

Trends in Japan to challenge market

here's a huge list of variables governing what type of used cars are bought by Kiwis in Japan before they go through the supply chain and arrive at dealerships on these shores.

But there is one fact that's as sure as the sun rises in the east – and that's whatever the domestic buying trends are in Japan, they will be mirrored in New Zealand further down the line.

The make-up of the Japanese market has changed considerably over the past decade, especially when it comes to vehicle size, and what happens there affects availability for the used industry here.

Statistics show that in 2008, for example, the medium-sized Subaru Legacy topped New Zealand's used imported car sales chart. Last year, the smaller Mazda Demio took out top spot.

The changes over the next seven years or so are likely to be more of a challenge because two hybrids were the best-sellers in Japan's new vehicle market in 2013.

Tony Everett, dealer services and mediation manager at the Motor Trade Association (MTA),

says models that used to be mainstays of our used import market are becoming less sought after in Japan and, therefore, harder to secure.

"The Legacy – the seemingly perennial favourite for many years on our used import yards – is becoming less common," he told Autofile.

"This isn't because Kiwi dealers don't want them. It's because they are now harder to buy in Japan."

Mid-size two-litre vehicles form a much smaller segment in Japan. This means its so-called

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Tax hike to hit vehicle supply

hanges to the taxation system in Japan are likely to mean higher prices at auction houses and may result in an influx of more of the usual models of used vehicles into New Zealand.

Japan's consumption tax – the equivalent of GST in New Zealand – increased from five to eight per cent on April 1.

The government's decision led to agents there advising many overseas buyers to purchase large amounts of stock before the changes kicked in.

Keisuke Nagashima, of AUTOHUB, also says the new tax regime is likely to signal higher buying prices in Japan.

"Over the past couple of years, buying patterns haven't

altered drastically," he told Autofile.

"But with the tax laws changing in Japan, there may be an influx of the usual models into New Zealand for a considerable period of time."

The Japan Automobile
Manufacturers' Association (JAMA),
meanwhile, has indicated that
deliveries of new vehicles may drop
by 16 per cent in the year starting

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tern sunrise to follow Aussie sunset

he one certainty with the market in Australia is local car manufacturing will end when Toyota, Holden and Ford exit the sector between 2016 and 2017.

The next most certain path our cousins across the ditch will take is removing barriers on used imports - and that's probably just a matter of when.

Upcoming Productivity Commission recommendations are likely to echo its position paper of January 31, which describes the policy of assistance to car making as "weak" and says Australia will benefit from canning the automotive transformation scheme (ATS) for new car production. There is "no compelling evidence the benefits exceed costs".

Most of the 215-page report covers the new vehicle industry, but what it says about dismantling restrictions on used imports is likely to be far-reaching because only about 11,000 units crossed the border last year.

"These restrictions impose costs, including potentially increasing prices and reducing choice. The policy rationale for prohibiting the large-scale importation of secondhand vehicles is weak."

The subsidies to Toyota, Ford and Holden, restrictions on used imports and the five per cent tariff on imported new vehicles all stem from one place - protecting Australia's car-making industry, which will cease to exist in a few years' time.

There seems to be no political or economic reasons to continue manning the used-import barriers - except for the lobbying of the new vehicle industry there, which has unsurprisingly gone ballistic at the commission's report.

Of the 1,039,471 new vehicles sold across the ditch last year, 932,749 were imported - local

manufacturing made up about 10 per cent of the market.

Many new imports didn't even attract the five per cent tariff because they came from countries with freetrade agreements with Australia.

But what does this mean for our used car industry? That's the million-dollar question.

Members of Imported Motor Vehicle Industry Association have flown over to share this country's experiences with state and federal officials, as covered in the last issue of Autofile. It may even consider going trans-Tasman, as reported first on www.autofile.co.nz.

Opportunities may arise for companies specialising in used imports, such as door-to-door package providers, while shipping, inspection and logistics operations could expand into the lucky country.

Used importers and dealers here may not be so lucky, with extra demand at Japan's auction houses pushing up prices and limiting stock basic demand and supply economics.

At the moment though, it's the great unknown. But one thing is for certain - the domestic market in Japan will dictate what happens in the used import industry in this country and Australia.

The irony is that Japan has a well-established and highly profitable used export industry just one of the many defences the country has in place to stand guard over its vehicle producers.

Japan also has one of the most protected - among many insulated - automotive manufacturing industries in the world and it's one of the most dominant for it.

As Australia's car-making industry approaches its sunset, it - like New Zealand - may end up much more

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Hybrids driving up car sales

"small cars" - such as Subaru's Impreza, Honda's Civic and Mazda's Familia or Atenza - aren't being sold there in the volumes they used to be.

"This poses a dilemma in that the make-up of Japan's domestic market has changed and is changing," says Everett.

"Light cars - such as the Toyota Vitz, Honda Fit and so on - remain very popular.

"Hybrids make up more than 25 per cent of the market there, but few come to New Zealand as used imports."

It's questionable if that's likely to change anytime soon, while small people movers are also a large and growing segment.

Cars that were unknown a few years ago are now quite common on Kiwis yards, such as the Toyota Fun Cargo, Nissan Lafesta and

Honda Airwaye to mention a few.

"But dealers here have to contend with New Zealanders getting used to them as buying propositions," says Everett.

"Ultimately, the pool of vehicles we can buy from determines what we end up seeing here.

business a changeable game."

New Zealand used to be the dominant player in the Japan's used export market, but even that's no longer the case.

"In more recent years, we've ranked at around seventh place behind the likes of Russia.

challenges to our car industry."

Keisuke Nagashima, of AUTOHUB, says that over the past few years, overall buying patterns in Japan for used imports haven't changed too much.

"Looking into the future, with other markets still growing and



"The pool of vehicles we can buy from determines what we end up seeing here." - Tony Everett, MTA

"Add in other external factors. such as currency movements, buying competition, price competition here and the occasional revision to entry standards, and these make the used import

Myanmar, the United Arab Emirates, Pakistan, Chile, and South Africa," says Everett.

"But 2013 proved to be a good year and higher import volumes pushed New Zealand up to fourth."

This country's new vehicle market also serves as a competitor to the used import industry.

Many models' price entry points are competitive with plenty of choice below \$20,000 – and Kiwis are buying more of them new.

"An equivalent-sized seven to eight-year-old used import has to be priced well to compete," explains Everett. "Buyers with sufficient cash or access to finance may easily be tempted towards new.

"As a general observation, medium-sized used imports have more 'space' to play with before new car prices become a factor, while the prospect of used imports entering Australia will bring further different aspects of the New Zealand market still untapped, such as kei cars, there are options open for New Zealand.

"Also with manufacturers knowingly developing vehicles that need to have electronic stability control [ESC], most are likely to come out as compact all-wheel-drives.

"In addition to ESC, sales of hybrid and all electric-powered vehicles are growing."

MARKET SHIFTING NOW Malcolm Yorston, membership

and technical services officer at the Imported Motor Vehicle Industry Association (IMVIA), says a "paradigm shift" has started.

His views are based on what was at last year's Tokyo Motor Show and, more importantly, what direction the Japanese market has already taken.

"With the government removing incentives for kei-class







vehicles and promoting 'ecofriendly' cars, all it can mean is more alternative motor power being used," he told Autofile.

"This includes hybrid and other types of power. We're going to see more of electrictype vehicles, fuel cells, nuclear reactors - they're all possibilities.

"I can clearly say that as we go forward, the market paradigm shift is firmly under way."

Yorston agrees with Everett when it comes to segments because "there seems to be a trend for smaller-sized vehicles with engines of less than two litres".

He savs: "One to two-litre engines are about where we're at and more than two litres don't figure as much in Japan's statistics - they're right down the list.

"Smaller and more economical cars are popular, although the standard and larger cars are still there. You cannot get a used Isuzu Bighorn these days, so people here will look for alternatives.

"It's the law of supply and demand. If demand is great, the supply of small cars will go up as will prices, and there could be a shrinking pool of stock for New Zealand.

"If there's an increase in demand, it's likely we'll see some vehicles being out of the reach of New Zealanders."

If Australia enters the market say, in three years' time – that will mean a bigger country going head to head with New Zealand, and Yorston envisages competition for MPVs, such as Toyota's Alphard and Nissan's Elgrand.

"We have to believe the Australians will enter the market, so are we going to be able to compete against buyers there?

"But I don't see this happening

for 24-36 months and it's in the laps of the legislators about the direction that country goes in.

"The worst-case scenario is they will go for vehicles in the medium to large categories and we will, therefore, be competing for those."

MORE HYBRIDS COMING

"The used Japanese vehicles we will be buying over the next few years will result in more hybrids on New Zealand's roads," predicts Yorston.

The top-selling cars in Japan, the Toyota Prius and Aqua, are hybrids. The next best seller, Honda's Jazz, is hybrid while many other models are available in hybrid and conventional options.

It's likely that more of the popular model vehicles, such as the Corolla, will be produced as hybrids to take advantage of ecofriendly tax incentives in Japan.

This is likely to have the downstream effect of narrowing Kiwi importers' choices of motive power in the future.

"We are all likely to be driving hybrids in the future," says Yorston. "We understand the convention of hybrid, petrol and electric vehicles with battery packs supplying electricity to power motors under light loading.

"Petrol engines supplement battery power when needed, or to top up batteries these vehicles use regenerative braking for recharging.

"There are more variations of hybrid and plug-in hybrid, such as LPG-electric. Fuel-cell vehicles, which use hydrogen as the source, are also being advanced."

Mazda, for example, has been developing a rotary engine to run on hydrogen, while other margues are using hydrogen to generate electricity in hybrid systems.

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Size of used imports shift

ight and small used cars from Japan now dominate sales in New Zealand, and have turned our market upside down compared to five years ago.

There were four light models, three small, two medium and one small MPV in 2013's top 10.

Compare that to 2008 when

USED IMPORTED CAR SALES EX-JAPAN - 2013						
MODEL	SIZE	UNITS				
Mazda Demio	Light	4,751				
Nissan Tiida	Small	4,651				
Suzuki Swift	Light	4,497				
Mazda Axela	Small	4,310				
Honda Fit	Light	3,261				
Toyota Corolla	Small	3,218				
Mazda Atenza	Medium	2,741				
Subaru Legacy	Medium	2,619				
Toyota Vitz	Light	2,486				
Toyota Wish	MPV	2,428				
Combined top 10 mod	el sales	34,962				
Total used imported ca	ar sales	98,971				

there were four medium-sized models, three small, two MPVs and one light, says the MTA.

For example, Subaru's Legacy has slipped from being top dog to eighth over the past five years.

Mazda's Familia came second in 2008 and its Axela was fourth last year.

USED IMPORTED CAR SALES EX	-JAPAN - 2	2008
MODEL	SIZE	UNITS
Subaru Legacy	Medium	4,014
Mazda Familia	Small	3,038
Toyota Emina, Estima, Lucida	MPV	2,732
BMW 3 Series	Medium	2,673
Toyota Vitz	Light	2,661
Honda Odyssey	MPV	2,563
Toyota Altezza	Medium	2,311
Volkswagen Golf	Small	2,205
Subaru Impreza	Small	2,130
Nissan Primera	Medium	2,119
Combined top 10 models s	ales	26,446
Total used imported car sa	les	90,841

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'Mention Prius, picture taxi'

"You will be driving a hybrid or alternative-energy vehicle within the next 10 years," says Yorston. "The uptake of hybrid technology here will be supply-driven, not consumer-driven."

JAPANESE SALES KEY

"If you look at what's being sold in Japan, it's predominately hybrids," says Frank Willett, chief executive officer of VINZ.

"If you look at the previous decade, it's logical to suggest hybrids will form part of the selection and perhaps a major part of supply to New Zealand.

"At this point in time, we cannot forecast the structure of pricing in Japan and there will need to be willingness from the public here to uptake the vehicles."

