

# autofile

## Marque going 'extra mile' in airbag recall

A distributor is working hard to identify used cars imported into this country that are subject to an airbag recall in addition to stock it has sold new.

The total number of new vehicles called back by Honda NZ for potentially explosive Takata airbag components now stands at 7,254, of which about 40 per cent have been remedied.

It means that – along with vehicles also recalled by Toyota, Mazda, Nissan and BMW – the nationwide total now exceeds 21,000 units.

Since 2008, about 25 million vehicles worldwide with Takata airbags have been recalled for their inflators to be replaced.

The defective parts have been linked to at least six deaths and dozens of injuries.

There have been reports of them exploding in the US with too much force and spraying metal fragments at occupants, but no such incidents have happened in New Zealand.

The problems have resulted in regulatory oversight in Japan and the US coming under close scrutiny.

Bryan Davis, national service manager of Honda NZ, says the recalls in this country centre on its parent company in Japan trying to ensure all of its vehicles with potential faults are correctly identified.

"Honda Motor Company is going that extra mile to increase consumer confidence," he says.

As for used imports with faulty airbags crossing the border, he says the marque cannot accurately give numbers because this changes as they arrive in New Zealand from Japan.

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## Funding of takeover revealed

The cost of the Colonial Motor Company (CMC) buying Jeff Gray European Ltd has been disclosed in financial documents.

The acquisition was settled last year with about \$4.34 million in cash changing hands.

The takeover consisted of assets, liabilities, staff and leases relating to four BMW franchise dealerships

in Christchurch, Wellington, Palmerston North and Hastings, with those in the capital and Garden City including MINI Garages.

The business now operates with its own management team, and trades from leased facilities in all four centres under the name of Jeff Gray BMW and MINI.

Total assets CMC acquired in the deal came in at \$13.6m,

which included inventory of about \$11.6m, property, plant and equipment of \$1.3m, and intangibles of \$750,000.

Liabilities assumed were vehicle floorplan finance of around \$8.8m, and trade and other payables of \$433,000.

"The intangible assets acquired relate to franchise rights and customer databases recognised

[continued on page 6]

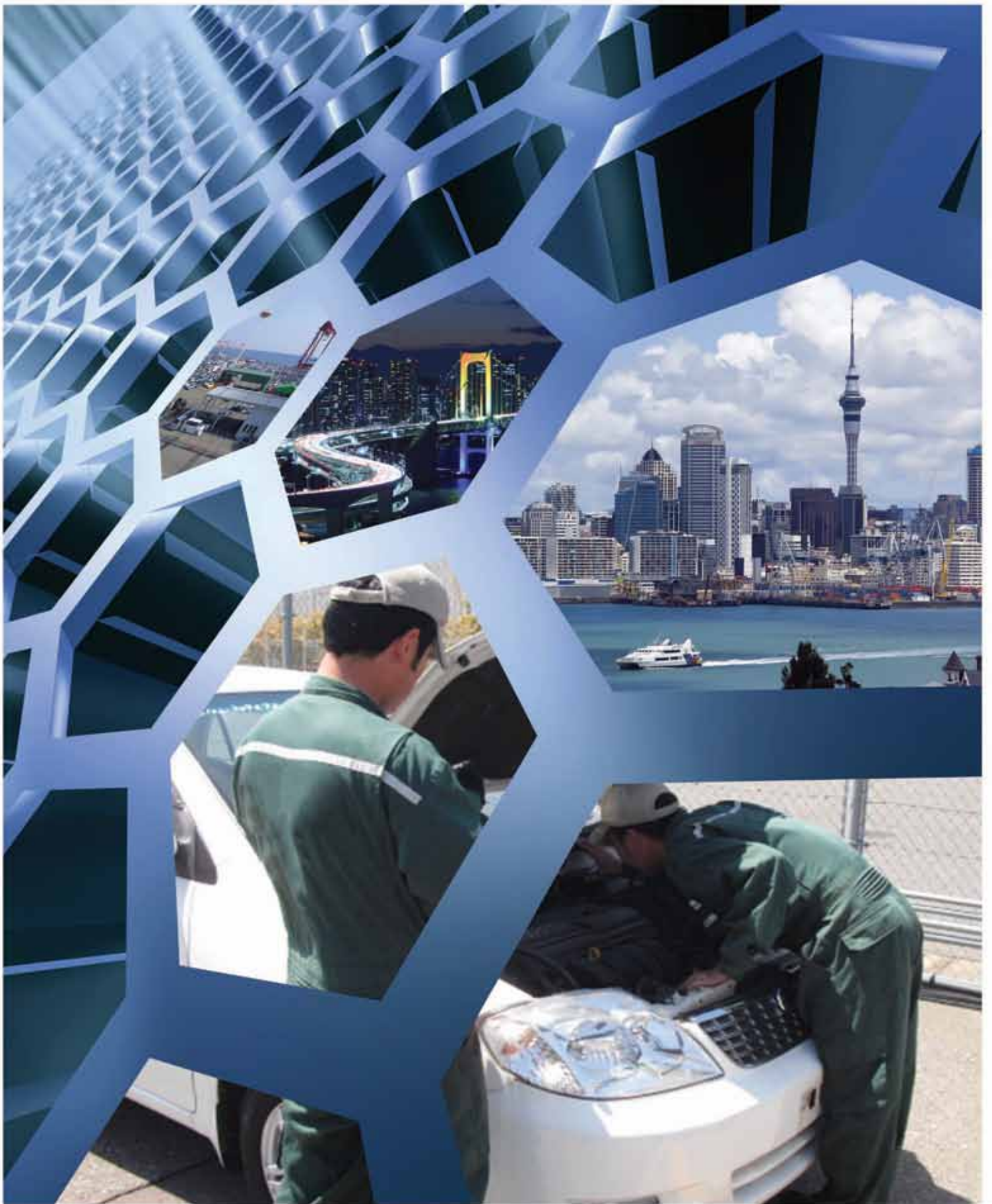


Premium SUV market hot's up



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## Share of Aussie market up for grabs

A tour by campervan of New South Wales got off to an incongruous start in Sydney.

Having bought concert tickets for a friend's birthday, we were sitting in a nearby pub when I went to see what time the main act was on – only to discover there was a basketball game instead. We had arrived a month early.

Luckily, everyone saw the funny side and, hey, it means another trip over there. We put it down to February having 28 days.

Of course, I became a social-media victim with my mates posting a photo of the tickets on Facebook and inviting comments.

The posts showed others had suffered similar fates, such as turning up the day after an event or getting 14 tickets for the wrong rugby match.

But back to the campervan holiday – a great leveller for people from all walks of life.

On one side one night, we had a sheep shearer and his grandfather, who owned a holiday park. On the other was a retired scientist.

People ask you what you do and attention inevitably turned to the demise over the next few years of car manufacturing across the Tasman.

Some blamed Prime Minister Tony Abbott and his government for canning its protectionist policies while other countries, such as Japan, continue to have them. Many saw the end as inevitable and sad. Only a few were apathetic.

One petrolhead remarked part of the country's heritage would be lost forever because "we buy Holdens made in Australia and anything from Europe won't be the same".

A common theme was what the

future would hold for highly skilled people working on production lines in Victoria and South Australia – as well as in connected sectors.

Aussies from all walks were highly knowledgeable about the industry, and many knew about the possibility of border controls being eased.

On one hand, some saw little need for restrictions to stay in place when the factories close.

Others thought the controls needed to remain, citing Australia as having a younger fleet than New Zealand.

There was a lot of talk about the possibility of the lucky country's tax on luxury cars being scrapped and a three-year limit on used imports, as well as the high cost of personal imports and their compliance.

Many were also aware of the Kiwi experience with used Japanese imports, with the split roughly 50-50 for and against them.

If you consider about 10 per cent of new cars sold in Australia last year were made locally, that's about 100,000 units up for grabs.

It's hard to see Toyota, Holden and Ford relinquishing such a market share without a fight when their production lines are mothballed, or all of their would-be new-vehicle buyers defecting to used imports or the domestic second-hand market.

What is for sure, however, is there are a lot of Australians who are mightily disappointed these marques are quitting local production with all of the economic and social implications this brings.

There may well be business in used imports into that country to be had. It's just what the scale of that will be.

**Darren Risby, editor**

### autofile

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# Recall issues with used imports

"However, we are very responsive to used vehicles coming into the country and with the huge numbers arriving last year, we are continuing to work through that."

Davis describes the company's waiting time for remedial work as variable and – in rare instances – this can be up to six months.

"When a recall is announced, parts are usually here in a couple of weeks," he says.

"The most important thing is to inform people because information comes out in stages and parts need to be distributed around the world.

"The average wait time is generally only one month or so if we haven't got the part available.

"The other matter is there are only so many parts available due to the global scale of this recall."

Honda NZ also provides incentives to ensure customers

return their called-back cars to franchised dealerships for any repairs to be completed.

"It's one of our responsibilities to try everything we can to ensure full uptake of the recall and we're working with the NZTA to get total traction," explain Davis.

**"There are only so many parts available due to the global scale of this recall."**

– Bryan Davis, Honda New Zealand

"Everybody has current information and they are then sent further information when their part has arrived."

Customers have mixed reactions about the recall process.

"We get two ends of the

spectrum. One is the angry person who has read about it on the internet and is wondering why we didn't get in contact sooner. Then there are those who may not understand the seriousness."

Davis says communication with the NZTA is essential to get

until recall work has been done.

"Effectively, this means the car isn't roadworthy because of any danger caused by the recall.

"There are a reasonable number of vehicles – probably about 10 per cent – that in any particular recall are always difficult to get in.

"This may be for various reasons. There could be somebody else driving the car or address details are incorrect."

Davis stresses the recall for Takata airbags has been going on for more than one year.

"We have sent numerous emails, and phoned and spoken to customers who haven't responded.

"We believe there comes a time when the system needs to be a bit more forceful.

"Our intention is to complete at 100 per cent, but the reality is the final 10 per cent of vehicles in recalls is difficult. Hopefully, this shows how proactive we can be and how important our customers are."

## SCALE OF KIWI RECALLS

Honda NZ has so far recalled 7,254 units in New Zealand because of their Takata airbags. ▶

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as much vehicle information as possible to Honda NZ – and that's updated every time a ship arrives in this country.

The marque is also working with the agency to encourage those who have yet to respond to the recall to take their vehicles in.

He points out the Motor Industry Association (MIA) is calling for a new system to be adopted that, when up and running, will ensure all recalls are completed.

"The initial discussion has been band-flagging, so you won't get a warrant of fitness [WOF]

## The global picture

Takanobu Ito, the president of Honda Motor Company, has fallen on his sword.

His resignation follows the recall of millions of vehicles worldwide equipped with Takata airbags as well as other issues.

In January, the company was fined US\$70 million, or about NZ\$92.2m, for failing to report warranty claims.

It admitted to knowing about some shortcomings in early-warning systems as early as 2011, but failed to act for two years.

Last month, Ito scrapped the marque's goal of selling six million units a year by 2017, saying it needed to focus on

quality issues instead of sales.

Takata's airbag inflators have resulted in about 25 million units being recalled globally.

Honda accounts for more than half those vehicles and has issued a profit warning after setting aside more cash to tackle the issue.

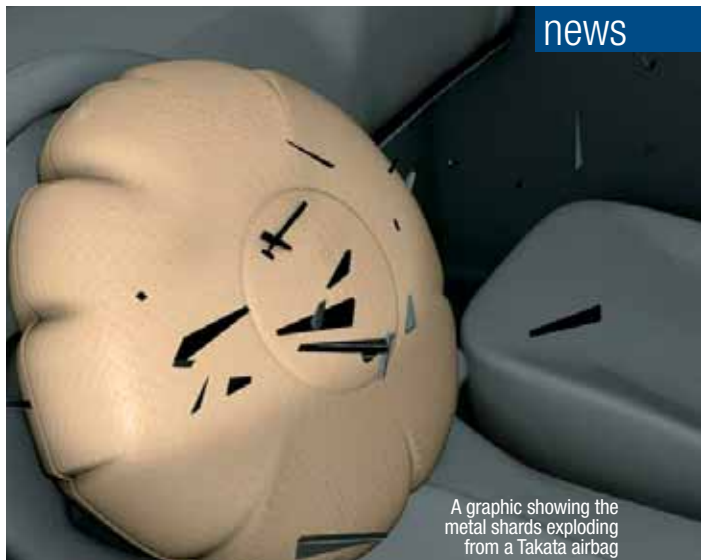
## SPEEDING UP REPAIRS

About one million cars with defective airbags have yet to be remedied in Japan.

Regarding the most recent recalls, 54 per cent of the estimated 140,000 vehicles called back in November have yet to be fixed – along with 61 per cent of 440,000 extra units



Takata Corporation's headquarters in Japan



A graphic showing the metal shards exploding from a Takata airbag

◀ Models include the 2003 Accord and CRV, and Civics and Jazzes built between 2002 and 2003.

Other affected marques have been contacted by Autofile, but no updated numbers have been reported back by them in addition to what they informed the magazine in August last year.

Toyota says its call-back update issued in June 2014 affects about 5,400 New Zealand-new units, included the Avenis, Corolla and Picnic built between 2000 and 2005.

Mazda's Atenza and Mazda 6 built from 2002 to mid-2003 are the models most affected by an extra recall – 1,202 were sold new in New Zealand and 3,955 were imported used. About 20 RX8s are also affected here, including two used imports.

Nissan has 2,308 vehicles

made from 2001-03 on Kiwi roads affected, including the N16 Pulsar, D22 Navara, Y61 Patrol, T30 X-Trail and A33 Maxima.

BMW NZ's recall of July 2014 was to replace front-passenger airbags of its 3 Series models made from 1998 to 2005, of which there are about 350 in this country.

