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Dealer pleads guilty to odometer fraud

The effects clocking cars have on the automotive industry, road safety and consumers have been highlighted in a conviction secured by the registrar of motor-vehicle traders.

The prosecution of Carl Francis Pender resulted in him pleading guilty to four charges of tampering with odometers without reasonable excuse when he appeared in Christchurch District Court.

The legal action was taken by the registrar because what he did breached sections 13 and 99 of the Motor Vehicle Standards Act (MVSA), which aims to promote and protect the interests of buyers.

The registrar, who oversees the work of the Motor Vehicle Traders Register (MVTR), told the court that Pender clocked four different cars.

They included a 1996 Honda Civic hatchback, 2003 Toyota Estima Hybrid E-Four and 1996 Honda CR-V.

The most extreme example of his odometer tampering related to a 1995 Honda Accord station wagon, which was wound back by about 184,000km.

It is an offence under the MVSA for someone to make it appear a

vehicle has travelled a distance less than what it has actually done.

The court heard that clocking cars is usually achieved by replacing the instrument cluster with one from a similar vehicle or replacing the chip that holds the reading.

It can also be done by accessing the on-board diagnosis port with specialised equipment and corrupting the chip with a lower reading.

The MVSA recognises there may be occasions when it's necessary to alter or remove the odometer, so it's only an offence to tamper with one "without reasonable excuse".

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Boosting electric cars' infrastructure

n industry organisation is hoping the number of charging stations for electric vehicles (EVs) in New Zealand will more than double this year.

Drive Electric, which aims to help develop their uptake in this country, also hopes more models will lead to an increase in the number of these cars in use.

While ranges of many all-

electric models available on the market meet the average Kiwi's daily commuting needs, public facilities for people to top up their batteries are essential as demand expands.

The number of facilities went up from 34 in 2014 to 205 last year – an increase of 486 per cent – while there were only two operational in 2013, according to statistics supplied to Autofile by Charge Net NZ. "What we saw last year was the start of a significant roll-out of recharging infrastructure in New Zealand with the likes of Vector, Charge Net NZ, and other electricity and lines companies

investing in it," says Mark Gilbert, chairman of Drive Electric. "We need more stations to improve

support available for

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Time and tide wait for no man

hose in literary circles believe the proverbial phrase used at the top of this article first appeared around 1395 in the prologue to The Clerk's Tale by Chaucer.

However, many historians point to its earliest known reference by Saint Marher in 1225.

It is widely viewed "tide" didn't refer to that word's contemporary meaning but to a period, such as a season. It's still in use nowadays as in "good tidings", for example.

For me, the phrase "time waits for no one" emphasises people can't stop the clock and shouldn't delay doing things, and it's on that note I pen my final editorial at the helm of Autofile.

It would have taken far too much time to work out how many tides there have been over the past four years I've been in this job – and the deadline for the printer is fast approaching.

It took a bit of time to get my head around the complexities of the automotive industry in the first few months, especially its technicalities and acronyms, and I would like to extend sincere appreciation to those who have helped me out along the way.

The past few years have seen major changes in the way the motor-vehicle sector operates. There has been the overhaul of consumer legislation, vehiclelicensing reforms and the loanshark laws to highlight just three.

In many ways, recent times have seen developments almost on a par with New Zealand's borders being opened to used imports about a quarter of a century ago, the demise of onshore assembly plants and the Motor Vehicle Sales Act 2003.

In that respect, it has been an exciting period to carry out in-depth investigations and publish reports on news in the sector that have been unmatched elsewhere in the media.

However, the time always comes to move on – not only from this job, but also from New Zealand.

My wife and I are heading back to the south-west of England mainly for family reasons after about 11 years in Aotearoa, but it will be a while before we return to Blighty.

First up there will be a fourweek, off-road and camping expedition across Western Australia's remote Kimberley region via the infamous Gibb River Road and its offshoots.

That will be followed by flying into Seattle and going to the Twin Peaks Festival in the middle of nowhere in Washington state – David Lynch fans' ears may prick up.

Then it's Burning Man, a festival in the Nevada Desert near Reno, before rafting in the Grand Canyon and a road trip to Florida to a friend's place before heading back to the motherland for Christmas.

After that, who knows? Perhaps property development in Bath, a do-up with visitor accommodation in Umbria or even a bar in Grenada.

Some work with the Institute for War and Peace Reporting is being lined up – training locals in places such as Kabul and Baghdad on how a free media works, but from a distance.

Having reported on the Yugoslavian Civil War at the turn of the century and witnessing the aftermath of its atrocities, giving something back is important – especially when time in this world is limited.

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-raud distorts legitimate trade

<u>Struck</u> off

based Premium Cars Ltd.

The company's current

The summary of facts presented to the court in Pender's case stated the NZTA maintains secure records of ownership on the register of motor vehicles, which keeps information such as odometer readings at various stages during their lifespans.

This includes when a used import is inspected on its arrival in New Zealand, during warrant of fitness (WOF) inspections and when a vehicle is inspected by an authorised agent before it's registered to a new owner.

The registrar has found that NZTA records are the most reliable evidence of readings.

"Apart from being a consumer fraud issue, the public dangers of odometer tampering are self-evident," stated the summary of facts in the case against Pender, a registered motor-vehicle trader at the time.

"When a vehicle appears to have a lower mileage than it does, owners and mechanics may assume that it's in a better condition than it is, and underestimate repair and maintenance needs.

"This leads to potentially dangerous vehicles being driven on the road."

EXPERT GIVES EVIDENCE

David Vinsen, chief executive of the Imported Motor Vehicle Industry Association gave evidence at the hearing on

status is struck off after being December 18. registered from April 2005 to February 2015. He told the court that legitimate dealers who don't clock cars have to compete in a market with

traders who engage in this activity. "The used-car market is already very competitive and, while it is difficult to estimate the profit margins across all used cars, those margins are generally small," said Vinsen.

"Therefore, a trader who engages in odometer tampering undermines those who don't and, when they are caught, they undermine the reputation of all motor-vehicle traders."

> One of the main ways of determining a car's

purchase price is by its mileage. By Records held by Companies Office show Carl Pender was previously a director of Christchurchrewinding the odometer, the seller can get a higher price than otherwise can be achieved. There may

be other costs to

the consumer, such as more expensive finance and insurance, tax costs based on an inflated purchase price and increased repair costs.

If the true mileage is discovered,

the buyer will also suffer a loss when it is resold.

Vinsen stressed a car's mileage is a good predictor of its condition. By purchasing one with a false reading, the buyer may underestimate maintenance and repair needs.

"Even mechanics routinely rely on the mileage to determine how much work to carry out on a car. In this way, odometer tampering can allow unroadworthy vehicles on the road."

He added: "Late-model cars increasingly have digital odometers and it is relatively easy to replace the chip for all electronic equipment in a car.

"However, this often leaves evidence or corrupts other areas of the electrical system unless the person making the changes has specific expertise.

"Other methods can include replacing the odometer chip,

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The system explained

THE Motor Vehicle Traders Register (MVTR) is operated by Trading Standards, which is a business unit of the Ministry of Business, Innovation and Employment.

Trading Standards is a regulator responsible for protecting consumers by keeping the market free from unsafe and non-compliant products, and also monitors fuel quality.

It aims to build consumer and business confidence, and provide a level playing field.

The MVTR holds essential information about car dealers, who can lodge and maintain their registrations online. Anyone can search the system for registered and banned traders.

The Motor Vehicle Sales Act (MVSA) sets out criteria for who must register, while the registrar of motor-vehicle traders is responsible for sections 95-119 of the legislation.

Breaches include carrying on the business of motor-vehicle

trading without being registered, tampering with odometers, failing to display consumer information notices on used vehicles and providing false or misleading details on statutory declarations.

Other responsibilities car dealers have under the act include keeping records of sales contracts.

People are treated as carrying on the business of motor-vehicle trading under the MVSA and are required to register if they hold out as carrying on such trading, or in any specified period sell more than six motor vehicles or import more than three – unless they can prove this was not done for the primary purpose of financial gain.

The rules apply, but are not limited, to importers, wholesalers, car auctioneers and consultants, insurance or finance companies, and storage providers that sell vehicles to the public unless they do this through a registered trader. 🕤

 which holds the reading, accessing this chip with specialised equipment and corrupting it with a lower reading, or replacing the complete instrument cluster from a similar vehicle."

There are organisations, such as the AA, which offer to check that an odometer has not been tampered with and certified cars often display a sticker to that effect, Vinsen told the court.

"There is usually a small fee for this and it is only carried out at the request of the buyer.

"There are also publically available databases from which a purchaser can check the vehicle's mileage over its history, but no systematic checks are carried out for tampering.

"On non-digital odometers, buyers can also check the numbers on the gauge. Signs of tampering include the numbers being crooked, containing gaps or jiggling when the dashboard is banged.

"However, these methods depend on the purchaser's knowledge of cars and eye for detail." Vinsen explained most buyers are unaware of the risk that their odometers can be clocked and how to check for relevant signs, while only "relatively unsophisticated forms of tampering" can be detected by comparing readings over different dates.

As an example, a more sophisticated offender can buy a car with a mileage of 200,000km, drive it heavily for a year until it reaches 230,000km and – just before a presale WOF inspection, which records the mileage – wind the odometer back to a lower, but still plausible, reading of 210,000km.

"Regular mileage readings taken at WOFs will not be able to capture this kind of tampering."

SCALE OF OFFENDING

The registrar's summary of facts in Pender's case detailed the circumstances of his offending.

All of his victims bought cars from him without knowing they had been clocked only to find out further down the line that they had been.



"A trader who engages in odometer tampering undermines those who don't."

- David Vinsen, IMVIA

Pender purchased a Toyota Estima Hybrid E-Four on July 24, 2014, when its odometer reading had been carried out on February 4 of that year and was shown as 173,618km.

The 2003 model underwent a WOF inspection on September 15, 2014, and a reading of 78,182 was recorded.

Nine days later, the complainant bought the car from Pender in a Trade Me auction run under his partner's account for \$7,000, plus freight for \$700, and registered it on October 16.

After it was delivered, the complainant checked its history from VTNZ and noted the odometer reading taken on February 4, 2014, was 173,618km and noticed this was different from the actual reading.

Pender registered his acquisition of a Honda Civic on July 19, 2013, after its last reading of 279,138km had been taken during a WOF inspection on June 17 of the same year.

[continued on page 6]

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spections pick up tampering

The 1996 hatchback was inspected again on September 16 and the odometer was on 148,500km. He sold it two days later.

A 1995 Honda Accord was registered by Pender on June 21, 2014. A WOF 17 days before that recorded its mileage as 308,415km.

Another inspection on June 23 recorded the odometer reading as 124,166km. Pender sold the station wagon two days later.

