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# Chairman defends court case action

The board of Motor Trade Finances Ltd (MTF) has defended its actions so far in a case brought against it by the Commerce Commission.

Nine companies, which together have an 8.1 per cent shareholding in MTF, have called a special meeting to vote on seven resolutions they have put forward.

They relate to the board's handling of ongoing litigation, and the way it has communicated and disclosed information to shareholders – and they come after a proposal from Heartland New Zealand Ltd (HNZ) to buy the company was made public.

The case was brought in December 2009 for alleged breaches of the Credit Contract and Consumer Finance Act 2003 (CCCFA) in respect of fees charged in 39 loans originated by Sportzone Motorcycles from 2005-08.

The proceedings were taken by the commission against a shareholder of MTF, Sportzone Motorcycles, which is now in liquidation, MTF and MTF Securities Ltd.

Stephen Higgs, chairman of MTF, says the commission is trying

to get judicial guidance on matters of principle on the interpretation of legislation, which may then be applied to lenders generally rather than to the Sportzone loans or MTF.

"The key issue has been what costs – or types of costs – a lender can recover through fees," he says.

The court of appeal will hear the case in November. The trial was held in November 2012 with an original judgement made in September 2013.

While claims of non-disclosure and misleading conduct were rejected, it was ruled that some [continued on page 4]

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### Takeover will add 'horse power'

Dorchester Pacific is keen to get into the front end of the car industry's finance sector by acquiring Turners. As part of its takeover proposal, it has entered into a lock-up agreement with Bartel Holdings, which is a 20.8 per cent shareholder in the auction house.

Bartel has agreed to accept the offer and Dorchester now intends

to make an offer for all ordinary shares in Turners in addition to Dorchester's and Bartel's combined 40.65 per cent.

The offer is not conditional on achieving a threshold other than at least 50.1 per cent control.

Paul Byrnes, chief executive officer of Dorchester, believes there is "natural alignment" with Turners.

"Seventy per cent of our finance

lending is for vehicles and our insurance business has a focus on related products," he says.

"We've also signalled interest in participating in the front end of an end-to-end financial services business and, at board level, we have been supportive of Turners' multi-channel strategy."

Dorchester plans to offer \$3 a share in cash, shares and notes,

[continued on page 6]





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## Today's gadget is tomorrow's antique

I n many ways, the Bronze Age was an important period in technological advancement before the Industrial Revolution changed the planet forever.

The Bronze Age was defined by civilisations smelting copper and alloying with tin.

The oldest known wheel was found in Mesopotamia in this period and has been dated to about 3,500BC.

One reason why the wheel was invented relatively late in human history was because metal tools were needed to chisel holes and axles.

It was a tricky concept because the ends of the axle – and holes in the centre of the wheels – had to be nearly perfectly smooth and round otherwise friction would result in them failing to rotate freely.

Fast forward to the Industrial Revolution, which ran from about 1760 until 1820-40.

It included moving from handproduction methods to machines, new iron production processes and chemical manufacturing, efficient water power and more use of steam.

This period was not so good for emissions though because there was a shift from wood and other biofuels to coal.

Nowadays, technology is moving ahead at unprecedented rates and we often take groundbreaking developments, such as the wheel, for granted.

However, progress through innovation knows no bounds and the likes of driverless cars will eventually happen.

But do we really need these inventions? Maybe this question stems from being a biker at heart and there being little consumer demand for advanced safety systems on two-wheelers.

Maybe it's about driving a 20-year-old Mazda MX-5 at 165kph around Hampton Downs. After all, this ragtop is little more than a powered skateboard with the only safety features being brakes and seatbelts.

Some people believe "intelligent" in-vehicle systems seem to – at the very least – be killing the art of driving or even making us more likes slaves directed by computers.

This isn't necessarily being a Luddite. It's merely stating a personal preference because no one can deny how exciting and incredible these high-tech developments are.

It was quite amazing to hear similar views coming from Umberto Cini, Maserati's managing director for general overseas markets, at a press conference in Australia last month as the company looks to expand production and global sales.

Driver-handling aids are out because they aren't in line with the marque's DNA – its cars are instead all about Italian design, big engines and driving dynamics.

"The driver has to be in charge," says Cini. "We don't look for drive assist or air suspension because they are against being behind the wheel."

Of course, there's the caveat that such systems are available to the manufacturer and Maserati "will always be in line with market requirements".

A non-pecuniary interest must be declared at this stage as being a new Kiwi and an English ex-pat with plenty of Italian blood in the veins.

But the sight of little Fiats on Auckland's streets is a throwback to teenage years backpacking around Europe, Alfa Romeos seem as common in Italy as Toyotas are in New Zealand, and who can ignore the allure of Scuderia Ferrari?

Reminiscence comforts many people. But it's also important the skills of the past aren't forgotten, including how to drive a car. Darren Risby, editor

### <u>auto</u> 1

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## Shareholders to be kept in loc

loan fees were "unreasonable".

"Given concerns raised by the proposing shareholders and the confusion there may be around the litigation, the meeting will provide an opportunity for shareholders to understand it in more detail," says Higgs.

"The board understands its significance and will continue to update shareholders when material developments occur."

The nine shareholders behind next week's meeting have put forward resolutions with the board recommending they be voted against.

The first calls for auditors to review fee arrangements in light of the court's findings in the Sportzone case and CCCFA requirements, and calculate the maximum quantum of fees charged over the past three years that could be regarded as

unreasonable if the decision is upheld on appeal.

The second is for shareholders to be told the maximum of potentially unreasonable fees and how MTF will fund liability if this amount is to be repaid.

The third is for the company's auditors and legal advisers to calculate fees MTF is allowed to charge if the court decision is upheld.

Other resolutions relate to proper fees that may be charged, for MTF's practices to be amended, and for an independent sub-committee to oversee the case and CCCFA issues.

The nine proposing shareholders also want MTF, which has a loan book of about \$438 million, to meet with the Commerce Commission to negotiate a settlement with respect to potential liability, and for the board to provide regular updates to shareholders.

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#### FEES TO BE OUANTIFIED

Higgs says the high court has yet to quantify the amount it considers unreasonable or anything to be repaid, while there are no claims on other MTF-initiated loans.

"The resolutions proposed

assume the court has made a final determination on the extent the fees are unreasonable and a party can calculate

as to what cannot be charged," he says. "That is not the

case. In fact, the court has not yet explained the relevant principle by applying it to specific costs.

"The court hasn't yet quantified the amount by which any fees have been unreasonable, or fixed any amount to be repaid."

The nine shareholders that have called the meeting include Bob Batchelor Motors Ltd, Douglas Rushbrooke Ltd, John Davidson Ltd, Neil Wolfgram Ltd and Richard S Scott I td.

The others are Scott Dallimore Ltd, Stephen Parker Ltd, Wolfgram Ltd and Bayride Motorcyles Ltd.

The outcomes of their resolutions are not binding on MTF because they relate to the management of company's business.

Although the board doesn't agree with them, the company is obliged to hold the special meeting - at Forsyth Barr Stadium, Dunedin, on August 13 – to consider them in accordance with the Companies Act and the MTF's constitution.

#### LIABILITY FROM COURT CASE

The proposing shareholders say the high court agreed with the commission by deciding some fees charged were unreasonable and called for the parties to discuss quantifying their aggregate amount.

"Rather than do so, MTF appealed," they say in a statement.

"We believe MTF is likely to face a significant liability arising out of the findings in the Sportzone case, which ultimately will have to be borne by shareholders, dealers and franchisees.