Willett says some Kiwi importers haven't fared well with hybrids and this has put some importers off.

"They will have to be



Frank Willett, CEO of VINZ, says Kiwis acceptance of hybrids will be different to people coming to terms with unfamiliar petrol or diesel models from Japan.

Tovota's Agua hybrid, pictured

new vehicle in Japan

promoted to would-be buyers and come in at the price point for importers to take up the challenge."

Hybrids are a different kettle of fish to when relatively unknown Japanese models first appear on the Kiwi market.

Willett cites the 1990s and the Nissan Primera. Many models sat unsold on yards when first imported. Most people didn't even look at them, but it was the top-selling used import within a few years.

"The case with hybrids is totally different in that we're talking about different motor technology - not body shape or people being unfamiliar with certain models.

"This is all about shifting from petrol and diesel to a new technology.

"A lot of hybrids are coming in at the moment. If you mention the Toyota Prius, people form a picture of a taxi. This has placed it in that industry and not with private buyers."

However, Willett says the taxi industry is showing hybrids can be great for covering distances, and they are reliable and economical.

At some point, hybrids will be more mainstream on these shores.

But factors for that happening are likely to include attractive price points for buying in Japan and selling here, how our industry promotes them, and all of the technical service and back-up being in place. 🕣



anufacturers in Japan sold 5,367,513 new vehicles in 2013, with Toyota's Aqua and Prius coming first and second.

The two hybrids sold 262,367 and 253,711 units respectively, or 16 per cent of the over-1,000cc market.

Honda Fit's was sixth on 181,414 with Nissan's Note eighth on 147,634 - the only non-hybrid of these four.

Last year saw the release of Toyota's Crown hybrid, revised Sai and Estima, while the Corolla, Honda's Accord and Vezel and Subaru's XV had strong initial demand.

Mazda's new CX-5 - a future target for Kiwis - found 38,520 buyers, and 35,166 Subaru Foresters and 28,198 Nissan X-Trails were sold.

"With Australia shaping up to be a player, the number of models and healthy sales gives some relief to Kiwis concerned about supply into 2019 and beyond," says the IMVIA.

"Strong performers were Honda's Stepwgn on 62,207 and Freed on 68,371, and Toyota's Noah on 32,306 and Estima on 34,882.

"The surge in hybrids has come at the expense of others, with

month-on-month market-share declines for Nissan's Cube and Mazda's Demio."

The market leader in Japan for the past four months has been the new Honda Fit and its hybrid sibling with 26,865 sales, with Toyota's Aqua and Prius on 22,885 and 10,162. ⊕

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Increase in sales tax to inflate car prices

April 1 because the sales tax increase is likely to dampen demand.

It says registrations will probably fall to 4.75 million units because of the three per cent hike.

The country's first sales tax increase in 17 years is intended to help repay debt and slow spending on everything from cars to televisions.

But this could challenge Prime

Minister Shinzo Abe's bid to spur economic arowth.

A rush of buying before the new taxation level kicked in boosted new vehicle sales by 15 per cent compared to February 2013.

This was a sixth straight monthly increase as many car companies urged consumers to replace their vehicles by March 31.

The government is, however, planning to cut its vehicle purchase tax from five to three per cent to cushion the sales tax hike on the automotive industry.

It has also indicated abolishing the purchase levy on vehicles if sales tax is raised to 10 per cent next year - as is being planned.

Akio Toyoda, president of JAMA, says: "Key to the revitalisation of the domestic automotive market is a reduced tax burden on vehicle owners.

"The government's large package of tax revisions announced at the end of last year included more tax breaks for designated categories of ecofriendly vehicles.

"We find it regrettable the decision was taken to raise taxes on motorcycles and mini-vehicles, although in the latter case vehicles targeted for increases will be limited."

The changes to the tax system in Japan may result in some consumers there opting for more standard-sized cars instead of smaller vehicles.

"Meanwhile, we will continue to lobby for the abolition of acquisition tax and for an automotive environmental performance tax-incentive system to lower the burden on vehicle owners," adds Toyoda.

"Since Shinzo Abe assumed office in late 2012, policies have addressed the priority issue

> of excessive yen appreciation.

"However, outstanding issues remain. Our industry will continue to press the government on the need to expedite the conclusion of freetrade agreements, lower the corporate tax rate, and secure

a safe and stable supply of reasonably priced electric power."

Meanwhile, registrations of new passenger cars and commercial vehicles in Japan are forecast to hit 4.85 million units this year - down by almost 10 per cent compared to 2013.

JAMA reports that sales in these segments in 2013 came to 5.38m, which was up 0.1 per cent over 2012.

For 2014, expectations are Japan's economy will be boosted by export growth fuelled by gradual global recovery, rising capital investment aided by higher corporate earnings and more spending on public works.

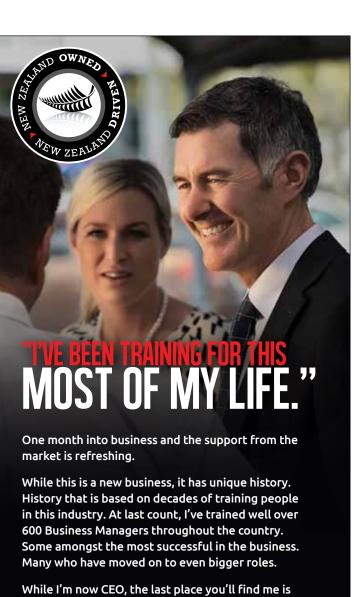
"There are concerns about a decline in consumer sentiment triggered by the consumption tax hike and fears of a drop in demand after the pre-tax hike rush in the second half of 2013," says JAMA.

New car and commercial vehicle sales are forecast at 4.85m in 2014, down 9.8 per cent on last year.

The total - excluding minivehicles - is expected to be three million, which would be down eight per cent from 2013. Minivehicles may drop by 12.4 per cent 1.85m registrations. ⊕



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Search starts for new boss

ob MacGregor, interim chief executive officer of the Motor Trade Association (MTA), may throw his hat in the ring to remain in the top job on a permanent basis.

He joined the association in December after Stephen Matthews stepped down following his 15year tenure and until a new CEO was appointed.

"We are now getting into a position to get that achieved because it's not an appointment to be taken lightly."

MacGregor told Autofile he's enjoying the challenging role and thinking about applying for the job.

"People in the industry are very honourable and passionate about it, and I'm considering my options," he says.

"The board has agreed it's important to get the right person. We need to go to the market and I'm comfortable with that.

"When I was appointed, it was to think about the MTA's structure and strategic direction, understand the business based on that, take it forward as a membership organisation and keep it strong."

He says March was the right

aware of where we are going.

"Our plan is to make the appointment correctly and it will take three to four months to get that person into the business.

"Most CEOs need to give two or three months' notice. It's more likely to be June or July and until that time it's business as normal." sustainable in the long term and benefit from strong advice. We're shifting the way we operate, especially with field staff."

MacGregor says another driver is working with like-minded industry partners more collectively to ensure the MTA is a relevant and "go-to organisation".



"Any business not keeping up with the pace of change is going backwards." - Rob MacGregor, MTA

time to advertise the CEO position.

"The MTA needs a strong leader to focus on strategic direction going forward. The board and branches have been involved in this, and members are

Voyage 70

Voyage 70

Back in December, David Storey, president of the MTA, spoke about the strategic review of its role and operations, and putting in place strategies "to create sustainable business advantages to members".

He added it was an opportunity to realign the business to meet members' needs at a time of legislative change.

MacGregor says: "We've been looking at what opportunities there are to refine our services directly and internally, and to ensure we have the resources to do that.

"It's about getting our focus back on the membership, and providing it with good solutions and service delivery. It's about getting the business back on what it was founded on - the membership.

"It's also about getting the MTA more commercially centred at its core while maintaining a strong position on advocacy to the industry and being a key influencer."

MacGregor says all sectors need to be well-represented and advocated for – from repairers and servicers to new and used car dealers and service stations.

"The MTA needs to maintain its position as an industry leader in the trade space and not so much at the consumer end," he explains.

"We need to ensure our members' businesses are

"Strengthening our position will be important so we are relevant after 97 years in business, it's time to think about what we're doing and where we're going.

"All the things we are looking at are good and we aren't reorganising the business for the sake of doing it. We need to think about the future and be more responsive to members.

"It's a time of rapid change in areas such as compliance and there's a lot of legislative change ahead.

"It's key for the MTA to keep abreast and in front of change, and be part of the process and influencing people instead of reacting in a vacuum.

"Any business needs to be strong going forward. Any business not keeping up with the pace of change is going backwards."

MacGregor says the MTA needs to recognise it can influence some issues, but should move on if it can't.

"The MTA needs to ensure it's listened to and is relevant. That doesn't mean sitting back and taking change, but making sure our voice is strong."

For instance, with changes in the collision repair market, he says the MTA needs to find the best way to be proactive instead of reactive.

"That's very important and can be hard for a small business to grapple with. When there is rapid change, it's important to prepare for it." ⊕



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Association considers Aussie links

he Imported Motor Vehicle **Industry Association** (IMVIA) says meetings with state and federal officials in Sydney and Canberra were successful.

The visit follows Australia's **Productivity Commission** recommending barriers on the used imports trade coming down.

Its latest report was submitted to the federal government on March 31, which has until August 26 to release the findings.

This comes on the back of IMVIA chief executive David Vinsen and North Island chairman Graeme Macdonald attending meetings with officials there last month - as reported in the last issue of Autofile.

"Our meeting with the Department of Infrastructure and Planning's director of regulatory reform policy, who is charged with rewriting the rule book, and his team included a technical guy from their NZTA equivalent and two Consumer Affairs people," says Vinsen.

"It dua into the likes of warranties, recalls, odometers, ownership and title."

The IMVIA will now host a delegation of more than 10 Australian businessmen to look at compliance processes here, and discuss advocacy and representation.

Vinsen savs the possibility of a new association being established in Australia to represent the wider used import industry was canvassed on the visit - as reported first on www.autofile.co.nz.

But he stresses the IMVIA has done "nothing at all yet" on setting one up, although this will be a

topic for consideration with the Australian delegation.

Vinsen believes if the used import market there does open up. stock supply here will not "dry up"

> because changes will not happen overnight.

> "There will also be opportunities for New Zealand players in the wholesale space by partnering with Australian counterparts."

The commission says restrictions on large-scale

used imports impose costs, bump up second-hand car prices and reduce choice, but Australia's car industry warns hundreds of millions of dollars may be wiped off vehicle values if this goes ahead.

Buyers may see a drop of up to 20 per cent in second-hand prices, but resale and trade-in values are

likely to fall making it difficult for people to upgrade.

The industry fears 300,000 new car sales a year will be lost – forcing dealers to the wall - while ANCAP says more vehicles with fewer mandated safety features will lead to more deaths.

Patrick Tessier, of the Australian Automotive Dealers' Association, says: "Cars are cheaper than they've ever been in my lifetime and we have more choice than we can deal with. We are completely opposed to relaxing the barriers."

"In the end, the market will decide if volume used imports are practicable and feasible - if they're not, they won't work," says Vinsen.

"The public will vote with their pockets and the average car buyer in Australia is just as likely to be as astute as Kiwis when determining what they see is value."

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Keeping ahead of transition

oes the new vehicle industry need ANCAP and what future does the organisation have when car making in Australia ends?

That's one of the questions Andrew Clearwater asks as president of the Motor Industry Association (MIA).

Toyota, Ford and Holden will close their factories across the ditch in a few years' time, which he describes an "inevitability".

"New Zealand recognises safety ratings from all sorts of markets." says Clearwater.

"From a consumer's point of view, if you've got five stars on your latest purchase, you've got a five-star vehicle - it's as straightforward as that.

"The industry and consumers rarely worry about the organisation that rates the vehicle.