The fourth breach of the MVSA related to a 1996 Honda CR-V Pender registered on February 6, 2014, after its last WOF on January 23 showed it had clocked up 308,188km.

Another inspection on February 12 recorded a reading of 165,300km before he sold it to his victim on March 22.

The case against Pender, of Avondale, Christchurch, was adjourned until April when he



Carl Francis Pender pleaded guilty to tampering with the odometers of a 1995 Honda Accord station wagon, a 1996 Honda Civic hatchback and CR-V, and a 2003 Toyota Estima Hybrid E-Four

will be sentenced by the court.

The maximum fine for this type of offending is set out under section 118 of the MVSA - \$50,000 for an individual and \$200,000 for a company.

The primary purpose of the

legislation is to protect consumers.

For example, information about dealers, such as those registered and banned, is available through an online system.

Cars bought from registered traders must be free of any security interest unless disclosed prior to purchase and the buyer goes ahead with the transaction.

Consumers can apply to the Motor Vehicle Disputes Tribunal regarding unresolved disputes with registered traders. 🕤

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Bike levies stay same

he government has taken on board a recommendation to leave ACC charges for motorbikes unchanged for the 2016/17 levy year.

It says there has been no significant reduction to motorcyclists' injury costs over the past year with 76 per cent of them already being met by other road users.

However, it will consider reducing the motorcycle safety levy, which pays for measures benefitting bikers, from \$30 to \$25 per annum.

Nikki Kaye, Minister for ACC, believes this strikes a balance between investing in initiatives that can reduce claims lodged by two-wheelers and not collecting too much in levies, while extra measures will be rolled out next year.

"I will be exploring further incentivising rider training and possible risk-rating approaches for motorcycle levies, such as increasing the number of levy bands and taking into account factors such as power-to-weight ratios or fitted safety features," she says.

Reductions to the motor-vehicle, earners and work levies of about \$450 million were announced last year, while consultation on a review into changing ACC's controversial risking-rating system got under way in December.

ACC has also consulted on a new funding policy. It would see each levied account target a funding band of between 100 and 110 per cent of its liabilities over a 10-year period.

"The government has broadly agreed to adopt the funding policy and I expect to work through its implementation over coming months," says Kaye.

"There have been calls for a funding horizon shorter than 10 years, but this would compromise long-term levy stability.

"ACC's levied accounts are now fully funded. The scheme is underpinned by a policy that increases transparency, and ensures levies are fair and sustainable." 🕤

Icon in financial woes Auction house's

ne of New Zealand's biggest names in motorsport has gone into liquidation with about \$300,000 owed to Inland Revenue.

Possum Bourne Motorsport (PBM), which is now named Supreme Motorsport at Companies

Office, has had financial difficulties caused by a lower workflow and a disputed debtor who didn't pay its invoice, according to PWC liquidator Craig Sanson.

Bryan Hayton, managing director of PBM, says the company's problems started in 2012 when the debtor failed to pay \$150,000.

Cash-flow became strained and it fell behind its tax obligations, although the IRD has yet to submit a formal claim.

Hayton, who has been with



Part of Possum Bourne Motorsport's home page

the Pukekohe-based company since 1998, says it was sold to businessman David Thexton in December before being liquidated.

PWC's Sanson says he will review the transaction to ensure it was completed at "fair value".

Thexton, who founded Rio Beverages and later sold it to Coca-Cola, says his company - Possum Bourne Motorsport 2015 - has nothing to do with the liquidation.

"I have taken over the lease and hired staff who otherwise would

have lost their jobs," Thexton told the NBR. "I have been involved in the motor-racing industry since I was 16 and I'm passionate about the sport."

The founder of the company, rally legend Possum Bourne, was killed in 2003 after a head-on

crash during reconnaissance for Race To The Sky.

PBM rebuilt the car formerly driven by him last year – a Vantage Motorsport 1998 World Rally Championship Subaru. It went on to win the hill climb in the Cardrona Valley with Scotsman Alister McRae behind the wheel.

Two other car shops are facing a similar fate to PBM – Team Kiwi Racing and Mustang NZ.

Visit www.autofile.co.nz for the full stories. 💮

set-up updated

he Turners Group has unveiled a new organisational structure with it being split into separate managerial units.

Its individual businesses of cars, finance, and trucks and machinery are now sized for them to "sustain a more individualised approach".

Chief executive Todd Hunter says: "The structure is more focused around customers and products, and will enable us to quickly roll out initiatives and drive growth."

Turners' cars business now has separate managers for its supply, selling and operations functions.

They report to chief financial officer Aaron Saunders, who also takes on the role of chief operating officer for cars. The restructuring sees other managers take on new duties. Visit www.autofile.co.nz to find out more. 🕤

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[continued from page 1]

Rolling out facilities 'takes time'

owners even though many people charge their electric cars at home or work.

"People want to drive them all the time, so public facilities are particularly useful for topping them up when taking children out, going around town and further afield.

"The roll-out isn't just in the cities with north Auckland being particularly well-served – many camping grounds also offer daytime charging."

Research carried out for the Energy Efficiency and Conservation Authority (EECA) shows all EVs available in this country are capable of meeting the transport needs of most New Zealanders living in urban areas driving less than 42km per day.

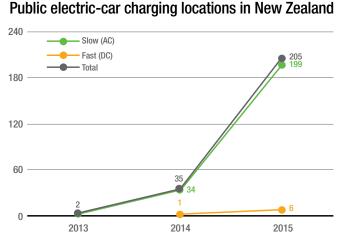
The life-cycle assessment highlights passenger vehicles as the most common mode of transport for more than 70 per cent of households.

This accounts for 87 per cent of the light-vehicle fleet, while motorists' top three destinations – in order of frequency – are work, social visits and shops.

For all days of the week, the median distance travelled is 24km with 75 per cent of days involving less than 48km and 95 per cent less than 125km.

The average distance for main urban areas is 22km per day with 75 per cent of days less than 42km, while the rural medians are 35km and 67km respectively.

To put this in context, about 78 per cent of the population lives in urban areas or secondary areas with more than 10,000



Source - www.plugshare.com. Note: A slow (AC) location will usually offer multiple charging bays

residents, which highlights the need to expand public charging points in these places.

Many are being installed in New Zealand by the private

sector. Local and central government are also involved in planning for the future because some policy and regulatory issues may need to be dealt with, such as designated parking for EVs.

"Rolling out charging facilities does take time and the industry needs to get it right because we don't want the wrong type of chargers or have them in the wrong places," Gilbert told Autofile.

"Technical issues around AC or DC charging, the compatability of cables, and security of supply and safety issues may also have to be worked through.

"There is now a quite welldeveloped network of charging stations and locations can be found online at www.plugshare.com.

"Major investors are installing fast chargers, which is an exciting development, although the

Future success

Drive Electric's Mark Gilbert believes a strong community element is needed for the successful uptake of electric vehicles (EVs) in New Zealand – in addition to having enough charging stations.

"We have seen that happen overseas, especially in Norway, and infrastructure is one aspect of this," he says.

"It's also about getting out messages on the advantages of owning an electric vehicle, but we need greater supply locally because after driving one you won't go back.

"Many people still have basic questions about electric cars. Our goal is to mainstream them so they become the new normal.

"This has been helped by the BMW i3, the model I drive, being awarded the NZ Car of the Year Award for 2015. This sends a strong signal EVs

have arrived and are the way of the future."

BMW's i3

co-ordination of locations and standards is still important."

To this end, a road map of ideal places for slow and fast chargers is required, which involves liaison between the EV community, businesses, councils and government.

"This is needed locally where most people's journeys take place," says Gilbert. "Local initiatives need to be linked into an 'electric highway' concept to assist nationwide travel.

"Everyone is still learning and finding out where the best places for charging stations are.

"Norway is a good model being a long, skinny country with a similar geography and population density to ours. It has managed its charging structure effectively and, I suspect, some important lessons have been learned."

The EV sector is benefiting from some major developments around charging in recent months.

Z Energy announced in December that it will install six rapid-charge stations in Auckland, Wellington and Christchurch by the end of February. They are being supplied by Charge Net NZ for public use.

The Tritium units draw up to 400 volts of electricity and can charge a standard EV "in the time it takes a customer to buy and drink a cup of coffee".

> Gerri Ward, Z Energy's sustainability manager, says the move is part of the company's commitment to moving from being part of the climate-

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change problem to solving it. "We're a transport-energy company committed to meeting customers' needs. We want to be at the front of the push towards a cleaner, more sustainable New Zealand and give Kiwis choices."

The stations will cost about \$5-\$10 for most users with a charging time from empty of 10-25 minutes compared to eight hours for a conventional slow unit.

The top end of that timescale will "fill up" an entry-level EV, such as a Nissan Leaf, and allow owners to travel about 120km.

By the time these stations are available for public use, Z will be commissioning a \$26 million investment in the country's first commercial-scale biodiesel plant in Wiri, South Auckland, which will convert inedible tallow into 20 million litres of biodiesel per year.

Z Energy's announcement followed Gull unveiling its first EV charging station a few weeks prior in Greville Road on Auckland's North Shore.

It joined forces with Mighty River Power as the supplier for the unit, which enables motorists to fuel up for free with renewable electricity – a cheaper and cleaner alternative to imported fossil fuel.

Karl Mischewski, Gull's retail development and sustainability manager, says EVs are part of an emerging technology, which one day will become common place.

"How soon that will be is unknown, but it will be driven by demand from customers and the uptake of EVs," he adds. "We are doing everything we can to reduce our carbon footprint and electric cars will be a big part of the future."

This isn't the first time Gull has been involved in developments

into a rapid charger

relating to electric cars. It sponsored the REV Project at the University of Western Australia - research and development that saw two units converted to electric before EVs became commercially available.

The company is now looking at providing a more advanced rapid charger in the Auckland region this year.

Charge Net NZ launched its first rapid charger just north of Wellsford in Kaiwaka with the assistance of Northpower at the end of October and, at around that time, another at The Warehouse in Albany on the North Shore.

Vector opened its dual-port standard charger at the new NorthWest Shopping Centre in West Auckland last month, while others run by the lines company are located in Newmarket and the city centre.

The Coromandel's first commercial EV charger is now operational and the facility in Thames is what the local council hopes will be the start of a network serving the region.

And Simon Bridges, Minister of Transport, unveiled a rapid EV station in Te Rapa in December.

He says more facilities are on the way, and that sales of electric and hybrid vehicles over the past two years in this country have gone up by 500 per cent. "In a way, it's a bit of a snowball that's going to keep on going."

The government may be able to accommodate EVs in its fleet and Bridges expects to get his own electric car or hybrid this year.

Visit www.charge.net.nz/ charging-map to find out where electric cars can be charged, while www.autofile.co.nz has extensive coverage of other facilities that have opened in recent months. 🕤

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- BRETT KILBURN, Kilburn Cars, Manukau.



