and rentals, and was also part of our 2.5 per cent finance campaign. Its overall sales climbed and, of course, it's a new model.

"The Yaris is now up by about 50 per cent for us and with 440 sales last month it was top in its segment and number four for the whole passenger market."

This year, Toyota's overall market split stands at 67 per cent business and 33 per cent private sales.

Out of those fleet sales, three per cent are down to government registrations, nine per cent are rentals and the rest are what Prangnell describes as "true fleet sales".

"Our sales are up in the private market and they are up by 12 per cent in that segment."

He expects Toyota to hold onto having four models in the top 10 at the end of this year. ☺



FROM THE RISING SUN TO THE LONG WHITE CLOUD

The history of used car importing to New Zealand

Rentals boost sales figures

As the tourism industry gears up for the summer season, the restocking of fleets by rental companies helped push the new vehicle market to its biggest October for sales since 1975.

Rental vehicle registrations increased to 2,601 units last month, with this segment rising by 23 per cent from 1,543 in October 2013.

Buyers of rentals were in the only purchasing segment that didn't drop in numbers during October – with private, business and government registrations down compared to the previous month.

There were 12,023 total registrations last month, of which 11,467 were light vehicles.

They included 5,752 cars, 3,120 SUVs and 2,595 light commercials

– with each coming in at 50.2, 27.2 and 22.6 per cent respectively.

Mike Eastwood, dealer principal of Eastwood Motor Group in Masterton, says: "Isuzu has been brilliant when it comes to our sales and we are selling the fourth most D-Max utes in New Zealand.

"The internet has switched on our market. Our business guru Aaron Pinkham has been pushing our social media and that's why we're doing so many D-Maxes.

"You don't have to be in a big city to do well and we are punching well above our weight – it's a bit like how this little, old country goes.

"It really helps that we have also got good, switched-on employees who are very capable."

Wayne Pateman, dealer principal

of Timaru Motors, says: "We are looking forward to the launch of Mustang as well as the Everest.

"There will be a huge future with Ford next year, and we will also have the new Mazda2 and CX-3.

"What we are now finding is cars are full of Bluetooth and safety. Manufacturers are certainly bringing out cars with high levels of technology."

Pateman adds that old-school business practices are essential to succeeding in Timaru.

"The key still remains to be in contact with customers continually to gain repeat business and feeding the used vehicle department with good trades, so vehicles come back.

"You also need to keep the parts

and service side operational, and a big circle of business is generated by keeping in close contact with current customers."

Craig Baylis, dealership manager for Continental Cars Peugeot in Greenlane, Auckland, says: "The biggest thing that's happening with us is the launch of the 308, which won European Car of the Year.

"After coming to the end of the run-out, we had limited stock. I think the big advantage is its new engine, which is economical.

"The 308 has been restyled and it's a lot lighter too, so it will be competitive against the Volkswagen Golf and Mazda3.

"We didn't have enough cars for people to demo during the first weekend when we got two orders." ☺

NEW VEHICLE SALES BY BUYER TYPE - October 2014						
	OCT '14	OCT '13	MTH%	2014 YTD	2013 YTD	% YTD
Passenger	5,752	5,334	7.8	44,235	42,981	2.9
Private	1,598	1,547	3.3	16,306	15,822	3.1
Business	1,986	1,907	4.1	19,998	19,255	3.9
Gov't	177	119	48.7	2,065	2,037	1.4
Rental	1,991	1,761	13.1	5,866	5,867	-0.0
SUV	3,120	2,594	20.3	31,155	25,316	23.1
Private	1,116	843	32.4	12,201	9,246	32.0
Business	1,440	1,426	1.0	15,690	13,802	13.7
Gov't	63	46	37.0	630	506	24.5
Rental	501	279	79.6	2,634	1,762	49.5
Light Commercial	2,595	2,309	12.4	26,378	22,049	19.6
Private	547	501	9.2	6,164	4,592	34.2
Business	1,807	1,641	10.1	18,458	15,799	16.8
Gov't	132	92	43.5	1,149	1,158	-0.8
Rental	109	75	45.3	607	500	21.4
Sub Total	11,467	10,237	12.0	101,768	90,346	12.6
Private	3,261	2,891	12.8	34,671	29,660	16.9
Business	5,233	4,974	5.2	54,146	48,856	10.8
Gov't	372	257	44.7	3,844	3,701	3.9
Rental	2,601	2,115	23.0	9,107	8,129	12.0
Heavy Commercial	445	396	12.4	4,169	3,247	28.4
Other	111	54	105.6	509	421	20.9
Total	12,023	10,687	12.5	106,446	94,014	13.2