"The key thing is we should be working to reduce New Zealand's emissions profile." - Andrew Clearwater

doors to used imports open.

"They have strong Australian Design Rules for new vehicles, so how will they apply to used imports? And electronic stability control [ESC] is standard there on passenger vehicles.

"Another challenge will be recalls. Distributors here fix used imports as well. I cannot see their new vehicle industry taking to that lightly because of the logistics.

"Australia has pretty aggressive new car prices. If used importers look to take in cheaper units, they would be potentially older and pose a dilemma for emissions and safety standards."

BACK CLOSER TO HOME

Clearwater, who took over as the MIA's president from retired BMW NZ boss Mark Gilbert in March 2013, believes the National government has had a hands-off approach to the industry.

"We'll continue to support its Safer Journeys programme," he says. "There has been focus on improving our roads, some of which are diabolical compared to other developed countries.

"For instance, the main route from Auckland to Hamilton is relatively new but the cambers are dreadful and the road has deteriorated.

"We're a technology taker, but we've seen a rapid acceleration in vehicle safety. This is to be welcomed and prevents accidents in the first place."

Clearwater believes the industry has a strong tailwind with the economy's strength and consumers going through the replacement cycle.

"Through the global financial crisis, there were about 60,000 vehicles people needed to replace but didn't."

With the strength of the Kiwi dollar, he says new cars are good value, while a strong aspect for all marques is a competitive industry.

"For example, our dollar has helped some European distributors increase volumes because they have been able to compete



"This begs the question can ANCAP be big enough and is its future warranted, particularly when it's only crash-testing about 45 vehicles a year? I'm not sure about its relevance in the future."

As for vehicle manufacturing in Australia ending, Clearwater, also managing director of Mazda Motors of NZ Ltd, says: "People tend to forget we used to assemble vehicles in this country.

"We had a huge industry and many factories. All that only survived for the number of years it did because of the protection the government's tariffs afforded it."

He believes volumes need to be "huge" for companies to survive in manufacturing because it's so competitive - and has associated costs of design and research and development.

"By global standards, the new car market in Australia is relatively small. Unless there's a strong export focus, it's difficult to survive without some government assistance."

Looking to the future, Clearwater says the challenge for Australia will be on-road safety if more effectively with traditional Japanese players.

"The biggest challenge for all of us is getting our fair share of the market."

FINDING COMMON GROUND

The MIA will continue looking into the uptake of new technology and further reducing emissions.

"This will be a focus of the new fleet. Our industry is bringing in safer and more environmentally friendly cars, but used imports go more unchecked.

"For all the safer, more fuelefficient vehicles the new industry brings in, it can be undone by older imports.

"We lobby the government about this. If there's a change of government this election year, there's likely to be more of a focus on technology to cut emissions."

While there will always be differing opinions between the new and used sectors, Clearwater says they can work together.

"The MIA works closely with the Motor Trade Association and AA, and David Crawford, our chief executive officer, has met with the used importers on some common ground.

"Areas include the disposal of end-of-life vehicles and doing that in an environmentally friendly way.

"Our key driver is to work together where we can on common issues because we're not that far apart.

"Obviously, used importers have some different views in terms of rolling age bans, for instance.

"But if we are going to get any traction with the government, we need to work as much as we can

> in a united way."

Passing

A challenge faced by the MIA in the not-too-distant past was David Crawford taking over the CEO's reins from Perry Kerr, who retired to Australia after being in the hot seat for 25 years.

Andrew Clearwater says: "We relied so much on Perry to coordinate the new vehicle industry, but David has stepped into the role and has managed the transition very well."



ACTION ON EMISSIONS

"The new vehicle industry's view is we don't need regulation to reduce emissions in this country as our parent companies meet stringent standards in Europe, Japan and the US with this technology reflected in new imports.

"The key thing is we should all be working to reduce New Zealand's emissions profile."

Clearwater says powertrain technology and smaller, lighter cars have resulted in new vehicle emissions levels dropping by 33 per cent since 2007.

"With more safety and green technology entering the fleet, this supports the government's direction for safer and cleaner vehicles.

He says its timely the government is planning to make ESC mandatory on used imports from January 2018 with used SUVs two years before.

SUPPORTING KIWIS

Clearwater also chairs the Mazda Foundation, which donates about \$200,000 annually to projects.

In its most recent funding round, they included the Fitzroy Surf Life Saving Club in New Plymouth, which received \$2,600 to buy four rescue boards for its juniors.

Another recipient was Wellington City MenzShed where older men can find companionship, develop skills and use a workshop to benefit society.

The foundation has distributed \$1,492,202 to 410 recipients since being set up in 2005. It's funded through a contribution from every new Mazda sold in this country.

"Each year we receive many applications that would benefit from assistance and it's amazing to see the benefit grants make. We hope to be in a position to grow our support for a long time to come."

BACK TO HIS ROOTS

Clearwater's industry experience comes in at 35 years, with the past 20 years at Mazda where he became managing director in 2006.

Before that, he was general manager of sales and marketing for 12 years, which was preceded with 15 years at Ford NZ.

His Kiwi father and British mother met as World War II penpals and the family, including his sister, moved to New Zealand and settled in his dad's home town of Invercargill.

Clearwater studied botany and geography at Otago University before working for the government's agriculture and fisheries department for a year before realising that wasn't his calling.

He then saw a Ford advert in Wellington for someone with a geography degree.

"The company was looking at expanding its franchised network from a town-planning aspect, so that was how I got into the industry.

"New Zealanders have a passion for cars and everyone has an opinion about them. I've never got bored with the challenge and



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Extra finance clauses 'crazy'

he Financial Services Federation (FSF) is urging the government to change proposed legislation that will adversely affect lenders, borrowers and the automotive sector.

Two new clauses in the Credit Contracts and Financial Services Reform Bill are causing particular concern in the industry.

They relate to consumer-related insurance products - such as guaranteed asset protection (GAP) and payment protection insurance (PPI) - and extended warranties.

Lyn McMorran, executive director of the FSF, says: "The bill has come back from the select committee with two additions we weren't warned about and we have no understanding of the rationale

The first clause relates to insurance commission, including a ban on paying lenders commission for credit insurance they arrange for a borrower when a policy is financed under a credit contract.

McMorran says the proposals don't allow for commission to be paid if only one product is offered to the borrower - and the consumer is

when the lender cannot receive commission for arranging creditrelated insurance if its premium is financed by the loan.

As this is the case in almost 100 per cent of credit-related insurance contracts, McMorran says not remunerating lenders

without providing protection for borrowers," she told Autofile.

A clause relating to extended warranties has also been "sneaked into the bill".

"When a loan is pre-paid in full, we are okay with the unused proportion of insurance being refunded but



"All of this seems illogical and doesn't appear to have been properly thought out." - Lyn McMorran, FSF

required to take the insurance as a condition of the loan.

The FSF is comfortable with this as it provides people with a choice as to whether or not to take the insurance being offered.

But the problem clause is

or agents for work involved in setting up the insurance will mean consumers will not be offered the choice of taking it out.

"This flies in the face of responsible lending because it's crazy to provide credit

when extended warranties go beyond the terms of loans, refunding them makes no sense.

"If a car loan is paid off within three years and the buyer has an extended warranty for five years, the warranty will have to be

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AC Warranties Ltd (MAC) – a finance company based Mount Maunganui - has been fined \$42,250 in Auckland District Court for 17 breaches of the Fair Trading Act.

Alan Spiers, its director and shareholder, was also fined \$22,750 for a further 11 breaches of the act.

The charges related to misleading claims from 2008-2011 when MAC repossessed and sold 79 vehicles used as security for loans. It has agreed to provide \$182,000 compensation to buyers.

After repossessing cars, MAC sold them to Mount Autos Ltd – of which Spiers was also a director - implying it had taken reasonable steps to get the best price when it hadn't.

MAC sold them at a price it had set or used a third-party valuation when other steps were available to get the best price.

It also sold 29 units to Mount Autos before it had the right to do so. By law, MAC was barred

from selling them until at least 15 days after debtors were served with post-possession notices. The cars were sold to Mount Autos within that period.

MAC also told two clients their repossessed vehicles were "wrecks". or had been sold to the wreckers. when they weren't and had been sold to Mount Autos, which reconditioned and on-sold them.

Stuart Wallace, of the Commerce Commission, says: "Credit repossession laws are intended to ensure businesses that seize property do so in compliance with the law.

"Many MAC customers were beneficiaries or on low incomes. They may not have known their rights.

"In some cases this became a vehicle-go-round. Mt Autos sold cars to people who took funding from MAC. When MAC repossessed them, they were sold back to Mt Autos and resold to another customer - again financed by MAC." 🕣

oan-shark law update

The Commerce Select Committee has amended the Credit Contracts and Financial Services Reform Bill.

The changes include clarifying the code setting out best practices for responsible lending and amending continuous disclosure to require a minimum repayment warning on credit card statements.

There will be "positive improvements" to repossession rules that will increase consumer

protection from unfair practices, while maximum penalties for breaching credit laws will increase to \$200,000 for individuals and \$600,000 for companies.

"The changes will increase confidence in the role credit plays on our financial markets," says Commerce Minister Craig Foss, pictured. "We're ensuring consumers are given information they need to make informed decisions."

 automatically cancelled and the difference refunded.

"All of this seems to be illogical and doesn't appear to have been properly thought out."

The FSF believes it can be dangerous introducing new clauses into proposed legislation without warning and this makes it much harder to establish all unintended consequences.

"We're trying to get to back to the Minister of Consumer Affairs and his officials to find out why things have been changed," says McMorran.

"If these two new clauses are taken out, most of the problems will pretty much go away."

In the automotive industry, the changes - if they go ahead - will particularly affect GAP and PPI because both products are creditrelated insurance.

These policies go right across the board - from third-tier lenders to high-end finance provided by margues where the numbers involved are substantial and companies need to protect assets.

"We understand concerns about the incorrect selling of consumerrelated insurance," says McMorran. "But there are other ways to sort this out rather than to prohibit or make it difficult for people to take out these policies.

"Why offer insurance if you're going to be not paid for the considerable work involved in setting it up? If this happens, these products may not be offered to consumers.

"Any mis-selling issues, if they exist, can be covered in the new code of responsible lending.

"The code is supposed

to include the principles for everyone in the market to follow. For example, it could include certain products not being sold to beneficiaries."

The FSF also fears changes to the bill made at the select committee stage are likely to result in more repossessions and no one wants that.

"If borrowers are unable to work due to illness and have no credit-related insurance, their cars could be taken away if they fail to keep up with repayments - unless they had the cash to provide the insurance premium upfront, which most people don't."

The FSF made a submission to the select committee, but the two extra clauses added into the bill's second version are "considerable" and may have resulted from "lobbying by consumer groups".

The federation is now campaigning for them to be taken out through the process of supplementary order papers.

McMorran insists lending and insurance should be encouraged to go hand-in-hand to offer protection for consumers.

"I can't understand the thinking behind it. We want to engage with the minister about what we can do about this"

SOME SILVER LININGS

It's not all doom and gloom because one gain for the finance and motor vehicle industries is registered traders and other pointof-sale retailers will continue to be treated as they are under the Financial Advisers Act.

If that hadn't been the case, it would have meant dealers taking on extra responsibilities and red tape – as reported by Autofile on February 10.

Lenders at the point of sale will have to provide standard disclosures – free on request from borrowers or by email – but they will not have to display every possible interest rate for all products as stated in the first version of the bill.

"This is sensible although the bill makes provisions for clear conditions to be disclosed to the consumer before the contract is made, which we believe is consistent with responsible lending," says McMorran.

"Borrowers basically need to look at all of this before signing loan contracts."

The proposed legislation will allow for disabling devices to be used to allow access to goods, such as cars, when a credit contract is breached - but not if the borrower is merely in default.