**TOTAL NUMBERS UNKNOWN**  
The NZTA was unable to supply Autofile with breakdowns and totals for models – sold New Zealand-new or as used imports – that have been recalled because of their Takata airbags.

"These are manufacturer-led recalls and our role is limited to supplying owners' details at the request of manufacturers," says a spokesman.

"The information supplied by manufacturers when requesting

this is often not down to the level of detail necessary to determine whether it's a Takata airbag or not."

Takata has about a 20-25 per cent of the global airbag market, but only the airbag or vehicle manufacturer is able to identify exactly those that may be affected by the recall issue.

"It is not possible to simply apply overseas recall actions – such as those in Japan or the US – to New Zealand vehicles due to specification differences between

markets," adds the NZTA.

"For example, airbags used in the US market are often different to those supplied to other markets due to differing frontal-impact requirements.

"There are processes in place for the agency to assist manufacturers in conducting recalls in New Zealand.

"A number have recalled Takata airbag-equipped vehicles in this country, and the NZTA is satisfied appropriate action has been taken in these cases." ⊕

added to the list in December.

The government is urging marques to speed up the repair or replacement of defective airbags.

"The faulty airbags can be life-threatening in an accident," it says. "We want to proceed with repairs as quickly as possible."

Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on this story.

#### RESEARCH INTO PROBLEMS

Takata engineers have been meeting vehicle manufacturers in Michigan to go over research on the root cause of the airbag problems.

The company says preliminary testing supports its contention that age, and long-term exposure to high heat and humidity levels, are key factors.

Safety regulators have

started fining Takata US\$14,000, or roughly NZ\$18,500 a day, for allegedly stonewalling investigators. It disputes the charge, but says it's "fully committed" to assisting officials.

#### KEY AIRBAG SUPPLIERS

Three companies dominate the global market for supplying airbags to car manufacturers.

In addition Takata, TRW makes inflators in Arizona while Autoliv has a plant in Utah.

Barriers to market entry are high. Suppliers need deep-pocket expertise in electronics, explosives, metals and crash tests.

Inflator factories require robots to handle key operations and facilities have to be kitted out with blast walls to cope with occasional blow-ups. ⊕

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## Vehicle age and safety

If vehicle age becomes the yardstick to assess vehicle safety levels, I will be disappointed but unsurprised.

It will be another half-hearted attempt by the government to interfere in the imported used car market.

Other blunders have included the frontal-impact rule. When this regulation was imposed, importers were left at the mercy of new car distributors.

The latter could charge for certifying individual cars, or simply be bloody-minded and refuse to certify products even though models passed or exceeded EU safety standards.

We are still suffering similar costs, unnecessary paperwork and delays through individually certifying two-digit-coded cars from Japan.

Long ago, entire three to four-year production runs – from 2004-07 – were established as meeting Euro 4 emissions levels, such as for Volkswagen, Audi and BMW.

If age alone is used to select “safe” cars, will 2002-07 Audis, BMWs and VWs be excluded even though they have six or more airbags and electronic stability control? How many 2010 Japanese models can boast these features?

I despair of expecting any part of our bureaucracy to make sensible decisions to benefit long-suffering used car buyers – both trade and consumers.

*Mike Mapperson,  
Cooper Cars, Auckland*

# Growth in light commercials

at their acquisition date fair value,” says Jim Gibbons, chairman of CMC. “These will be amortised over their useful lives.

“BMW Financial Services NZ provides floorplan finance to fund new and demonstrator vehicles.

“Amounts are repaid when vehicles are sold, but can be repaid at any time. The amount outstanding at the reporting date was \$10.2m.”

He describes moving into the luxury vehicle sector as “a significant move for the company.”

Gibbons adds: “The BMW brand is not a direct competitor to our existing Ford and Mazda dealerships.”

CMC entered into an unconditional contract to buy the business in July 2014 with the settlement taking place on August 18.

### VIEW OF WIDER BUSINESS

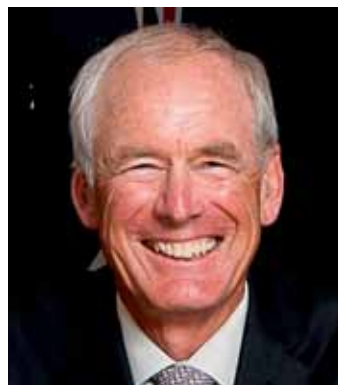
“There has been extensive media coverage of the record sales of new vehicles in 2014,” says Gibbons in CMC’s half-yearly report for the six months to December 31.

“At 127,179 new vehicles, it was up by 12 per cent on the previous 12 months.

“Company revenue at \$410.5m, including the contribution from Jeff Gray BMW, is up by 15 per cent on the same period last year. The heavy and light-commercial segments had the greatest growth.”

He says Ford’s Ranger was a stand-out success, while sales of the Mazda CX-5 and Mazda 3 also performed well.

“DAF and Kenworth had



**“Our dealerships have experienced an even more competitive market, which has impacted on profitability.”**

**– Jim Gibbons,  
chairman of CMC**

### Staff recognised

Various employees of the Colonial Motor Company (CMC) received gold watches in 2014 for 25 years’ service. They included Jo McNicholl and Peter Curries, of Team Hutchinson Ford in Christchurch.

Others were Dave Miller, of Fagan Motors in Masterton, Nick Mundy and Craig Fuller, of Avon City Motors in Christchurch, and CMC’s George Smith.

combined sales of more than 400 heavy trucks for the calendar year for the first time.

“However, while industry

sales continue to grow, the pace of growth has tapered off. Our dealerships have experienced an even more competitive market, which has impacted on profitability.”

Heavy trucks have continued with growing sales and profitability, while decreased dairy pay-outs have impacted on CMC’s tractor business.

CMC is continuing to expand its Southpac Trucks Manukau facility.

The extended parts warehouse has been completed, and work will soon start on the new parts supermarket showroom and sales office. Southpac Trucks had a strong six months with increased sales, profitability and franchise recognition.

The company’s trading profit after tax for the half-year at \$8.355m was down by three per cent on last year’s record half-year profit.

“The balance sheet reflects asset movements in the six months since June 2014, with increased inventory and the purchase of Jeff Gray BMW,” adds Gibbons.

“The heavy-truck inventory is in line with increased volumes and is funded by bank borrowings.

“New BMW vehicles are funded by BMW Financial Services and show as vehicle floorplan finance of \$10.2m.”

Basic earnings per share came in at 25.8 cents – down by three per cent from 26.6 – while net tangible assets per share rose by 5.2 per cent to \$4.27 from \$4.06. An interim dividend of 13 cents per share has been declared. ☺



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# Licences to start for repossession

The government has announced new legislation for repossession agents.

The regulations are aimed at ramping up protection for members of the public from unscrupulous practices.

They mean all agents, as well as their staff, must be registered and licensed from June 6. Applications are now open.

"Those who breach the laws can be fined up to \$40,000 under the Private Security Personnel and Private Investigators Act," warns Simon Bridges, Associate Minister of Justice

Mandatory licensing of repossession agents is among the changes under the Credit

Contracts and Consumer Finance Amendments Act 2014 – also known as the loan-shark laws.

A creditor will be barred from repossessing items unless they are specifically identified in credit contracts, while agents are

no longer allowed to uplift certain essential items, such as beds and cooking equipment.

Under the act, a lender who uses an unlicensed agent will also be liable on conviction for a fine of up to \$600,000.

The Commerce Commission will be enforcing the rules and ensuring repossessions are carried out lawfully.

Visit [www.pspla.govt.nz](http://www.pspla.govt.nz) for more details about the application criteria and process. ☺



Simon Bridges

## Used imports steady

The number of used passenger vehicles imported into New Zealand last month came to 9,995 – two units more than February 2014.

The year-to-date total now stands at 20,150, which is 2,250 units ahead of this time last year.

Used cars imported from Japan came to 9,372. It was a bumper month for Australia on 418, while only 88 arrived from the UK.

Second-hand commercial vehicles imported totalled 431 in February – a drop on January's total by 12 units.

However, it was ahead of February 2014's total of 333 by 98 units. The year-to-date figure for used commercial imports is 874.

Japan topped the ladder for new car imports for February with 3,066 units, replacing Korea, which was the top import country for January.

Korea came second last month by sending 1,067 new cars to New Zealand, with Australia third on 748.

Total imports of new passenger vehicles came to 7,173 last month, which was up January's total by 434 units.

Compared to the same month in 2014, February's total amounted to a rise of 449 units – or six per cent.

Year to date, 13,912 new vehicles have been imported – a rise of 5.7 per cent compared to this time last year.

Finally, the number of new commercials crossing our wharves last month came to 2,316 units. That was a 12.4 per cent jump compared to February 2014's total of 2,059.

So far this year, 4,336 new commercials have been imported – up by 5.5 per cent on last year. ☺



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– MATTHEW NEWMAN, Dealer Principal/Chief Executive, South Auckland Motors (Ford and Mazda)

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# Expansion to cope with imports

**P**orts of Auckland is embarking on major developments so it can handle increased trade, including a boom in the numbers of motor vehicles being imported.

The company notched up a 19 per cent increase in cars crossing its wharves in the six months up to December 31.

The half-year total came in at 118,765 units compared to 99,710 for the same period of 2013.

Container volumes rose by three per cent to 490,723 20-foot equivalent container units (TEUs), while break-bulk cargo increased by 7.7 per cent to 3.08 million tonnes.

Looking forward, volumes are expected to boom as Auckland's economy and population grow, so the port is embarking on capital investments to meet demand.

Two berths at the Bledisloe multi-purpose terminal are being extended to boost capacity because of the increase in freight and longer ships docking. Work will start in April and should be completed by late 2016.

A new truck facility has speeded up container handling, while rail services to the inland

port in Wiri have been quadrupled resulting in 3,000 fewer truck movements a month.

The company is also investing in rail and its off-port supply chain, at its Wiri and Longburn hubs, and it is continuing to relocate activities off-site that don't need to be at the sea port.

"Our aim is to use land more efficiently by only undertaking essential activities on the waterfront," says Tony Gibson, chief executive officer. "The multi-cargo business has grown rapidly, particularly car imports.

"Work done to improve productivity will be complemented by investments. They will enhance capacity and enable us to cater for increased demand."

Ports of Auckland's half-year net profit came in at \$28.9m compared to \$26.4m for the same period in 2013. An interim dividend of \$25.5m will be paid to Auckland Council.

**BOOM IN SOUTH ISLAND**  
Lyttelton Port of Christchurch (LPC) achieved a significant increase in

business during the past half-year, with cars playing a big role.

Container volumes were up by three per cent and were driven by strong import growth of nine per cent.

Chief executive Peter Davie says: "While full export volumes have declined slightly, they are much better than anticipated."

Increases in car, fertiliser, grain and log imports offset the downturn in coal to achieve positive growth for non-containerised volumes.

Motor vehicle imports rose by 23.5 per cent for the six months ending December 31 compared to the same period in 2013.

Earnings before interest, taxation, depreciation and amortisation went up by 1.3 per cent to \$15.9m, while dividends of \$20.5m – or 20 cents per share – were paid in October.

"In the half-year, we gained new infrastructure with the arrival of our fourth ship-to-shore gantry crane, while the rebuild of Cashin Quay wharf two following

earthquake damage is progressing with completion scheduled for the end of this year," adds Davie.

"The rebuilt wharf will allow the port to provide a significant increase in operational efficiency."

LPC was delisted from the NZX in November 2014 after Christchurch City Holdings Ltd acquired 100 per cent of its shares in October.

**CARGO VOLUMES INCREASE**  
Port of Tauranga report continued consolidation of traffic across its wharves to reinforce its position as New Zealand's "pre-eminent freight gateway".

It handled 426,512 TEUs, which was up by 11.9 per cent on the previous half-year, while total cargo volumes increased by 1.2 per cent to 10m tonnes.

Reported net profit rose by 8.2 per cent to \$42.6m from \$39.3m. Underlying profit, which excludes one-off items, fell slightly to \$38.5m from \$39.3m.

During the period, the port made a \$4.1m gain relating largely due to selling its 49.9 per cent stake in Timaru's container terminal. Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on the port's financial results. ☺



Tony Gibson, chief executive officer of Ports of Auckland

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# German threats to Japanese

**T**welve successful months for Volkswagen, which have seen its brand value increase, have been capped by it taking out car of the year.

The Passat secured the title as the marque's value rose to US\$27 billion, or about NZ\$35.56b, in early 2014 to more than US\$31b today.

Toyota remains the world's most valuable car manufacturer on US\$35b, says Brand Finance, the leading valuation and strategy consultancy.

However, the past year has been flat for the Japanese marque, which is now at risk of being overtaken by all three German companies.

Second-placed BMW on US\$33b, Volkswagen in third and Mercedes-Benz in fourth on \$27b have benefitted from rebounding demand in Europe for brand-value growth of 14, 15 and 13 per cent respectively. Honda rounded off the top five.



The Passat has secured the car of the year title as Volkswagen boosts its worldwide brand value

"BMW was bolstered by the i8's successful launch," reports Brand Finance. "Its first attempt to bring the supercar into the 21st century has been met with positive reviews for its looks, driveability and hybrid technology."

Mercedes-Benz has strengthened its position by reinforcing a reputation for technological innovation.

Its dominance of Formula One

in 2014 vindicated the decision to stick with the sport and this was seen as a marketing coup.

The opposite was true of Ferrari. For several years, it has been "the most powerful brand" in any industry.

However, it has lost that title in part due to an inability to mount a serious challenge in last year's F1.

"Meanwhile, the departure of Luca di Montezemolo heralds

a slight change in strategy at Ferrari's road-car division.