NEW VEHICLE MARKET SEGMENTATION - October 2014						
	OCT '14	OCT '13	MTH% DIFF	2014 YTD	2013 YTD	% YTD
Passenger	5,752	5,334	7.8	44,235	42,981	2.9
SUV	3,120	2,594	20.3	31,155	25,316	23.1
Light Commercial	2,595	2,309	12.4	26,378	22,049	19.6
Heavy Commercial	445	396	12.4	4,169	3,247	28.4
Other	111	54	105.6	509	421	20.9
TOTAL MARKET	12,023	10,687	12.5	106,446	94,014	13.2
Micro	140	209	-33.0	1,416	1,790	-20.9
Light	1,602	1,080	48.3	11,975	11,120	7.7
Small	2,775	2,300	20.7	19,056	17,327	10.0
Medium	577	936	-38.4	5,790	6,943	-16.6
Large	399	579	-31.1	3,820	3,708	3.0
Upper Large	32	24	33.3	271	208	30.3
People Movers	142	91	56.0	974	767	27.0
Sports	85	115	-26.1	933	1,118	-16.5
SUV Small	923	653	41.3	8,666	5,632	53.9
SUV Medium	1,237	1,108	11.6	11,770	10,406	13.1
SUV Large	929	787	18.0	10,325	8,911	15.9
SUV Upper Large	31	46	-32.6	394	367	7.4
Light Buses	60	32	87.5	509	388	31.2
Vans	418	476	-12.2	4,751	4,128	15.1
Pick Up/Chassis Cab 4x2	805	741	8.6	8,137	6,592	23.4
Pick Up/Chassis Cab 4x4	1,312	1,060	23.8	12,981	10,941	18.6
Heavy Commercial	445	396	12.4	4,169	3,247	28.4
Other	111	54	105.6	509	421	20.9
TOTAL MARKET	12,023	10,687	12.5	106,446	94,014	13.2

Orders are now being received for this limited print run hardcover book – a fantastic gift or just to have in the office or showroom

Priced at \$59.50 including post and packaging

Visit www.autofile.co.nz/book and fill in the order form now, email brian@autofile.co.nz or phone 021 455 775

Marques working to meet demand

There have been 83,086 new cars imported into the country year to date, while 75,755 have been sold – a difference of 8,062.

Last month saw a difference of 613 between 8,297 new cars crossing the border and 8,910 being registered for the first time. These totals lowered the national stock level to 48,263 units.

The number of days' stock was on hand in October dropped by four to 197, while the daily sales rate increased by two to 245 based on a 12-month rolling average.

Wayne Pateman, dealer principal of Timaru Motors, says: "The pressure is on us ensuring the manufacturers are able to give us the right stock volumes to keep up with demand."

However, he says Mazda and Ford have done really well to keep up with supply, although

there have been some shortages of the CX-5.

"The big future with Ford is the eight new models in their range," says Pateman. "I would have to say that with Mazda, we're looking forward to the launch of the Mazda2 at the end of this year.

"We have already sold a lot of this product during the dealership launch and it's going to be very good for business. The CX-3 is the additional small SUV and that will go incredibly well too.

"Consumers are considering this smaller SUV because of its ease of parking, great fuel economy and the technology manufacturers are putting into smaller vehicles.

"The technology in the bigger vehicles, such as the Mazda6, is now in the smaller cars and upwards.

"Over the past couple of years, fleet buyers have gone into SUVs,

such as the CX-5 and Kuga."

John Hutchinson, dealer principal at Team Hutchinson Ford in Christchurch, believes there will be much more competition for used vehicles if the Australian market is opened up.

"I think there is a downward trend with new vehicle prices because new cars are becoming more affordable.

"This could further push new car prices down in New Zealand."

Stephen Salkeld, sales manager of Bay Ford in Hastings, says: "Supply on new vehicles has been patchy.

"Most of our product coming from overseas has a four-month lead time, so if we run out of something we generally catch back up.