"We are also troubled at the way this matter has

been handled. It

appears MTF has

not changed

its fees to

ensure

they are

calculated

consistent with

on a basis

#### At a glance

MTF, which was formed in 1970, is an investor-owned company incorporated under the Companies Act 1993 with its shares held by its participating shareholders. Ordinary shares are listed on ShareMart and only approved MTF originators can buy them. Its perpetual the findings in

preference shares are listed on the NZX.

> potentially extends to all dealers and franchisees who write loans for MTE"

the case. "This issue

They believe the case's findings question MTF's fee practices and aren't limited to its motorcycle loan husiness

"We want this matter addressed so we can be sure we are complying with the law," they say.

"We regard the disclosure MTF has made to date regarding this as inadequate, given the potential implications for MTF and its shareholders if the courts find in favour of the commission.

"We have requested a special meeting to consider and vote on resolutions that seek to provide clarity on and hopefully resolve these issues.

"We are seeking support for what we consider are reasonable requests to seek quantification of the liability arising, understand what level of fees chargeable to borrowers in the future would be 'reasonable' and communicate those findings to shareholders."

#### **ONLY 39 LOANS AFFECTED**

Higgs says the resolutions indicate dissatisfaction with the handling of the Sportzone case.

"The proposing shareholders want MTF to estimate potential liability in the event a further

news

case, of which there is no present indication, in respect of other loans being successful.

"They have suggested MTF approaches the commission to settle the litigation and any potential liability for loans not the subject of it.

"They are not happy with disclosure and assert that - rather than engaging in quantification with the commission - MTF choses to appeal the litigation.

"The resolutions appear designed to undermine the management and governance of MTF, and contain errors that seem to play into the hands of those who we compete against."

Higgs stresses the company has been engaged in quantification since October 2013 and MTF reported on the litigation in its halfyear report published in May 2014.

"Until that process is completed, it's not possible to usefully quantify any liability because the existing judgement doesn't determine the amount by which MTF's fees are unreasonable," he says.

"The Sportzone litigation applies to 39 loans. It doesn't apply to any other loans and it's unclear what application any principles that arise from this case will have on others initiated by MTF."

Higgs says to seek a settlement will require:

- MTF to admit liability in a case that hasn't been decided.
- The company to remove its ability to have the case overturned on appeal.
- And potentially require it to unnecessarily admit liability in regard to up to three more years of lending.

"Any attempt to reach a settlement at this point is impractical. It appears the proposina shareholders have concluded MTF has lost the litigation and it's better to settle rather than let quantification run

its course and complete the appeal.

"That conclusion is incorrect. The board is confident the litigation and its disclosure have been managed appropriately.

"The proposing shareholders could have asked the management or board for information requested in the resolutions, or sought to discuss the litigation or how it's being managed.

regarding the case with HNZ under appropriate confidentiality.

"We failed to agree a basis for moving forward and HNZ has failed to indicate a willingness to reconsider its indicative price."

Higgs adds: "If HNZ wishes to make an offer, it should do so under the takeovers code. "If it wishes to develop a

transaction proposal to take to

#### FEE ISSUES NEED RESOLVING

HN7's statement to the N7X notes MTF has issued a release as to "confidential and preliminary approaches" made to its board.

HNZ confirms it may be interested in acquiring MTF if its shareholders, franchisees and dealers are receptive - and if existing issues between MTF and the Commerce Commission



#### "The board is confident the litigation and its disclosure have been managed appropriately."

- Stephen Higgs, MTF chairman

"The case is being managed in the best interests of MTF and its shareholders."

#### MATTER FOR TAKEOVERS CODE

MTF's board announced on July 21 that it was aware HNZ had been engaging with selected shareholders and this related to a recent proposal by HNZ to acquire MTF, which was rejected.

In that statement to the NZX, Higgs says HNZ approached the board "over a considerable period regarding the prospect of making an offer", which resulted in a draft written proposal in May this year.

"The proposal was without merit as to the indicative price and in other respects," says Higgs.

"It was incomplete and highly conditional. After taking advice, the board formed the view the proposal didn't require disclosure.

"The nature of the proposal revealed HNZ holds a different view than MTF's board as to the potential impact of the Sportzone case.

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"The board offered to engage further to see if an appropriate proposal to MTF's announcement about HNZ's takeover be put to proposal and "engaging with shareholders" shareholders was revealed first by Autofile Online on July 21. could be The website also has in-depth articles agreed. on MTF's special meeting and HNZ's "This would have Visit www.autofile.co.nz to get involved sharing

information

the shareholders and originators of MTF, the appropriate channel is through the MTF board under confidentiality arrangements.

"The board is happy to work with HNZ on a proposal it considers has merit for shareholders and through a process that's acceptable."

as to loan fees are substantially resolved.

The company says: "HNZ does not have sufficient information to comment on the value it would place on that business, or the timing or structure of any acquisition if a proposal was welcomed."



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## Boost from 'growth and profits'

which values Turners at \$82 million, after winning support from its chairman Michael Dossor.

"With our shareholder funds increasing to more than \$100m compared to Turners shareholders' funds of around \$18m, we can add significant 'horse power' to grow the business in a shorter time," says Byrnes.

"The takeover will be positive for existing customers and staff because it will create new opportunities."

Dorchester believes the effective consideration of \$3.15 per share – which includes a Turners special dividend of 15 cents – is a good outcome when 15 months ago the market price was about \$1.80.

#### STACKING UP THE NUMBERS

Dorchester intends to make a full takeover offer for 100 per cent of Turners' equity securities through the Takeovers Code. It will offer:

- Cash consideration of \$3 per Turners ordinary share.
- Two-year notes issued by Dorchester and bearing nine per cent interest per annum with an option to convert them to Dorchester ordinary shares.
- Dorchester ordinary shares.
- A combination of cash or notes, or Dorchester shares subject to any limits on them.

Byrnes realises it might be a leap of faith for some to take shares straight away, so cash is an option while "quite high yielding" notes means shareholders can "wait and see" if Dorchester makes a good job of the takeover. It will also seek payment by Turners of a fully imputed special dividend of 15 cents per share to existing shareholders to give Dorchester an aggregate holding of more than 50 per cent.

Bartel has agreed to accept a 60 per cent Dorchester shares and 40 per cent notes for its holding in Turners if the proposal goes ahead.

#### FUNDING THE TAKEOVER

Dorchester will buy Turners through a share placement, issuing convertible notes and banking.

"We anticipate raising \$25-\$27.5m at \$0.25 per share through issuing Dorchester shares to Turners' shareholders and a placement," says Byrnes. "We also expect to issue around \$15m of notes.

"Final numbers will depend on acceptances, and the combination of shares, notes and cash options taken up.

"Dorchester's major shareholders have indicated interest in the share placement and notes, so we are considering how to give them the opportunity to participate through a share-purchase plan.

"This may leave \$5-\$7.5m to be placed with investors in a market placement, although we will have bank funding to cover this."

A formal takeover notice is expected to be issued soon after the date of Dorchester's annual meeting is set. Resolutions will be considered then.

Last month, the group advised profit guidance for existing businesses of \$10-\$11m this financial year and increasing to about \$15m for the year to March 31, 2016. Paul Byrnes, of Dorchester Pacific, says taking over Turners "will create many new opportunities".



If the takeover proceeds, Dorchester expects profit before tax in the 2016 year to be in the \$20-\$25m range depending on its shareholding in Turners.

Grant Baker, Dorchester's chairman, says while the offer may appear to be bold, having a controlling stake in Turners will be consistent with its acquisitions criteria and profit strategy.

"It fits our strategic plan in that it's an industry we understand, and offers scale and sustainable earnings," he says.

When Dorchester took its first stake in Turners in April last year, a takeover was considered, says Byrnes, but the company needed to understand more about the auction business first.