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Expert shares his knowledge

wo things stand out about Tony Everett when you meet him – his in-depth knowledge of the automotive industry and his affable nature.

He has been working for the Motor Trade Association (MTA) since 2004, and is now its dealer services and mediation manager.

And since his career started back in 1980, he has seen a lot of change in the sector.

After completing his degree in business studies at Massey University in Palmerston North, he had job offers from BP and General Motors (GM).

"I liked the notion of working for a big employer because there aren't a lot of them in New Zealand, so I joined GM in the Hutt Valley," he says.

"At the time, I couldn't see a long-term future for car assembly in this country, but ended up staying there for 20 years."

GM boasted three plants, vehicle assembly and component manufacturing – such as filters and spark plugs – with some people being from the third generation of their families employed there.

Everett worked in different parts of the company. He started off in production engineering before going into finance, human resources, and then the sales and marketing division as dealer development manager – his introduction to the dealer community.

"During my time at GM, I experienced the closure of manufacturing operations, and the business' reduction to sales and distribution.

"I understand what the Australians



are now going through and have sympathy for what they're facing.

"Big organisations, such as GM, Ford, Mitsubishi and Motorcorp, were significant employers in the region and had important social roles in those communities.

"The plants were only ever part of the picture, and the collective suppliers and support industries were often bigger overall."

Everett was later district sales manager for the South Island and the bottom half

of the North Island for a few years when GM Tony Everett's first four-wheeler was a 1971 Hillman Avenger, similar to the one pictured

relocated to Auckland after which he joined Marac.

It was with the finance company that he connected to a wider part of the industry, including used car dealers.

"At that time, finance was easy to get," he told Autofile. "If customers were standing and breathing, they could get credit – albeit somewhere.

"However, Marac maintained tight acceptance standards during those times, so keeping dealers onside and engaged was sometimes hard."

A year later in 2002, the retail side of the industry beckoned, and Everett became a finance and insurance manager with

a Holden

franchise in Wellington – Brendan Foot Motors. "It was fantastic. I enjoyed the cut

the one pictured and thrust, and learned a huge amount about the

industry and life." After two years, he received a call from former GM workmate Ian Stronach, who was by then the MTA's marketing and communications manager. Everett joined as its manager of dealer services.

"I suppose there was a bit of

'pay back' in that I was involved in recruiting Ian to GM in the 1980s, so I guess he returned the favour."

Everett's role at the MTA has been to manage its advocacy work for three dealer groups – franchises, used cars and motorcycles because each has different issues.

"The challenge for a broadspectrum organisation, such as the MTA, is to balance and manage all sectors' needs," he explains.

"Sometimes there are conflicts – new versus used, dealers versus repairers and so on. Debates are held in-house and, for the most part, we find some middle ground and move forward."

There have been significant changes in the legal environment during Everett's time with the MTA, which he joined just after the Motor Vehicle Sales Act (MVSA) came into effect.

Shortly after that it was the Credit Contracts and Consumer Finance Act (CCCFA), then reviews of the MVSA, the financialservice providers' legislation, the Anti-Money Laundering Act and reforms to consumer law. Most recently, the CCCFA has been overhauled with the responsible lending code being introduced.

"In retrospect, it seems like a never-ending process of legislation review. And, of course, it has resulted in a stream of changes in the way dealers must operate.

"A lot of work has been undertaken in bringing traders up to speed with their obligations.

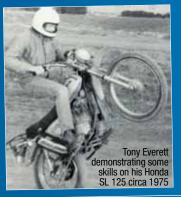
"Running a large dealership in New Zealand is complex, and

Feeling the need for speed

Tony Everett's first vehicle was a silver Honda SL 125 motorbike before he upgraded to an XL 250.

He bought his first car, a white 1971 Hillman Avenger, from his older brother when he was a student. "I later found out he cranked up the price to get his next car. "I like watching technology developments, so my dream car is usually the next thing coming – and it changes frequently. Today it is BMW's 330e. It sounds like an ideal compromise – good for daily commutes and open-road trips." Everett's current drive is a 2008

Toyota Aurion, which was "way



too cheap as a used vehicle to walk past".

He adds: "It does everything I want and I can't fathom why the market devalues used six-cylinder cars so much. I'm happy with it and it's fantastic on the open road.

"But my colleagues give me grief. References to Uber are endless and some bloke even put a taxi stand sign over my parking space at work." keeping up with everything is a huge task for owners and managers."

Everett's role with the MTA expanded a few years ago when he took on supervising its mediation centre.

"It is a fantastic service that supports members and their customers. It's staffed by two knowledgeable people whose lifetime careers have been in the industry.

"Alan Barr looks after our repairer-based calls and Keith May handles dealers. They know their sectors, understand what goes on, and can quickly grasp issues and provide guidance.

"Our members are good at what they do, but don't always have a detailed grasp on what consumer legislation now requires. That's where our mediation team can help – a quick call and then it's off again."

As for consumers, Everett says some have a limited understanding about what the law means for them and many have no idea.

"That's problematic and suggests

the government needs to do more to better promote issues.

"The biggest problem, in my opinion, is the definition of 'reasonable' in the Consumer Guarantees Act [CGA].

"The interpretation may be clear when it comes to routine products, such as toasters and televisions, but it gets much more difficult when looking at used cars of widely variable ages, conditions and prices.

"Despite the challenges, the industry is vibrant and exciting. It's continually changing and requires constant hands-on involvement if you want to be in control.

"There are many skilled and talented dealers. They are typically extrovert, and great people to deal and work with."

Everett notes 287,000 new vehicles and first-time used imports were sold in New Zealand in 2015 – most through traders. Add in the turnover of the existing fleet of about 800,000 registrations and the scale becomes "massive".

Getting personal

Tony Everett – a fourth-generation Kiwi – married Deborah in the mid-1980s. They have three adult children, "who still seem to rely too heavily on mum and dad". He likes to still play on dirt bikes and has a Husqvarna WR250. He also enjoys jumping on a bicycle now and then to pursue "the false dream of fitness". Everett adds: "In my mind, I'm fit enough to grab a rifle and head into the bush, but reality

"Rough estimates value the automotive retail sector at more than \$9 billion per year, excluding fuel, parts and servicing.

"Dealers handle about \$6b of that – it's not peanuts. Yet, despite the industry's significant size, the government seems to maintain a hands-off approach, which can be good and bad.

"However, it's an aspect that's hard to fathom given the scale of activity and common perceptions about the business."

Everett's pet grizzle is the MVSA's introduction in 2004, which served to remove control mechanisms that existed.

"To be an industry player,

all people now have to do is register. No knowledge, experience or entry standard is required. Oddly, it's harder to become a furniture dealer under the Second-hand Dealers and Pawnbrokers Act than a used car dealer.

"But the money involved with vehicles and their safety impacts are significantly greater than those to be found in, say, a used couch – assuming all of its springs are intact.

"Enforcement is minimal and it's mostly directed at high-street dealers, who are most likely doing things correctly anyway."

Looking forward, what does Everett feel the industry's challenges are?

"Vehicles aren't like old fridges or televisions, which are worthless. A trade-in still has value and the traditional dealer model is still the best way of coping with that.

"Other ideas have been tried overseas, but all have issues. Our existing model has life in it yet. That's not to say there's no room for improvement." \oplus



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Top for all-terrain performance

Mitsubishi Motors is looking forward to this year on two fronts with its dealers notching up six years of sales growth and January's arrival of its all-new Pajero Sport.

Every month since the turn of the decade, the marque's franchises have gained more customers than in the previous year's equivalent month with the SUV set to add to the momentum.

"This premium new-generation model has luxury features and a sumptuous interior complemented with a high-tech safety catalogue and class-leading, all-terrain performance," says Daniel Cook, head of sales and marketing strategy.

"It is one of Mitsubishi's most

advanced vehicles and one of the safest. We anticipate huge interest."

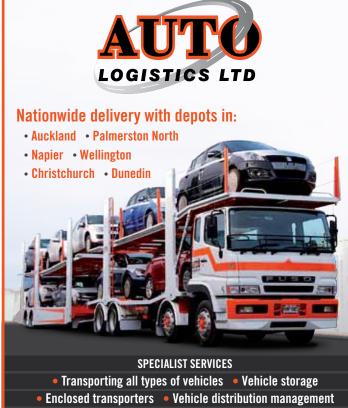
The Pajero Sport slots between the Pajero and Outlander in its SUV line-up, and outwardly echoes its stablemates'"dynamic shield" front-fascia design.

It also incorporates many firsts for a Mitsubishi, such as its eightspeed automatic transmission and an electric parking brake.

The 2.4-litre MIVEC turbo-diesel engine boasts power, fuel economy and quietness, while extra-low gears help tackle difficult terrain. Its output comes in at 135kW

of power at 3,500rpm with 437Nm of torque at 2,500rpm, while CO₂ emissions are 208g/km.

The Sport's fuel-economy figures come in at 8l/100km and



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The Pajero Sport VRX

are boosted by idle-neutral control, which automatically disengages the torque converter when it stops, but the engine hasn't.

The marque's Super-Select four-wheel-drive system adds hill-descent control and off-road mode, which allows the driver to dial in specific surfaces for maximum traction.

Braked towing capacity is up to 3,100kg with trailer-stability control minimising dangerous sway. The VRX variant's activesafety features include blindspot warning, forward-collision mitigation and four-camera around-view monitoring.

The ultrasonic mis-acceleration mitigation system kicks in when stationary or at less than 10pkh. It detects obstructions and regulates power if the accelerator is heavily depressed by accident.

Recommended retail prices, plus on-road costs, are \$58,990 for the Pajero Sport XLS and \$63,990 for the VRX. ⊕

Glimpse into the future

ia unveiled a large SUV packed with technology and design ideas at Detroit Motor Show.

Built on a stretched Sorento platform, the Telluride is a glimpse of a possible future seven-passenger model.

The concept is 241mm longer, 119mm wider and 112mm higher than the Sorento.

Its wheelbase has been stretched by 302mm for a roomy interior, and features rear-hinged back doors and no B-pillars.

All four seats have diamondcut openings in their backs with sensors to capture occupants' health information.

This is displayed on doorpanel screens and synchronises with a system in the LED

Kia's Telluride

panel under the sunroof, which displays a pattern of therapeutic light to treat jetlag and "improve passengers' energy levels".

Swipe command – a touchsensitive band on the centre console between the second-row seats – allows occupants to select media by swiping their hands.

Kia's first 3D-printed components are utilised in modern design elements in the dashboard, door panels and steering wheel.

The plug-in hybrid powertrain has a 3.5-litre GDI V6 engine and an electric motor to deliver 298kW of peak power to the allwheel-drive system. ⊕

Sales drop to kick in

here were 60,338 new and used-imported cars sold in New Zealand during the last quarter of 2015 – five per cent more than Infometrics previously forecasted.