The bill still bans dealers. margues and finance companies from holding spare keys.

McMorran says: "That's problematic for the federation and its members because keys for vehicles can be expensive to replace.

"We feel this doesn't represent a realistic understanding of how complex cars and their keys are."

McMorran says FSF members broadly agree with the bill's principles and envisage no problems in complying with the responsible lending code when it's finalised.

But there are concerns about how it will be policed when it's law, with that responsibility resting with the Commerce Commission.

"As is the case with financial regulation over the past few years, the responsible people always comply. It's the unethical ones who find a way around it."

Progress on the Credit Contacts and Financial Services Law Reform Bill will resume when parliament restarts on April 8. 🕣

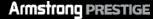


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Clarification

utofile has been asked to clarify a matter in regards to an article in the issue published on March 20, 2014, about a 2013 Audi Q7 S-Line Plus in the UK with an incorrect odometer reading.

After receiving correspondence from Nic O'Neil, of Island Autotraders Ltd in England, it is accepted there was no link with "Chivvy Ltd" in regards to this matter.

O'Neil has told Autofile that

Island Autotraders Ltd is the company he is associated with, that Chivvy Ltd had "absolutely nothing to do with this" and the trade was offered solely on behalf of Island Autotraders Ltd, which was acting as a broker in this instance.

"Once the issue was bought to our attention, the vehicle was retracted and a claim was made back to the supplier for full reimbursement," states O'Neil.

NEWS in brief

Trade single window bill passes third reading

The Border Processing (Trade Single Window and Duties) Bill, which supports the implementation of a new cross-border management system, has passed its final reading.

The legislation amends the Customs and Excise Act and Biosecurity Act to support the trade single window (TSW) part of the new joint-border management system (JBMS).

It provides a single channel for importers and exporters to comply with requirements to improve trade flow and reduce compliance costs.

Customs Minister Maurice Williamson, says one amendment covers the registration of JBMS users – including grounds for refusing, suspending or cancelling registration – and issuing user identities.

Another is about the need to provide information to TSW, such as supporting documents with an advance notice of arrival on the status of inward and outward cargo reports, and setting up a transhipment process. The third amendment expands offences on arrival and departure penalties.

Driving component results in recall by marque

A driveshaft issue with about 172,000 Cruze sedans in the US has resulted in about 2,700 sedan and hatchback versions made in Australia being recalled.



The Australian recall affects

1.8-litre manual Holden Cruzes

made there between October 18, 2012 and March 7, 2014.

Holden NZ says 46 Holden Cruzes here are affected. Owners will not be charged for the recall service. This involves replacing the right-front axle half-shafts, which can fracture and separate during normal driving.

General Motors says if the component fractures and separates while driving, steering and brake control would be maintained but the car would coast to a stop.

New number could make life easier for car traders

The government has opened consultation on rolling out the New Zealand Business Number (NZBN) – a universal identifier to make primary information about businesses, including motor vehicle dealers, available in one place.

About 1.1 million companies were allocated an NZBN in December, which is expected to make it easier for them to work with the government.

Half of Kiwi companies are sole traders, partnerships and trusts, and legislative change is needed to extend the NZBN to them.

The Ministry of Business, Innovation and Employment is consulting on the way forward until 5pm on April 11. Issues include what companies should have the numbers, what details should be public and why information shouldn't be available to government agencies.

After-market company predicts diagnostic reliance

Bosch Australia, the after-market manufacturer, has reaffirmed its commitment to the industry, despite upheavals there.

It sources and produces spare parts and contributes to repair shop concepts. They include Bosch Car Service, which has more than 130 franchises in Australia and New Zealand.

Its business used to be centred on after-market components, but it now develops and makes parts including glow plugs and oxygen sensors.

Regional director Damion Newsome says: "Support other than parts has become prevalent as vehicles need electronic components to control almost every aspect. Workshops are more reliant on support and diagnostic know-how." \oplus

Powered up for the future

itsubishi believes its plug-in hybrid electric vehicle (PHEV) will "put the cat among the pigeons" in New 7ealand's SUV market.

The new version of the Outlander, with its economy rating of 1.9l/100km, goes on sale this month with a dozen pre-orders being made.

Its two 60kW electric motors contribute more torque - 332Nm - than the V6 Outlander, while the multi-purpose two-litre petrol engine provides 88kW of power at 4,500rpm to turn the wheels or generate electricity when needed.

The PHEV automatically selects from three modes depending on road and driving conditions, load and if the battery is being charged.

In EV mode, the electric motors drive all wheels and an overnight charge provides a 52km range.

Those motors power the car in series hybrid mode while the petrol engine works with the on-board generator to top up the drive battery.

In parallel hybrid mode, the 91-octane MIVEC engine kicks in at higher speeds and the electric motors provide extra power when needed.

The PHEV is charged from standard power points. Off-peak,

The new Outlander SUV range starts with the two-wheel-drive LS at \$39,990, plus on-road costs. The all-wheel-drive PHEVs - the XLS and VRX – have price-tags of \$59,990 and \$66,990 respectively.

Mitsubishi Japan says that by 2020 every fifth new car it makes will be a PHEV or EV. It's building 30,000 Outlander PHEVs this year, but doesn't expect to be able to

keep up with worldwide demand.

The company stopped manufacturing the model in March 2013 and recalled 4,313 vehicles sold in Japan because some batteries short-circuited while being charged.

Parts of the cells broke off and contaminated others when factory workers dropped the batteries. In other cases, a screening process applied excessive force to the batteries, which damaged cells.

The packs were made by GS Yuasa Corporation, which designed the Boeing 787 Dreamliner's batteries. Some units caught fire, which were among issues that grounded about 50 planes last January.

But Mitsubishi solved the problems, resumed production in August and doubled capacity to 4,000 units per month. ⊕



Dealer makes history

mma Gilmour will chalk **◄** up a milestone in this ✓ year's Global Rallycross Championship (GRC) as part of a two-car team with world champion Rhys Millen.

She will be the first woman to take part in the championship and one of the two first females to race in June's X-Games.

"Going to America to race in a professional series with a team like Rhys Millen Racing is hard to believe," says Gilmour. "It's a privilege to be the first female driver in the series.

"To join Australia's Sarah Burgess in making history as the first female X-Games rally car drivers is also an honour."

Gilmour, dealer principal of Gilmour Motors in Dunedin, will

be driving a Hyundai Veloster Turbo in the GRC's 10 rounds. It generates more than 600hp from its four-cylinder turbocharged and intercooled powerplant.

Each circuit has tight turns and a jump where cars become airborne, while Gilmour's new starts in May 17 in Barbados at the BBC Top Gear Festival.

Her team-mate Rhys Millen is the New Zealand-born son of famed rally and off-road racer Rod Millen.

sit **www.autofile.co.nz** for more on this story





DENNIS KELLY, managing director of FleetPartners New Zealand, has been appointed to the same position with FleetPartners Australia in Melbourne.

Kelly joined the company seven years ago having held executive and divisional general management positions with organisations including Hertz Fleetlease,

Capital Equipment Finance, Countrywide Bank and NZI Bank.

Since joining FleetPartners, he has helped improve customer experience and grown its lease portfolio in the corporate and smallto-medium enterprise markets.

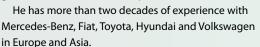
In his new role, he will build momentum with customer acquisition in both markets. He believes growth will come from the vehicle leasing and fleet management company's spread of clients and smart technology.

PAUL VERHOEVEN, head of lending at UDC, will replace Dennis Kelly as managing director of FleetPartners N7.

With more than 25 years' finance and leasing experience here, in the UK and Europe, Verhoeven will focus on introducing technology to increase speed to market and customer experience, product innovation and ensure the company underpins customer delivery.

The company says he understands its success will revolve around customer and distributor relationships, and he will be working with the wider FleetPartners team to ensure it is well-connected.

GERRY DORIZAS is the new chairman and managing director of GM Holden after being promoted from his global automotive executive position.



Most recently, he served in India as president and chief executive officer of VW's group sales.

Dorizas, pictured, succeeds Mike Devereux, who late last year became vice-president of sales, marketing and after-sales of GM International Operations (GMIO) after four years as GM Holden's chairman and managing director. He will be responsible for operations in Australia and New Zealand.

MATTHEW CHAMBERLAIN has taken over as the business manager for Team Auto Market in Ellerslie, Auckland, replacing Vanya Leckey.

Chamberlain has more than 17 years' experience in the finance industry. He was previously a financial adviser at AMP.



JONATHAN RADKA is the new business manager at Nigel Thompson Motor Company, Christchurch.

It's his first role in the vehicle industry. He was previously an insurance and lending manager at ASB.



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

Industry movers NZ labour market report

THE MOTOR INDUSTRY TRAINING

Organisation (MITO) describes the automotive engineering and technology sector as dynamic and diverse with changing practices and technologies.

In 2012, there were about 20,800 employees in the industry across three key areas.

Automotive engineering has 11,800 workers, 6,500 people are in collision repairs and coach building has 1,780 employees and they all need distinct roles and qualifications.

But what's being taught to students at the moment may not always reflect what the industry needs while the number of qualifications is extensive.

Last month, we explored what the Targeted Review of Qualifications (TROQ) means for the industry.

The New Zealand **Oualifications Authority** (NZQA) has asked qualification developers and stakeholders basically industry and training providers – to review national and local courses at levels one to six on the New Zealand Qualifications Framework (NZQF).

The key outcome is to reduce the 4,800 qualifications that existed at the start of the review and develop courses that are more easily understood by employers, learners and parents.

The aim is to end up with New Zealand Certificates that are fit for purpose - and reflect industries' education and training needs.

To appreciate the scale of project, the government is committed to reducing qualifications on the NZQF by about 70 per cent by the end of this year.

The NZQA started off the process by grouping courses into clusters, with MITO leading the review of the automotive, engineering and technology group.

This cluster has 93 qualifications - MITO's 13 national certificates and 80 training provider certificates.

Key stakeholders include MITO and representatives of the users of qualifications, from employers to company management.

Trainers and assessors, the Motor Industry Association, Motor Trade Association, NZTA and course providers have been involved in making educational and career pathways clearer.

The governance group overseeing the review set up three working groups - light, heavy and collision repair. They agreed terms of reference and nominated experts on subjects.

These groups have established what qualifications are needed going forward. The draft NZ Certificates were then sent to industry associations and trainers for consultation and feedback.

This has resulted in new qualifications that are skills and outcomes focused - and require graduate profiles, employment and educational pathways.

The certificates cannot duplicate other courses on the NZQF, while a business case has to be developed that establishes industry need and sustainability for each one.

The NZQA will review them in the first half of this year and, once approved, the NZ Certificates will be formally registered.

The transition from current qualifications to the new ones may take some time because programme developers have to put together training programmes, pathways and resources.

These are required to identify or confirm the need for a qualification, develop courses to meet industry needs and develop programmes that lead to qualifications being awarded.

MITO is significantly involved in leading, facilitating and contributing to qualification reviews. Its works programme comprises of 13 different reviews, all of which are at various stages. 🕣

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ith the ever-changing market, we are constantly creating tools to help you get the best possible results from your advertising dollars.

This covers everything from reporting to tips and features. We want to help you improve your online presence so you can focus on what's really important – and that's moving stock.

After logging into DealerBase, you have a world of information at your fingertips.

Our resource tab includes "advertising information", "dealer tips" and "general resources".

You can find everything you need to know about all of the products we offer and how they can help your business by visiting the advertising information section.

The dealer tips section is perfect if you're new to taking photographs or writing listings.

Trade Me Motors is essentially a digital salesperson, so it's important to use the listing comments and pictures to hook buyers in.

We cover what to look for when buying a digital camera, tips on taking great photos, simple steps to download your pictures, examples of good and bad listings, and ways to make listings stand out.

The section on dealer tips also has PDF versions of our previous articles from Autofile. These are full of advice on how to make online advertising work for you.