"He kept a strict cap on production to maintain exclusivity. Since his departure, chairman Sergio Marchionne has suggested this policy will be relaxed to boost revenues.

"Many Ferrari owners and aspiring owners are extremely brand-conscious. This makes the loss of the 'world's most powerful brand' accolade, which it held for several years, a heavy blow."

That said, Brand Finance adds the prancing horse is still in a strong position with its value increasing by 18 per cent this year to US\$4.7b.

"The new strategy to capitalise on the brand will certainly drive short-term value, but over-exploitation risks lasting damage."

The top three overall most valuable global brands are Apple, Samsung and Google. ☺



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Subaru's new Outback

# SUV boom spells wagon's end

Subaru's 2015 Outback went on sale in New Zealand last month with station-wagon pricing.

The Outback is available in three petrol and two diesel-engined models mated with the marque's lineartronic automatic transmission.

"Because it replaces the Legacy wagon, it has been priced at the same level," says Wallis Dumper, managing director of Subaru of NZ.

Most new Outbacks cost \$5,000 less than their 2014 equivalents with the 2.5-litre petrol-engined Sport starting at \$44,990, while

the wagon has been phased out of worldwide production with sales of SUVs booming.

"The strength of the dollar against the yen and recognition from Subaru Japan that the Legacy has been an important model for us for 25 years has resulted in competitive pricing," explains Dumper.

"The new Outback with chassis, suspension and steering refinements drives as well as any previous wagon. It also has the advantage of 213mm of ground clearance"

The Outback has constant all-wheel-drive for safety, road holding and handling benefits. Its X-Mode means the system creates improved off-road capability on steep hills and rough trails.

EyeSight driver assist, which helps to reduce fatigue and collision risk or severity, comes with all models.

This system's latest generation includes adaptive cruise control, pre-collision braking, lane-departure warning and brake-light recognition of the vehicle in front.

The active shutter grille aids

aerodynamic performance for efficiency and reduced emissions, while fuel-saving automatic stop-start is fitted to all 2.5-litre models.

The infotainment system provides a higher level of onboard information and entertainment, including speech recognition across many functions.

Models with satellite navigation also feature a traffic function in Auckland, Tauranga, Hamilton, Wellington and Christchurch with real-time updates and live rerouting recommendations. ⊕

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## From concept to reality

Jaguar has confirmed it will introduce a new model to its line-up next year – the F-PACE.

The marque says it will couple class-leading interior space and on-road dynamics with five-seat usability to make it a performance crossover.

Jaguar promises "beautiful design, precise handling, a supple ride, luxurious interior finishes and cutting-edge technology".

The all-wheel-drive F-PACE is a production version of the marque's C-X17 concept, which was unveiled last year.

It will be underpinned by the marque's aluminium-intensive architecture, advanced suspension system and all-surface progress control technology.

Ian Callum, director of design, says: "The F-PACE, which is inspired by the F-TYPE, offers sports-car exterior design fused with a practical and spacious interior."

Andy Goss, global sales director, adds: "We celebrate Jaguar's 80th year in 2015 and have started it by announcing our first performance crossover."

"The F-PACE builds on the marque's founding ideals of grace, pace and space, and it will be one of the most innovative models we've ever developed."

It has started its engineering and development testing programme ahead of going on sale in 2016. ⊕

The Jaguar C-X17 concept on which the F-PACE is based



# Core divisions see good growth

**H**earthland New Zealand has announced half-year net profits after tax of \$23.5 million.

This was an increase of 41 per cent from the corresponding period of 2013.

"Excellent growth was achieved in the core consumer, business and rural divisions," says the company. "The home-equity release [HER] business contributed well in terms of earnings."

Other achievements for the six months to December 31 included return on equity of 10.2 per cent, Heartland Bank's Fitch credit rating being raised to BBB from BBB-, and capital requirements to be cut by the Reserve Bank from January 31.

Looking forward, Heartland expects underlying asset growth to continue with strong business,

rural and consumer volumes projected.

"Initiatives in place mean growth is expected in the HER book in the second half of the financial year. Heartland has also identified growth opportunities in the consumer division."

Last month, Heartland raised its full-year profit guidance to \$46m-\$48m, up from a previous estimate of \$42m-\$45m for the full-year ending June 30, 2014.

In the past half-year, Heartland acquired an approximate 10 per cent shareholding in Harmony, New Zealand's only licensed peer-to-peer lender, having invested \$3.5m to date.

Based on the most recent capital raise by Harmony in



Jeff Greenslade, CEO of Heartland NZ

January, the implied value of Heartland's investment is in excess of \$5m.

Trade Me has acquired a 15 per cent shareholding in Harmony.

Harmony advises it will partner with the internet company, which it believes will provide it with considerable distribution opportunities via the online platform.

"Heartland Bank has lent about \$17m to date through the Harmony platform to provide initial momentum and complement investments made by retail investors," says the company.

"We are pleased with lending levels achieved by Harmony since its launch in September 2014."

Visit [www.autofile.co.nz](http://www.autofile.co.nz) for more on Heartland's half-year financial results. It will pay a fully imputed interim dividend of three cents per share on April 2.

**INVEST WITHOUT FEES**  
Heartland NZ's dividend reinvestment plan means any future cash dividends shareholders receive from the company will be automatically reinvested in additional shares.

This provides a convenient method for them to increase their investments without incurring brokerage fees.

Participation in the plan is optional with elections closing on March 19.

A discount of one per cent will apply, while the board has the ability to determine the discount, if any, that will apply for future dividends. ☺

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# Road from regulation to inspection

In some respects, Gordon Shaw has turned the tables on himself – from working with transport service delivery agents (TSDAs) for what was to later become the NZTA to now running one.

He became the permanent chief executive officer of VINZ on January 5 after holding the position on an interim basis for five months, and has stepped into the job with the industry facing challenges posed by regulatory change.

The impact of the Vehicle Licensing Reform (VLR) is being felt with many warrant of fitness (WOF) inspections having been pushed out from six to 12 months, while the certificate of fitness (COF) regime is being overhauled through what's essentially deregulation with the market being opened up to new players.

For VINZ – and the other two TSDAs, VTNZ and the AA – the safety of the national road-transport fleet remains a top priority, and Shaw is harnessing experience he gained at the Land Transport Safety Authority (LTSA) to go alongside his industry knowledge.

While based in Wellington as the authority's national manager of business development from August 2003 to May 2005, he was responsible for delivering policies being rolling out.

"I was primarily with the LTSA during its final days as New Zealand's transport safety authority," Shaw recalls.

"I oversaw its work with its agent network and my team included Chris Taylor, manager of service delivery, who is still with the NZTA.

"During that time, I was dealing with the likes of VINZ, VTNZ, the AA, On Road and NZ Post, and people such as Mike Walsh, Stella Stocks and Greg O'Connor.

"It has been good to assimilate my LTSA background in an industry in which many of the main players from back then are still here.

"They also include NZTA operational staff, such as Jim McDonald and Bill Hyslop. It's great picking up working



**“When you have private enterprises doing work for the government, there will always be tension in service delivery.” – Gordon Shaw**

relationships with all of them.”

The LTSA was reviewing entry certification while Shaw was there when about 150,000-plus used cars were coming into New Zealand from Japan each year.

The job involved looking into the supply chain and how vehicles were inspected. The project was referred to as the “red and green lane project”.

Shaw says: “It was about the quality of cars coming in – with less-invasive inspections for good-quality imports and more detailed ones on those deemed to be of poorer quality – and investigating having more inspection and compliance work done on vehicles before they came here.

“This meant going to Japan to

meet transport people, government agency staff, dealers' agents and service providers, such as JEVIC.

“The background to some of this policy development still applies today and challenges right now revolve around changes coming out of the NZTA.

“It's interesting to find out what the agency's going to pick next and how it will go about that.”

**‘SOME TENSION IS GOOD’**

Shaw believes if there's no tension between the NZTA and TSDAs, which the agency now calls “key service delivery partners”, in today's vehicle-inspection environment, “then something may be wrong”.

He explains: “When you have private enterprises doing work for

the government, there will always be tension in service delivery.

“Sometimes what people don't understand is that some tension can be good, but it's often seen as conflict.”

At the moment, the NZTA is reviewing who has the authority to remove pink and green stickers from vehicles.

“A change may lead to deregulation, so the policy drivers need to be understood. I feel it's a poor policy because it removes more independence from vehicle testing, which has associated risks.”

Looking at the big picture, Shaw says his work at the LTSA allows him to understand where policy changes and new ones are coming from.

“We always work with the NZTA as partners while recognising there may be tension at times.

“As an industry, we're lucky to have some of same faces on both sides of the table because their experiences are invaluable.

“The public rarely sees our work, but we're all passionate about safety outcomes and inspection quality.”

Before taking on the top job at VINZ, Shaw worked as a consultant for JEVIC on a number of assignments. He recalls when the Ministry of Transport (MoT) was looking at introducing emissions testing standards.

It wasn't making inroads dealing with the Japanese government, so JEVIC, which now owns VINZ, helped out with getting people connected.

“JEVIC undertook to do some work in real time on the random testing of vehicles coming to New Zealand and provide results to the MoT, so it could see how an emissions regime could be introduced.

“That was about six or seven years ago and I still see cars in Auckland with ‘emissions tested’ stickers on their rear windows.”

**GETTING ON WITH THE JOB**

While not breaking any records, 2014 was a big year with 137,601 used passenger vehicles crossing



Gordon Shaw's first car cost \$850 and was called Albert. It was beige 1965 105E Ford Anglia he painted yellow to match Vivian's car in the BBC's anarchic comedy series, The Young Ones. He currently drives a grey 2011 Holden Captiva – known as Boris The Battleship. His dream car is a Shelby Mustang



◀ the border with 94.3 per cent coming from Japan.

This stacks up well for those involved in entry certification. On the flip side, there are the effects of the VLR changes.

"People have been saying, 'what if the bubble bursts' and 'what if there's more regulatory change', while new players are coming into the COF B market," says Shaw.

"We always have to be mindful of market conditions when managing growth in all of our product ranges.

"Our WOF volumes have decreased by about 10 per cent. Some competitors and local garages are way down in comparison, and we haven't had as large a share of the market as VTNZ and the AA.

"But we've got great opportunities across our entry certification and COF business. We are looking for strategic growth in certification and compliance because that is where VINZ's history is in.

"In relation to the JEVIC group, VINZ has a great relationship with

its parent company. JEVIC is looking at our retail model and how this could work in other markets."

He emphasises that VINZ's fundamentals will stay the same – to have the right business strategy, work with its customers and partners, keep staff energised, attract and retain employees, and be innovative.

"When JEVIC took over VINZ, there was a mood the business was on a knife's edge and the new owner might have been looking at closing some testing stations.

"But what has happened is we have looked at utilising our existing network and focusing on strategic growth."

As reported in the last issue of Autofile, VINZ is looking at changes to its existing testing station network.

#### LOOKING TO THE FUTURE

"Our inspectors are proud of their work," says Shaw. "If they didn't take it as seriously as they do, there could be consequences especially

with heavy vehicles. We've got a great team at VINZ and it's great to be involved with that.

"As for the business, I say bring it on because we want to undertake more inspections, but we have to be mindful things can happen globally we have no control over, which can impact on trade.

"Our staff need to be multi-trained so they aren't only able

to work in entry certification and WOFs, but on the whole process.

"With the deregulation of the COF market, there have been new entrants looking to move into this space.

"What other players are now realising is their performances will be monitored, they have to provide technical expertise, invest in training and forge relationships with the regulators.

"In the meantime, it's our job to ensure the vehicles people drive are safe. We take that very seriously." ☺

## CV at a glance

Gordon Shaw has been a member of the Institute of Management Consultants New Zealand since 2007.

He has served a term as its president and international trustee, and was made a fellow to recognise his voluntary work on its executive.

Shaw's previous jobs include being acting commercial manager of the chief planning office at Auckland Council from July 2013

to July 2014. He was transport programme integration manager at Auckland City Council during 2010 in the run-up to the super-city's creation, and was head of debt management at ACC from 1999 to 2003.

In 2005, Shaw, founded Sempre Avanti Consulting to help clients solve problems and manage change.

In the private sector, he has also worked for Baycorp, Dun & Bradstreet, Buddle Findlay and the National Bank.

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# Dealership scoops coveted title

**A**rmstrong Prestige Christchurch has been crowned Mercedes-Benz Cars' dealer of the year at a gala ceremony in Melbourne.

The event, held in the great hall of the city's Royal Exhibition Building, celebrated the achievements of the marque's network in New Zealand.

The annual awards acknowledge the performance of dealerships and their staff, while also recognising new and pre-owned vehicle sales, and service and parts.

Rick Armstrong, dealer principal and managing director, and his team delivered another year of outstanding customer service across all key criteria to take out the top gong.

"We are proud to recognise the efforts of Armstrong Prestige Christchurch in 2014," says



Rick Armstrong, second from right, with some Armstrong Prestige team members

Ben Giffin, general manager of Mercedes-Benz Cars at Mercedes-Benz New Zealand.

"Rick and his staff delivered another exceptional year of service for our customers and truly demonstrated Mercedes-Benz's ethos of 'the best or nothing'.

"Last year was our brand's most successful year ever in the New Zealand market, and I thank the entire dealer network for its enduring dedication and passion.

"It is important to celebrate these achievements, but we are all now focused on not only meeting, but exceeding, targets again in 2015."

Armstrong says being the number-one dealer for Mercedes-Benz is an achievement he's "incredibly proud of".

He adds: "To have now secured this four years in a row is an absolute milestone for the business and no small achievement in the industry.

"I owe a massive thank-you to everyone in my dedicated team who has made this success possible.