The consultancy company adds first-time registrations of new cars climbed over the reporting period with the used market easing more slowly than predicted.

Its seasonally adjusted figures, which take into account market abnormalities, for first-time registrations of used imports fell by 5.4 per cent over the December quarter to come in 1.1 per cent higher than a year earlier.

Infometrics expected a sharper fall in sales of used-imported cars given weaker labour-market conditions.

"Surprisingly, indicators of household confidence held up relatively well over the final three months of 2015," says economist Mieke Welvaert.

"According to our seasonal adjustment of ANZ-Roy Morgan's consumer-confidence index, household confidence rebounded by 5.8 per cent in the December quarter.

"This, alongside

net migration running ahead of forecast, helped drive growth in car sales ahead of our forecasts.

"Sales of new cars rose by a further 1.1 per cent over the quarter. We expected they would have just begun to fall by now."

Petrol prices averaged at \$1.89/I in the final month of 2015 and went down by 4.1 per cent compared to the same period in 2014. However, Welvaert predicts fuel prices will pick up this year with the New Zealand dollar expected to depreciate further in 2016.



Mieke Welvaert, economist with Infometrics

"The combined effect of higher car and fuel prices, a weaker outlook for the economy and car sales running well ahead of long-term replacement demand in 2015 mean we continue to expect sales to slide during 2016."

First-time registrations of light commercials rose by one per cent in the December quarter.

"This was due to new lightvehicle registrations, which were up by 6.1 per cent from a year earlier," says Welvaert.

"In contrast, we expected new light-commercial sales to fall by 4.7 per cent from a year earlier and new light trucks to ease over the year ahead.

"However, the relative strength of the construction sector will soften this decline." \oplus

Explosion halts car production

oyota is suspending production at its 12 assembly plants in Japan because an explosion at a steel factory has created a shortage of parts.

The shutdown runs from February 8-13, and will also affect its subsidiary brands including Hino, Daihatsu and Lexus.

"Operations are scheduled to restart on February 15 and production outside Japan will not be suspended," a spokesman says.

"Toyota will take measures to minimise the impact. They may include production on alternate lines operated by Aichi Steel and procurement from other steelmakers."

Aichi Steel aims to resume operations next month following the explosion at its plant in Chita on January 8. Visit www.autofile. co.nz to find out more. ⊕

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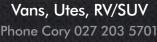
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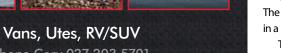
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NEWS in brief Swedish marque gears up for driverless technology

Volvo says the control system of the upcoming XC90 means owners will be able to engage and turn off its autonomous driving function.

Called IntelliSafe Auto Pilot, it is designed to ensure a simple and safe transition between the motorist and vehicle.

Self-driving is activated by two steering-wheel paddles. When autonomous mode is available, lights on them flash green. The driver then pulls the paddles for the computer to take control.

When it detects autonomous driving is no longer available, the motorist has 60 seconds to regain control after being prompted. If the driver fails to do this, the vehicle will stop itself.

"We have designed a user interface that's safe and seamless so drivers can confidently transfer and regain control," says Thomas Ingenlath, Volvo's senior vice-president of design.

The technology will be trialled in 2017 in 100 XC90s with the IntelliSafe Auto Pilot being introduced to the public shortly afterwards.

French company to start making electric vehicle

Citroen has confirmed production of its E-Mehari will start this year.

Powered with a 30kW lithiumion battery, it has a driving range of about 200km and can reach a top speed of 110kph. It can be fully recharged in eight hours.



Design-wise, the E-Mehari, pictured, takes cues from the Mehari of the 1960s with doors finished with grooves and protruding hinge covers. It also features silver-finished upright windows and rollover frames.

The design focuses on plastics with a thermoformed body developed to resist minor impacts.

Japanese economy avoids going into recession

Japan side-stepped a recession in the past quarter with data released in December showing its economy grew at an annual rate of one per cent instead of shrinking.

A previous estimate had the world's third-largest economy contracting by 0.8 per cent in the July-to-September quarter after decreasing by 0.5 per cent in the previous quarter.

The revised growth figure makes it less likely Japan's central bank will deploy further monetary stimulus measures soon despite slow progress towards its goal of two per cent inflation.

The data shows stronger corporate investment and slightly higher levels of exports than earlier reported. Economists forecast about 1.5 per cent growth in the current quarter.

Japanese companies are investing heavily overseas. But they are holding back on domestic wage increases and factory upgrades despite calls by Prime Minister Shinzo Abe to do more to boost the recovery.

Industry urges UK to stay in Europe after reforms

The Society of Motor Manufacturers and Traders (SMMT) says the UK should stay in a reformed European Union (EU) ahead of a referendum on membership.

The government, which has promised to renegotiate the country's ties ahead of a vote by the end of 2017, favours staying in a reformed Europe.

Nissan, Toyota, Honda, Mini and Rolls-Royce, Bentley and Jaguar Land Rover are among the margues that make cars in the UK, and benefit from tariff-free trade across the 28-member bloc.

A report commissioned by the SMMT shows 92 per cent of its members believe their businesses will be better off in a reformed EU. \oplus

new cars

Race on for electric future

araday Future – the Chinese-backed electricvehicle (EV) maker shrouded in mystery for much of 2015 - has unveiled a racing car that boasts 740kW of power.

It is billing the FFZERO1 as a proof-of-concept vehicle that uses the same modular chassis and battery system it hopes to utilise in future production cars.

"On our platform, EVs will not



only deliver on sustainability, but will be seamlessly connected and exhilarating to drive," says Nick Sampson, senior vice-president

The all-electric FFZER01

of product development.

At the concept's heart and centre of Faraday's vision is a modular chassis and battery system to be common across its line-up, which is expected to include a crossover similar to Tesla's Model X.

In addition to using a scalable platform for cars of various sizes, it will also have a modular approach to the batteries.

Instead of one large and heavy pack, its design uses "battery strings" that are easier to replace or change than a single unit, says the company.

Their lengths can be altered depending on vehicles' sizes, so they can be adapted to an entire range guicker and cheaper than a traditional battery pack.

Faraday's platform also allows for one to three motor set-ups and

front, rear or all-wheel drive on the same architecture.

The FFZERO1, which has an electric motor on each wheel, has a claimed 0-100kph time of less than three seconds.

A production version may be built in limited numbers and the concept "could be fully autonomous".

Faraday Future was formed 18 months ago with backing from Chinese billionaire Jia Yueting, who founded an online video company more than a decade ago.

It has lured talent from rivals, such as Tesla, BMW and Volvo, but has yet to set a timeline for producing vehicles for consumers.

Although the company is based in California, work is about to start on a factory near Las Vegas. 🕣

Centre of gravity crucial

exus believes the LC 500 ushers in a new era for the margue by using its latest chassis design for enhanced dynamic capability and performance.

The coupe is likely to be available in right-hand-drive markets - including New Zealand - in the second quarter of 2017.

Much of the ideology of the LF-LC, which made its debut at the North American International Auto Show four years ago, has been transferred to the LC 500.

The two-plus-two concept is the first car to use Lexus' premium rearwheel-drive platform that shares no components with current models.

To sharpen handling, most fundamentals – including the engine

Weber

and occupants - are more centralised to improve its centre of gravity.

The drivetrain's mass is behind the front-axle line to create a front midship layout. The 12-volt battery has been moved to the trunk to redistribute weight.

Aluminium door skins are on the carbon-fibre doors' inner structures and there's a composite trunk floor. As a result, the LC 500 has a nearly ideal front-rear weight distribution of 52:48.

It is powered by a naturally aspirated five-litre V8 from the RC F and GS F, and was selected for its linear throttle response and sound. The all-aluminium, 32-valve engine produces 351kW of power and 530Nm of torque. ⊕

Lexus' LC 500

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Knowledge of legislation essential

KIT WILKERSON

IMVIA policy adviser and analyst

had intended to write a second piece about the Ministry of Transport's Futures website. However, in light of recent Motor Vehicle Disputes Tribunal (MVDT) cases and questions from industry members, I want to take this opportunity to discuss some issues around contracting out of the Consumer Guarantees Act (CGA).

Vehicle Inspection NZ

Who does the act apply to? The CGA prescribes the level of quality goods and services must meet when being sold by a commercial provider.

As it applies to the automotive industry, what constitutes being "in trade" as a motor-vehicle trader is defined in section seven of the Motor Vehicle Sales Act (MVSA).

It means "any person who carries on the business of motor-vehicle trading, whether or not that person carries on any other business".

The definition continues to clarify this can include importers, wholesalers, car auctioneers or car consultants.

Section eight of the legislation sets out several additional factors that can make someone a trader – if a person in any way represents he or she is ready to or is currently carrying out the business of a car dealer, for instance.

It is important to note this includes those who may have set themselves up just in case they ever plan to engage in motorvehicle trading.

For example, registration on the Motor Vehicle Traders Register (MVTR), no matter what other circumstances there may be, denotes someone as a dealer.

This is because the register is considered as a way to inform the public that someone is ready to carry on the business of a car dealer.

Other actions that KI will get someone IMVI automatically defined as a trader in the eyes of the law

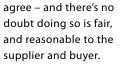
is selling six or more vehicles or importing three or more units in any consecutive 12-month period. It is important to realise the

above criteria are independent, not cumulative.

If any single factor is true, the person in question is considered a trader for the purposes of the MVSA and consumer-protection laws.

So when is it acceptable to opt or contract out of the CGA?

The short answer is when dealing with other businesses in trade and only when both parties



When dealing with consumers, car dealers can never contract out of the law.

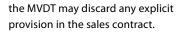
The only way the CGA allows for opting out is when selling a

vehicle to a party intending to use it for business purposes and almost exclusively so.

In this case, both parties must agree to facilitate contracting out of the legislation and this should be explicit in the agreement.

Additionally, there is a provision that the CGA can only be opted out of if it's "fair and reasonable the parties are bound by the provision in the agreement".

Factors, such as the inability of one party to read the contract, may create enough doubt that



When supplying a vehicle to a customer for personal use, there is no provision in the CGA for a dealer – registered or otherwise – to opt out.

Attempts to do so by adding clauses such as "private sale" or "as is, where is" will be seen by the tribunal as an attempt to illegally contract out of the CGA and will probably be reported to the Commerce Commission as possibly violating section 13(i) of the Fair Trading Act.

Finally, the CGA is not a warranty. A customer's decision to not purchase such an agreement does nothing to alter a dealer's obligations.

While this may seem onerous to the industry, it is important to note the legislation is not directed solely at the automotive sector. It is a general guarantee consumers enjoy the benefit of when purchasing goods.

It's also important to remember one of the primary differences between trader and private transactions from the perspective of a member of the public is the existence of consumer-protection laws.

The fact dealers maintain as large a share of vehicle sales as they do can be directly contributed to this fact – strong legislation.