"However, we were fortunate

#### Company's portfolio

Dorchester Pacific owns Dorchester Finance, Oxford Finance, DPL Insurance and EC Credit.

Dorchester Finance provides secured lending to consumers and small and medium-sized businesses.

Oxford Finance supplies loans mostly to consumers via car dealers, finance brokers, smaller finance companies and direct lending.

DPL Insurance underwrites and distributes policies via Dorchester Life and Mainstream.

The latter's growth focus is on vehicle products, including private, breakdown, loan repayment and guaranteed asset protection.

EC Credit provides debt recovery and credit management services.

to be at Turners' board table when changes – which we support – were implemented. We've gained confidence about the auction side and expanding it."

If the offer is accepted, Dorchester says it will keep Turners' current structure and management team.

Byrnes says Dorchester will aim to improve earnings by extending Turners' finance and insurance products, and speeding up the rate options happen for customers.

Todd Hunter, Turners' chief executive officer, says the company will not comment on Dorchester's proposal because its formal notice has yet to be lodged.

He told Autofile: "At the moment, this is an announcement so it is business as usual for us."  $\ \oplus$ 



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## Looking to future of used imports

he automotive industry needs to be up for future challenges, says David Vinsen, chief executive of the Imported Motor Vehicle Industry Association (IMVIA).

New rules around electronic stability control mean "we know exactly what's going to happen from 2016-20", he told guests at the association's midwinter dinner on Auckland's North Shore.

"The implementation of each phase will hurt volumes, but the government was determined to mandate it."

The definition of less safe vehicles has to be established

before work on exiting them from the fleet can be defined.

"We've got a huge number of vehicles between 16 and 18 years old moving through the fleet. When you put government policy and this age profile together, there's a huge opportunity for our industry."

The Australian equivalent of the IMVIA has contracted it to provide services, including Vinsen being its chief executive officer for the next two years, "because we have best practice on how to deal with used vehicles".

Visit www.autofile.co.nz for more of Vinsen's views and pictures from the night. ⊕





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– NICK WHEELER, Dealer Principal, Wheeler Motors



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## Showroom sparks sales interest

dealership's sales are expected to jump by about 25 per cent thanks to its new showroom and a new model arriving.

The Mini Garage is officially open for business after last month's party for more than 250 people.

Planning for the facility in Newmarket, Auckland, started about two years ago and its pre-cast materials meant it was quickly built with staff moving in during early July.

"Mini now has a one-stop shop for sales, servicing, a lifestyle boutique and accessories," Ian Gibson, managing director of Team McMillan and the dealership.

"These elements used to be independent of each other, while the new Oxford Café on-site means we'll be a destination in our own right.

"We have given Mini a larger brand presence and that's already generating more sales. I've been in and out of there 50 times, and it has the wow factor."

Gibson told Autofile the dealership expects to increase sales by about one-quarter because of the new facilities and "the fourdoor version of the hatch".

Staffing has increased from five to nine and the sales team may be boosted by two before Christmas.

The facility features wall-mounted car shells and is already attracting people from the wider community.

"Groups of cyclists are regulars at the café and families come in to check out what we've created," says Gibson.

"The location lends itself to having a café, which has a deck and outside tables. It puts people into our branded environment and we hope that rubs off into car sales.

"We have lots of functions and



Opening-night fun: From left, Phil Horton, MD of BMW Group Australia; Ian Gibson, MD of Team McMillan and dealer principal of Mini Garage Newmarket; Nina Englert, MD of BMW Group NZ; Johnny Highton, the dealership's sales manager; Kai Bruesewitz, Mini's general manager for Australia; Vicki Treadell, British High Commissioner to NZ. Visit www.autofile.co.nz for more party pictures

events with catering, so we also have a function room for about 75 people.

"We're aiming to host one event per month. We were unable to do that on the temporary site and the Ponsonby store was too small." Gibson adds: "Our location has a lot of history. The Farmers store opposite was the original home of Dominion Motors, which assembled Austin and Morris cars. It's a homecoming for Mini."  $\oplus$ 

### **Colonial buys company**

ellington-based Colonial Motor Company (CMC) formally takes over Jeff Gray BMW on August 18.

As part of director Jeff Gray's retirement, Jeff Gray BMW has been sold with all directors divesting their interests.

The takeover's terms and conditions remain confidential to the parties involved.

CMC has established a new subsidiary for its acquisition to continue trading in the same name.

The existing sites in Christchurch, Wellington, Palmerston North and Hawkes Bay will continue to operate with current BMW and Mini staff.

Hamish Jacob has been appointed to be chief executive of the new company.

Jim Gibbons, chairman of CMC, says: "The BMW franchise will operate through a separate, wholly owned subsidiary with its own management team." From its origins in Hawkes Bay in the late 1970s, the Jeff Gray Group expanded by acquiring the BMW dealership in Palmerston North in 2000.

This was followed by growth into Wellington seven years later and Christchurch in 2009, where the dealerships also sell Minis.

Gray says: "One of the many enjoyments representing BMW is the people I've met over the course of more than three decades.

"This includes customers who quickly become great fans of BMW and Mini, and having passionate and loyal staff.

"I feel honoured to have been part of BMW's dominance in New Zealand since the beginning."

"Jeff Gray – by way of dealerships that carry his name – is integral to BMW in New Zealand," adds Nina Englert, managing director of the BMW Group.

"I look forward to working with Hamish Jacob and the dealership team." 🕤



## Farewell to 'fantastic' people

Rank Willett is aiming to return to the automotive industry later this year after leaving Vehicle Inspection NZ (VINZ).

He resigned on August 1, with Gordon Shaw taking over as chief executive officer until a full-time replacement is appointed.

Willett told Autofile: "After considering a number of things happening in my personal life and how I felt they may be impacting me generally, I decided it was time to step down.

"The company is doing very well and I think it will continue to thrive with a fresh approach from the top.

"I will be taking some time off to attend to some personal matters and will be looking forward to returning to work within the industry in a few months' time – refreshed and eager to take on new challenges."

Willett has enjoyed his six years

with VINZ, which he describes as "tumultuous" with many enjoyable times "while others have been traumatic and sad".

He adds: "But all of them have been made a worthwhile experience by the fantastic people who are VINZ.

"I wish them and the company success for the future, and I will continue to support them wherever possible."

Willett, who remains as vicechairman of the Imported Motor Vehicle Industry Association (IMVIA), joined the air force in 1984 after leaving school.

He had two years' basic training as an aircraft engineer and later completed his automotive apprenticeship.

In 1994, Willett joined VINZ as a vehicle inspector for two years and held other industry positions before



Frank Willett

becoming the IMVIA's technical services manager in 2004.

Gordon Shaw

He was appointed VINZ's general manager in 2008 before becoming CEO last year.

"Frank has been an integral part of VINZ for more than six years," says Damon Jackson, director. "He will be missed by staff and customers, and we wish him all the best in the next phase of his career."

The company is grateful for

Willett's leadership over a long period, which has included guiding it through internal changes from being a co-operative to being investor-based and finally privately owned by JEVIC. Shaw, meanwhile, held

a senior management position in the government sector before becoming an independent consultant.

He has completed assignments in the regulatory inspection sector and used to be a senior manager with the NZTA, formerly the Land Transport Safety Authority.

Shaw became president of the Institute of Management Consultants NZ in April 2010 for a two-year term and was then immediate past-president for 12 months. He was recently made a fellow of the institute.  $\oplus$ 



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## From on the buses to Japan

ohn Davies' route through the automotive industry has been colourful - from being a bus conductor, the start of used imports from Japan to becoming president of an international vehicle logistics company.

He recalls with affection his early working life in London and takes pride in his business achievements.

After leaving school, John worked for Crown Lynn Potteries in Auckland as a research analyst and received a bursary to go to Stoke-on-Trent.