"Winning dealer of the year is much more than a volume achievement – it's a hard-fought accolade."

Armstrong believes it is unachievable without strong, cohesive teams across all departments achieving their best consistently during the year.

Jarrold Buchanan and Mike Sanford, of Armstrong Prestige, were awarded sales manager and parts manager of year respectively at last month's ceremony. ☺

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## Company looks to expand

**T**he Robertson Motor Group is creating a mega-site for its two dealerships in Palmerston North as part of a major expansion.

The move will see Robertson Holden and Robertson Prestige – acquired from the Armstrong Group in November – reopen at one location.

It will boast a footprint of more than 11,500 square metres and will be able to hold 120 vehicles. It will be directly across the road from the current Robertson Holden site.

"We have been incredibly space-constrained at our current site," says dealer principal Mike McCready.

"The new site will have five different access ways, truck access and space to unload off the road.

"The market continues to grow, and General Motors and Holden have given us confidence to continue to invest."

Construction work on the new premises is set to begin during the second quarter of this year.

McCready says the group has been adapting to the challenges of holding the Audi and Volkswagen franchises after the group acquired them last year.

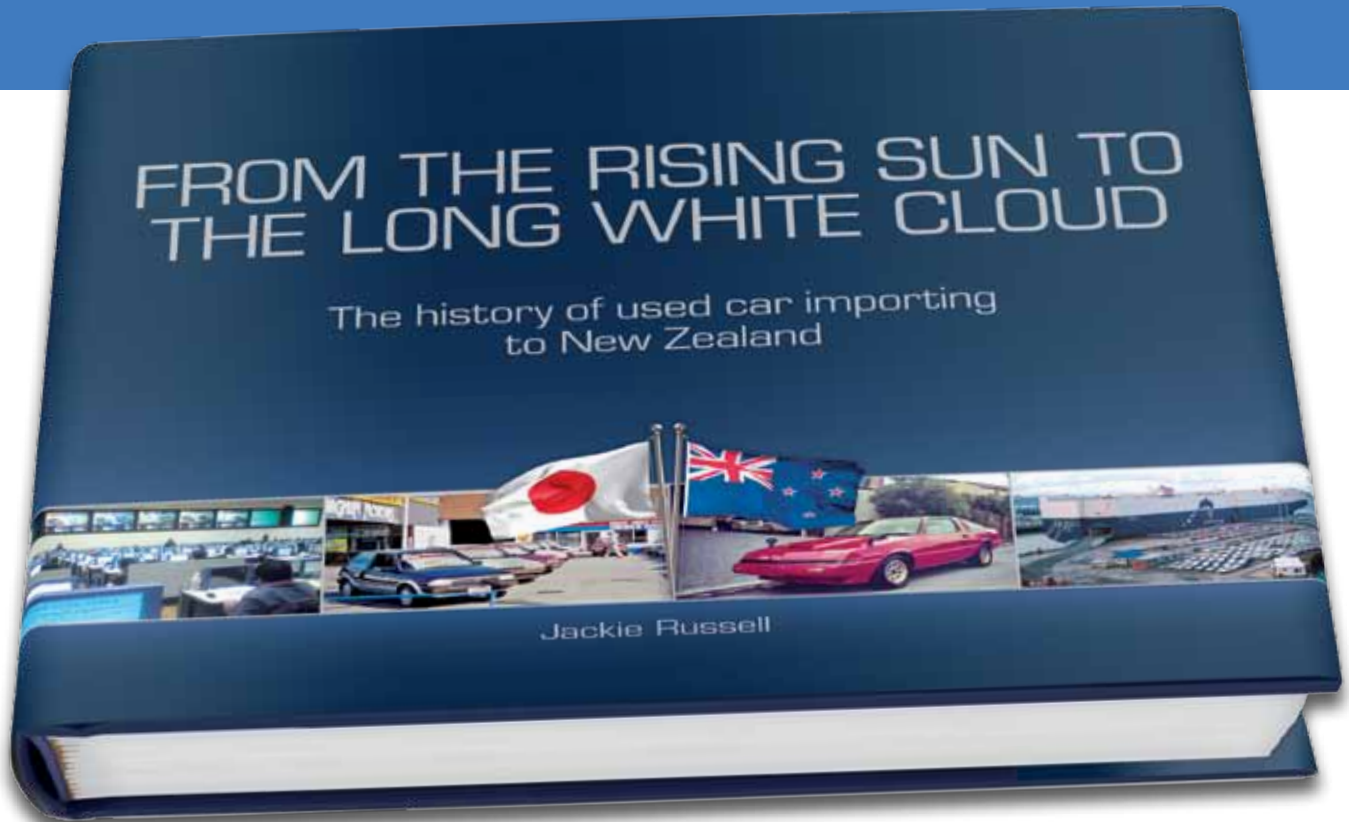
"This is our first venture into the prestige market," he told Autofile. "We are still learning what our customer base is and trying to connect with it.

"Audi and Volkswagen have been fantastic. We're in our first 90 days and have still got a long way to go before we have it in a place to where we want it to be."

McCready says one of the biggest challenges after taking over the business has been the acquisition of used vehicle stock.

"The previous owner had its own used-vehicle operation, so there was no such stock when we took over. We've had to build our used holding from scratch." ☺

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# Price gives premium SUV edge

**L**and Rover NZ has announced the Discovery Sport's recommended retail price will start from \$78,500.

The model has a body shell of high-strength steel and lightweight aluminium, while it comes with four-cylinder powertrains, nine-speed automatic transmission and standard all-wheel-drive.

Innovations from the marque making their debuts include autonomous emergency braking and a new touchscreen infotainment system, while the seven seats come in a five-plus-two configuration.

Its terrain response system –

with four settings and optional dynamic mode – maximises the Sport's capability in challenging conditions.

It is designed to tailor steering, throttle response, gearbox, centre-coupling, and braking and stability systems. This is backed up with hill descent, gradient release, roll stability, dynamic stability and electronic traction control.

The Sport has two trim levels of SE and HSE. At launch, a choice of one four-cylinder turbocharged petrol and two turbo-diesel engines will be available.

All feature stop-start technology,

high-pressure direct injection, and smart regenerative charging for performance and economy.

Petrol derivatives use an all-alloy Si4 two-litre engine with 177kW and direct-fuel injection.

This offers six-cylinder levels of performance in a package that reduces weight and cuts CO2 emissions by up to 20 per cent compared to conventional larger engines with similar outputs.

The 2.2-litre turbo-diesel derivatives are available in 110kW

TD4 or 140kW SD4 specification. They produce 400Nm and 420Nm respectively.

"Not only is the Sport capable and luxurious, its specification level and price-point package gives it the edge in the compact premium SUV market," says Helen Sunley, national sales manager of Land Rover NZ.

The Discovery Sport, which goes on sale in the second quarter of this year, starts at \$78,500 for the diesel 110kW TD4 SE.

The range-topping HSE with diesel 140kW SD4 or petrol 177kW Si4 powertrains will be priced from \$89,500. ⊕



The 2015 Land Rover Discovery Sport

## Redefining perception

**V**olvo's XC90 is due to arrive in New Zealand before the end of June with prices starting at \$97,900.

The SUV made its debut in August 2014 at a gala event in Stockholm, Sweden.

Reaction to its design, performance and technology exceeded expectations with all 1,927 first-edition vehicles selling in less than 48 hours.

Steve Kenchington, general manager of Volvo Cars NZ, believes the model represents a step towards the marque's future in this country.

"The XC90 wowed the crowds at the Paris Motor Show last October and we're looking forward to bringing its advanced features to drivers here," he says.

"It continues to redefine the perception of the brand delivering on luxury, class-leading technology and world-first safety innovations."

The engineering of the XC90 incorporates the marque's new scalable product architecture platform and innovative four-cylinder Drive-E engine technology, which combines with plug-in hybrid technology for T8 twin powertrain.

The interior has a class-leading centre console system that delivers all vehicle functions to the driver's fingertips.

The XC90 will start from \$97,900 for the D5 Momentum through to \$136,900 for the T8 R-Design. ⊕



## Van's drive 'car-like'

**F**iat says its delivering value for money to Kiwi businesses with the new Scudo's price-tag of \$26,990, plus on-road costs and GST – a saving of \$3,000.

Powered by an advanced two-litre 88kW turbo-diesel engine matched to a six-speed gearbox, the van offers six cubic metres of load space matched to a 1,200kg payload.

This space is accessed through twin sliding doors, as well as via rear barn doors wide enough to take a standard pallet.

The marque describes the Scudo's driving experience as "car-like with a comfortable ride, precise accurate steering and agility".

"It's a versatile all-round business winner," says David Smitherman, chief executive

officer of Fiat Chrysler NZ.

"Intelligent design means the Scudo is a safe, efficient and effective working environment, whether behind the wheel or loading it.

"The new \$26,990 price has been achieved with no reductions in features or abilities."

Standard equipment include a driver's airbag and ABS brakes with electronic brakeforce distribution, cruise control, Bluetooth connection, electric front windows and mirrors, twin-mode central locking, air conditioning, cloth-covered front seats and a spacious cab.

The Scudo comes with a three-year or 200,000km warranty. ⊕





# Marque sets sights on growth

A new SsangYong and LDV dealership has opened in Auckland as the Korean marque's distributor sizes up further expansion across New Zealand.

Peter Murray, general manager of Western SsangYong in Henderson, is aiming for strong growth in 2015 after the business opened in November.

"Inquiry has been huge and the marque has made massive inroads over the past 10 years," he told Autofile.

"Customers don't seem to be as tied down to the top five any more and it's now more about getting some bang for your bucks."

The dealership is owned by Great Lake Motor Distributors, which distributes SsangYong and LDV in this country.

"We have had such phenomenal growth New Zealand-wide. With Auckland being 60 per cent of

the market, we decided to open another dealership there."

Private buyers have been the driver of the majority of sales for the new dealership.

"We are pretty much on track with where we want to be and we're aiming to double our sales totals by the end of the year," adds Murray.

"We haven't pushed too hard yet, but once we get all our staff in place we are hoping to continue this dealership's growth."

Overall figures show SsangYong has grown its market share in New Zealand by 60 per cent over the past four years. The group is also looking to open another franchise in Wellington.

Both Great Lake brands saw significant growth last year.

SsangYong sold 1,882 units,

which was about a 50 per cent increase on the previous year to make it one of the fastest-growing marques in the country.

This was made up of 988 passenger vehicles and 894

commercials for market shares of 1.1 and 2.4 per cent respectively.

LDV also had a big year with it moving up into sixth place in the van market after launching in New

Zealand in November 2013.

This year will see further developments in the range, including the introduction of automatic transmission and other passenger and cargo van models to complement the range.

Deon Cooper, managing director of Great Lake, describes 2014 as a "huge year", while the whole dealer

network deserves recognition for the significant growth.

Meanwhile, Sheaff Vehicles from Mount Maunganui has been named as SsangYong's dealer of the year and has also received a 10-year long-term service award.

The Car Company from Nelson was LDV dealer of the year for 2014. It also won the SsangYong and LDV service titles, and a SsangYong long-term service award.

Waikato SsangYong in Hamilton relaunched a new dealership about a year ago.

Its "proactive attitude to marketing and consistent sales figures plus an outstanding Fieldays outcome" resulted in it winning the brand's sales and marketing award.

Auckland SsangYong won the parts award for both marques for the second year in a row, while Sharrock Motors in New Plymouth received a long-term service award. ☺



## Getting into the swing

Audi is testing a new technology that eases many production assembly activities.

A high-tech carbon-fibre reinforced plastic construction allows employees at its plant in Neckarsulm,

Germany, to sit without a chair. At the same time, it improves their posture and reduces strain on their legs.

"Audi has played a leading role in

the field of ergonomics for a long time now," says the company.

"The chairless chair is one of many projects implemented in our processes in recent years. It helps us to enhance our employees' well-being and maintain long-term health.

"At the same time, an

ergonomically optimised working environment promotes more productivity and even better quality."

The chairless chair, which Audi has developed with a Swiss start-up company, is an

exoskeleton that is worn on the back of the legs.

It is fastened with belts to the hips, knees and ankles. Two leather-covered surfaces support the buttocks and

thighs, while two struts adapt to the contours of the leg.

They are jointed behind the knee and can be hydraulically adjusted to the wearer's body size and desired sitting position. Body weight is transferred into the floor through the adjustable elements. ☺





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## Milestone for engine

**G**lobal production of Subaru's horizontally opposed Boxer engines has surpassed 15 million units.

The milestone was achieved in the 49th year since the water-cooled four-cylinder aluminium powertrain was developed for the Subaru 1000 compact sedan in May 1966.

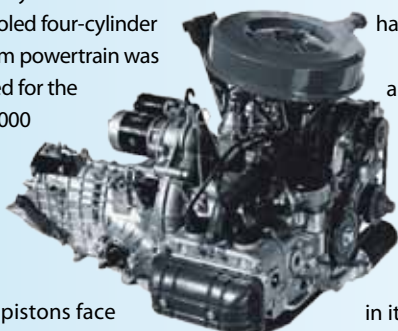
The engine's pistons face each other in a side-to-side symmetrical lay-out. Each works to cancel out the other's inertia force, which results

in less vibration and good rotational balance up to the high-rev range.

Its flat profile lowers a vehicle's centre of gravity to enhance driving stability and handling.

Subaru marked another milestone last month by producing the 14-millionth unit with symmetrical all-wheel-drive – first featured in its 1972 Subaru Leone station wagon.

This system provides driving stability at high speeds and brisk cornering. ⊕



## NEWS in brief

### Japan's emissions rise due to nuclear power outage

Carbon dioxide emissions in Japan were the worst on record in the past fiscal year, forced up by reliance on natural gas and coal to generate electricity.