The IMVIA recommends everyone familiarises themselves with the provisions of the CGA online at www.business.govt.nz/laws-andregulations/consumer-laws. ⊕



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Tribunal orders trader to refund price of car almost year after it was bought

Background

Rebecca Kilpatrick bought a 2008 Volkswagen Golf 1.9-litre TDi from U Cars Ltd in May 2014. She rejected it during April 2015 on the grounds that its engine had failed.

Kilpatrick wanted the tribunal to uphold her rejection and the trader to be ordered to refund her purchase price.

The dealer rejected her claims because it said the vehicle was sold in good condition and the purchaser travelled 16,962km in the car for more than 10 months after buying it before its engine failed.

The tribunal had to consider if the Golf complied with the guarantee of acceptable quality as defined in section six of the CGA, if the failure was substantial and if the buyer was entitled to reject it.

The case

Kilpatrick bought the car for \$16,500. The trader supplied it with a new warrant of fitness and she took delivery of it on May 3, 2014, when its odometer was on 53,950km.

Shortly after purchase, the Golf's service and engine warning lights came on, so she took it to be serviced by Midas on May 16. The odometer was then on 54,643km.

On March 14, 2015, the service light came on during a long trip. The vehicle was – by this time – 1,298km overdue for a 15,000km service.

Kilpatrick hadn't checked its oil level before she set out or at any time since purchasing the car.

She continued on her journey until the engine suddenly emitted smoke and stopped. It couldn't be restarted and there was a pool of oil under it.

Kilpatrick had the vehicle transported back to Auckland on March 16 to Giltrap Prestige, which diagnosed the engine issues as terminal with a connecting rod having penetrated the block.

This had knocked the oil filter off its housing and emptied engine oil onto the ground.

Kilpatrick sent a letter to the trader on April 15 informing it of the problem. She claimed the dealer was liable to either repair the engine or refund her purchase price.

The dealer, in an email dated April 21, declined to accept liability because of the 10 months that had passed since the vehicle was supplied and the distance of about 17,000km it had travelled.

Kilpatrick then arranged for an automotive technical consultant to examine the car, contact Midas and Giltrap, and write a report to identify why the engine failed.

Further investigation revealed its oil was at just over eight litres instead of the recommended 4-4.5l.

Kilpatrick asked for a sample of the oil from the vehicle's sump to be tested and it was found that the liquid had a significant level of fuel contamination.

The report found diesel contamination of the engine oil

had caused a reduction in its viscosity and lubricating functions, and that any contamination of the oil above one per cent in a small diesel engine was excessive.

Further opinions obtained suggested that the failure was caused by acute fuel-injector failure filling the vehicle's cylinder and "hydraulicing", which caused the rod to bend or seize the piston so the rod bent due to a lack of lubrication.

There was a further suggestion that the engine must have been overfilled with oil by at least a litre, which was also a contributing factor to the problem.

The finding

The tribunal considered whether the vehicle was of acceptable quality in terms of the CGA when sold.

It found it was very unlikely that the failure was caused by Midas in overfilling the engine with oil when it serviced the car 10 months previously.

It also considered whether the purchaser's conduct in failing to have the vehicle serviced in a timely manner and not checking its oil level before her trip on March 14, 2015, damaged the engine. It decided it was not.

The tribunal concluded that a consumer paying \$16,500 for a New Zealand-new six-year-old Volkswagen Golf with 53,950km on its odometer that had a con rod penetrate the engine block after 10 months' use **The case:** The buyer rejected her Volkswagen Golf under the Consumer Guarantees Act (CGA) on the basis of what she described as its catastrophic engine failure. However, the trader claimed the car was sold in a good condition and its powertrain failed 10 months after the vehicle was supplied.

The decision: The tribunal ruled the dealer had to refund the purchase price of the car and retrieve it at its own cost.

At: The Motor Vehicle Disputes Tribunal, Auckland.

over 16,962km would probably not regard such a vehicle as sufficiently durable.

It believed the engine in this particular vehicle should have lasted longer than 10 months despite the buyer driving it for about 20,000km per year.

The adjudicator ruled the car did not comply with the guarantee of acceptable quality within the terms of the CGA because it was not as durable as a reasonable consumer would regard as acceptable for one of this age, type and price.

The tribunal also considered the Golf's rejection took place within 11-and-a-half months of being sold, which was within a reasonable period from when it was supplied.

Orders

The purchaser's rejection of the vehicle was upheld from April 17, 2015, and the dealer was ordered to pay the buyer \$16,500 immediately.

The trader was also ordered by the tribunal to arrange to collect the car from Giltrap Prestige at its own expense. \bigcirc



FROM THE RISING SUN TO THE LONG WHITE CLOUD The history of used car importing to New Zealand

Purchaser failed to require dealer to complete repairs on Japanese import

Background

Aaron Rawson bought a 1999 Mazda Familia for \$2,900 from JJS Cars Ltd on May 22, 2015, but later rejected it on the grounds it had numerous faults.

He sought a refund of his purchase price and \$1,055 under the Consumer Guarantees Act (CGA) he claimed to have spent on repairs.

The dealer said the 16-year-old Japanese import had travelled more than 195,200km when it was sold to Rawson.

He added the vehicle was supplied in good condition with a warrant of fitness (WOF) and Rawson had – since purchasing it – driven it for a further 4,000km over four months.

The trader said the buyer had no grounds on which to reject the car or recover repair costs.

The case

Rawson, who lived in Whangarei, wanted a cheap vehicle for his son and contacted the trader, who had premises in Pukekohe, a week before inspecting the car.

He phoned the dealer's director, Mr J Jayachandran, who told him the cam belt had been replaced at 160,000km.

Rawson and his son inspected and test drove the vehicle before buying it when the odometer was on 195,273km. There was no service history for it.

After purchasing the car, Rawson's son drove it back to Whangarei when he noticed that its fuel gauge wasn't working. He also discovered there was no jack or handle with the vehicle and telephoned the trader, which sent him a replacement fuel pump, jack and handle on June 4. Rawson had these fitted without first requiring the dealer to do so.

He then took the vehicle to a mechanic within a month of purchase and the clutch cable was found to be loose. It was tightened.

On August 4, the buyer had the vehicle WOF-inspected by VTNZ, which recorded the odometer as 197,666km – 2,393km more than when it was supplied 10 weeks earlier.

The inspection uncovered a number of minor faults, one of which was a frayed seat belt, which was replaced at that time.

VTNZ reported that the vehicle was in good condition for its age and mileage.

Rawson, without first requiring the trader to do the work, had Valid Automotive replace a split air-intake hose, the intake manifold gasket and plenum gasket on August 10.

He also – without asking the dealer – had new leads and a coil fitted to the vehicle.

On this basis – and because Rawson believed he needed a new cam belt, for which he obtained a quote on August 12 of \$998 from Valid Automotive – he lost confidence in the car and sought to reject it under the CGA.

On August 9, he sent the trader an email outlining his complaints.

In response, Jayachandran claimed Rawson never asked him if the cam belt had been changed in the pre-purchase phone call and only inquired whether there was any money owing on the vehicle. The seller confirmed there wasn't money against it in writing.

Jayachandran said the cam belt's condition wasn't mentioned and there should have been a provision in the sales agreement between the two parties if it was of concern.

He also outlined that none of the repairs – apart from a fuel pump, jack and handle after the sale of vehicle – had been requested by Rawson to be repaired by the dealer.

The finding

The tribunal considered the age of the cam belt and overall age of the car when determining if it complied with the CGA's guarantee of acceptable quality at the time it was supplied to the buyer.

In the assessor's opinion, photographs supplied by Rawson showed a cam belt that had about 35,000km to 40,000km of wear on its teeth and spline.

This was consistent with the evidence given by Rawson that the trader told him the cam belt had been replaced at 160,000km.

The tribunal also considered that a buyer should expect a vehicle's petrol gauge to work at the time of sale.

But it regarded the other

The case: The buyer applied to reject his vehicle after claiming to have been misled over the age of its cam belt. He also wanted a refund of the cost of repairs incurred after purchasing it. The trader rejected this and said the high-mileage car was supplied in a good condition.

The decision: The claim made by the purchaster was rejected on the basis that the trader supplied a car of acceptable quality.

At: The Motor Vehicle Disputes Tribunal, Auckland.

issues Rawson had remedied as part of the price and as forming the basis of knowingly buying such an old, high-mileage car.

Rawson had claimed \$1,055 from the trader for installing the fuel-sender unit, new leads and coil, repairing idling problems and having a VTNZ pre-purchase inspection carried out.

He confirmed he didn't require the dealer to do any of these repairs before having them completed by Valid Automotive and VTNZ's inspection was carried out.

Orders

The tribunal was satisfied the vehicle was of acceptable quality at the time of sale.

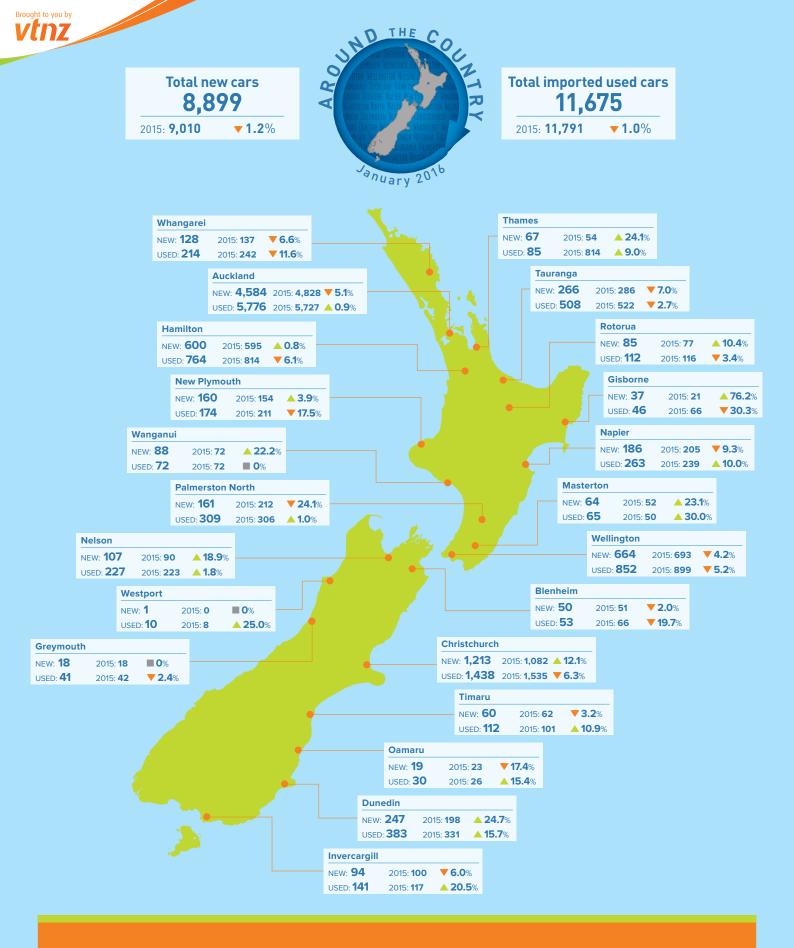
It ruled the purchaser wasn't entitled to a refund of the purchase price of the vehicle or to recover his repair costs from the trader, so the application to reject the car was dismissed.