The general resource tab is the home of our DealerBase instructional documents - for all the ways accounts can be managed.

Depending on your level of



"The online market is fast-paced and buyers will move onto another seller if they don't hear back from you."

access, you can do a whole raft of things, such as buying extra features and managing them online, managing Dealer ShowRoom listings, individual URL links, subtitles and more.

You can also update your business and staff details, or find things such as automatic payment forms, deposit slips and the daily Trade Me Motors' feed times.

There's also access to financial information through DealerBase, so you can view or print past and current invoices and statements. We now offer payment via direct debit to save time.

DealerBase also offers reporting. By using this, you can keep track of how many views each of your listings is getting to easily identify

which listings are performing well and those in need of a boost.

When they are teamed together with helpful products, such as price compare, you can better understand market trends.

Your listing doesn't necessarily need to be the cheapest, but you do need to utilise the comments section to explain what makes it worth more than similar listings.

Lead management is another helpful tool – don't miss out on sales by not following up on leads.

The online market is fast-paced and buyers will move onto another seller if they don't hear back from you in what they deem to be a timely manner.

This is especially important if you're running a smaller business with limited staff resources.

Having something as simple as an automated reply email acknowledging you have received an inquiry and will be in touch shortly can make all the difference in keeping leads warm, but just be sure to get back to them when you say you will.

People who use DealerBase regularly will have noticed the many changes we've been making over the years.

We are constantly gathering feedback from users to better improve the site and products. If you have any views you wish to contribute, our friendly team would love to hear from you.

We have a lot of new and exciting things in the pipeline - and we're looking forward to working with you more during 2014 to help ensure we're working on them in the best order. 🕣





1 Corolla Golf Accord Hilux Legacy



1 RV/SUV Ute Sedan Station wagon

Hatchback

Most popular makes of motorbike searched*

1 Honda Harley-Davidson Suzuki Yamaha 5 Kawasaki

A Triumph 1800 Roadster has been listed for \$35,000. The grey two-door convertible was first registered in 1946 in the UK, so it's one of the earliest made. The current owner bought it from a classic car museum in Auckland.

*in March on Trade Me Motors

Trader misrepresented car's type of transmission so deal was cancelled

Background

Amandeep Sharma bought a 2006 Toyota Vitz from Gordon Center Ltd, trading as Mainline Auto Service, for \$7,360 on December 16 last year.

The buyer said that before agreeing to buy the vehicle, he asked the trader about its transmission.

Sharma claimed the dealer misrepresented this by saying it was "fully automatic". He later discovered it was fitted with a continuously variable transmission (CVT), which he didn't want.

The buyer sought remedy under the Fair Trading Act (FTA) for misleading conduct.

The trader's director, A
Alkhafagi, acknowledged Sharma
asked him about the transmission
before buying the car. He told
Sharma he was unsure but thought
it was automatic.

Alkhafai also admitted that before Sharma agreed to buy the Vitz, he took him into his office and showed a listing of the vehicle, photos and its particulars provided by the Japanese supplier, which described the transmission as "FAT".

He said Sharma took the car for a pre-purchase check and should have found out from VTNZ what transmission it had.

Section nine of the FTA states: "No person shall, in trade, engage in conduct that is misleading or deceptive or is likely to mislead or deceive."

The case

The buyer's claim was the trader saying that he believed the car had an automatic transmission – and showing him a piece of paper from Enhance Auto that described the transmission as "FAT" misled him

into believing it was fully automatic.

Sharma said he wanted to buy a Vitz. Before doing so, he logged onto an AA chat room where he learnt the model with CVT should be avoided in preference to fully automatic transmission models.

The buyer said the reasons for this were because fully automatic transmissions were more widely repaired and cheaper to fix than CVTs and the used car market placed a premium on fully automatic models over those with CVT.

Last December, Sharma and his wife went to the trader's premises after seeing its advert for an automatic Vitz.

Sharma asked Alkhafagi if the vehicle he bought had automatic transmission or CVT, and said Alkhafagi replied that he thought it was an automatic.

Alkhafagi said he didn't tell Sharma the car was an automatic and had no idea what type of transmission it had.

But he told the tribunal that after being asked about the transmission, he invited Sharma to go into his office and look at pictures of the vehicle and a description provided by Enhance Auto, the auction house in Japan that supplied it.

Alkhafagi produced a copy of the information and under the heading "Trans" was the description "FAT".

The tribunal asked Alkhafagi what he understood by the description "FAT" and he replied he didn't know.

The dealer agreed the buyer could take the car for a prepurchase inspection and Sharma provided a copy of VTNZ's report dated December 16, which described the transmission as "auto".

Sharma said he bought the

Vitz relying on the trader's statement he thought it was an automatic.

The dealer reimbursed Sharma with \$140 for the inspection and sold him the vehicle on the same day.

The buyer produced a CarJam report, which showed its transmission as "CVT", and a copy of an email from Albany Toyota dated December 23.

The email identified the Vitz by its frame or chassis number, and showed the transmission as "CVFC – continuously variable transmission".

When Sharma discovered it had a CVT on December 18, he emailed the trader.

This stated: "There isn't anything about CVT in the Japanese certificate. Would you please confirm the plate number for me." The reply was: "Trans in my papers is FAT not CVT."

Sharma emailed the trader five days later asking it to change the car for a non-CVT vehicle.

The trader replied the same day by email. Verbatim, this stated: "I don't know why u not except advice and keep believe wrong thinking.

"For other car can't be replaced because the car already registered on u name. You got nice car and nice deal."

The finding

The tribunal found as a fact the trader misrepresented the type of transmission.

It did this by the precontractual oral representation made by Alkhafagi to Sharma that he thought it was an automatic.

The dealer also misled Sharma about the transmission by showing him Enhance Auto's particulars, which described it as "FAT".

The case: The buyer claimed he was misrepresented about the type of transmission that was in a second-hand Toyota Vitz before he purchased it. The dealer said the buyer took it for a pre-purchase inspection and should have found out from VTNZ what type it had.

The decision: The tribunal was satisfied the trader's conduct was the effective cause of the consumer's loss or damage and declared the transaction void.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The trader adopted that information and represented it as reliable.

In spite of his denial as to what "FAT" meant, the tribunal had little doubt Alkhafagi knew that was a reference to a "fully automatic transmission".

It was satisfied the trader's conduct was the effective cause of the purchaser's loss or damage – Sharma's decision to buy resulted in him receiving a car the tribunal found was less desirable than one with automatic transmission.

The tribunal considered an appropriate remedy was to make an order under the FTA.

This declared the contract for the sale and purchase of the vehicle void, so it ordered the trader to refund buyer.

The tribunal considered this matter should have been settled before a hearing, but the trader refused without reasonable excuse to take part in discussions so it had to pay costs.

Orders

The agreement for the sale of the vehicle was declared void. The trader had to repay the buyer \$7,360 after which the dealer had to collect it from the purchaser in Hamilton.

The trader was also ordered to pay tribunal costs of \$500 within 14 days. ⊕

CONNECT & ENGAGE

Buyer unable to prove head gasket and clutch failures broke consumer laws

Background

Elena Hernandez bought a 2000 Land Rover for \$10,999 from Orange Autos Ltd after seeing it advertised on Trade Me.

She later rejected it under the CGA and applied to have this upheld, but the trader claimed she wasn't entitled to.

The case

Hernandez bought the vehicle on June 9, 2012, when its odometer was on 205,750km, but its head gasket failed on the way to Hanmer Springs less than a week later.

She and her partner saw the temperature gauge go over halfway when about 10 minutes from their destination. They stopped for 15 minutes and then continued to drive.

When they arrived, they noticed an oil smell and smoke coming from the front of the Land Rover.

The trader diagnosed a blown head gasket. Hernandez said she wanted to return the car, but was told by a salesman that wasn't possible.

Carl Loader, the trader's manager, said she didn't ask to take it back at this time. The head gasket was replaced at a cost of \$1,930 to the dealer.

Shortly afterwards, Hernandez went to Tekapo and noticed a cracking noise. Loader arranged an inspection on her return to Christchurch. The rear driveshaft was bent out of shape, which had damaged the transfer case.

Hernandez took the vehicle to the AA for a pre-purchase inspection on August 14 when its odometer was on 208,593km.

It was concluded the Land
Rover was in satisfactory condition

for its age, but noted mechanical issues and the removal of the prop shaft from the transmission.

The trader had an estimate of more than \$3,000 to replace the driveshaft and transfer case.

Loader paid in full even though it appeared the driveshaft had been damaged while Hernandez was driving the car.

In December, it failed a warrant of fitness. The rear brakes and wheel cylinders were replaced for \$450. The buyer didn't contact the trader about this.

On March 23, 2013, Pit Stop serviced the car at 215,220km and informed Hernandez it wasn't in good condition.

Although the invoice noted belts had been checked, she was told the cam belt wasn't checked because it was difficult to access.

In April, the ABS light illuminated at 216,600km so Hernandez returned to Pit Stop, which flushed the radiator and replaced some bulbs.

On May 23, it replaced a cracked serpentine auxiliary drive-belt but the car broke down after being collected, so it was towed back.

Pit Stop identified problems with the gearbox, which was jumping out of reverse, and suspected head-gasket issues. It arranged for Acton Automotive to inspect the vehicle at 217,173km.

Mechanic Damon Woods reported the lower radiator hose was disconnected, there was no coolant in the system and the clutch pedal had no travel.

The head gasket was blown, so Woods recommended fitting a second-hand engine.

The gearbox release's bearing snout and fork were irreparable, and

the only viable solution was to install a second-hand gearbox.

Woods noted faulty glow plugs, broken rear-gear boxmount and gear-linkage bushes as maintenance items.

The cooling system's hoses were worn and two plastic fuel-lines broken, which might have been linked to the first head-gasket failure. Airbag and ABS lights were on but the cause wasn't determined.

The radiator cap and expansion tank were leaking. A window wasn't working and the cam belt needed replacing.

On June 20, Woods' estimated the engine replacement, and gearbox and clutch fork repairs at about \$5,300.

Woods said the cam belt appeared to be significantly worn and was probably replaced about 40,000-50,000km previously, while it's generally recommended to do this at about 100,000km intervals.

Hernandez contacted the trader when these problems occurred in late May. She rejected the Land Rover on May 27. She listed problems culminating in the clutch failure, and possible engine and head-gasket problems.

Loader said the clutch failed 12,000km post-purchase and the trader didn't consider that was a CGA failure. He offered to have the head gasket repaired if it resulted from faulty workmanship.

He raised the possibility of incorrect replacement of the lower radiator hose when the flush was done by Pit Stop because the hose was disconnected at the time of failure.

Loader said this would have drained the coolant causing overheating and the head-gasket

The Case: The buyer wanted to reject her vehicle under the Consumer Guarantees Act (CGA) because of gasket and clutch problems, but this was contested by the dealer.

The decision: The tribunal wasn't convinced the blown head gasket breached the legislation because it was impossible to prove how it was caused. The clutch failure didn't fail the guarantee of acceptable quality and other matters were maintenance items.

At: The Motor Vehicles Disputes Tribunal, Christchurch.

failure. He was told by the previous owner the cam belt had been replaced at about 178,000km, which was consistent with Wood's estimate for the repairs.

The finding

The tribunal wasn't persuaded the head gasket failed the CGA because it was impossible to determine this was an inevitable consequence of the overheating.

It was likely that continuing to drive the Land Rover in an overheated state caused it.

The second head-gasket failure may have been the result of faulty repairs carried out by the trader, but there was no evidence of this.

If that was the case, it would have been the dealer's responsibility and it could have been caused by the lower radiator hose not being properly connected after the flush.

The clutch failure occurred about one year after purchase and after Hernandez had travelled 11.400km in the vehicle.