"Ford and Mazda dealers swap stock, and that's really helpful for all of us, while supply of the automatic Ranger earlier in the year was a bit light."

"We can get everything we want other than the Qashqai," says James Ridley, dealer principal of Hawkes Bay Nissan in Hastings.

"The numbers of that model being put through have been great and far beyond what we would have even dreamed of. Because of the success, there's a great case to get more stock."

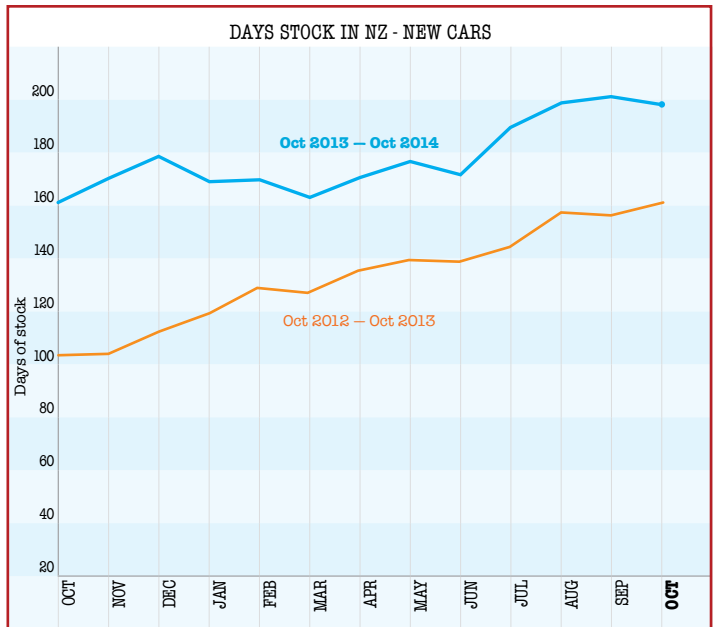
Andy Wilson, branch manager of South Canterbury Toyota in Timaru, says: "There are a number of model changes we are looking forward to, especially the new Hilux due mid-year."

Myles Gazley, of Wellington's Gazley Motor Group, says: "European Motor Distributors, which is our importer, is doing a great job.

"The only challenge is worldwide shortages. We are very lucky and have caught up with mark seven Volkswagen Golf deliveries." ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Oct '13	9,362	7,962	1,400	35,608	222	160
Nov '13	9,591	7,453	2,138	37,746	225	168
Dec '13	8,826	6,371	2,455	40,201	226	178
Jan '14	6,437	8,293	-1,820	38,381	228	168
Feb '14	6,724	6,572	157	38,538	230	167
Mar '14	7,174	7,992	-764	37,774	234	162
Apr '14	7,994	6,150	2,101	39,875	234	170
May '14	8,447	6,802	1,696	41,571	236	176
Jun '14	7,620	8,517	-569	41,002	238	172
Jul '14	11,106	7,071	4,035	45,037	239	188
Aug '14	9,665	7,066	2,599	47,636	240	199
Sep '14	9,622	8,382	1,240	48,876	243	201
Oct '14	8,297	8,910	-613	48,263	245	197
YTD total	83,086	75,755	8,062			
Change on Oct 2013	-11.4%	11.9%		35.5%		
Predicted sales for 2014		89,579				



Imports increase stockpile

A total of 12,298 used passenger vehicles crossed New Zealand's border during October with 11,105 being registered on these shores to increase the stockpile to 18,673.

The numbers were somewhat higher compared to the same month of 2013 when 10,364 units were imported and 8,545 were sold. The stock level back then was 9,067 used cars.

In September, the variance was 61 in favour of sales with 11,203 imports stacking up against 11,142 transactions.

The number of days' stock at hand during October increased by four to 55. Average daily sales of 342, based on a 12-month rolling average, created a new annual high increasing by seven over September.

So far this year, 113,194 used passenger vehicles have been

imported compared to 105,945 being sold for a variance of 7,249.

Tony Frost, of Millars Car Centre in Henderson, West Auckland, says the business has to work harder at this time of year to secure used stock from sources in Japan.

"Their winter is our summer," he says. "When it's snowing, Japanese people appear not to trade as many vehicles because of this.

"Heading into their midwinter, there will be a tightening and it also appears the Japanese domestic market is a bit stronger than it has been."