The tribunal thought the claim should probably not have been brought and could have awarded hearing costs of \$750 against the buyer, but decided not to do so. \oplus

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Moji	-	—	—	-							
Osaka	3 Feb	14 Feb	3 Mar	16 Mar							
Nagoya	4 Feb	15 Feb	4 Mar	17 Mar							
Yokohama	5 Feb	16 Feb	5 Mar	18 Mar							
Auckland	20 Feb	5 Mar	20 Mar	4 Apr							
Wellington	8 Mar	8 Mar	3 Apr	7 Apr							
Lyttelton	7 Mar	7 Mar	1 Apr	6 Apr							
Nelson	9 Mar	9 Mar	4 Apr	8 Apr							

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Imported Pa	assenger	Vehicle	Sales by	Make -	January S	2016	Imported	d Passeng	er Vehicle	e Sales	s by N	lodel - Jo	anuary 2	016
маке	JAN'16	JAN'15	+/-%	JAN'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE	МАКЕ	MODEL	JAN'16	JAN'15	+/- %	JAN'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Toyota	2,794	2,648	5.5	23.9%	2,794	23.9%	Suzuki	Swift	567	672	-15.6	4.9%	567	4.9%
Nissan	2,075	2,012	3.1	17.8%	2,075	17.8%	Nissan	Tiida	550	487	12.9	4.7%	550	4.7%
Mazda	1,859	1,992	-6.7	15.9%	1,859	15.9%	Mazda	Axela	546	559	-2.3	4.7%	546	4.7%
Honda	1,324	1,160	14.1	11.3%	1,324	11.3%	Honda	Fit	479	398	20.4	4.1%	479	4.1%
Suzuki	679	775	-12.4	5.8%	679	5.8%	Mazda	Demio	447	505	-11.5	3.8%	447	3.8%
Subaru	558	618	-9.7	4.8%	558	4.8%	Subaru	Legacy	307	351	-12.5	2.6%	307	2.6%
BMW	470	472	-0.4	4.0%	470	4.0%	Toyota	Wish	295	242	21.9	2.5%	295	2.5%
Volkswagen	421	420	0.2	3.6%	421	3.6%	Volkswagen	Golf	261	239	9.2	2.2%	261	2.2%
Mitsubishi	404	511	-20.9	3.5%	404	3.5%	Mazda	Atenza	256	315	-18.7	2.2%	256	2.2%
Audi	224	220	1.8	1.9%	224	1.9%	Mazda	MPV	230	208	10.6	2.0%	230	2.0%
Mercedes-Benz	208	229	-9.2	1.8%	208	1.8%	Toyota	Corolla	229	204	12.3	2.0%	229	2.0%
Ford	131	173	-24.3	1.1%	131	1.1%	Toyota	Vitz	211	287	-26.5	1.8%	211	1.8%
Volvo	69	68	1.5	0.6%	69	0.6%	Mitsubishi	Outlander	210	272	-22.8	1.8%	210	1.8%
Chevrolet	61	60	1.7	0.5%	61	0.5%	Nissan	Murano	185	125	48.0	1.6%	185	1.6%
Lexus	49	26	88.5	0.4%	49	0.4%	Honda	Odyssey	162	187	-13.4	1.4%	162	1.4%
Holden	48	32	50.0	0.4%	48	0.4%	Toyota	lst	157	102	53.9	1.3%	157	1.3%
Mini	47	46	2.2	0.4%	47	0.4%	Toyota	Prius	157	91	72.5	1.3%	157	1.3%
Hyundai	44	59	-25.4	0.4%	44	0.4%	Toyota	Auris	148	127	16.5	1.3%	148	1.3%
Jaguar	35	47	-25.5	0.3%	35	0.3%	Mazda	Premacy	146	173	-15.6	1.3%	146	1.3%
Land Rover	28	43	-34.9	0.2%	28	0.2%	Nissan	Note	143	143	0.0	1.2%	143	1.2%
Dodge	20	22	-9.1	0.2%	20	0.2%	Honda	Accord	128	115	11.3	1.1%	128	1.1%
Jeep	18	4	350.0	0.2%	18	0.2%	Toyota	Estima	128	192	-33.3	1.1%	128	1.1%
Peugeot	17	24	-29.2	0.1%	17	0.1%	Toyota	Mark X	124	99	25.3	1.1%	124	1.1%
Daihatsu	13	20	-35.0	0.1%	13	0.1%	Nissan	Dualis	122	172	-29.1	1.0%	122	1.0%
Porsche	13	23	-43.5	0.1%	13	0.1%	Nissan	March	115	111	3.6	1.0%	115	1.0%
Chrysler	7	9	-22.2	0.1%	7	0.1%	Toyota	Avensis	114	109	4.6	1.0%	114	1.0%
Rover	6	0	600.0	0.1%	6	0.1%	Honda	Stream	110	90	22.2	0.9%	110	0.9%
Kia	5	7	-28.6	0.0%	5	0.0%	Toyota	Blade	109	138	-21.0	0.9%	109	0.9%
Citroen	4	6	-33.3	0.0%	4	0.0%	Mazda	Verisa	108	75	44.0	0.9%	108	0.9%
Pontiac	4	9	-55.6	0.0%	4	0.0%	Honda	CR-V	107	99	8.1	0.9%	107	0.9%
Alfa Romeo	3	2	50.0	0.0%	3	0.0%	Toyota	RAV4	100	92	8.7	0.9%	100	0.9%
Aston Martin	3	3	0.0	0.0%	3	0.0%	Nissan	Teana	99	97	2.1	0.8%	99	0.8%
Cadillac	3	4	-25.0	0.0%	3	0.0%	Nissan	Wingroad	98	94	4.3	0.8%	98	0.8%
Fiat	3	7	-57.1	0.0%	3	0.0%	Toyota	Caldina	97	79	22.8	0.8%	97	0.8%
Renault	3	7	-57.1	0.0%	3	0.0%	Nissan	Bluebird	96	151	-36.4	0.8%	96	0.8%
Others	25	33	-24.2	0.2%	25	0.2%	Others		4,334	4,391	-1.3	37.1%	4,334	37.1%
Total	11,675	11,791	-1.0	100.0%	11,675	100.0%	Total		11,675	11,791	-1.0	100.0%	11,675	100.0%

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Sales of used imports steady

here were 11,675 usedimported passenger vehicles sold in New Zealand during January, which was a decrease of one per cent compared to 11,791 in the same month of last year.

Suzuki's Swift topped the models ladder with 567 first-time registrations. Nissan's Tiida was second on 550 and Mazda's Axela third with 546.

Toyota was the best-selling marque on 2,794 units, and it was followed by Nissan with 2,075 and Mazda on 1,859.

Robert Heaphy, of Robert Heaphy Motors in Hamilton, owns a smaller car yard dealing in used imports.

He has more than 45 years' experience in the sector and was one of the founding members of the Imported Motor Vehicle Industry Association.

The business focuses on lowmileage, smaller and fuel-efficient cars, and some commercials.

"The pattern for us last year was that one month we would be flat out, the next month would be very quiet and then it would be flat out again," Heaphy told Autofile.

"The market was up and down like a yo-yo. During those times, you just keep money aside until things look up again.

"For a small yard or business, compliance things can be tricky, such as GST every two months. It really does have an effect.

"Also, people running yards have to adapt to what's going on around them because there are plenty of new businesses popping up, and there's online competition with Trade Me – for example, with private sales. "I find, though, that

advertising on Trade Me can bring benefits. For instance, if other yards can't source cars, they will ring me to find out if I have what they are looking for."

Heaphy notes one of the biggest issues to hit dealerships is the decline in newspaper advertising.

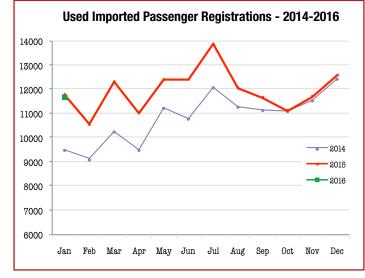
"People used to have their paper on the table and would source cars that way. What it means is that dealers are nowadays competing for cars along with the public."

All of his stock is ex-Japan and

"For smaller used yards, I can't see anything changing unless something happens externally – for instance, if new laws dealing with cars coming into the country are introduced."

Peter Wilson, manager of Superior Cars in New Plymouth, says: "It's really hard to buy out of Japan at the moment and maintain stock that way.

"There are other countries involved in the mix of buying from there and a few other countries have opened the doors to used imports.



Heaphy describes that side of the business as "going smoothly".

He adds: "I've had a lot of phone calls from Japan over the past week and, because we stock a range of used cars, we seem to be able to keep up with demand.

"The exchange-rate drop wasn't that helpful and when we look at some of the cars we got when the rate was better, of course it was easier. "With the restrictions and rules around buying, it's just a lot harder. We like to handpick our own stuff, but that has changed dramatically and we are just trying to grab what we can at the moment."

Hayden Johnston, of Genuine Vehicle Imports in Penrose, Auckland, says: "We are still importing a diverse cross-section of stock, and sales were very strong in December and January. "The market is competitive with a lot of people discounting, so we've found that our margins have dropped. The market is still there, but to compete we are finding that our margins are being eroded.

"There were a lot of cars imported in November meaning there are a lot on the marketplace.

"The biggest problem we have is the swing in our currency and the fact there's quite a bit of old-currency stock and, of course, since then the New Zealand dollar has dropped.

"The stock that came into the country during August, September and October at the previous exchange rate and being sold with a margin is now less attractive at the current cross-rate with the yen.

"It's all about being patient and making sure you have the add-ons as part of the sale."

Brian Watts is dealer principal of Watts Motors in Gisborne, which has franchises for Honda, Mitsubishi and Fuso, and also sells tractors.

"I've been in the business for 16 years," he says. "Lately, pop-up dealerships and – to an extent – internet sales have impacted on business, although we also sell quite a few cars online.

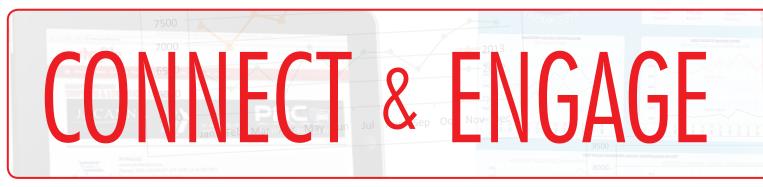
"I have good contacts in Japan and I can get quality units when I need to.