Based on its age, mileage and price, and time and mileage since purchase, the tribunal wasn't persuaded the car failed the CGA and other issues were maintenance.

Order

The application was dismissed. ⊕

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Total New Cars 7992

2013: 6800 🛕 17.5%

Whangarei

NEW: 662 2013: 498 ▲ 32.9% USED: 663 2013: 514 ▲ 29.0%

NEW: 144 2013: 98 ▲ 46.9% USED: 174 2013: 105 ▲ 65.7%

NEW: 60 2013: 117 ▼48.7% USED: 66 2013: 59 ▲11.9%

Palmerston North

NEW: 254 2013: 325 ▼21.8%

USED: 259 2013: 182 42.3%

NEW: 113 2013: 72 ▲ 56.9% USED: 158 2013: 101 ▲ 56.4%

NEW: 2 2013: 5 ▼60.0% USED: 7 2013: 9 ▼22.2%

Greymouth

NEW: 16 2013: 11 ▲45.5% USED: 31 2013: 25 ▲24.0%

Westport

Welson

Auckland

Hamilton

New Plymouth

Wanganui

NEW: 203 2013: 148 ▲ 37.2% USED: 193 2013: 131 ▲ 47.3%

NEW: 3461 2013: 2883 ▲ 20.0% USED: 5034 2013: 3761 ▲ 33.8%

Total Used Imported Cars 10247

2013: 7581 🛕 35.2%

Thames

NEW: 53 2013: 56 ▼5.4% USED: 72 2013: 62 ▲ 16.1%

Tauranga

NEW: 335 2013: 257 ▲ 30.4% USED: 400 2013: 301 ▲ 32.9%

Rotorua

NEW: 97 2013: 62 \$\textstyle 56.5\%\$
USED: 84 2013: 60 \$\textstyle 40.0\%\$

Gisborne

NEW: 40 2013: 39 ▲ 2.6% USED: 46 2013: 36 ▲ 27.8%

Napier

NEW: 247 2013: 173 42.8% USED: 187 2013: 136 437.5%

Masterton

NEW: 61 2013: 50 **A22.0%** USED: 49 2013: 34 **A44.1%**

Wellington

NEW: 868 2013: 724 ▲ 19.9% USED: 796 2013: 691 ▲ 15.2%

Blenheim

NEW: 62 2013: 52 \blacktriangle 19.2% USED: 54 2013: 31 \blacktriangle 74.2%

Christchurch

NEW: 812 2013: 829 ▼2.1% USED: 1486 2013: 971 ▲53.0%

Timaru

NEW: 68 2013: 61 **11.5%**USED: 88 2013: 61 **44.3%**

Oamaru

NEW: 26 2013: 14 ▲ 85.7% USED: 30 2013: 17 ▲ 76.5%

Dunedin

NEW: 287 2013: 232 ▲23.7% USED: 253 2013: 229 ▲ 10.5%

Invercargill

NEW: 121 2013: 94 ▲ 28.7% USED: 117 2013: 65 ▲ 80.0%



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Port Calls	Morning Miracle V8	Liberty V4	Sepang Express V13	Morning Miracle V9					
Osaka	3 Apr	16 Apr	2 May	16 May					
Nagoya	4 Apr	17 Apr	3 May	18 May					
Yokohama	5 Apr	18 Apr	5 May	19 May					
Auckland	21 Apr	6 May	20 May	6 Jun					
Wellington	27 Apr	13 May	26 May	12 Jun					
Lyttelton	2 May	9 May*	30 May	9 Jun					

*direct port call

Armacup has now introduced a direct monthly call to Lyttelton providing a fast 21 day transit from last port call in Japan.

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Imported P	assenger	Vehicle	Sales by	Make -	March 20	14
MAKE	MAR '14	MAR '13	+/-%	MAR '14 MKT SHARE	2014 TOTAL	2014 MKT Share
Toyota	2441	2020	20.8	23.8%	6905	23.9%
Nissan	1842	1202	53.2	18.0%	5240	18.1%
Mazda	1765	1193	47.9	17.2%	4930	17.1%
Honda	1124	793	41.7	11.0%	3059	10.6%
Suzuki	617	423	45.9	6.0%	1716	5.9%
Subaru	433	363	19.3	4.2%	1219	4.2%
BMW	413	272	51.8	4.0%	1087	3.8%
Volkswagen	373	254	46.9	3.6%	982	3.4%
Mitsubishi	371	352	5.4	3.6%	1084	3.8%
Audi	177	154	14.9	1.7%	574	2.0%
Mercedes-Benz	161	108	49.1	1.6%	458	1.6%
Ford	107	98	9.2	1.0%	344	1.2%
Chevrolet	61	51	19.6	0.6%	169	0.6%
Volvo	50	41	22.0	0.5%	155	0.5%
Hyundai	41	19	115.8	0.4%	75	0.3%
Jaguar	39	22	77.3	0.4%	124	0.4%
Lexus	36	13	176.9	0.4%	109	0.4%
Mini	31	15	106.7	0.3%	94	0.3%
Land Rover	26	33	-21.2	0.3%	77	0.3%
Holden	17	14	21.4	0.2%	60	0.2%
Porsche	17	12	41.7	0.2%	46	0.2%
Daihatsu	15	15	0.0	0.1%	60	0.2%
Dodge	12	10	20.0	0.1%	30	0.1%
Peugeot	10	12	-16.7	0.1%	28	0.1%
Alfa Romeo	4	3	33.3	0.0%	10	0.0%
Buick	4	2	100.0	0.0%	9	0.0%
Fiat	4	3	33.3	0.0%	10	0.0%
Renault	4	6	-33.3	0.0%	12	0.0%
Skoda	4	1	300.0	0.0%	6	0.0%
Bentley	3	4	-25.0	0.0%	9	0.0%
Cadillac	3	4	-25.0	0.0%	8	0.0%
Jeep	3	8	-62.5	0.0%	14	0.0%
Kia	3	2	50.0	0.0%	10	0.0%
Smart	3	0	300.0	0.0%	9	0.0%
АМС	2	1	100.0	0.0%	3	0.0%
Others	31	58	-46.6	0.3%	147	0.5%
Total	10247	7581	35.2	100.0%	28872	100.0%

Imported	l Passengei	r Vehid	e Sales	ь by N	lodel - M	arch 20	14
MAKE	MODEL	MAR '14	MAR '13	+/-%	MAR '14 MKT SHARE	2014 TOTAL	2014 MKT SHARE
Nissan	Tiida	557	301	85.0	5.4%	1539	5.3%
Suzuki	Swift	521	354	47.2	5.1%	1443	5.0%
Mazda	Demio	520	332	56.6	5.1%	1385	4.8%
Mazda	Axela	505	325	55.4	4.9%	1341	4.6%
Honda	Fit	423	219	93.2	4.1%	1080	3.7%
Toyota	Corolla	290	291	-0.3	2.8%	798	2.8%
Toyota	Wish	257	186	38.2	2.5%	773	2.7%
Toyota	Vitz	240	203	18.2	2.3%	702	2.4%
Subaru	Legacy	229	222	3.2	2.2%	667	2.3%
Mazda	Atenza	219	172	27.3	2.1%	657	2.3%
Volkswagen	Golf	218	156	39.7	2.1%	588	2.0%
Mazda	MPV	188	167	12.6	1.8%	615	2.1%
Nissan	Note	171	110	55.5	1.7%	487	1.7%
Nissan	March	169	106	59.4	1.6%	488	1.7%
Toyota	lst	157	148	6.1	1.5%	473	1.6%
Honda	Odyssey	150	128	17.2	1.5%	445	1.5%
Honda	Accord	146	115	27.0	1.4%	366	1.3%
Toyota	Estima	140	112	25.0	1.4%	381	1.3%
Nissan	Bluebird	139	105	32.4	1.4%	395	1.4%
Toyota	Auris	139	110	26.4	1.4%	377	1.3%
Mitsubishi	Outlander	133	133	0.0	1.3%	380	1.3%
Mazda	Premacy	118	76	55.3	1.2%	328	1.1%
Mitsubishi	Colt	115	103	11.7	1.1%	343	1.2%
Bmw	320i	104	69	50.7	1.0%	273	0.9%
Toyota	Blade	102	62	64.5	1.0%	258	0.9%
Nissan	Skyline	99	25	296.0	1.0%	224	0.8%
Subaru	Outback	95	46	106.5	0.9%	245	0.8%
Nissan	Teana	92	65	41.5	0.9%	301	1.0%
Honda	Stream	89	81	9.9	0.9%	277	1.0%
Nissan	Presage	83	80	3.8	0.8%	290	1.0%
Nissan	Murano	82	41	100.0	0.8%	244	0.8%
Toyota	Avensis	82	91	-9.9	0.8%	277	1.0%
Toyota	lpsum	82	68	20.6	0.8%	217	0.8%
Toyota	Mark X	82	43	90.7	0.8%	221	0.8%
Toyota	Caldina	79	86	-8.1	0.8%	240	0.8%
Others		3432	2650	29.5	33.5%	9754	33.8%
Total		10247	7581	35.2	100.0%	28872	100.0%



RELIABLE.



Rebuild helps boost business

arch was a bumper month for used imported cars with 10,247 registrations representing a 35.2 per cent increase over the same month in 2013 when 7.581 were sold.

Last month's top-selling marque was Toyota on 2,441 sales for a yearto-date market share of 23.9 per cent, while Nissan's Tiida topped the models ladder with 557 and has a 5.3 per cent market share in 2014.

Christchurch and Canterbury have been experiencing plenty of positive movement in the market, with many success stories coming to light.

Nigel Thompson and his co-director wife Celia started up their dealership just before the earthquakes hit in the city in 2011.

Now Nigel Thompson Motor Company is selling between 80 and 90 cars a month from what he describes as Christchurch's largest dealer site.

It specialises in vehicles priced between \$2,999 and \$15,999, and often has trade-ins priced less than \$2,000.

"We have found a niche in the market with late-model, highkilometre stock,"Thompson told Autofile.

He says buyers are aware his cars have higher odometer readings, but are happy to compromise so they can purchase newer vehicles.

He's pleased with how this year is panning out as Christchurch's rebuild continues to boost the market with many workers commanding higher salaries.

But Thompson is finding it hard to find certain staff, so he visited a high-school careers adviser to see if any students were looking for jobs.

"It's the first time they haven't been able to worry about

employment for their students, which is a good thing," he says.

"Someone who would usually be interested in vehicle grooming is getting paid good money to hold a lollipop sign.

"We have a few incentives to get people to come over, which will make a difference. These days you can't get away with an extra couple of dollars, so we help them by finding housing and pay moving costs.

"We've boosted our staffing numbers up to 12 in three years. You look at all of the industries in of dealers moving on and new guys jumping in to embrace opportunities here."

Tom Barlow, director of Team Auto Market in Ellerslie, Auckland, savs: "Last month started off strong but it got slower towards the end and we have been selling all over the country.

"April was good in 2013, so we're expecting it to be the same this year.

"We're selling a whole range of vehicles and are having no trouble finding stock in Japan because the yen is at a favourable rate.

"When the rate with the ven

walking in to sell their old cars who are after a quick, easy deal.

"Finance has probably been about the same as usual and there are a lot of people coming in with cash. We don't run a huge finance book but we are selective with our finance customers."

Grant Vincent, of the Winger Motor Group's Hyundai franchise in Greenlane, Auckland, says: "We've done well and trade-in stock has been good.

"We seem to have high demand for anything between \$15,000 and \$30,000"

"On used car stock, we tend to attract a good amount of Hyundai buyers and have a healthy crosssection on the yard because we get quite a few trades of other marques."

Arthur Murray, of Hatchback Autos Ltd in Kelston, West Auckland, says: "They say 50 per cent of the population in the city is from overseas and most people - in my experience have expectations to negotiate down the price significantly.