The country emitted 1.224 billion metric tons of CO<sub>2</sub> – up by 1.4 per cent from the previous year and by 16 per cent from 1990.

Japan was aiming to cut emissions in 2010 by boosting nuclear power to 50 per cent of all its electricity output from 30 per cent. That was before the Fukushima nuclear accident in March 2011 led to the outage of its 48 reactors.

Imports of liquefied natural gas and coal in the past fiscal year rose by 24 per cent and 4.8 per cent respectively on levels before Fukushima.

It's predicted a fall in energy consumption by 0.9 per cent last year and the likely restarting of two nuclear reactors in Kagoshima prefecture this year will not result in a major decline in greenhouse gas emissions.

### Updated supercar shaves six seconds off lap time

Lotus' new Evora 400 has been unveiled at the Geneva Motor Show – and it's faster than the outgoing model.

Its maximum speed is 300kph with acceleration from 0-100kph in 4.2 seconds.



This enables the new model to lap the test track at Lotus' headquarters in Norfolk, England, six seconds faster than the previous version.

Deliveries to European markets will start in August. The new Evora 400 will arrive in New Zealand in early 2016.

### Swedish marque opens active-safety testing facility

Volvo has opened what it describes as the world's first full-scale proving ground for "future traffic-safety solutions".

The focus of work at AstaZero is safety and autonomous driving technology to realise the aim of nobody being killed or seriously injured in a current Volvo by 2020.

The facility has been designed around environments that can replicate real-world urban conditions and motorways. The ability to integrate moving obstacles into testing is seen as important because many prototypes will be driven by robots.

The centre has been built with the support of Swedish government, which backs zero-fatality road transport. It will be available for other marques, suppliers, legislators and educational institutes around the world.

The facility amounts to two million square metres with 250,000sq m of paved surface, and is surrounded by a 5.7km highway and four city blocks. The first part of the AstaZero name is an acronym for "active safety testing area".

### Company completes buy-back of small shareholdings

Dorchester Pacific's buy-back of holdings of less than 4,000 shares has been completed.

A total of 730,633 were purchased from 422 shareholders. They will be held as treasury stock and reissued as part of a staff share plan.

Meanwhile, Dorchester changed its name to Turners Limited as from the close of business on February 27.

### Indian brand to expand on Land Rover technology

Tata is developing a premium SUV based on technology from Land Rover. It will launch the model in India in 2017, with ambitions to export it to Asia and the Middle East.

The new vehicle will be the first to build off synergies between Tata and Land Rover since the Indian company bought Jaguar Land Rover from Ford in 2008. ⊕

# Upgrades for marque's best-seller

The 2015 Rio features new alloy wheels, and changes to the front and rear styling, which the marque hopes will enhance its road presence.

Currently the most popular Kia globally, the makeover is designed to ensure demand for the model remains high.

The revised front bumper and tiger-nose grille deliver a more dynamic appearance, while the shape of the rear bumper is now more contoured.

All models come with alloys – base models previously had steel rims and wheel covers.

There are 15-inch alloys for the LX manual petrol model. This increases to 16 inches for the LX petrol automatic and diesel, and 17 inches for the EX.

Daytime running lights are



Kia's new Rio LX

standard across the range for added safety and two new colours – blue and yellow – complete the Rio's exterior upgrade.

Changes to the dashboard include chrome trim around the air vents while the centre console

incorporates simplified controls.

Supervision cluster instrumentation now comes in all models to provide the driver with better information.

The EX also features LED daytime running and rear

combination lamps, climate air conditioning with an automatic de-fogging system, electric-folding door mirrors with LED indicators, rain-sensing wipers, smart-cornering lights and automatic projection-type headlights.

A proximity key with push-button start is added to the EX for the 2015 model year.

Safety systems in all new models include disc brakes, electronic stability control and vehicle-stability management, while hill-assist control prevents the car rolling backwards when pulling away on steep gradients.

The 2015 Rio range, which is now available from \$22,490 plus on-road costs, comes with a choice of 1.4-litre CVT petrol engine or 1.4-litre common-rail diesel with fuel economy of 3.9l/100km. ⊕

## Special edition's extras

Holden has unveiled its Captiva 7 Equipe, which comes with the usual features of the 7 LS and some more added.

Managing director of Holden NZ, Kristian Aquilina, says SUV buyers now have greater choice.

"The Captiva has grown in popularity and this special edition adds to an already competitive SUV. We've listened to our customers and it will tick many boxes."

The Equipe has 18-inch alloys, an electric sunroof, leather-appointed seat trim, electric eight-way adjustment of the driver's seat, front fog lamps and black roof rails.

Regular features of the Captiva 7 LS petrol model include a 2.4-litre four-cylinder engine, six-speed automatic transmission with active select, electronic

stability control and six airbags.

It also has auxiliary input, a CD-audio player with MP3 compatibility, USB input with iPod connectivity, Bluetooth including audio streaming, leather-wrap steering wheel with audio controls, power windows and chrome exhaust tips.

Other features include hill-start and rear-park assist, rear-view camera, an electric park brake, fuel-economy mode, level-ride rear suspension, passive entry and start via a sensor key, and dual-zone electronic climate control.

The Captiva 7 Equipe, pictured below, is available in seven standard colours and retails at \$34,990, plus on-road costs. ⊕



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## Going on the buses in China

I was recently advising a bus manufacturer in China on the compliance of some of its products with New Zealand's rules and requirements.

The company, Zheng Zhou Yu Tong Bus Co Ltd (Yutong), is one of the largest makers of these vehicles in that country where it holds a market share of more than 30 per cent.

Now it's setting its sights on a significant proportion of the Kiwi and worldwide markets.

The company produces more than 60,000 units annually in China. In addition to traditional diesel-powered buses, it also makes electric and hybrid vehicles with 3,897 "New Energy" buses sold last year.

Its vehicles are in service in many countries, including Russia, France, Kazakhstan, Cuba, Myanmar, Saudi Arabia, Kuwait, Sudan, Ethiopia and Israel to name a few.

Some were due to be imported into New Zealand last month, although talks continue to establish a local distributor.

I went along to Yutong's headquarters in Zhengzhou to inspect and measure buses destined for our shores, and advise it about compliance procedures to avoid any problems when its vehicles arrive for registration.

The company may not be well-known in New Zealand at the moment, but I'm sure it will be in the near future.

I went through its factory and was impressed. The company has a philosophy similar to what was instilled into Japanese manufacturing processes by American W. Edwards-Deming

following the end of World War Two.

Essentially, that's treating the next person in the assembly process as your customer and striving to give your customers the best possible products you can produce.

Yutong's chassis and bodies are put through a seven-stage rust-proofing process, which includes electro-deposition of phosphate and other prevention substances. There are massive baths the body of a tour coach body can be completely immersed in.

These tanks and associated product recovery processes, which include reverse-osmosis equipment, are made by German company Dürr, while the rust-proofing chemicals are supplied by Henkel with refinishing products



MALCOLM YORSTON  
IMVIA membership and  
technical services manager

supplied by PPG.

Once a bus body has been through the final wash tank, most of the water is dripped off before the body is lifted by an overhead gantry and placed in a bake oven to cure before heading to the paint and refinishing shop.

After that, the body and chassis are married together with the installation of interiors carried out in a finishing workshop.

Yutong has an impressive research-and-development (R&D) facility where I witnessed sample testing of products sourced for buses.

These included headlamp assemblies being tested in a humidity chamber to ensure UN-ECE requirements are met, and indicator and micro-switches being tested on machines with computers

tracking target activations of up to 200,000 applications.

The large test hall has a bus frame solidly fixed to testing equipment, while the front is attached to hydraulic rams to twist the body in a pre-set computer-controlled fashion to verify torsional rigidity and durability.

There are front spring sets with the leaf springs being turned inside out using rams, while la piece de resistance is a complete city bus mounted on a road-test simulator with rams under each wheel.

This vehicle was fully laden using containers of sand with the computer controlling the rams, so random situations – such as the bus hitting pot holes and corrugations – were simulated.

The ram activations were every few seconds and the bus was jumping about all the time. The test involved it being on the simulator for 30 days continually, which equated to about one million kilometres.

Yutong's R&D facilities are similar to those used by the major car manufacturers and the principals are the same. It's just the scale of the operation and equipment that's bigger and heavier.

Its EURO V engines are made by Cummins, while the 11-litre EURO VI engine is supplied by DAF in the Netherlands. The transmissions are provided by Allison, steering systems by ZF and the braking system components, including EBS, by Wabco.

Two of the company's models are currently fully approved under the Australian Design Rules. ☺



The Yutong bus manufacturing plant in Zhengzhou, China



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Hyperlinks to matching vehicles that are currently for sale on Trade Me Motors are provided as well as an insight into the number of days similar vehicles have remained on site.

"Gone are the hours wasted trawling through Trade Me Motors trying to find a similar car to the one dealers are about to list; all the pricing information, current and historical, is provided in

one easy to read screen making it even easier to make an informed pricing decision."

The Price Compare service is currently in beta test, and is being offered to dealers at a reduced price during this period.

We expect to add more features on a regular basis as we continue to develop Price Compare.

Dealers interested in the price compare service should contact their Trade Me Account Manager for further details - 0800 42 88 62 or [motors@trademe.co.nz](mailto:motors@trademe.co.nz)



**FEBRUARY**  
statistics

Most popular car makes searched\*

- 1 Nissan
- 2 Foton
- 3 Chery
- 4 Hyundai
- 5 Peugeot

Most popular car models searched\*

- 1 Primera
- 2 Falcon
- 3 Punto
- 4 Hilux 4x4
- 5 Commodore

Most popular body styles searched\*

- 1 Hatchback
- 2 Coupe
- 3 Sedan
- 4 RV/SUV
- 5 Ute

Most popular makes of motorbike searched\*

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

A Rolls-Royce Wraith has been listed for \$565,000. The 2014 two-door coupe's 6.6-litre twin-turbo V12 petrol engine has clocked up 7,500km. It's highly bespoke with oak door panels, a silver coachline, 21-inch alloys, comfort entry, five-camera system and massage seats.

\*In February on Trade Me Motors

# Cost of repairs to engine amounted to about one-quarter of purchase price

## Background

Maryke Els bought a 1999 Land Rover Freelander from Leafgreen Enterprises, trading as Cars Unlimited, for \$4,020. She rejected it due to a serious fault and wanted a refund.

The trader claimed it was entitled to repair the vehicle, had done so and she wasn't entitled to reject it.

## The case

Els saw the vehicle advertised on Trade Me and bought it sight unseen by auction on August 31, 2014.

After taking delivery of it on September 1, she checked the engine oil. It appeared new, but she discovered the reservoir's coolant level was low.

Els filled it with about 750ml of anti-freeze, all of which had gone by September 5.

She went to Thailand for a week and, on her return on September 14, took the SUV for a drive.

On returning home, Els said it was making an unusual noise, the oil had changed colour to become slightly creamy and the coolant reservoir was empty.

She phoned the trader on September 16 about the issues and it agreed to her getting a quote from her mechanic at One Stop Auto.

Els said she spoke to Mr S Taylor, the dealer's chief executive officer, for a second time on the same day. He agreed to have the engine repaired.

She said she spoke to Taylor two days later after obtaining a quote of \$1,400 to replace the head gasket. He told her that was too expensive and he would have repairs on the vehicle started the following week.

On September 20, Els phoned Taylor and asked him if he would refund its purchase price. Taylor didn't agree and she asked him to think about it. He told her he would have it repaired the next week.

The trader arranged to collect it on September 25 and it was returned to Els from Automotive Repair Co on October 8. The cost of replacing the head gasket, oil filter and anti-freeze was \$892 including labour and GST.

Taylor told the tribunal he drove the vehicle several times for five or six kilometres before selling it to Els and it didn't consume coolant. He carried out no repairs after buying it.

His Trade Me advert warned would-be buyers no inspection had been carried out on the SUV, so there was a potential risk for future repairs and maintenance.

He also said the advert stated: "It is the responsibility of the bidder or buyer to obtain an independent inspection, or at least inspect the vehicle, before taking part in the auction." Els didn't do this.

When Els phoned Taylor two weeks after buying the vehicle to say the head gasket had blown, she hadn't had it inspected by her mechanic and Taylor didn't

know what had caused the problem.

He told her the trader would uplift and repair the SUV at its own cost the next week. He had it fixed, returned it to the buyer's address and sent the keys back by courier.

## The finding

The first issue the tribunal had to decide was whether the vehicle complied with the CGA's guarantee of acceptable quality.

It took into account this case involved a 15-year-old New Zealand-new Land Rover with 212,700km on its odometer when it was bought sight unseen for only \$4,020 through an internet auction.

The tribunal recorded that it considered it was imprudent for someone to agree to buy a car – particularly an old and high-mileage one – without getting an independent inspection and it was commercially careless to buy any vehicle sight unseen.

In this case, the head gasket was probably leaking when Els bought it. If it wasn't, the vehicle clearly lacked any measure of durability because it was losing coolant within a few days.

The tribunal didn't think a reasonable buyer would expect a great deal of the Land Rover, but would expect it to last for more than a couple of weeks before needing a new head gasket.

The repairs in this case cost \$892, which was equivalent to 22 per cent of its purchase price.

**The case:** The buyer rejected an SUV because of problems with its engine and wanted a refund. The dealer said it had fixed the faults, which negated the rejection under the Consumer Guarantees Act (CGA).

**The decision:** The tribunal ruled the issues with the car amounted to a failure to comply with the guarantee of acceptable quality of a substantial level and ordered the trader to refund the purchaser.

**At:** The Motor Vehicle Disputes Tribunal, Auckland.

The tribunal thought a reasonable consumer would probably not have acquired the vehicle if he or she had known about the leaking head gasket and the costs involved in its replacement.