"However, it takes two to three months to get a vehicle here by the time you have bought it, shipped it here, groomed it and got it onto the yard, so you can't react quickly to supply-and-demand changes or requirements." \oplus

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New Passer	nger Vehio	le Sales	by Mal	ke - Janua	ary 2016		New Pas	senger Vet	nicle Sal	es by	Model	- Januar	y 2016	
MAKE	JAN'16	JAN'15	+/- %	JAN '16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE	MAKE	MODEL	JAN'16	JAN'15	+/- %	JAN'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	1,774	1,941	-8.6	19.9%	1,774	19.9%	Toyota	Corolla	719	792	-9.2	8.1%	719	8.1%
Holden	964	1,280	-24.7	10.8%	964	10.8%	Toyota	RAV4	391	436	-10.3	4.4%	391	4.4%
Mazda	855	722	18.4	9.6%	855	9.6%	Holden	Commodore	366	445	-17.8	4.1%	366	4.1%
Ford	745	502	48.4	8.4%	745	8.4%	Mazda	Mazda3	293	305	-3.9	3.3%	293	3.3%
Hyundai	578	746	-22.5	6.5%	578	6.5%	Mazda	CX-5	243	176	38.1	2.7%	243	2.7%
Nissan	494	528	-6.4	5.6%	494	5.6%	Hyundai	Santa Fe	227	169	34.3	2.6%	227	2.6%
Suzuki	376	337	11.6	4.2%	376	4.2%	Nissan	X-Trail	201	182	10.4	2.3%	201	2.3%
Mitsubishi	368	469	-21.5	4.1%	368	4.1%	Toyota	Yaris	195	308	-36.7	2.2%	195	2.2%
Volkswagen	346	343	0.9	3.9%	346	3.9%	Holden	Barina	192	117	64.1	2.2%	192	2.2%
Honda	341	356	-4.2	3.8%	341	3.8%	Toyota	Highlander	191	165	15.8	2.1%	191	2.1%
Kia	265	198	33.8	3.0%	265	3.0%	Suzuki	Swift	189	157	20.4	2.1%	189	2.1%
Subaru	254	116	119.0	2.9%	254	2.9%	Ford	Mondeo	153	57	168.4	1.7%	153	1.7%
BMW	201	149	34.9	2.3%	201	2.3%	Nissan	Qashqai	147	196	-25.0	1.7%	147	1.7%
Land Rover	155	123	26.0	1.7%	155	1.7%	Honda	Jazz	146	221	-33.9	1.6%	146	1.6%
Mercedes-Benz	144	191	-24.6	1.6%	144	1.6%	Hyundai	Tucson	139	0	13900.0	1.6%	139	1.6%
Audi	137	148	-7.4	1.5%	137	1.5%	Ford	Focus	138	66	109.1	1.6%	138	1.6%
SsangYong	113	87	29.9	1.3%	113	1.3%	Subaru	Outback	135	26	419.2	1.5%	135	1.5%
Skoda	100	89	12.4	1.1%	100	1.1%	Honda	HR-V	131	0	13100.0	1.5%	131	1.5%
Jeep	96	109	-11.9	1.1%	96	1.1%	Ford	Mustang	131	0	13100.0	1.5%	131	1.5%
Porsche	79	74	6.8	0.9%	79	0.9%	Mitsubishi	Lancer	125	109	14.7	1.4%	125	1.4%
Mini	78	64	21.9	0.9%	78	0.9%	Mazda	CX-3	121	0	12100.0	1.4%	121	1.4%
Peugeot	67	101	-33.7	0.8%	67	0.8%	Holden	Trax	116	132	-12.1	1.3%	116	1.3%
Fiat	63	40	57.5	0.7%	63	0.7%	Suzuki	Vitara	99	0	9900.0	1.1%	99	1.1%
Lexus	49	52	-5.8	0.6%	49	0.6%	Volkswagen	Golf	94	122	-23.0	1.1%	94	1.1%
Volvo	46	36	27.8	0.5%	46	0.5%	Mitsubishi	Outlander	93	115	-19.1	1.0%	93	1.0%
Jaguar	39	23	69.6	0.4%	39	0.4%	Toyota	Camry	91	86	5.8	1.0%	91	1.0%
Dodge	25	31	-19.4	0.3%	25	0.3%	Mazda	Mazda2	90	172	-47.7	1.0%	90	1.0%
Isuzu	25	10	150.0	0.3%	25	0.3%	Kia	Sportage	90	60	50.0	1.0%	90	1.0%
Alfa Romeo	22	12	83.3	0.2%	22	0.2%	Hyundai	i30	89	91	-2.2	1.0%	89	1.0%
Chery	22	14	57.1	0.2%	22	0.2%	Volkswagen	Passat	88	38	131.6	1.0%	88	1.0%
Citroen	22	36	-38.9	0.2%	22	0.2%	Ford	Falcon	87	84	3.6	1.0%	87	1.0%
Maserati	12	8	50.0	0.1%	12	0.1%	Mazda	Mazda6	85	49	73.5	1.0%	85	1.0%
Renault	7	20	-65.0	0.1%	7	0.1%	Holden	Malibu	83	89	-6.7	0.9%	83	0.9%
Bentley	5	6	-16.7	0.1%	5	0.1%	Nissan	Pulsar	83	29	186.2	0.9%	83	
Can-Am	5	6	-16.7	0.1%	5	0.1%	Mitsubishi	ASX	81	168	-51.8	0.9%	81	0.9%
Others	27	43	-37.2	0.3%	27	0.3%	Others		3,057	3,848	-20.6	34.4%	3,057	34.4%
Total	8,899	9,010	-1.2	100.0%	8,899	100.0%	Total		8,899	9,010	-1.2	100.0%	8,899	



Consistent level of registrations

here were 8,899 new passenger vehicles sold in January, which was a slight dip of 1.2 per cent from 9,010 compared to the same month of last year.

Toyota topped the ladder for marques with 1,774 units. It was followed by Holden with 964 and Mazda on 855.

The Corolla was last month's most popular model thanks to 719 sales with its total being boosted by 492 rental registrations. It was followed by the marque's RAV4 on 391 units and Holden's Commodore on 366.

Autofile contacted some dealerships around the country to find out what's been happening in their local markets.

Michael Mason is the dealer principal of Southern Automobiles in Invercargill, which has franchises for Honda, Mitsubishi, Nissan, Subaru and Suzuki.

He describes trade as "going well" and he's looking forward to Southern Field Days in Waimumu from February 10-12.

"It's all starting to wind up for that. We now have all of our specials across brands and models, and are very happy with what we have on offer.

"Field Days is farmer-orientated, and we tend to promote fourwheel-drives and so on."

Mason says the business has started 2016 "really well" with lots of inquiry on the yard during January.

"It has been a good start as last year was. New car registrations in the Southland market in 2015 were down by about 14 per cent on the previous year and were hanging off the diary sector, which is huge here.

"We expect to see some wobbles with that going forward, but – overall – sales have been steady.

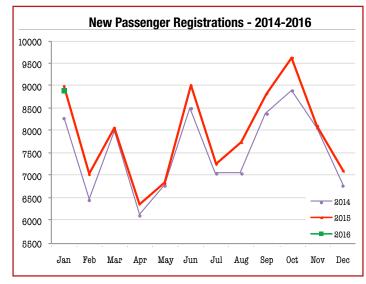
"Our most popular passenger model is Mitsubishi's ASX. People are still moving away from traditional sedan-type vehicles for the comfort of bigger, affordable cars."

Simon Lucas, dealer principal of Simon Lucas North Shore in Auckland, says: "Getting people on the yard is no longer a matter of simply foot traffic. As for the rest of this year, Lucas anticipates the mix of new car sales will remain the same.

"However, the weakening of the New Zealand dollar means there's an inevitability pricing for vehicles arriving from Japan is going to flow through," he adds.

"I don't think that it's going to drop away a lot, but I would be surprised if there is major growth in the market for new passenger vehicles this year.

"We aim to maintain our current sales numbers and would put any rise down to internal



"Our year-on-year statistics on interaction shows we've experienced exponential growth with our website. We see digital as being an absolutely critical strategy for us.

"If you turn your back on that, you will go backwards and there needs to be a multi-channel approach to sales. We went from 32,000 unique views on our site to 54,000 in 12 months." factors in the company rather than any external ones that may occur across the market."

Stephen Duff, dealer principal of Stephen Duff Mitsubishi in Dunedin, believes the introduction of a competitor's new model, such as Toyota's Hilux, has a positive effect on the whole of the market.

"The release of a model actually stimulates buyers to go out and have a look around, so it gives you a better opportunity and more people to show your own products to," he says. "It's good for everybody in all layers of the market.

"If Toyota markets and introduces a new product, people will want to go and look at it.

"But they will also assess the competition to ensure they are getting value for money and a vehicle does what they want it to."

"Nationally, sales figures are now at 25-30 per cent for SUVs and that's from the smaller Suzukis right through to Prados sizewise," says Ken Williams, dealer principal of Coast Wide Honda in Greymouth. "It's certainly a big sector in the market now.

"As a semi-rural dealer, we have suffered a little from having no commercial vehicle in Honda's line-up, but we do have one of the widest ranges of passenger cars overall.

"The Jazz is certainly our bigger seller. It has its name and reliability, and the biggest load and carrying capacity of any other models in that segment.

"It's probably priced a little higher than some other vehicles. But as an economy proposition, it has probably been the best buy."

Brian Watts, dealer principal of Watts Motors, says: "Mitsubishi's Triton is popular and the Lancer has been good for us.

"On the Honda side, really it's SUVs and the HR-V has been going well. Then there's the CR-V.

"In Gisborne, there's less demand for sedans. The Jazz is really popular. It has got everything, such as backing cameras and GPS." ⊕



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Ranger nets huge sales share

Finished last year – at the top of ladder for new commercials.

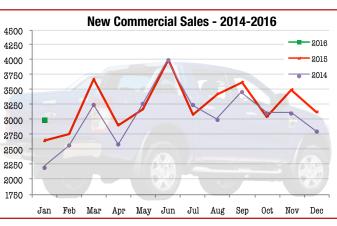
The Ranger had a massive January by claiming a market share of 22.1 per cent thanks to 661 registrations. Toyota's Hilux was a distant second with 300 units and Holden's Colorado came third on 266.

Ford was also January's top commercial marque with a 23.3 per cent market share and 699 units. It was followed by Toyota on 469 and Holden with 280.

Last month was the best January on record for sales of new commercials. The total of 2,994 registrations was up by 12.7 per cent from 2,657 in the same month of last year.

One of January's star performers was Mitsubishi's Triton with 191 registrations – up by 81.9 per cent from 105 units in the same month of last year.