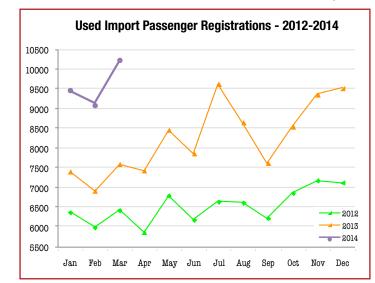
"A large lump of the Kiwi buyers left are younger, educated, and research and even buy on the internet.

"The search criterion after 'car type' on Trade Me is 'lowest price, which is generally at the expense of dealers. Both buyer categories seem blind to quality, value and in-service issues.

"Not all cars are equal and not all are in good condition, even if they look it, and buyers know consumer legislation provides a back-stop for extreme quality issues.

"I miss buyers who want to pay a fair price for a good car, good service and most importantly seek to trust the dealer they are buying from."

•



Christchurch and we're growing at the speed of the national economy.

"Some of it's risky, but if you don't do it now you might miss it. It's hard work now. I'm working six days a week, but I hope we'll reap the rewards down the track."

Thompson recently opened up a servicing and repairs workshop.

"The reason behind that is mechanics are busy around Christchurch, so we need to be able to look after our clients and offer them that facility. We're a one-stop shop.

"The nature of the industry in the city is changing, with a lot

becomes good, people go over to Japan and the prices go up a little bit."

Barlow, who has worked in the industry for 28 years, says that so far 2014 has been good for trade.

He says: "There are some guys who are finding it tough as a lot of new yards open up, particularly around Great South Road and Penrose with the low rents for commercial sites."

Hamish Pike, of Allan Pike Cars in Napier, says his business has also been performing well so far this year, even if there's little consistency in the market.

"We do get a lot of people

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New Passer	nger Vehi	icle Sales	s by Ma	ake - N	larch 2014	
MAKE	MAR '14	MAR '13	+/- %	MAR '14 MKT SHARE	2014 TOTAL	2014 MKT SHARE
Toyota	1048	1202	-12.8	13.1%	3277	14.3%
Hyundai	774	512	51.2	9.7%	2055	9.0%
Holden	764	654	16.8	9.6%	2399	10.5%
Mitsubishi	640	451	41.9	8.0%	1397	6.1%
Mazda	621	485	28.0	7.8%	1674	7.3%
Ford	602	475	26.7	7.5%	1952	8.5%
Suzuki	505	499	1.2	6.3%	1455	6.4%
Nissan	408	467	-12.6	5.1%	1240	5.4%
Honda	367	200	83.5	4.6%	957	4.2%
Volkswagen	359	319	12.5	4.5%	1089	4.8%
Kia	277	249	11.2	3.5%	778	3.4%
Audi	205	154	33.1	2.6%	564	2.5%
Subaru	184	168	9.5	2.3%	486	2.1%
BMW	171	182	-6.0	2.1%	540	2.4%
Mercedes-Benz	157	108	45.4	2.0%	466	2.0%
Peugeot	114	98	16.3	1.4%	301	1.3%
Jeep	100	56	78.6	1.3%	280	1.2%
Skoda	83	61	36.1	1.0%	212	0.9%
SsangYong	83	55	50.9	1.0%	233	1.0%
Land Rover	78	43	81.4	1.0%	248	1.1%
Lexus	65	47	38.3	0.8%	155	0.7%
Dodge	54	39	38.5	0.7%	140	0.6%
Volvo	48	26	84.6	0.6%	127	0.6%
Mini	46	30	53.3	0.6%	155	0.7%
Citroen	45	15	200.0	0.6%	137	0.6%
Fiat	31	3	933.3	0.4%	88	0.4%
Alfa Romeo	26	21	23.8	0.3%	72	0.3%
Chery	23	21	9.5	0.3%	54	0.2%
Isuzu	18	-	-	0.2%	18	0.1%
Porsche	17	18	-5.6	0.2%	74	0.3%
Great Wall	11	26	-57.7	0.1%	34	0.1%
Jaguar	11	22	-50.0	0.1%	32	0.1%
Chrysler	10	5	100.0	0.1%	26	0.1%
Maserati	10	2	400.0	0.1%	20	0.1%
Renault	9	13	-30.8	0.1%	23	0.1%
Can-Am	5	8	-37.5	0.1%	17	0.1%
Mahindra	5	-	-	0.1%	15	0.1%
MG	5	1	400.0	0.1%	6	0.0%
Bentley	4	3	33.3	0.1%	14	0.1%
Lamborghini	3	2	50.0	0.0%	6	0.0%
Others	6	60	-90.0	0.1%	41	0.2%
Total	7992	6800	17.5	100.0%	22857	100.0%

New Pass	senger Vehic	le Sale	s by N	10del	- March	2014	
MAKE	MODEL	MAR '14	MAR '13	+/-%	MAR '14 MKT SHARE	2014 TOTAL	2014 MKT SHARE
Toyota	Corolla	408	429	-4.9	5.1%	1441	6.3%
Suzuki	Swift	287	312	-8.0	3.6%	781	3.4%
Holden	Commodore	245	163	50.3	3.1%	666	2.9%
Mitsubishi	Outlander	241	183	31.7	3.0%	423	1.9%
Mazda	Mazda3	237	100	137.0	3.0%	570	2.5%
Mitsubishi	Lancer	222	67	231.3	2.8%	570	2.5%
Mazda	CX-5	218	163	33.7	2.7%	630	2.8%
Hyundai	ix35	197	83	137.3	2.5%	487	2.1%
Volkswagen	Golf	190	106	79.2	2.4%	598	2.6%
Hyundai	i30	174	78	123.1	2.2%	438	1.9%
Toyota	RAV4	170	207	-17.9	2.1%	460	2.0%
Hyundai	Santa Fe	165	189	-12.7	2.1%	505	2.2%
Holden	Captiva	152	220	-30.9	1.9%	580	2.5%
Holden	Cruze	142	159	-10.7	1.8%	425	1.9%
Toyota	Yaris	142	205	-30.7	1.8%	483	2.1%
Honda	CRV	130	54	140.7	1.6%	276	1.2%
Toyota	Highlander	128	98	30.6	1.6%	285	1.2%
Ford	Fiesta	126	62	103.2	1.6%	287	1.3%
Ford	Focus	124	103	20.4	1.6%	538	2.4%
Ford	Kuga	123	42	192.9	1.5%	405	1.8%
Honda	Jazz	123	60	105.0	1.5%	282	1.2%
Nissan	X-Trail	123	124	-0.8	1.5%	276	1.2%
Kia	Sportage	121	60	101.7	1.5%	246	1.1%
Nissan	Qashqai	112	148	-24.3	1.4%	403	1.8%
Ford	Mondeo	90	84	7.1	1.1%	210	0.9%
Ford	Territory	87	127	-31.5	1.1%	295	1.3%
Mitsubishi	ASX	80	77	3.9	1.0%	161	0.7%
Holden	Trax	74	-	-	0.9%	180	0.8%
Hyundai	i20	74	43	72.1	0.9%	251	1.1%
Mazda	Mazda6	73	103	-29.1	0.9%	203	0.9%
Volkswagen	Tiguan	69	45	53.3	0.9%	210	0.9%
Jeep	Grand Cherokee	67	31	116.1	0.8%	185	0.8%
Honda	Civic	66	71	-7.0	0.8%	219	1.0%
Suzuki	SX4 S-Cross	63	-	-	0.8%	222	1.0%
Toyota	Camry	63	67	-6.0	0.8%	186	0.8%
Subaru	Outback	61	54	13.0	0.8%	153	0.7%
Mitsubishi	Mirage	60	93	-35.5	0.8%	149	0.7%
Mazda	Mazda2	59	93	-36.6	0.7%	185	0.8%
Nissan	Pulsar	57	30	90.0	0.7%	159	0.7%
Dodge	Journey	54	39	38.5	0.7%	140	0.6%
Others		2595	2428	6.9	32.5%	7694	33.7%
Total		7992	6800	17.5	100.0%	22857	100.0%







Strong dollar hikes up demand

here were 7,992 new passenger cars sold across the country last month, which was an increase of 17.5 per cent and 1,192 units on March 2013.

Overall sales are continuing to perform at levels last seen in the early 1980s, with Kiwis taking advantage of the strong New Zealand dollar backed by confidence in the economy to replace vehicles.

SUV sales represented 29 per cent of all transactions last month, followed by pick-ups and chassiscabs with 20 per cent, and small passenger cars on 19 per cent.

The Corolla was the top-selling passenger car with five per cent market share and 408 sales. It was followed by Suzuki's Swift on 287 registrations and Holden's Commodore on 245.

Peter Michels, new vehicles sales manager with Macaulay Ford in Invercargill, says the Kuga is a popular choice for many of the dealership's retired customers.

But sales of larger V6 vehicles have been held back with SUVs jumping forward.

"The large car segment right across the country has diminished a bit and the big car market isn't what it used to be," says Michels.

And with FPV's last-ever GT-P due for release at the end of this year, many enthusiasts have been holding back.

"The Fiesta has gone very well nationally. We don't sell heaps of them but we are trying to grow its sales.

"The Focus has been the biggest selling car in the world and that's starting to gain traction here too, so we're predicting a stronger year than 2013."

Michels says the franchise used to sell a lot of cars to retired folk,

couples who have been farming their whole lives and those who have a lot of money invested.

But what has happened since the collapse of some finance companies is that interest rates haven't been so high meaning these people have taken a cut in income from their savings, which has slightly affected the industry.

"We've got a good crew here and we're reviewing it to see if we take on more staff," says Michels, who adds trade-ins have been down with many customers buying vehicles outright.

Alastair Hamilton, new and used

"We changed cars and ended up in the sedan and four big guys can fit really easily into them. It's about the same size as the Corona now."

Duncan Wright, dealer principal of Queenstown Motor Group, says: "We're still building the service side of the business. It's going along well and we have room to expand with six hoists and four mechanics.

"Our finance penetration isn't as high as some areas, but that's not to sav we don't do finance.

"Also, we're on the Frankton side of town. This is where all

councils and taxi companies.

"People still don't want a vehicle with an engine of more than 1,800cc and we would sell nine hatchbacks to every one sedan.

"The market is predicted to grow this year. If we look at this month compared to the same month last year, we did the same figures. The big month last year was May and Fieldays always boosts sales."

Neil Smith, dealer principal of Grey Ford in Greymouth, says: "We have been going reasonably well with regards to new vehicle sales.

"Generally 50 per cent of it is on the commercial side of it, and the remainder is passenger such as the Fiesta, Focus and Kuga."

Smith says the local market is looking a lot brighter than it was this time last year.

"We sell new and used, and have a parts and service side," he says. "We have a few more strings to our bow and have a broad cross-section of industries we service.

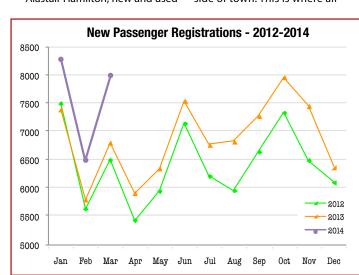
"Our service side is reasonably busy. It might not have the same amount of work as three years ago, but we're cautiously more confident."

Lyndon Moore, sales manager of Smallbone Ltd in Ashburton, says: "The Holden Captiva sells well along with the Colorado and Commodore, while we're seeing a trend towards mid-size cars, such as the Cruze.

"For a lot of our customers, finance has been sorted before they get into the dealership. However, we've had a lot more people talking about leasing.

"We've got new mechanics in our service departments and five hoists. Our main-road location means more people can see us and know what we have on offer."

•



sales manager at Coast Toyota, Greymouth, says the Corolla is still a "huge part of what we do".

He told Autofile: "We now have the new sedan. Worldwide they sell a huge percentage of sedans over hatches, but New Zealand is the other way around.