It ruled that the gasket failing at the time of supply, or shortly afterwards, "very probably" amounted to a failure to comply with the CGA's guarantee of acceptable quality and the problem was of substantial character.

The tribunal considered Els was therefore entitled to reject the vehicle in terms of section 18(3)(a) of the CGA without first giving the dealer the opportunity to rectify the fault.

She rejected the car within three weeks of buying it and told the dealer she wanted what was paid for it before the trader started repairs.

## Orders

The tribunal ruled the buyer was entitled to reject the Land Rover and the trader had to refund the purchase price of \$4,020. The purchaser was to then return the vehicle to the dealer. ☺

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# Use of vehicle on beach, off-road and to tow boat considered by tribunal

## Background

Isaiah Eagar and Rebecca Hartle bought a 1994 Nissan Pathfinder from Mainly Cars for \$5,990 on July 2, 2014, along with a 12-month breakdown policy for \$595.

They rejected it on October 7 because they said it had numerous problems and its brakes were unsafe.

The trader said the vehicle was 20 years old and had clocked up 205,542km when sold. It added the faults reflected its age and high mileage, and the buyers' use of it.

## The case

Eagar and Hartle purchased the car to take their dogs to the beach, tow a boat, collect firewood and for hunting.

They didn't have it inspected beforehand, but the trader supplied a warrant of fitness (WoF) issued on June 10, 2014.

VINZ's check sheet showed the left-front tyre was marginal and the inner edge of the right-front tyre was worn.

The buyers said the engine misfired and surged from when they took delivery of it.

The dealer agreed they could take it to their mechanic, Jensen & Moore Ltd, on July 3, but there was no invoice for its work. The buyers were told a CV boot was split.

On July 9, they asked the trader to fix a misfire and surging engine problem, replace the CV boot and tyres, unjam a door lock and replace a side mirror that had fallen off. The dealer did all of this and fitted new spark plugs.

The buyers said the vehicle's

performance deteriorated and on July 31 they phoned the trader, which agreed to it going to Jensen & Moore, which recommended an automotive electrician.

It was taken to RK Auto Electrical, which replaced an air-flow meter the dealer provided, but when this didn't improve the performance the purchasers took it back on August 7.

They asked it to repair the CV boot, do a wheel alignment, refit a door seal and remedy a windscreen crack.

The buyers said the crack was present when the vehicle was supplied, but the trader disputed the glass was damaged at that time.

A letter from Superior Glass stated the crack's edge was discoloured, the plastic between the glass was showing delamination and the fault was old.

By the end of September, the buyers claimed the vehicle was misfiring at 2,000rpm, surging when cold, the driveline vibrated and brakes were grabbing.

They took it back to Jensen & Moore on October 2, but there was no record of what was done.

Five days later, the buyers purported to reject the vehicle because of a pinking problem at 2,000rpm, the engine surging under braking, the brakes locking up and a lack of reliability.

Jensen & Moore estimated \$966 to overhaul the front and rear brakes, replace the centre-hanger driveshaft bearing, change the gearbox oil and fix the engine.

The tribunal asked the

buyers to have the vehicle independently assessed. They took it to AA Auto Centre in Levin on November 25 when the odometer was on 208,619km, which was 3,077km more than when it was supplied.

It reported the brakes were pulling, the front brake-disc needed machining and its pads replaced, the front calipers needed overhauling and the pistons might need replacing.

Worn rear training-arm bushes required renewal. The rear brakes needed cleaning and adjusting, and the AA suggested an oil change.

The engine was checked but no faults were found, the accelerator was "touchy but normal" and it was "common to idle fast under choke".

The AA estimated \$1,397 for six hours' labour, parts and GST. It included \$216 plus GST to replace the caliper piston if required.

On November 28, the buyers took the vehicle to Jensen & Moore, which estimated \$1,145 to do the same work.

Miss M King, the trader's director, understood the windscreen was damaged after the car was sold.

She said the buyers called their insurer and mistakenly said it was damaged when it was sold to them. As a result, the insurer wouldn't replace it.

King added the vehicle had been returned for minor faults, which the trader repaired in addition to replacing tyres and doing a wheel alignment.

**The case:** The buyers of a 20-year-old vehicle rejected it under consumer protection legislation after claiming it had numerous mechanical problems and its braking system was faulty.

**The decision:** The tribunal ruled the purchasers failed to prove the quality of the high-mileage and old vehicle was anything other than what a reasonable consumer would view as acceptable for how much it cost. It dismissed the application.

**At:** The Motor Vehicle Disputes Tribunal, Palmerston North.

The dealer said the buyers drove it on a beach and used it off-road. The brakes passed a WOF shortly before it was sold.

## The finding

The tribunal considered the vehicle's age and mileage when it was sold for \$5,990.

It accepted money needed to be spent on the brakes and probably the driveshaft hanger bearing.

It considered these repairs were due to the vehicle's age and high mileage rather than being existing faults when sold.

The tribunal wasn't convinced the windscreen damage was present at the time of supply because it would have expected the buyers to have raised this when they returned the vehicle to the trader on July 9.

Having regard to its use, in particular driving it off-road and on a beach, the tribunal was unsurprised its brakes needed maintenance work.

The tribunal accepted evidence in the AA report that there were no engine faults.

## Order

The application was dismissed. ☹

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2014: 6,572 ▲ 7.2%

**Total Used Imported Cars**  
**10,573**  
2014: 9,155 ▲ 15.5%

**Whangarei**  
NEW: 141 2014: 139 ▲ 1.4%  
USED: 232 2014: 191 ▲ 21.5%

**Auckland**  
NEW: 3,090 2014: 2,924 ▲ 5.7%  
USED: 5,128 2014: 4,445 ▲ 15.4%

**Hamilton**  
NEW: 504 2014: 498 ▲ 1.2%  
USED: 753 2014: 584 ▲ 28.9%

**New Plymouth**  
NEW: 160 2014: 145 ▲ 10.3%  
USED: 172 2014: 152 ▲ 13.2%

**Wanganui**  
NEW: 43 2014: 51 ▼ 15.7%  
USED: 88 2014: 64 ▲ 37.5%

**Palmerston North**  
NEW: 204 2014: 201 ▲ 1.5%  
USED: 248 2014: 274 ▼ 9.5%

**Nelson**  
NEW: 98 2014: 92 ▲ 6.5%  
USED: 188 2014: 148 ▲ 27.0%

**Westport**  
NEW: 7 2014: 8 ▼ 12.5%  
USED: 22 2014: 13 ▲ 69.2%

**Greymouth**  
NEW: 13 2014: 14 ▼ 7.1%  
USED: 46 2014: 31 ▲ 48.4%

**Thames**  
NEW: 56 2014: 59 ▼ 5.1%  
USED: 74 2014: 47 ▲ 57.4%

**Tauranga**  
NEW: 263 2014: 281 ▼ 6.4%  
USED: 389 2014: 335 ▲ 16.1%

**Rotorua**  
NEW: 112 2014: 76 ▲ 47.4%  
USED: 91 2014: 78 ▲ 16.7%

**Gisborne**  
NEW: 35 2014: 27 ▲ 29.6%  
USED: 36 2014: 69 ▼ 47.8%

**Napier**  
NEW: 191 2014: 190 ▲ 0.5%  
USED: 185 2014: 171 ▲ 8.2%

**Masterton**  
NEW: 56 2014: 49 ▲ 14.3%  
USED: 48 2014: 36 ▲ 33.3%

**Wellington**  
NEW: 639 2014: 649 ▼ 1.5%  
USED: 887 2014: 716 ▲ 23.9%

**Blenheim**  
NEW: 61 2014: 44 ▲ 38.6%  
USED: 48 2014: 46 ▲ 4.3%

**Christchurch**  
NEW: 964 2014: 687 ▲ 40.3%  
USED: 1,400 2014: 1,324 ▲ 5.7%

**Timaru**  
NEW: 219 2014: 56 ▲ 291.1%  
USED: 299 2014: 72 ▲ 315.3%

**Oamaru**  
NEW: 61 2014: 17 ▲ 258.8%  
USED: 101 2014: 16 ▲ 531.3%

**Dunedin**  
NEW: 25 2014: 211 ▼ 88.2%  
USED: 27 2014: 238 ▼ 88.7%

**Invercargill**  
NEW: 101 2014: 154 ▼ 34.4%  
USED: 111 2014: 105 ▲ 5.7%



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Port Calls	Liberty V11	Morning Midas V1	Morning Miracle V16	Liberty V12
Osaka	4 Mar	16 Mar	3 Apr	16 Apr
Nagoya	5 Mar	17 Mar	4 Apr	17 Apr
Yokohama	6 Mar	18 Mar	5 Apr	18 Apr
Auckland	21 Mar	5 Apr	20 Apr	6 May
Wellington	28 Mar	12 Apr	27 Apr	13 May
Lyttelton	3 Apr	7 Apr	1 May	8 May

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### Imported Passenger Vehicle Sales by Make - February 2015

MAKE	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 TOTAL	2015 MKT SHARE
Toyota	2,414	2,258	6.9	22.8%	5,062	22.6%
Nissan	1,779	1,619	9.9	16.8%	3,791	17.0%
Mazda	1,678	1,510	11.1	15.9%	3,670	16.4%
Honda	1,121	1,015	10.4	10.6%	2,281	10.2%
Suzuki	684	550	24.4	6.5%	1,459	6.5%
Subaru	561	361	55.4	5.3%	1,179	5.3%
BMW	475	346	37.3	4.5%	947	4.2%
Volkswagen	403	298	35.2	3.8%	823	3.7%
Mitsubishi	388	350	10.9	3.7%	899	4.0%
Mercedes-Benz	200	142	40.8	1.9%	429	1.9%
Audi	190	189	0.5	1.8%	410	1.8%
Ford	169	98	72.4	1.6%	342	1.5%
Chevrolet	81	54	50.0	0.8%	141	0.6%
Volvo	60	52	15.4	0.6%	128	0.6%
Mini	42	31	35.5	0.4%	88	0.4%
Hyundai	38	18	111.1	0.4%	97	0.4%
Land Rover	37	31	19.4	0.3%	80	0.4%
Lexus	36	39	-7.7	0.3%	62	0.3%
Jaguar	32	30	6.7	0.3%	79	0.4%
Holden	30	20	50.0	0.3%	62	0.3%
Dodge	24	13	84.6	0.2%	46	0.2%
Daihatsu	18	20	-10.0	0.2%	38	0.2%
Peugeot	18	12	50.0	0.2%	42	0.2%
Porsche	9	13	-30.8	0.1%	32	0.1%
Chrysler	8	3	166.7	0.1%	17	0.1%
Jeep	8	3	166.7	0.1%	12	0.1%
Renault	6	4	50.0	0.1%	13	0.1%
Fiat	5	2	150.0	0.0%	12	0.1%
Kia	5	6	-16.7	0.0%	12	0.1%
Smart	5	1	400.0	0.0%	6	0.0%
Pontiac	4	0	400.0	0.0%	13	0.1%
Rover	4	1	300.0	0.0%	4	0.0%
Bentley	3	1	200.0	0.0%	8	0.0%
Isuzu	3	0	300.0	0.0%	5	0.0%
Mercury	3	0	300.0	0.0%	3	0.0%
Others	32	65	-50.8	0.3%	72	0.3%
<b>Total</b>	<b>10,573</b>	<b>9,155</b>	<b>15.5</b>	<b>100.0%</b>	<b>22,364</b>	<b>100.0%</b>

### Imported Passenger Vehicle Sales by Model - February 2015

MAKE	MODEL	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 TOTAL	2015 MKT SHARE
Suzuki	Swift	581	473	22.8	5.5%	1,253	5.6%
Mazda	Axela	474	394	20.3	4.5%	1,033	4.6%
Mazda	Demio	426	453	-6.0	4.0%	931	4.2%
Nissan	Tiida	416	472	-11.9	3.9%	903	4.0%
Honda	Fit	378	345	9.6	3.6%	776	3.5%
Subaru	Legacy	301	186	61.8	2.8%	652	2.9%
Mazda	Atenza	285	205	39.0	2.7%	600	2.7%
Volkswagen	Golf	260	181	43.6	2.5%	499	2.2%
Toyota	Wish	236	266	-11.3	2.2%	478	2.1%
Toyota	Vitz	233	253	-7.9	2.2%	520	2.3%
Toyota	Corolla	185	254	-27.2	1.7%	389	1.7%
Mitsubishi	Outlander	184	127	44.9	1.7%	456	2.0%
Mazda	MPV	170	200	-15.0	1.6%	378	1.7%
Honda	Odyssey	169	164	3.0	1.6%	356	1.6%
Toyota	Estima	153	103	48.5	1.4%	345	1.5%
Nissan	Dualis	135	60	125.0	1.3%	307	1.4%
Toyota	Blade	134	88	52.3	1.3%	272	1.2%
Mazda	Premacy	134	100	34.0	1.3%	307	1.4%
Honda	Accord	129	103	25.2	1.2%	244	1.1%
Nissan	Bluebird	118	114	3.5	1.1%	269	1.2%
Nissan	Skyline	117	59	98.3	1.1%	257	1.1%
Nissan	Note	114	165	-30.9	1.1%	257	1.1%
Toyota	Auris	111	106	4.7	1.0%	238	1.1%
Toyota	Ist	111	174	-36.2	1.0%	213	1.0%
BMW	320i	110	94	17.0	1.0%	209	0.9%
Subaru	Impreza	105	59	78.0	1.0%	219	1.0%
Toyota	Avensis	103	100	3.0	1.0%	212	0.9%
Nissan	March	101	156	-35.3	1.0%	212	0.9%
Nissan	Wingroad	101	58	74.1	1.0%	195	0.9%
Nissan	Teana	99	98	1.0	0.9%	196	0.9%
Subaru	Outback	96	72	33.3	0.9%	182	0.8%
Honda	Civic	93	66	40.9	0.9%	181	0.8%
Toyota	Mark X	93	80	16.3	0.9%	192	0.9%
Nissan	Murano	91	72	26.4	0.9%	216	1.0%
Toyota	Ractis	91	45	102.2	0.9%	171	0.8%
Others		3,936	3,210	22.6	37.2%	8,246	36.9%
<b>Total</b>		<b>10,573</b>	<b>9,155</b>	<b>15.5</b>	<b>100.0%</b>	<b>22,364</b>	<b>100.0%</b>

# Big jump in used import sales

Registrations of used imported passenger vehicles last month grew by 15.5 per cent when compared to February 2014.