"The business dried up and the bursary was reneged on. But we still went to England and I worked as a conductor on buses out of Sidcup."

Double-decker Routemasters traversed London then. After entering service in 1956, they were withdrawn in 2005 although two heritage routes still operate.

"It was just about the best job

I've ever had. I met so many people and it was good fun working on those old buses. I even got a free public transport pass."

It was a trip back to their country of birth. John moved to New Zealand with his parents and two sisters when he was eight, and met Andrea here. Her family migrated from Liverpool, while he hails from Peckham, south of the Thames.

John still supports Millwall Football Club, but admits to having a soft spot for Arsenal. "Del Boy from Only Fools and Horses lived around the corner, Eric Clapton did as well."

After London, they toured around Europe in an old British Gas van, a Morris 14.

Back home about a year later, John worked for Nissan Newmarket fitting mud flaps but ended up running the pre-delivery department.

www.jevic.co.nz





John Davies was a conductor on London's Routemasters in the 1970s, which featured in the popular English television comedy On The Buses

He then contracted out fitting body mouldings and GT stripes, became a traffic cop and later an ambulance officer before setting up his first business – Oratia Panel Beating Ltd.

"Being an ambulance officer was great, but the pay was terrible. At the time, I was helping out at a panel beater's and could earn as much doing that over a weekend as driving the ambulance in the week.

"By the mid-1980s, my business was doing well and we were doing work for car dealers."

#### THE DAWN OF A NEW ERA

John's first foray into Japan was to inspect cars and buy what he could, particularly damaged ones to fix up.

"After a few trips in the late-'80s, I had secured some contracts before organising tours for dealers to choose cars there.

"When I got my dealer's licence in 1991, I set up Autorama – a wholesale import business. I later had a yard in Penrose and this grew to having 200 retail units and 150 for wholesale.

"I carried on with Autorama for some years and made about 150 trips to Japan, which meant a few weeks there and a couple here."

The business was going well, but then John got ill. He collapsed in his

apartment and wasn't found for a few days before being hospitalised.

"My healthcare cost a fortune and back home a staff member did a runner with a lot of money. so I bought a yard in Kumeu to downsize and get my health back.

"I didn't want to go to Japan for business anymore, but didn't want to lose track of contacts there and was invited back by Heiwa Auto Co to consider possibilities.

"I stayed for a few days to help Heiwa solve some issues and increase market share, and came up with ideas for banking, insurance claims, bulk discounts and shipping packages. These were accepted and I was offered a position.

"I set up Heiwa Auto in my garage and put the ideas into practice, and our market share jumped from six to 18 per cent in six months.

"We saved importers doing it themselves - from inspections and dealing with Customs to odometer checks and shipping.

"We gave discounts and guaranteed fixed prices, were cheaper than dealers doing it, and combined good sales and processes.

"The board then split the sales division into three companies, and door-to-door shipping package services separated into a standalone company, was free 🕨 🕨

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consider

when my wife is in

the same

- John Davies

room."

myself to be the boss

to market services openly." AUTOHUB was formed in January 2006 and sought business among other agents.

"It was difficult early on due to our relationship with Heiwa Auto, which was competing with these other export agents, but we slowly gained trust and loyalty while always holding onto our customer service beliefs."

John has been working with "the missus for a while now" and -

although often in the same building - they are "sometimes lucky to exchange 10 words a dav".

"I try to make the money and Andrea accounts for it. It's that straightforward. She also reports directly to "I never the board and I don't get involved in her decisions unless my opinion is requested."

He jokes: "I never consider myself to be the boss when my wife is in the same room.

"Andrea used to be section head for recoveries at Inland Revenue. When we went to bad-taste

parties, she dressed up as that and I go as a traffic cop. They weren't always the most sociable of costumes.

"But back to Heiwa and AUTOHUB. They were created and built up by dedicated ex-car dealers. All of us worked on yards and knew what traders needed.

"Other entities have reproduced our model. We now face strong competition, but continue to focus on good service. We believe if a

we will be successful as a result. "AUTOHUB also provides

customer's business is successful,

handshake services and opens doors, and this helps to create markets. We can operate as one company in countries of origin and destination. That's one of our differences."

#### TAKING ON THE TOP JOB

As managing director of AUTOHUB NZ, the position of president of AUTOHUB Company Ltd in Japan

was offered to John

last year. "It's different working in a Japanese corporation, but they listen to my ideas more than I thought they might.

"I've been given a fair amount of 'power' when it comes to company direction and feel I've brought a single-minded focus to the role when it comes to communication.

"There's much more of this at senior level and we're looking at other projects, such as having a single global database."

John is quick to recognise how far AUTOHUB has come over the past few years to having three offices in Japan, three in New Zealand, agencies in Australia and Singapore, and a port facility in the UK.

"There could be two more countries on the horizon as well -South Africa and Myanmar have a lot of traffic going in. For instance, up to 10,000 units a month are imported into Myanmar.

"In the more distant future, we'll



still be looking to maintain our personal level with clients.

"But I cannot do everything anymore. I've gone one step back from dealing with customers to take a different role, especially in Japan.

"I'm looking to work more on a consultancy level than on the daily stuff over the next four to five years so I can eventually work from home and visit our offices.

"Keisuke Nagashima is in training to take over my daily roles and he's been doing great. We also need to review Myanmar and Africa, and look at ways we can introduce

services into some other countries." John recalls the early days of used imports as fun "with brilliant relationships built".

"But the work got harder and the auction process changed things with a colder style of buying coming in to cut business costs.

"This continual pursuit of competition to reduce costs could eventually end up creating an eBay world where my generation will be dinosaurs.

"In the very long term, sellers in Japan may deal directly with retail buyers via vast online platforms."



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## **Trident aims to stride forward**

Asserati says New Zealand and Australia will be important markets as the marque sets its sights on increasing global production to 75,000 units by 2018 – especially when it comes to the popularity of SUVs here.

The marque is also releasing new models by the end of the decade, including the justlaunched Ghibli sedan, Levante and Alfieri two-seater coupe with a convertible to follow.

The Levante will play a major role in its push for expansion with the huge growth in luxury SUV sales across Australasia.

The trident marque's visions and aspirations were outlined in Sydney and Melbourne last month by Umberto Cini, managing director for general overseas markets.

He says New Zealand will

remain a key focus as Maserati aims to exceed 50 units sold here by the end of 2014 as part of its growth in south-east Asia-Pacific.

"The short-term target is to reach 50,000 vehicles produced globally by 2015 going towards 75,000 by 2018, but staying under 100,000 as part of our brand positioning," says Cini.

"For New Zealand, the two dealerships in Auckland and Christchurch have sold 36 Maseratis so far this year with a target of 50 by the end of 2014.

"These expectations are about 10 per cent of the Australian market, where we've so far sold double the amount compared to last year."

Cini steers away from predicting how well the Levante will sell, but recognises Australia and New Zealand are "big in the luxury SUV market".



"This is a clear focus for us, and we've had excellent results with the Ghibli and Quattroporte. The Levante could be our bestseller here. It will be one of the main products to help us achieve our targets."

Cini expects the SUV to arrive by 2016, with right-hand-drive configuration being worked on at the same time as left hand.

The new Maserati Auckland dealership in Newmarket is bigger than the brand's previous presence in the city and aims to create an "optimum team" to improve customer experience.

"New Zealand is performing well," says Cini. "There has also been record investment in facilities, which provides a strong foundation.

"We are investing in network development. Our Auckland facilities are on-board and we'll do more with the right staff at the right time.

"We will look at enlarging our teams from the technical and sales points of view."

Globally, Maserati is looking at expanding its network from 245 dealerships in 2013 to 460 by the end of 2015.