"People have got this Kiwi attitude of do-it-yourself and that you can fit anything in a hatchback.

"We went to a launch of the Highlander and Corolla, and everyone ran for the Highlanders first.

the commercial development is going on and there's also a new residential sub-division happening nearby."

A car dealer in mid-Canterbury says the Toyota Hilux, Ford Ranger and Nissan Navara are all popular choices.

"It has been buoyant in used and new has picked up too, but the take-up of hybrids in Ashburton has been slow compared to other places in New Zealand," he says.

"Because we are rural, we don't get the same amount of sales from

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Sales steam ahead of last year

ommercial vehicle registrations in New Zealand came to 3,243 units during March, which was up by 20 per cent – or 537 sales – on the same month last year.

Year-to-date sales are now 19 per cent - or 1,284 units - ahead of this time in 2013.

The Ford Ranger was March's top seller with 550 registrations and 17 per cent of the market. Toyota's Hilux was second with 505 sales with Nissan's Navara third on 270.

Year to date, the Ranger is in pole position for commercials with 1,175 sales, closely followed by the Hilux on 1,126.

The Hyundai branch of Winger Motor Group in Greenlane, Auckland, has just relocated to the site where its Subaru dealership was formerly situated.

Dealer principal Grant Vincent

says this year will see sales of the Isuzu D-Max being pushed forward in central Auckland.

"It has got a good following and with the increased tow rating we are now expecting it to grow," he told Autofile. "The new model looks good and drives well."

Vincent says sales of Hyundai's iLoad and iMax have also been steady.

Peter Michels, of Macaulay Ford in Invercargill, says the Ranger has been a strong seller for the past month - and it's not just farmers who are buying the ute.

He says: "To be fair it's a bit of everything and you couldn't say that one area is buying more than the others. It's farming businesses, tractor dealerships that are upgrading vehicles and electrical companies.

"As a rule, we don't sell a whole heap of vans. But in the first three months of this year, we've sold more vans compared to March 2013."

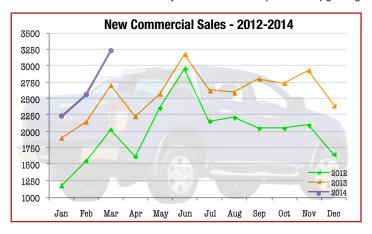
Michels says finance take-up for commercials isn't as strong as passenger vehicles because local businesses tend to be cash buyers.

"Used commercial stock has been very difficult to get," he adds. "There haven't been as many trades for new stock because people are holding onto them or putting them into auctions."

Duncan Wright, of Queenstown Motor Group, which holds Audi, Volkswagen and Subaru franchises, says the Amarok has been popular with those who have never been exposed to the brand.

"It's the premium ute product and some people buy it as an alternative to an SUV."

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New Comme	ercial Sale	s by M	ake - M	arch 2014	1	
MAKE	MAR '14	MAR '13	+/- %	MAR '14 MKT SHARE	2014 Full year	2014 MKT SHARE
Toyota	753	643	17.1	23.2%	1717	21.3%
Ford	600	453	32.5	18.5%	1337	16.6%
Nissan	270	308	-12.3	8.3%	833	10.4%
Mitsubishi	231	225	2.7	7.1%	570	7.1%
Isuzu	199	126	57.9	6.1%	486	6.0%
Holden	186	250	-25.6	5.7%	532	6.6%
Volkswagen	114	100	14.0	3.5%	321	4.0%
Mazda	101	119	-15.1	3.1%	302	3.8%
Great Wall	99	80	23.8	3.1%	242	3.0%
SsangYong	81	47	72.3	2.5%	211	2.6%
Mitsubishi Fuso	71	34	108.8	2.2%	145	1.8%
Hino	62	40	55.0	1.9%	157	2.0%
Hyundai	62	49	26.5	1.9%	227	2.8%
LDV	50	-	-	1.5%	91	1.1%
Mercedes-Benz	49	39	25.6	1.5%	117	1.5%
Volvo	44	21	109.5	1.4%	81	1.0%
DAF	38	25	52.0	1.2%	56	0.7%
Fiat	30	18	66.7	0.9%	78	1.0%
Foton	27	3	800.0	0.8%	80	1.0%
MAN	27	8	237.5	0.8%	84	1.0%
Others	149	117	27.4	4.6%	378	4.7%
Total	3243	2705	19.9	100.0%	8045	100.0%

INSM COUL	Hercial 20	ام جهاد	אווין	GI - 1VI	arch 2014		
MAKE	MODEL	MAR '14	MAR '13	+/- %	MAR '14 MKT SHARE	2014 FULL YEAR	2014 MKT SHARE
Ford	Ranger	550	368	49.5	17.0%	1175	14.6%
Toyota	Hilux	505	389	29.8	15.6%	1126	14.0%
Nissan	Navara	270	300	-10.0	8.3%	833	10.4%
Toyota	Hiace	225	239	-5.9	6.9%	537	6.7%
Holden	Colorado	168	232	-27.6	5.2%	486	6.0%
Mitsubishi	Triton	156	87	79.3	4.8%	332	4.1%
Isuzu	D-Max	114	77	48.1	3.5%	294	3.7%
Mazda	BT-50	100	119	-16.0	3.1%	301	3.7%
SsangYong	Actyon Sport	81	47	72.3	2.5%	211	2.6%
Great Wall	V240	78	51	52.9	2.4%	184	2.3%
Mitsubishi	L300	75	138	-45.7	2.3%	238	3.0%
Volkswagen	Amarok	72	61	18.0	2.2%	207	2.6%
Hyundai	iLoad	60	47	27.7	1.9%	225	2.8%
LDV	V80	50	0	5000.0	1.5%	91	1.1%
Ford	Transit	46	77	-40.3	1.4%	149	1.9%
Mercedes-Benz	Sprinter	39	30	30.0	1.2%	86	1.1%
Volvo	FM	39	17	129.4	1.2%	67	0.8%
Isuzu	N Series	37	24	54.2	1.1%	81	1.0%
Isuzu	F Series	36	21	71.4	1.1%	80	1.0%
Hino	500	30	22	36.4	0.9%	72	0.9%
Others		512	359	42.6	15.8%	1270	15.8%
Total		3243	2705	19.9	100.0%	8045	100.0%

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High mileage stock 'attractive'

here were 617 used commercials registered in March, which was a 32.7 per cent increase on 465 vehicles sold in the same month of last year.

The year-to-date total is now 1,836, with Toyota claiming about half of total marque sales in what is a booming market.

Hamish Pike, of Allan Pike Cars in Napier, says: "If I could fill my yard with vans and utes, I would.

"You are paying big money for them, so they have to pay off, while the higher kilometre options are still very attractive for people."

Grant Chapman, of 4Guys AutoBarn in Hamilton, says used commercial stock has been hard to come by, with most of it appearing to be traded through the franchises.

Ken Cummings, managing director of Southern Motor Court in Dunedin, says: "There is always popular stock and it varies from brand to brand, but once again SUVS and utes are performing well.

"We are always purchasing New Zealand-new and with the upturn in new vehicle sales that has made the sourcing of used stock a little bit easier."

Brett Harris, used car manager

with Farmer Autovillage in Tauranga, says that due to the strong performance of the Volkswagen Amarok and Nissan Navara, commercial trade-ins have been steady.

"Getting enough good used commercials is always an issue with a lot of utes getting handed down, but our rural sector is going really well," comments Jim Wright, managing director of Jim Wright Nissan in Hamilton.

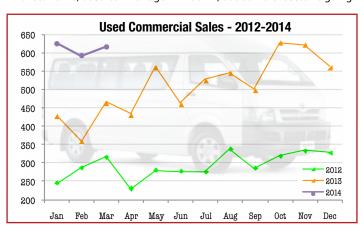
"You have to pay good money for a used commercial, but if you are willing to pay for it then it will sell," adds Mike Muriwai, of Moyes Motor Group in Panmure, Auckland.

Alastair Hamilton, of Coast Toyota in Greymouth, says: "There's always good demand for second-hand utes.

"I have been fielding calls from around the country for one ute that appears to be thousands of dollars less than what it was worth due to its condition."

Duncan Wright, of Queenstown Motor Group, says: "We've had some really good trade-ins recently, so we have a mix of used stock."

Toyota's Hiace topped the models chart in March with 235 sales for 35.8 per cent of the market. ⊕



Used Commercial Sales by Make - March 2014									
MAKE	MAR '14	MAR '13	+/- %	MAR '14 MKT SHARE	2014 Full year	2014 MKT SHARE			
Toyota	302	229	31.9	48.9%	900	49.0%			
Nissan	142	98	44.9	23.0%	389	21.2%			
Isuzu	38	17	123.5	6.2%	106	5.8%			
Mazda	25	20	25.0	4.1%	72	3.9%			
Ford	24	31	-22.6	3.9%	82	4.5%			
Mitsubishi	18	9	100.0	2.9%	47	2.6%			
Chevrolet	14	11	27.3	2.3%	42	2.3%			
Hino	13	14	-7.1	2.1%	30	1.6%			
Holden	9	2	350.0	1.5%	31	1.7%			
Mercedes-Benz	8	2	300.0	1.3%	25	1.4%			
GMC	4	5	-20.0	0.6%	11	0.6%			
Fiat	2	3	-33.3	0.3%	20	1.1%			
Scania	2	0	200.0	0.3%	2	0.1%			
Suzuki	2	1	100.0	0.3%	6	0.3%			
Volkswagen	2	2	0.0	0.3%	8	0.4%			
Volvo	2	3	-33.3	0.3%	7	0.4%			
Alexander Dennis	1	0	100.0	0.2%	4	0.2%			
AM General	1	0	100.0	0.2%	1	0.1%			
Daihatsu	1	0	100.0	0.2%	1	0.1%			
Factory built	1	0	100.0	0.2%	2	0.1%			
Others	6	18	-66.7	1.0%	50	2.7%			
Total	617	465	32.7	100.0%	1836	100.0%			

OSEO COMINEICIAI JAIES OF MODE! - March 2014								
MAKE	MODEL	MAR '14	MAR '13	+/-%	MAR '14 MKT SHARE	2014 Full year	2014 MKT SHARE	
Toyota	Hiace	235	173	35.8	38.1%	690	37.6%	
Nissan	Caravan	66	42	57.1	10.7%	182	9.9%	
Nissan	Vanette	47	33	42.4	7.6%	126	6.9%	
Toyota	Regius	25	13	92.3	4.1%	74	4.0%	
Mazda	Bongo	19	17	11.8	3.1%	53	2.9%	
Toyota	Dyna	19	22	-13.6	3.1%	61	3.3%	
Isuzu	Elf	16	11	45.5	2.6%	42	2.3%	
Nissan	Atlas	14	13	7.7	2.3%	36	2.0%	
Isuzu	Como	11	1	1000.0	1.8%	36	2.0%	
Toyota	Hilux	11	5	120.0	1.8%	28	1.5%	
Ford	Transit	8	15	-46.7	1.3%	28	1.5%	
Mitsubishi	Canter	8	5	60.0	1.3%	9	0.5%	
Nissan	Navara	7	8	-12.5	1.1%	24	1.3%	
Toyota	Toyoace	7	7	0.0	1.1%	28	1.5%	
Chevrolet	Silverado	6	3	100.0	1.0%	17	0.9%	
Isuzu	Forward	6	5	20.0	1.0%	15	0.8%	
Mercedes-Benz	Sprinter	6	0	600.0	1.0%	15	0.8%	
Mitsubishi	Delica	5	2	150.0	0.8%	18	1.0%	
Ford	Ranger	4	1	300.0	0.6%	17	0.9%	
Hino	700	4	0	400.0	0.6%	6	0.3%	
Others		93	89	4.5	15.1%	331	18.0%	
Total		617	465	32.7	100.0%	1836	100.0%	

Used Commercial Sales by Model - March 9014

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