There were 10,573 registrations, which stacked up against 9,155 in the same month of last year.

Phil Brown, owner of Phil Brown Motors in Blenheim, says: "Our objective is selling vehicles priced between \$5,000 and \$12,000.

"That's where I have been for more than 30 years, and it's my point of difference between myself and the franchises."

Brown has noticed a marked increase in people returning from Australia last year and purchasing vehicles.

"There aren't any obstacles at the moment," he told Autofile. "There's a good flow of stock and money seems easy for people to borrow.

"A lot of the cars coming in are too old and that's not good for the industry in the long term. I have stopped importing vehicles made before 2006."

John McIntyre, owner of J&R Autos in Picton, says margins aren't what they used to be, trade is a bit harder and would-be buyers want discounts.

"I think people are more realistic with their trade-ins these days," he says. "I'm not scared of cheaper stuff as long as it's not a bad vehicle.

"Cars are pretty good now. Not that many years ago, people wouldn't touch a Skoda or buy a Korean model. But some of them are now seen as superior to Japanese vehicles.

"There has also been a bit of

## Different source for data

February's vehicle registration reports statistics on pages 24 to 31 of this issue have been sourced using different NZTA data to that normally accessed.

The agency is currently undertaking staff training, which is delaying the data Autofile normally receives. That data includes an extra quality checking component before being released to the media.

The different source may cause some variances. Because this

data is live, it takes into account any changes to the fleet since the end of the month.

For example, a vehicle registered in February but deregistered in March would still be included in the usual data source. However, this wouldn't be included in statistics produced from the live-data source.

The NZTA says the variances may not be significant overall. Any differences between the two sources will be reflected in the tables published by Autofile in the first issue of April.

Meanwhile, Turners has reported a boom in sales of larger vehicles. It says cars with engines bigger than 2.1 litres made up more than 50 per cent of its transactions in the fourth quarter of 2014.

Todd Hunter, chief executive officer, says lower fuel prices, increasing consumer confidence and competitive prices are responsible for driving the market to its highest number of sales since global financial (GFC) and more than one million transactions last year.

He adds an influx of quality overseas imports in 2014 also gave buyers more options.

"Increased market competition and higher levels of stock make this a buyers' market," says Hunter.

"Low petrol prices are providing cash-flow flexibility, particularly for fleet managers, and we are seeing this flowing through to sales and the purchase of larger cars.

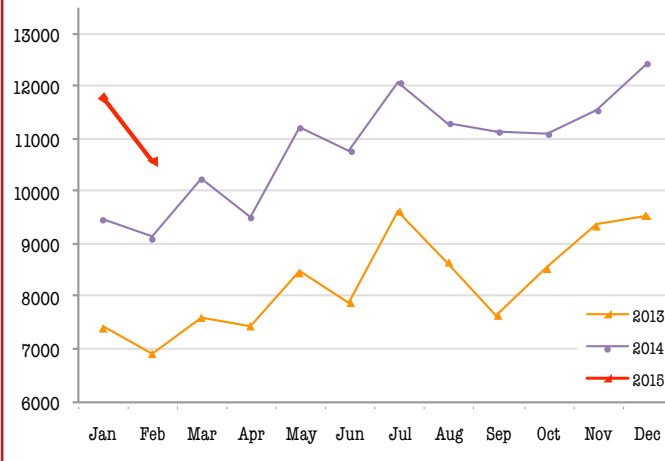
"In the past decade, there has been a sea-change in how people shop for cars with many transactions now taking place online."

Turners is expecting the popularity of larger cars to continue – as long as fuel prices remain low and the positive consumer outlook persists.

Looking at last month's national statistics for used imported cars, New Zealand's top-selling model was Suzuki's Swift on 581 units. It was followed by Mazda's Axela on 474 and Demio on 426.

The marque with the most registrations was Toyota on 2,414. Second place went to Nissan on 1,779 and it was followed by Mazda on 1,678. ☺

Used Imported Passenger Registrations - 2013-2015



bad press about European cars. However, I have sold a lot of BMWs, Audis and Volkswagens, and haven't had much trouble. You just can't muck around with them."

Chris Drysdale, dealer principal of Wings & Wheels Hyundai in Taupo, says: "Our new sales have doubled over the past four years, but used sales have decreased.

"Overall, we're selling the same amount of vehicles each month. To keep up with this change, we have

dropped from 97 used cars to 62 and now lease more new cars than ever before.

"It took 12 months to decrease the total by that amount because trades are constantly coming in, but we now have the right balance.

"A lot of our used car buyers end up purchasing new because we convert them over in an effort to reach our targets for new cars. I have had no stock issues and the distributor really pushes us."

# AND TRUE WHOLESALERS

New Passenger Vehicle Sales by Make - February 2015

MAKE	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 TOTAL	2015 MKT SHARE
Toyota	905	762	18.8	12.8%	2,846	17.7%
Holden	765	782	-2.2	10.9%	2,045	12.7%
Hyundai	694	616	12.7	9.9%	1,440	9.0%
Mazda	674	532	26.7	9.6%	1,396	8.7%
Ford	513	523	-1.9	7.3%	1,015	6.3%
Mitsubishi	471	404	16.6	6.7%	940	5.9%
Volkswagen	370	316	17.1	5.3%	713	4.4%
Nissan	366	388	-5.7	5.2%	894	5.6%
Suzuki	289	423	-31.7	4.1%	626	3.9%
Honda	251	230	9.1	3.6%	607	3.8%
Kia	246	258	-4.7	3.5%	444	2.8%
BMW	193	174	10.9	2.7%	342	2.1%
Subaru	172	144	19.4	2.4%	288	1.8%
Mercedes-Benz	155	109	42.2	2.2%	346	2.2%
Audi	151	179	-15.6	2.1%	299	1.9%
Jeep	123	84	46.4	1.7%	232	1.4%
SsangYong	105	72	45.8	1.5%	192	1.2%
Skoda	75	54	38.9	1.1%	164	1.0%
Peugeot	71	87	-18.4	1.0%	172	1.1%
Fiat	61	24	154.2	0.9%	101	0.6%
Lexus	56	50	12.0	0.8%	108	0.7%
Mini	54	46	17.4	0.8%	118	0.7%
Land Rover	47	78	-39.7	0.7%	170	1.1%
Volvo	46	34	35.3	0.7%	82	0.5%
Dodge	43	42	2.4	0.6%	74	0.5%
Porsche	30	13	130.8	0.4%	104	0.6%
Citroen	23	42	-45.2	0.3%	59	0.4%
Chery	16	12	33.3	0.2%	30	0.2%
Isuzu	15	0	1500.0	0.2%	25	0.2%
Renault	15	12	25.0	0.2%	35	0.2%
Jaguar	11	8	37.5	0.2%	34	0.2%
Yamaha	11	0	1100.0	0.2%	17	0.1%
Can-Am	5	4	25.0	0.1%	11	0.1%
Maserati	5	5	0.0	0.1%	13	0.1%
Alfa Romeo	3	19	-84.2	0.0%	15	0.1%
Others	13	46	-71.7	0.2%	56	0.3%
<b>Total</b>	<b>7,043</b>	<b>6,572</b>	<b>7.2</b>	<b>100.0%</b>	<b>16,053</b>	<b>100.0%</b>

New Passenger Vehicle Sales by Model - February 2015

MAKE	MODEL	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 TOTAL	2015 MKT SHARE
Toyota	Corolla	301	311	-3.2	4.3%	1,093	6.8%
Mazda	CX-5	210	198	6.1	3.0%	386	2.4%
Mazda	Mazda3	206	195	5.6	2.9%	511	3.2%
Holden	Commodore	204	221	-7.7	2.9%	649	4.0%
Toyota	RAV4	202	108	87.0	2.9%	638	4.0%
Mitsubishi	ASX	178	52	242.3	2.5%	346	2.2%
Hyundai	ix35	174	164	6.1	2.5%	404	2.5%
Holden	Captiva	165	279	-40.9	2.3%	321	2.0%
Suzuki	Swift	159	233	-31.8	2.3%	316	2.0%
Volkswagen	Golf	157	169	-7.1	2.2%	279	1.7%
Honda	Jazz	155	73	112.3	2.2%	376	2.3%
Holden	Cruze	153	126	21.4	2.2%	441	2.7%
Mazda	Mazda2	148	56	164.3	2.1%	320	2.0%
Hyundai	Santa Fe	143	207	-30.9	2.0%	312	1.9%
Toyota	Yaris	143	115	24.3	2.0%	451	2.8%
Nissan	Qashqai	126	115	9.6	1.8%	322	2.0%
Ford	Territory	121	92	31.5	1.7%	182	1.1%
Mitsubishi	Outlander	120	109	10.1	1.7%	235	1.5%
Hyundai	i30	115	106	8.5	1.6%	206	1.3%
Ford	Kuga	110	149	-26.2	1.6%	272	1.7%
Subaru	Outback	108	48	125.0	1.5%	134	0.8%
Nissan	X-Trail	94	83	13.3	1.3%	276	1.7%
Mazda	Mazda6	91	62	46.8	1.3%	140	0.9%
Mitsubishi	Lancer	90	159	-43.4	1.3%	199	1.2%
Toyota	Highlander	89	59	50.8	1.3%	254	1.6%
Hyundai	i20	87	59	47.5	1.2%	185	1.2%
Kia	Sportage	87	68	27.9	1.2%	147	0.9%
Holden	Barina	85	31	174.2	1.2%	202	1.3%
Holden	Trax	78	45	73.3	1.1%	210	1.3%
Ford	Focus	77	113	-31.9	1.1%	143	0.9%
Mitsubishi	Mirage	71	55	29.1	1.0%	127	0.8%
Volkswagen	Polo	70	32	118.8	1.0%	126	0.8%
Ford	Fiesta	69	78	-11.5	1.0%	117	0.7%
Ford	Falcon	65	43	51.2	0.9%	149	0.9%
Hyundai	Accent	64	14	357.1	0.9%	106	0.7%
Others		2,528	2,545	-0.7	35.9%	5,478	34.1%
<b>Total</b>		<b>7,043</b>	<b>6,572</b>	<b>7.2</b>	<b>100.0%</b>	<b>16,053</b>	<b>100.0%</b>



# Best February for 26 years

**T**oyota remained the leader for sales of new cars last month with a 12.8 per cent share of the market.

It was followed by Holden on 10.9 per cent, while Hyundai came third on 9.9 per cent.

The Japanese marque's Corolla was February's top-selling passenger vehicle with 4.3 per cent of registrations.

Next up was Mazda's CX-5 with a three per cent share, while the Mazda3 was third with 2.9 per cent.

Overall, there were 7,043 new passenger vehicles sold last month, which was an increase of 7.2 per cent compared to February 2014's total of 6,572 to bring the year-to-date figure to 16,053.

Last month was the strongest February since 1989 for registration of new cars.

Matthew Downing, general sales manager of Miles Toyota in Christchurch, says: "Hilux sales are continuing to be strong and increasing, while RAV4s are equally as popular as Corollas.

"Last year, trade was generally good with more cars in terms of sales across both used and new. Finance sales improved in terms of profitability as well."

He says issues connected to the earthquakes continue, although there is now more acceptance about the state of city roads.

"Not long after the quakes hit, there was a shift to the SUV-type of vehicle," says Downing.

As for staffing, Miles Toyota has been able to attract a strong sales team, which it has retained.

Downing adds: "We are attracting better quality staff than

we ever have and we're bullish about this year."

Mike McCready, dealer principal of Robertson Holden in Palmerston North, says the market for new passenger vehicles continues to grow.

"There were some concerns with manufacturing coming to an end in Australia that Holden would be finishing, but that couldn't be further from the truth," he told Autofile.

"Holden has been in New Zealand for 60 years and it's looking forward to the next 60.

better than what they have been.

"But there could be a lot of money that's not sloshing around in regional New Zealand anymore."

Glen Rutherford, branch manager of GWD Toyota in Queenstown, says: "We have always been in the town, but moved to a bigger site last year and it helped boost our sales.

"Servicing and sales are both as important as each other for us, and most importantly it comes down to putting the customer first."

Even with the area being

to us for our products, so you don't have to do too much promotional activity and Mazda has had good promotions of its own.

"The whole structure of the industry is volume-based these days, while I feel the Corolla being New Zealand's number-one car is distorted because of huge purchases Toyota get from rental businesses."

Wilks says the Mazda3 and CX-5 have been performing well for the dealership "and that's where most of our volume has been".

He adds: "New vehicles are the best value for money they've ever been. Customers are becoming aware that a new car is better than a late-model used one.