#### ADVANCED SYSTEMS NO-GO

Most manufacturers are rolling out driver-handling aids and electronic safety systems in cars.

But because they aren't in line with "Maserati's DNA", it's instead focusing on Italian design, powerful engines and driving dynamics.

"Our cars are known for handling, performance and being pleasurable to drive," says Cini. "The driver has to be in charge."

Air suspension has also been ruled out because traditional springs and adjustable dampers are more befitting of the brand.

"We don't look for drive assist, air suspension or those things. They are against being behind the wheel."

Such systems are available to Maserati, which is part of the Fiat Chrysler Group that also includes Alfa Romeo and Jeep, but the marque's models do have expected safety features – such as stability control and airbags.

"We have almost everything available to us. We don't have electronic features as priorities, but we will be in line with market requirements."



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#### SETTING PRODUCTION LEVELS

While sister company Ferrari is scaling back production to protect the brand, Cini believes a 75,000unit ceiling will maintain Maserati's reputation for exclusive cars.

"Ferrari is probably one of the greatest brands in the world that makes exotic cars. We are a similarly amazing brand that produces exclusive cars. It's a different company purpose.

"We're one of the most historical brands in Italy and work on that element. Maserati is rooted in our culture in terms of motorsport and production.

"Having production in Italy allows us to be more efficient with the platform. We can use the group's strengths and leverage. Being Italian is a core value, so Maseratis will [always] be produced in Italy."

#### WORKING WITH PARTNERS

Maserati remains committed to its distributor in this part of the world, and has no plans to follow Ferrari's switch to a factory operation handling imports and sales.

"Our main focus is producing cars and European Automotive Imports [EAI] focuses on selling them," says Cini. "We don't have any need to change something that works."

A subsidiary of Sir Neville Crichton's Ateco Group, EAI took over distributing Maseratis and Ferraris in Australasia in 2005.

It handed over the Prancing Horse to Ferrari Australasia in 2013 and maintains a retail presence with the Ferrari Maserati dealership in Sydney.

Cini has high expectations of EAI, with a focus on improving customer service as production ramps up.

"The expectation is the same – to have representation in line with brand requirements," he says.

"We have to improve customer service and sell according to the plan, but our expectation is to work with our partner on marketing, pricing, after-sales, spare parts and everything that goes with it."

EAI is expanding its workforce and introducing training programmes to prepare staff and retailers for new models and sales growth.



"bestseller" in New Zealand. Its concept was launched at motor shows in Detroit and Paris last year

Standalone Maserati dealerships are being built in Sydney, Melbourne and Adelaide. A larger one is planned for Perth and a second Queensland facility on the Gold Coast will bring the total to eight in Australia and two in New Zealand.

"EAI has led by example," says Cini. "It's following the same goal as we are, especially with investment in facilities.

"Our group has invested in manufacturing to underline standards. We have continued growth and an excellent future ahead.

"The Ghibli is where we want the brand to go and in 2013 it was our best performer. All markets are asking for more cars, while the Quattroporte and Gran Turismo are strong in New Zealand.

"Our supply chain is good enough, while the exclusivity and performance of Maserati give us strong identification and visibility."

Crichton adds: "This expansion has been three to four years in the making. The facility in Melbourne alone is costing AU\$25 million.

"It's like the investment we've made in New Zealand. We just didn't wake up yesterday and decide to do this."

Cini says: "It's important to continue looking after customers. We have done a lot and will do more. We're also working on our social-media platforms to better interact with customers."

#### STACKING UP THE SALES

Maserati sales in south-east Asia-Pacific have increased by 214 per cent in the first half of 2014.

Within the region, the brand reports its highest sales in South Korea where the market has grown by more than 700 per cent.

Second highest – in terms of vehicles delivered to customers – is Australia and New Zealand with combined growth of 114 per cent.

In June, Maserati sold 48 units across the Tasman compared to 18 in the same month of 2013 for a halfyearly total of 154 – up from 80.

That was a monthly increase of 155.6 per cent and a six-monthly rise of 95.5 per cent.

In New Zealand, the marque sold six units in June compared to none in June 2013.

Its half-yearly total for 2014 was 36 compared to seven over the same period last year – up by 414 per cent– while 14 Maseratis were sold here in the whole of 2013.

Seven models are due to be released over five years, with the Quattroporte and Ghibli being launched this year followed by the Levante.

Then it's the Alfieri two-seater coupe, the GranTurismo four-seater in 2017, Alfieri's cabriolet in the following year and GranCabrio's four-seater convertible in 2019. ⊕



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## **NEWS in brief**

#### Subsidies set to come in for hydrogen-powered cars

The Japanese government is gearing up to subsidise Toyota Motor Corporation and its key suppliers to take the lead in hydrogen-powered fuel-cell cars.

Prime Minister Shinzo Abe is planning consumer rebates of at least NZ\$23,500 per unit to make it the largest taxpayer-funded support plan for hydrogen vehicles yet.

The programme will decrease the cost of Toyota's soon-to-be-launched hydrogen-powered fuel-cell car to about NZ\$58,800 in Japan – roughly the same as a small luxury sedan there.

The cost savings may be enough to make the vehicle affordable for taxi operators and companies with fleets. About 100 fuelling stations are expected to have been built in Japan by March next year.

Fuel-cell vehicles, which run on electricity made by cells that combine hydrogen and oxygen, have been in testing since the 1960s. They only emit water and heat, and are seen as green alternatives to those powered by combustion engines.

#### Record crowds at show witness models launched

This year's CRC Speedshow at Auckland's ASB Showgrounds featured the launch of some significant new models.

Ferrari dealer Continental Cars unveiled the first example in this country of the 458 Speciale, which was recently released in Europe, pictured.



Polaris Industries launched the new Indian motorbike range to the Kiwi public, while the event also celebrated Maserati's 100th anniversary.

Visit www.autofile.co.nz for more news and pictures from the show.

#### Reversing cameras fitted as standard across range

Hyundai says it was the first marque to introduce electronic stability control in New Zealand as standard since 2007.

Now it has made reversing cameras standard across its 13-model range of new passenger cars and commercial vans.

"Our customers have told us a reversing camera is one of the most useful features," says general manager Andy Sinclair.

"It makes it easier to reverse in tight parking situations, particularly in inner-city parking buildings and shopping malls. It also simplifies hitching trailers onto tow-balls."

#### Pony to be released with two transmission options

Engine options in the all-new Ford Mustang's will be the standard 300hp V6, a new 310hp EcoBoost and an upgraded 435-horsepower V8.

Each is available with a manual or automatic transmission, with the marque planning to offer the EcoBoost and V8 in this country.

The addition of the 2.3-litre EcoBoost brings turbocharging to the global line-up for Mustang.

#### Council tackles emissions levels with new policies

Auckland Council aims to reduce greenhouse gas emissions in the city by 40 per cent by 2040.

Its low-carbon action plan sets out a 30-year pathway and 10-year plan to fit in with the nationally agreed target to cut New Zealand emissions by 50 per cent by 2050.

The policy focuses on energy use and generation, how people travel, urban infrastructure, waste management and managing natural carbon assets, such as forests.  $\oplus$ 

## Practical solutions across range

**P** ord's new Transit Cargo and Tourneo Custom offer advanced technologies, revamped designs and practical interiors.

The Transit Cargo, in van configuration, has a larger cargo capacity than the previous model, and new configurations and versatility.

It has cruise control and best-in-class fuel economy across the range, with the vans having rear cameras and front and rear parking sensors.

All Cargo variants are powered by Ford's 2.2-litre Duratorq TDCi diesel engine.