Ian Baard, used vehicle sales manager at John Andrew Mazda in Grey Lynn, Auckland, says: "Our used stock is coming from previous owners.

"We are talking to people who have brought from us over the past few years.

"Recently, we have traded three

CX-5s from previous customers. Two were moving overseas, while the other one is buying his next car, so sourcing them isn't too much of an issue.

"We are constantly contacting customers. The various things we are doing include adverts in papers. We have been running two ads in the week and, even though a lot of people say buyers don't read newspapers, they do."

Richard Bateman, of Richard Bateman Motors in Blenheim, says most of the dealership's stock comes from the local market, which is limited.

"We also don't sell European vehicles because it saves us a few dramas," he told Autofile.

"Blenheim isn't a very big place and there are a limited number of people who can service them.

"Ninety-nine per cent of my vehicles go straight through

compliance and you get what you pay for."

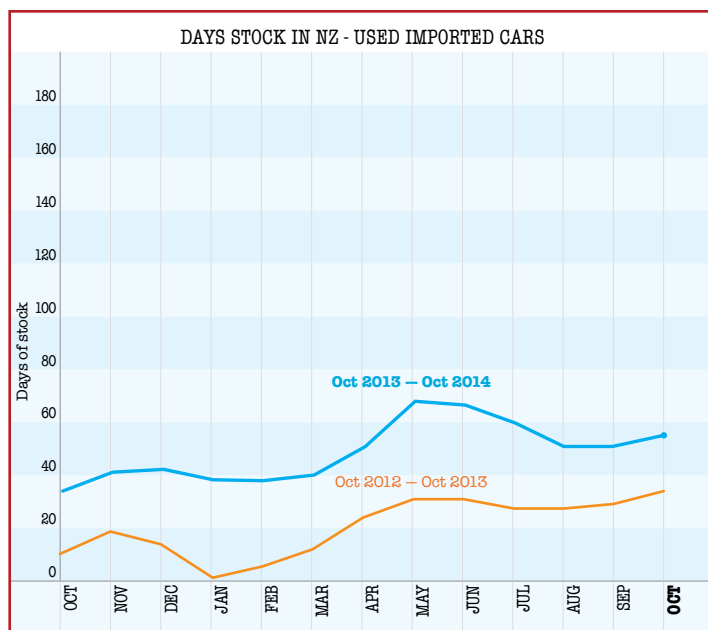
Ryan Durry, director of Quay Cars in Nelson, says: "Our past eight months have been incredibly strong and good quality stock is part of it.

"We have stepped away a bit from common stuff because the market has fluctuated with those vehicles. We're doing a lot of second-time-around New Zealand cars at the moment.

"If you have a good agent, the Japanese stuff is generally really clean, but if you have a bad agent you can get some bloody terrible cars from there.

"For quality stuff, you tend to have to pay that little bit extra, but you get a better car that goes straight through compliance.

"The grading on 3.5 auction stock from Japan seems to be a little easier than what it has been in the past." ☺



	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Oct '13	10,364	8,545	1,819	9,067	259	35
Nov '13	11,184	9,360	1,824	10,891	265	41
Dec '13	10,067	9,534	533	11,424	271	42
Jan '14	8,807	9,470	-663	10,761	277	39
Feb '14	9,093	9,155	-62	10,699	283	38
Mar '14	11,254	10,247	1,007	11,706	290	40
Apr '14	13,102	9,501	3,601	15,307	296	52
May '14	16,450	11,223	5,227	20,534	304	68
Jun '14	10,558	10,760	-202	20,332	311	66
Jul '14	10,745	12,052	-1,307	19,025	318	60
Aug '14	9,054	11,290	-2,236	16,789	325	52
Sep '14	11,203	11,142	61	16,850	335	51
Oct '14	12,928	11,105	1,823	18,673	342	55
YTD total	113,194	105,945	7,249			
Change on Oct 2013	24.7%	30.0%		105.9%		
Predicted sales for 2014		124,839				

MARAC

marac.co.nz

Drive away with finance from MARAC

Provided by Heartland Bank Limited

HEARTLAND BANK

heartland.co.nz

MARAC is a division of Heartland Bank Limited. Lending criteria, fees and charges apply.

**“Our success depends
on your success”**