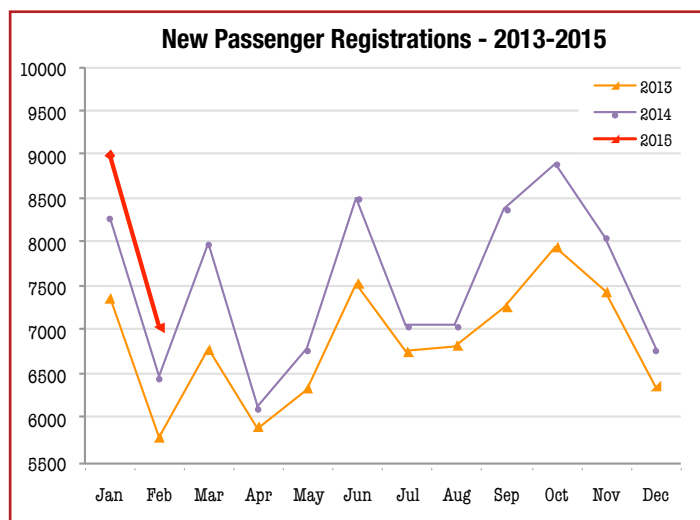
"But you would be a brave man to say the strong market is going to keep going because many people didn't replace vehicles during the global financial crisis and we're still in catch-up mode."

Scott McDermid, sales manager at Blenheim Toyota, says: "We have got a system in place where we are trying to get fresh staff on board.

"We're always looking for people, but it's really hard to find skilled workers."

Jared Morris, director of Wadscos Motor World, also in Blenheim, adds: "Large car numbers are down with from where they traditionally were as people migrate to SUVs, but they are still strong in our area."

David Crawford, chief executive officer of the Motor Industry Association, points out overall new vehicle sales for 2015 continue to reflect a strong economy with year-to-date registrations 10 per cent up on this time last year. ☺



"Cars such as the Cruze, which will be manufactured at one of General Motors' global facilities post-2017, have been fantastic, while the Colorado comes from Asia anyway."

McCready adds people are waiting to see if there are any knock-on effects from price cuts in the dairy industry.

"Hopefully, there will be some offsets, and sheep and beef farmers seem to be doing a bit

home to people with some of the country's highest incomes, he believes Toyota is well-placed against high-end European brands.

"Toyota speaks for itself and we have the right mix of vehicles. We hope to grow this year with the infrastructure boom happening around Queenstown. There's a lot of industry going on."

Grant Wilks, dealer principal of Wilksbrooke Motors in Te Awamutu, says: "We have people who come

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# Record set with registrations

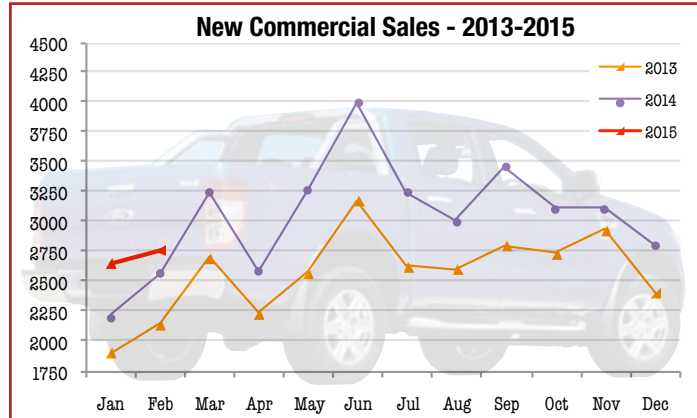
There were 2,768 new commercial vehicles sold during February, which amounted to a 7.8 per cent increase on the same month in 2014 when 2,567 registrations were recorded.

It was the strongest February on record for sales for this segment of the automotive market.

Michael Mason, of Southern Automobiles in Invercargill, says the dealership is expecting an increase in sales of light commercials this year.

However, he sounds a note of warning in that he feels the market may not match the jump in registrations witnessed in 2014.

Mason also has a few words of caution because Southern Field



Days is not being held in Waimumu this year. "This event happens biannually and tends to boost commercial sales."

Peter Clough, sales manager of Enterprise Motor Group's commercial

centre in Gisborne, says: "We've had Foton for about three months and it's going well. Everything about and in them is good, including their Cummins engines.

"It's like anything new in the

market – people are a bit dubious at first, but we haven't had any complaints.

"A forestry contractor is running three Fotons. They are less than the price of two Hiluxes and he gets to keep \$50,000.

"The boys have started to settle into their Fotons and say they are the most economical vehicles they've ever run."

The Toyota Hilux regained its position as the monthly top-selling ute with a market share of 15.4 per cent in February. It was followed by Ford's Ranger on 13.8 per cent and Nissan's Navara on 9.6 per cent.

Toyota led last month's commercial vehicle market with 23.3 per cent of sales. ☺

## New Commercial Sales by Make - February 2015

MAKE	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 FULL YEAR	2015 MKT SHARE
Toyota	646	601	7.5	23.3%	1,114	20.5%
Ford	460	371	24.0	16.6%	964	17.8%
Nissan	266	272	-2.2	9.6%	520	9.6%
Mitsubishi	207	171	21.1	7.5%	329	6.1%
Holden	205	167	22.8	7.4%	444	8.2%
Isuzu	194	165	17.6	7.0%	370	6.8%
Volkswagen	113	98	15.3	4.1%	252	4.6%
Mazda	111	103	7.8	4.0%	196	3.6%
SsangYong	71	77	-7.8	2.6%	144	2.7%
Hyundai	55	115	-52.2	2.0%	122	2.2%
Great Wall	46	87	-47.1	1.7%	114	2.1%
Hino	40	51	-21.6	1.4%	83	1.5%
Foton	39	23	69.6	1.4%	82	1.5%
Mitsubishi Fuso	37	41	-9.8	1.3%	74	1.4%
LDV	35	21	66.7	1.3%	75	1.4%
Mercedes-Benz	26	33	-21.2	0.9%	57	1.1%
Mahindra	24	7	242.9	0.9%	38	0.7%
Scania	23	7	228.6	0.8%	38	0.7%
UD Trucks	22	15	46.7	0.8%	45	0.8%
Volvo	22	23	-4.3	0.8%	36	0.7%
Others	126	119	5.9	4.6%	328	6.0%
<b>Total</b>	<b>2,768</b>	<b>2,567</b>	<b>7.8</b>	<b>100.0%</b>	<b>5,425</b>	<b>100.0%</b>

## New Commercial Sales by Model - February 2015

MAKE	MODEL	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 FULL YEAR	2015 MKT SHARE
Toyota	Hilux	427	390	9.5	15.4%	751	13.8%
Ford	Ranger	381	311	22.5	13.8%	798	14.7%
Nissan	Navara	266	272	-2.2	9.6%	520	9.6%
Toyota	Hiace	207	196	5.6	7.5%	330	6.1%
Mitsubishi	Triton	197	106	85.8	7.1%	302	5.6%
Holden	Colorado	192	157	22.3	6.9%	417	7.7%
Isuzu	D-Max	113	106	6.6	4.1%	224	4.1%
Mazda	BT-50	111	103	7.8	4.0%	196	3.6%
Volkswagen	Amarok	81	57	42.1	2.9%	173	3.2%
Ford	Transit	76	58	31.0	2.7%	163	3.0%
SsangYong	Actyon Sport	71	77	-7.8	2.6%	144	2.7%
Hyundai	iLoad	54	115	-53.0	2.0%	120	2.2%
Foton	Tunland	38	19	100.0	1.4%	78	1.4%
Great Wall	V240	36	63	-42.9	1.3%	89	1.6%
LDV	V80	35	21	66.7	1.3%	75	1.4%
Isuzu	F Series	32	24	33.3	1.2%	60	1.1%
Isuzu	N Series	32	25	28.0	1.2%	55	1.0%
Hino	500	20	23	-13.0	0.7%	43	0.8%
Mahindra	Pikap	20	4	400.0	0.7%	28	0.5%
Mitsubishi	Canter	18	22	-18.2	0.7%	34	0.6%
Others		361	418	-13.6	13.0%	825	15.2%
<b>Total</b>		<b>2,768</b>	<b>2,567</b>	<b>7.8</b>	<b>100.0%</b>	<b>5,425</b>	<b>100.0%</b>



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# Hopes for positive year ahead

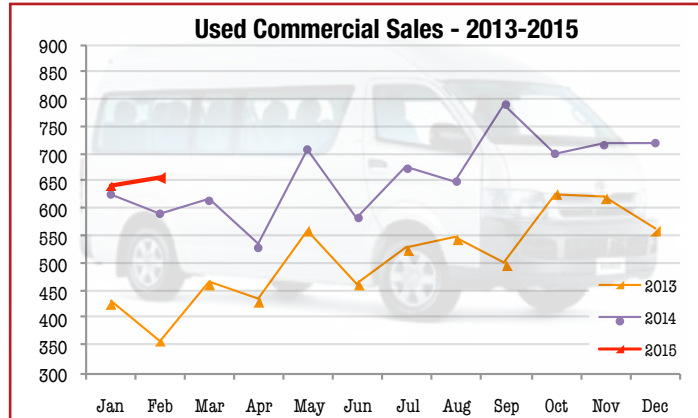
**A** dealer in used commercial vehicles in Christchurch is looking forward to a good year for the business.

Canterbury Cars is reporting "pretty strong" trade in this sector, which is partially down to it having been in operation for about 30 years.

"Sales probably increased for us last year and the market has been growing since the earthquake," says general manager John Hunt.

"We deal a lot with contractors, farmers, plasterers and plumbers – when they're busy, we're busy.

"The market has become more competitive, but to a certain degree we haven't noticed it as much because a lot of business comes from repeat customers. It's



looking positive heading into the next financial year."

He says managing director Paul Larsen is always on the road, "looking for stock from north to south"

"From the contacts he has

made, we don't have to import from Japan ourselves but we trade them," Hunt told Autofile.

"You have to watch margins when reconditioning stock because they are always being squeezed.

"Cheaper new Chinese utes have realigned the Japanese used market on price and I think they have sunk back in retail value.

"There seem to be fewer dealers here. More seem to be operating from warehouses, but we couldn't do that because we're selling between 35 and 40 vehicles each month."

As for the bigger picture, there were 659 used commercial vehicles sold nationally in February.

This was an 11.3 per cent rise on the same period last year when 592 registrations were recorded. So far in 2015, the total stands at 1,303 units.

Toyota was the number-one marque on 360 units with Nissan second on 132 and Mazda third with 34. ☺

## Used Commercial Sales by Make - February 2015

MAKE	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 FULL YEAR	2015 MKT SHARE
Toyota	360	302	19.2	54.6%	671	51.5%
Nissan	132	139	-5.0	20.0%	262	20.1%
Mazda	34	21	61.9	5.2%	77	5.9%
Mitsubishi	23	12	91.7	3.5%	41	3.1%
Ford	22	22	0.0	3.3%	39	3.0%
Isuzu	20	30	-33.3	3.0%	48	3.7%
Hino	13	7	85.7	2.0%	31	2.4%
Chevrolet	12	17	-29.4	1.8%	27	2.1%
Holden	8	9	-11.1	1.2%	17	1.3%
GMC	6	3	100.0	0.9%	11	0.8%
Suzuki	4	2	100.0	0.6%	6	0.5%
Volkswagen	4	4	0.0	0.6%	10	0.8%
Kenworth	3	0	300.0	0.5%	5	0.4%
Dodge	2	2	0.0	0.3%	5	0.4%
Iveco	2	0	300.0	0.3%	3	0.2%
Mercedes-Benz	2	6	-66.7	0.3%	4	0.3%
Mitsubishi Fuso	2	1	100.0	0.3%	2	0.2%
Renault	2	1	100.0	0.3%	6	0.5%
Citroen	1	0	100.0	0.2%	1	0.1%
Great Wall	1	0	100.0	0.2%	2	0.2%
Others	6	14	-57.1	0.9%	35	2.7%
<b>Total</b>	<b>659</b>	<b>592</b>	<b>11.3</b>	<b>100.0%</b>	<b>1,303</b>	<b>100.0%</b>

## Used Commercial Sales by Model - February 2015

MAKE	MODEL	FEB '15	FEB '14	+/- %	FEB '15 MKT SHARE	2015 FULL YEAR	2015 MKT SHARE
Toyota	Hiace	262	236	11.0	39.8%	504	38.7%
Nissan	Caravan	61	72	-15.3	9.3%	120	9.2%
Toyota	Dyna	31	27	14.8	4.7%	47	3.6%
Mazda	Bongo	29	16	81.3	4.4%	66	5.1%
Toyota	Regius	28	21	33.3	4.2%	58	4.5%
Nissan	Vanette	28	38	-26.3	4.2%	56	4.3%
Toyota	Toyoace	19	8	137.5	2.9%	27	2.1%
Nissan	NV200	15	2	650.0	2.3%	31	2.4%
Nissan	Atlas	13	12	8.3	2.0%	24	1.8%
Mitsubishi	Canter	12	2	500.0	1.8%	22	1.7%
Hino	Dutro	11	6	83.3	1.7%	20	1.5%
Toyota	Hilux	11	6	83.3	1.7%	21	1.6%
Isuzu	Forward	8	5	60.0	1.2%	13	1.0%
Isuzu	Elf	7	14	-50.0	1.1%	25	1.9%
Ford	Ranger	7	6	16.7	1.1%	11	0.8%
Chevrolet	Silverado	7	7	0.0	1.1%	12	0.9%
Ford	F150	6	1	500.0	0.9%	11	0.8%
Nissan	Navara	6	9	-33.3	0.9%	12	0.9%
Mitsubishi	Triton	6	2	200.0	0.9%	9	0.7%
GMC	Sierra	5	2	150.0	0.8%	9	0.7%
Others		87	100	-13.0	13.2%	205	15.7%
<b>Total</b>		<b>659</b>	<b>592</b>	<b>11.3</b>	<b>100.0%</b>	<b>1,303</b>	<b>100.0%</b>

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