Partnering 114kW and 385Nm of torque with a six-speed manual transmission and rear-wheel-drive, it offers maximum pulling power, low emissions, efficient warm-up and automatic start-stop. Ford's new Transit Cargo, right, and Tourneo Custom



The Tourneo Custom is a new passenger van powered by the same engine with space for up to nine people and cargo.

The interior has flexible rear seats capable of more than 30 different configurations and smart features, such as Ford SYNC and integrated fold-away roof racks.

Its aerodynamic design, engine and fuel-saving technologies mean

it's one of the most efficient people movers in New Zealand.

The Custom, which has a GSTinclusive recommended retail price of \$56,990, comes with a five-star Euro NCAP rating. Safety features include six standard airbags and ISOFIX child-seat attachments.

Pricing for the Cargo ranges from \$57,840 for the 350L long-wheel-base chassis cab to \$71,640 for the 470E van highroof Jumbo.

Options include a high roof in the 350L for \$3,200 and a right sliding door at \$700, while there's no charge for a single frontpassenger seat.

Originally launched in 1965, the Transit is one of the most successful vehicles in the industry with more than seven million made to date. 🕀

## **Racing kit for ute**

special-edition Hilux's looks aim to set it apart from competitors thanks to its Toyota Racing Development (TRD) factory body kit and upgrades inside.

The marque says 265/60R18 Hercules Terra Trac AT tyres underline go-anywhere abilities with 18-inch two-tone alloys creating "a head-turning element".

Other components of the four-wheel-drive model include a front bumper with integrated fog lamps, daytime running lights, a lower spoiler, rear-step bumper and graphics set with chrome badge.

Extras inside include branded mats, black leather seats and door inserts with silver stitching, and embossed front and rear-seat headrests. The powered driver's seat features slide, recline and height adjustability.

The TRD, which retails from \$55,990, joins the two-wheel-drive Edge in a series of Hilux models with exclusive accessories and styling.

"Like all of the range, strong residual values and capability in New Zealand conditions create a package buyers can be sure of in terms of low running costs and strong resale," says Steve Prangnell, of Toyota NZ.

There are increased specifications and options in the SR5s, including standard satellite navigation, reversing camera and upgraded automatic transmissions, while a four-litre petrol V6 option returns in both double-cab SR5s.

> The limited-edition Hilux TRD



MIKE O'DONNELL, Trade Me's chief operating officer, will head a Ministry of Foreign Affairs and Trade and New Zealand Trade and Enterprise project from early September.



The start-up company will aim to sell government know-how, systems and intellectual property globally.

O'Donnell joined Trade Me in 2004. After a stint at Gareth Morgan Investments, he returned as head of operations. He is currently responsible for the website's marketplace and operations teams.

ANDREW CRAW is the first dealer principal of Southern Autos – Manukau.

The new dealership will be built next to South Auckland Motors in Manukau city. It will feature a sevencar showroom for Peugeot and Citroën, and Isuzu Utes.

Craw has been with South Auckland Motors for 15 years and is moving up from being used vehicle sales manager there.

MARK PEYPER-SMITH has been appointed dealer principal at Winger Central.

Before taking on the role, he was sales manager at Continental Cars, Auckland, for more than a year.

Winger Central holds franchises for Suzuki, Kia, Peugeot in Queenstown, and Hyundai and Isuzu in Cromwell.

**COLIN MUIR** has been appointed general manager of Isuzu NZ following the resignation of Oliver Foote, who has left after three years at the helm and eight years at Holden and Isuzu.



Muir, pictured, graduated from the University of Stirling in Scotland with a degree in marketing.

He came to New Zealand in 2002 as business manager for Gough Gough and Hamer before joining Isuzu in 2009 as sales and marketing manager. Visit www.autofile.co.nz for more on this story.

MICHAEL DOEG has been appointed as sales and marketing manager for Isuzu NZ.



promoted to sales operations manager in 2008 and became national sales manager in 2010.

He joined Holden in 2006 as a district manager, was

TONY NEEMS has joined Autosure New Zealand as national sales manager.



Well-known to many for his time at Turners Auctions, Neems was most recently national sales manager for Hyundai NZ.

JAMES RIDLEY is the new dealer principal of Hawkes Bay Nissan. He was previously sales manager at Jeff Gray European and dealer principal at Ingham Motors in Wellington.

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

## Industry movers NZ labour market report

#### STAFF TURNOVER HAS INCREASED

for one-in-four New Zealand employers over the past 12 months, according to the latest Hays Salary Guide.

Turnover has remained the same for 59 per cent of employers. It has increased for 25 per cent of them and dropped for 16 per cent.

The Christchurch rebuild, residential construction work elsewhere in the country, new commercial and seismic strengthening work in Auckland and Wellington, a busy insurance sector, ultra-fast broadband and e-mobile developments are some of the factors driving demand for staff.

"The top talent is aware of this demand and are exploring their options in the jobs market," says Jason Walker, of Hays.

"This is fuelling a rising turnover rate, which is why it's still essential for employers to focus on retention efforts to hold onto high performers."

The salary guide also reveals business optimism appears strong with 78 per cent of employers surveyed expecting activity levels to increase.

In the 12 months before the survey, 65 per cent of the employers had already seen an increase in activity for their businesses.

Hiring intentions also appear stronger. When asked about their plans for the year ahead, only five per cent expect to decrease their headcounts while 46 per cent plan to increase numbers. Permanent hiring activity is expected to be particularly strong.

When asked the same questions in Hay's 2012 survey, 17 per cent of employers were planning to decrease staffing and only 35 per cent were aiming to increase their headcounts.

Meanwhile, the latest Randstad

Workmonitor shows young and mature age workers continue to face an uphill battle finding jobs.

Eighty-six per cent of Kiwis say it's hard for older workers to find suitable jobs and 80 per cent are forced to take positions below their education levels.

Sixty-five per cent say it's difficult for under-25s to find employment and 73 per cent also believe those new to the workforce are often forced to take jobs below which they are qualified for.

Additionally, the survey shows education alone may not be enough to land many younger people with their first jobs with 77 per cent saying experience is more important in hiring Gen-Y employees than education.

New Zealand's younger workforce is increasingly willing to look elsewhere for employment opportunities with 42 per cent of respondents saying they will go overseas for suitable jobs if none are available here.

"The recent data has shown some worrying trends for employers," says Paul Robinson, of Randstad.

"Ensuring New Zealand remains an attractive option for the best young and mature aged talent is going to be of paramount importance for employers.

"Investing in young talent and embracing knowledgeable matureage workers should be a core focus for employers.

"Businesses that fail to do so may find themselves losing skilled staff, which may hinder their future growth.

"Having a blended workforce, which combines younger employees with more experienced and knowledgeable talent, puts an organisation in a strong position and allows it to benefit from a range of experiences and ideas."



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## Dealer ordered to pay hearing costs of \$500 after failing to attend

#### Background

Tane Paaka bought a 2001 Nissan Skyline from Raylene Henare, trading as C&R Mobile Cars, for \$10,000 on January 8, 2014.

He wanted to reject the vehicle because the trader had failed to fix some faults after being required to do so.

The dealer failed to attend the hearing, but the tribunal was satisfied it was sent adequate notice. It also didn't respond to a direction to provide certain information.

#### The case

The vehicle offer and sales agreement recorded the odometer as "180,000" and the consumer information notice as "185,000". A NZTA Motochek showed it was 182,101km.

Paaka bought the car without viewing, test driving or having a pre-purchase inspection done.

He paid a \$1,500 deposit and financed the balance of \$9,195 under a collateral credit agreement.

Paaka registered the car in his name, but it was bought for his daughter Brooke Kirikiri. The tribunal understood Kirikiri had Paaka purchase it in his name because she was unable to obtain finance.