Simon Lucas, who is the dealer principal of Simon Lucas North Shore, says: "The Triton is still our top-selling model and it's a product that has now gained acceptance in



what is a really competitive sector.

"Manufacturers and distributors have targeted utes, and the Triton has found its sweet spot with its pricing and warranty so we are pleased with its performance.

"We are having some difficulties getting hold of the amount of stock that we need to fulfil new orders at moment.

"The way utes have taken off in the past couple of years has been a global phenomenon, and I think there's a bit of a lag between production and meeting customer demand.

"I also think the Triton started off a little slowly. However, now

that people see its value, it has really taken off.

"Demand is good, but it's just a case of manufacturers and distributors trying to keep up with it." Lucas notes there has been a

definite shift towards utilities with them being seen as lifestyle choices.

"I say this partly in response to the Triton having a tremendous interior and being seen as more of an SUV."

He adds: "We are in the Wairau car zone – the last destination before leaving Auckland going north where marques are packed into one area.

"People know about the zone, but our analysis is that prior to visiting, they have looked online and feel better qualified as to vehicles they want."

Emma Gilmour, dealer principal of Gilmour Motors in Dunedin, says: "Suzuki doesn't supply a great deal of commercial vehicles, but we do have the APV.

"We don't have a ute. However, we do have the Jimny, which is an in-between type car.

"They fit in with the farming market because they are compact four-wheel-drives and almost compete with what quad bikes cost.

"The APV, while not a big seller, still fits a niche because it's a smaller van and is a good buy for the price.

"For example, we have sold a couple to the University of Otago. They are perfect there because it has narrow laneways and paths, and APVs are easy to zip around in."

Stephen Duff, of Stephen Duff Mitsubishi in Dunedin, says: "Regionally, we didn't appear to be as affected by the dairy downturn as other provinces may have been given we're mainly sheep and beef.

"Mitsubishi is marketing strongly on structured payment plans for the rural community given its seasonal incomes." \oplus

New Commercial Sales by Make - January 2016

MAKE	JAN'16	JAN'15	+/-%	JAN '16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Ford	699	504	38.7	23.3%	699	23.3%
Toyota	469	468	0.2	15.7%	469	15.7%
Holden	280	239	17.2	9.4%	280	9.4%
Nissan	231	254	-9.1	7.7%	231	7.7%
Isuzu	214	176	21.6	7.1%	214	7.1%
Mitsubishi	192	122	57.4	6.4%	192	6.4%
Volkswagen	117	139	-15.8	3.9%	117	3.9%
Mazda	106	85	24.7	3.5%	106	3.5%
SsangYong	89	73	21.9	3.0%	89	3.0%
Fiat	70	60	16.7	2.3%	70	2.3%
LDV	62	40	55.0	2.1%	62	2.1%
Mercedes-Benz	56	31	80.6	1.9%	56	1.9%
Foton	55	43	27.9	1.8%	55	1.8%
Hyundai	53	67	-20.9	1.8%	53	1.8%
Hino	38	43	-11.6	1.3%	38	1.3%
Kenworth	29	26	11.5	1.0%	29	1.0%
Mitsubishi Fuso	27	37	-27.0	0.9%	27	0.9%
DAF	26	15	73.3	0.9%	26	0.9%
Factory Built	25	12	108.3	0.8%	25	0.8%
UD Trucks	18	23	-21.7	0.6%	18	0.6%
Others	138	200	-31.0	4.6%	138	4.6%
Total	2,994	2,657	12.7	100.0%	2,994	100.0%

New Commercial Sales by Model - January 2016

MAKE	MODEL	JAN'16	JAN'15	+/- %	JAN '16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Ford	Ranger	661	417	58.5	22.1%	661	22.1%
Toyota	Hilux	300	324	-7.4	10.0%	300	10.0%
Holden	Colorado	266	225	18.2	8.9%	266	8.9%
Nissan	Navara	231	254	-9.1	7.7%	231	7.7%
Mitsubishi	Triton	191	105	81.9	6.4%	191	6.4%
Isuzu	D-Max	166	111	49.5	5.5%	166	5.5%
Toyota	Hiace	157	123	27.6	5.2%	157	5.2%
Mazda	BT-50	106	85	24.7	3.5%	106	3.5%
SsangYong	Actyon Sport	89	73	21.9	3.0%	89	3.0%
Volkswagen	Amarok	69	92	-25.0	2.3%	69	2.3%
Fiat	Ducato	65	54	20.4	2.2%	65	2.2%
Hyundai	iLoad	52	66	-21.2	1.7%	52	1.7%
Mercedes-Benz	Sprinter	47	26	80.8	1.6%	47	1.6%
Foton	Tunland	46	40	15.0	1.5%	46	1.5%
LDV	V80	37	40	-7.5	1.2%	37	1.2%
Ford	Transit	31	87	-64.4	1.0%	31	1.0%
DAF	CF	26	12	116.7	0.9%	26	0.9%
LDV	G10	25	0	2500.0	0.8%	25	0.8%
Volkswagen	T6	25	0	2500.0	0.8%	25	0.8%
Factory Built	BCI	23	8	187.5	0.8%	23	0.8%
Others		381	515	-26.0	12.7%	381	12.7%
Total		2,994	2,657	12.7	100.0%	2,994	100.0%

Competition tight across market

ealerships in New Zealand are finding accessing good used commercial stock increasingly difficult.

Gareth Karrasch, director of 317 – The Van and Ute Specialists in Takanini, south of Auckland, says a number of factors are creating interesting conditions in the market for buyers of light commercials.

The combination of a strong Japanese market, lack of tradeins in New Zealand and growing internet-based sales are having an impact on the sector.

"We are trucking along similar to last year," Karrasch told Autofile. "We haven't been any busier, but really steady.

"People are still erring on the side of caution. Construction is a big contributor and I think that sector is pretty strong.

"We've been personally getting work like this done at home and we've noticed everyone takes a bit longer to get around to jobs, which indicates they are busy. We never really hear of contractors slowing down."

Karrasch notes commercial

Total

695

644

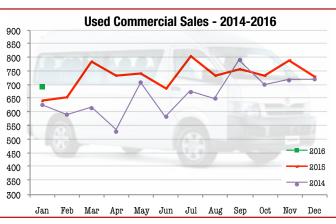
100.0%

7.9

695

100.0%

Used Commercial Sales by Make - January 2016



vehicles continue to attract family buyers.

"We are finding that anything in the used sector that's double-cab is really popular and this is possibly because there's a big gap in the diesel SUV market.

"Toyota's double-cab Hilux has taken the spot of models without diesel options.

"The Hiace is still the most popular van – it has the name and reputation. Even though they are five to 10 years old, they still look current and a lot of them are on the market."

Karrasch says online sales have added a new dimension to trade and is one dealers need to adapt to. "In terms of competition, Turners has a buy-now option, which adds a dimension similar to Trade Me. However, some people are still wary of buying online as opposed to making car-yard purchases.

"We are lucky with our

commercials because they hold their values. With private sales, people still want low-kilometre vehicles whereas units on Trade Me or sold privately often have a lot of kilometres.

"New Zealanders are quite hard on vehicles. Once they come out of Japan and onto our market, they tend to get really driven."

With a moderate-sized yard, Karrasch believes being able to adapt to change is key, especially around the cross-rate between the yen and kiwi.

"We have about 80 vehicles on-site at any time. We are finding importing hard at the moment.

"Japan's economy has picked up. Last time I was up there, there were lots of people at auctions and we're competing with the Japanese market for used commercials.

"Vehicles that had no market up there a year ago now have one. We are prepared to pay a little more for these units until things settle down."

The market for used commercial vehicles recorded an increase of 7.9 per cent last month to 695 units from 644 in January 2015.

Toyota topped the ladder on 338 units – an 8.7 per cent increase compared to 311 in the same month of last year for a market share of 48.6 per cent.

Nissan came second on 158, which was a jump of 21.5 per cent from 130 in January 2015, while sales of Mazdas dropped by 18.6 per cent from 43 to 35.

The Toyota Hiace was January's best-selling model with 255 registrations. ⊕

Used Commercial Sales by Model - January 2016

Make	MODEL	JAN'16	JAN'15	+/- %	JAN'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Toyota	Hiace	255	242	5.4	36.7%	255	36.7%
Nissan	Caravan	70	59	18.6	10.1%	70	10.1%
Nissan	Vanette	31	28	10.7	4.5%	31	4.5%
Toyota	Dyna	30	16	87.5	4.3%	30	4.3%
Mazda	Bongo	28	37	-24.3	4.0%	28	4.0%
Nissan	NV200	21	16	31.3	3.0%	21	3.0%
lsuzu	Elf	19	18	5.6	2.7%	19	2.7%
Toyota	Regius	17	30	-43.3	2.4%	17	2.4%
Nissan	Atlas	15	11	36.4	2.2%	15	2.2%
Toyota	Hilux	13	10	30.0	1.9%	13	1.9%
Toyota	Toyoace	12	8	50.0	1.7%	12	1.7%
Fiat	Ducato	11	12	-8.3	1.6%	11	1.6%
Mitsubishi	Canter	10	10	0.0	1.4%	10	1.4%
Nissan	Navara	10	6	66.7	1.4%	10	1.4%
Toyota	Delica	9	3	200.0	1.3%	9	1.3%
Ford	Ranger	8	8	0.0	1.2%	8	1.2%
Mitsubishi	Triton	8	3	166.7	1.2%	8	1.2%
Volkswagen	Amarok	5	1	400.0	0.7%	5	0.7%
Hino	Dutro	5	9	-44.4	0.7%	5	0.7%
Mitsubishi	Fuso	5	1	400.0	0.7%	5	0.7%
Others		113	116	-2.6	16.3%	113	16.3%
Total	_	695	644	7.9	100.0%	695	100.0%

JAN'16	JAN'15	+/- %	JAN '16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
338	311	8.7	48.6%	338	48.6%
158	130	21.5	22.7%	158	22.7%
35	43	-18.6	5.0%	35	5.0%
33	18	83.3	4.7%	33	4.7%
25	28	-10.7	3.6%	25	3.6%
18	17	5.9	2.6%	18	2.6%
16	15	6.7	2.3%	16	2.3%
13	12	8.3	1.9%	13	1.9%
11	9	22.2	1.6%	11	1.6%
9	18	-50.0	1.3%	9	1.3%
7	6	16.7	1.0%	7	1.0%
5	3	66.7	0.7%	5	0.7%
4	2	100.0	0.6%	4	0.6%
3	0	300.0	0.4%	3	0.4%
2	5	-60.0	0.3%	2	0.3%
2	2	0.0	0.3%	2	0.3%
2	2	0.0	0.3%	2	0.3%
2	0	200.0	0.3%	2	0.3%
1	0	100.0	0.1%	1	0.1%
1	2	-50.0	0.1%	1	0.1%
10	21	-52.4	1.4%	10	1.4%
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