The vehicle was sold with a warrant of fitness (WOF) issued by Kamo Testing Station on September 23, 2013, more than three months before the supply date.

Kirikiri noticed the supplementary safety restraint system (SRS) warning light was lit up when the car was delivered.

After travelling several thousand kilometres in early January, she contacted the dealer about that and the condition of the front tyres. On January 23, she and the trader took the car to VTNZ for a WOF. Its odometer was on 188,768km or about 6,668km since purchase.

The front two tyres failed. Other checklist failures were play on the front wheels, the airbag warning light flashing and the headlights being out of alignment.

The trader and Kirikiri took the car to AA Auto Service & Repair, which gave an oral quote of \$862. The repairs were then recorded in a letter dated March 12, which stated a total of \$876.

This included \$505 for two tyres, \$116 for an inner-rack end, oneand-half hours' labour at \$157, \$16 for freight, \$12 for other items and \$20 for the headlights.

There was also a \$50 charge to carry out a scan to find out what was wrong with the airbag light.

Kirikiri said the trader promised to have faults identified by VTNZ fixed by AA Auto Service & Repair on January 31, but she didn't hear anything more from dealer.

She tried to phone the trader on many occasions, but it didn't answer her calls.

Kirikiri went to the dealer's partner's car sales firm on February 24 and had him phone the trader.

She asked what the trader proposed to do. It said it still intended to fix the faults but couldn't afford them.

The dealer promised to pay the cost of repairs within a few days, but then failed to contact Kirikiri or answer her calls.

On March 24, Kirikiri got a quote from Panmure Automotive & Tyres

of \$296 to replace both front steering rack ends, scan the SRS and align the lights.

The airbag warning light disappeared for a while, but came on again showing there was still a SRS fault.

#### The finding

In deciding whether the vehicle complied with the guarantee of acceptable quality in the Consumer Guarantees Act (CGA), the tribunal considered it was Japanese imported 12-year-old Nissan Skyline with 182,101km on its odometer when supplied.

It was sold without a WOF being issued within 28 days before it was purchased for \$10,000.

The SRS was, according to Kirikiri, showing a fault warning light at the time of supply.

The car was used to travel about 6,000km during January 2014 and on the 23rd it failed a WOF.

The tribunal considered that even allowing for its age, high mileage and distance travelled since it was supplied, and it failing the WOF, the car was very probably not of acceptable quality when sold.

This was because its front tyres were dangerously worn, its SRS was faulty, its headlights were misaligned and there was excessive play in the front wheels.

The tribunal ruled the car didn't comply with the CGA's guarantee of acceptable quality because it wasn't free of minor faults or durable when supplied.

Kirikiri complied with her obligations under section 18(2)(a) of the act and required the trader to repair the faults, but it neglected to comply with its obligation **The case:** The buyer wanted to reject a car because the seller failed to fix faults after being required to.

**The decision:** The consumer lost the right to reject the vehicle because a transfer in ownership meant the buyer who acquired the car from the trader had "disposed of interest" in it. But the tribunal considered the purchaser was entitled to reasonable costs in remedying the issues.

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

within what was a reasonable time.

She transferred ownership of the car into her name on January 29. The consequence of that transfer was the purchaser – in this case "the consumer" who acquired the vehicle from the trader – had, in the tribunal's view, disposed of his interest in the car.

The result was the buyer had lost the right to reject it, but the tribunal considered the purchaser was still entitled to reasonable costs.

With assistance from its assessor and based on prices quoted to Kirikiri by Panmure Automotive & Tyres, it calculated this to be \$625 based on \$300 for two second-hand tyres, \$78 for two steering rack ends, \$103.50 in labour, \$15 to align the headlights, \$47 for an airbag scan and GST of \$81.50.

The tribunal has limited powers to make an award of costs to or against a party to any proceedings under clause 14(1) of schedule one to the Motor Vehicle Sales Act.

The trader, after receiving notice of the hearing and then failing to attend without good cause, was ordered to pay the reasonable costs of the tribunal hearing.

#### Orders

The dealer had to pay the buyer \$625 and tribunal costs of \$500. ⊕

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## Tribunal considers Sale of Goods Act before dismissing application

#### Background

Sandip Das applied to recover \$2,680 for repairs on a 2005 Toyota Voxy supplied by Glenfield Wholesale Ltd, trading as Real Wholesale Cars.

The trader said Das held himself out as acquiring the car for the purpose of his business and contracted out of the Consumer Guarantees Act (CGA) when he bought it.

#### The case

Das bought the car on August 7, 2013, for \$10,500. It had a new warrant of fitness (WOF) and the vehicle offer and sale agreement (VOSA) recorded it had travelled 87,644km.

He was provided with an AA appraisal done on May 22 when the odometer was on 87,627km. The car's condition was "sound – in above average condition for age and mileage".

The VOSA contained this: "I agree if acquiring the vehicle for business purposes in terms of section two of the CGA, the provisions of the act will not apply."

An acknowledgement, signed by Das, stated: "The purchaser acknowledges the goods are being acquired for the purchaser's business and the parties agree the CGA will not apply."

The VOSA contained 15 terms and conditions. One read: "Where this contract is a supply for business purposes in terms of the CGA, no representation, condition, warranty or promise – expressed or implied – applies other than the manufacturer's written warranty [if any] given to the purchaser."

Das said he told the trader's salesman he bought the vehicle for

his business – Aruna Indian Cuisine, a food court in Auckland.

This name wasn't on the VOSA, but did appear on the buyer's application.

Although Das bought the vehicle in his business' name and claimed back the GST on it, he said he only used it to drive from home to work.

He added the salesman promised a 12-month warranty when he bought the car, but there was no record of this indicated on the VOSA.

On February 20, Das took the vehicle for a warrant of fitness (WOF) and it failed due to excessive play in the steering.

The inspector wrote "need to replace all rack mounts" and "service overdue" on the check sheet.

The trader recommended Das take the car to Hygrade Motors, which quoted \$480 to remove and refit the steering rack, replace four mounting bushes and align the wheels.

The dealer told Das he had bought the car without the benefit of the CGA's guarantees and refused to pay, so the buyer had the work done at his own cost.

Das didn't have the vehicle serviced and in March he noticed an engine issue.

He took it to Daad Automotive Ltd and was quoted \$2,200 to change the engine and water pump, which he paid on March 25 after the trader declined for the same reason.

Mr T Sarandov, sales manager, says Das told the trader the car was to be used for business purposes and both parties excluded the CGA from the VOSA.

He said Das declined to purchase a breakdown policy and appeared

to have mistakenly thought he had a free 12-month warranty.

#### The finding

The tribunal noted Das acknowledged he told the salesman he was buying the car for his business.

His application was in his business' name, and the VOSA legally excluded the CGA so Das didn't have the benefit of its guarantees and remedies.

The tribunal considered section 16 of the Sale of Goods Act (SOGA) might be relevant, which implies conditions as to the quality or fitness in certain contracts.

Subject to the act's provisions, there is no implied warranty or condition as to the quality or fitness for any purpose of goods supplied.

But there are some exceptions and the tribunal considered the implied condition of merchantable quality in section 16(b) might have applied.

This wasn't the case because Das didn't make known any particular purpose for which the car was being acquired, nor did he rely on the trader's judgement in buying it.

However, section 56 of the SOGA permits parties to agree to negate or vary any right, duty or liability that would arise under a contract by implication of law.

The tribunal had to determine if the section 16(b) condition of merchantable quality had been negated or varied by agreement, in dealings between the parties or by usage that bound both parties.

The VOSA excluded all warranties other than the manufacturer's. It was ruled implied merchantability didn't apply because it had been excluded by section 56. **The case:** The buyer wanted to recover money for repairs on his Toyota Voxy. The trader said the purchaser represented himself as acquiring the car for business use and contracted out of the Consumer Guarantees Act (CGA) when he bought it.

**The decision:** The application was dismissed because the CGA was lawfully excluded from the sale and the car was of merchantable quality when it was supplied.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The tribunal considered if the car complied with section 16(b) by following a definition from a case in 1969.

This stated: "What now means by merchantable quality is the goods in the form they were tendered were of no use for any purpose for which they complied with the description – under which these goods were sold would normally be used.

"This is an objective test. 'Were of no use' must mean 'would not have been used by a reasonable man for any purpose'.

In this application, Das used the car to travel more than 7,024km in the six months after buying it until it failed a WOF and needing to replace the rack mounts in a nineyear-old import after 94,668km was normal maintenance.

The tribunal added the compression issue of March 2014 might have been avoided if Das followed the inspector's advice and had his car serviced.

Das presented no evidence to show what caused the issue and it was noted compressions were checked by the AA pre-sale.

#### Order

The claim was dismissed because the CGA was lawfully excluded from the sale and the car was of merchantable quality when supplied.  $\oplus$ 

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Nagoya	3 Aug	17 Aug	3 Sep	16 Sep						
Yokohama	4 Aug	18 Aug	4 Sep	17 Sep						
Auckland	19 Aug	5 Sep	20 Sep	5 Oct						
Wellington	24 Aug	13 Sep	27 Sep	12 Oct						
Lyttelton	22 Aug	8 Sep	4 Oct	8 Oct						

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Imported Pa	assenger '	Vehicle S	Sales by	Make -	July 2014		Imported	Passen	ger Vehicle	Sales	; by N	<b>lodel -</b> Ju	ly 2014	
Make	JUL '14	JUL '13	+/-%	JUL '14 MKT SHARE	2014 TOTAL	2014 MKT SHARE	MAKE	MODEL	JUL '14	JUL '13	+/-%	JUL '14 MKT SHARE	2014 Total	2014 MKT Share
Toyota	2871	2311	24.2	23.8%	17202	23.8%	Nissan	Tiida	692	395	75.2	5.7%	3988	5.5%
Nissan	2393	1695	41.2	19.9%	13621	18.8%	Suzuki	Swift	642	460	39.6	5.3%	3649	5.0%
Mazda	1881	1714	9.7	15.6%	11836	16.3%	Mazda	Axela	548	423	29.6	4.5%	3365	4.6%
Honda	1278	987	29.5	10.6%	7739	10.7%	Mazda	Demio	504	486	3.7	4.2%	3090	4.3%
Suzuki	775	539	43.8	6.4%	4392	6.1%	Honda	Fit	402	327	22.9	3.3%	2543	3.5%
BMW	483	325	48.6	4.0%	2901	4.0%	Toyota	Corolla	325	276	17.8	2.7%	1922	2.7%
Subaru	462	447	3.4	3.8%	2897	4.0%	Toyota	Wish	323	222	45.5	2.7%	1916	2.6%
Mitsubishi	440	459	-4.1	3.7%	2719	3.8%	Toyota	Vitz	281	217	29.5	2.3%	1691	2.3%
Volkswagen	408	316	29.1	3.4%	2515	3.5%	Subaru	Legacy	269	284	-5.3	2.2%	1649	2.3%
Audi	233	208	12.0	1.9%	1453	2.0%	Mazda	Atenza	246	290	-15.2	2.0%	1627	2.2%
Mercedes-Benz	201	171	17.5	1.7%	1197	1.7%	Volkswagen	Golf	245	181	35.4	2.0%	1523	2.1%
Ford	130	101	28.7	1.1%	827	1.1%	Nissan	Note	229	128	78.9	1.9%	1280	1.8%
Volvo	69	45	53.3	0.6%	395	0.5%	Honda	Odyssey	213	132	61.4	1.8%	1199	1.7%
Lexus	61	15	306.7	0.5%	294	0.4%	Mazda	MPV	194	247	-21.5	1.6%	1399	1.9%
Mini	44	14	214.3	0.4%	259	0.4%	Toyota	Estima	179	155	15.5	1.5%	966	1.3%
Chevrolet	41	59	-30.5	0.3%	372	0.5%	Mitsubishi	Outlander	177	193	-8.3	1.5%	1030	1.4%
Hyundai	41	15	173.3	0.3%	234	0.3%	Mazda	Premacy	169	97	74.2	1.4%	903	1.2%
Land Rover	37	28	32.1	0.3%	202	0.3%	Toyota	lst	168	188	-10.6	1.4%	1054	1.5%
Jaguar	33	31	6.5	0.3%	271	0.4%	Nissan	Teana	162	128	26.6	1.3%	797	1.1%
Holden	22	19	15.8	0.2%	163	0.2%	Nissan	March	152	164	-7.3	1.3%	1069	1.5%
Daihatsu	18	14	28.6	0.1%	113	0.2%	Nissan	Murano	146	73	100.0	1.2%	726	1.0%
Peugeot	16	16	0.0	0.1%	85	0.1%	Nissan	Dualis	145	70	107.1	1.2%	565	0.8%
Dodge	14	11	27.3	0.1%	88	0.1%	Toyota	RAV4	142	87	63.2	1.2%	614	0.8%
Jeep	12	2	500.0	0.1%	44	0.1%	Nissan	Bluebird	136	186	-26.9	1.1%	899	1.2%
Renault	10	11	-9.1	0.1%	43	0.1%	Nissan	Skyline	135	55	145.5	1.1%	667	0.9%
Porsche	9	15	-40.0	0.1%	83	0.1%	Toyota	Auris	135	104	29.8	1.1%	847	1.2%
Aston Martin	7	0	700.0	0.1%	17	0.0%	Honda	Accord	125	102	22.5	1.0%	877	1.2%
Alfa Romeo	6	1	500.0	0.0%	29	0.0%	Mitsubishi	Colt	125	117	6.8	1.0%	840	1.2%
Fiat	6	1	500.0	0.0%	24	0.0%	Toyota	Blade	121	58	108.6	1.0%	680	0.9%
Citroen	5	2	150.0	0.0%	23	0.0%	Toyota	Mark X	109	59	84.7	0.9%	611	0.8%
Buick	3	1	200.0	0.0%	16	0.0%	Honda	CRV	108	79	36.7	0.9%	613	0.8%
Cadillac	3	1	200.0	0.0%	16	0.0%	Honda	Stream	108	112	-3.6	0.9%	706	1.0%
Chrysler	3	8	-62.5	0.0%	27	0.0%	Nissan	Presage	105	87	20.7	0.9%	671	0.9%
GMC	3	0	300.0	0.0%	6	0.0%	BMW	320i	103	88	17.0	0.9%	731	1.0%
Kia	3	- 1	200.0	0.0%	21	0.0%	Toyota	Caldina	103	89	15.7	0.9%	640	0.9%
Others	31	46	-32.6	0.3%	284	0.4%	Others		4086	3270	25.0	33.9%	25061	34.6%
Total	12052	9629	25.2	100.0%	72408	100.0%	Total		12052	9629	25.2	100.0%	72408	100.0%

RELIABLE.





## **Bumper month for used sales**

sed imported passenger vehicle registrations increased by 25.2 per cent when comparing July's figures to the same month of last year.

There were 12,052 units sold across the country last month compared to July 2013 when there were 9,629 registrations, and they brought the year-todate total to 72,408.

John Knowles, dealer principal of Economy Cars, says: "It's fair to say the market is very strong in Christchurch.

"Our July was better than previous years because of the drop in sales caused by the earthquakes.

"We've had ongoing roadworks during the year, which have resulted in parking and accessibility issues, but we are expecting stronger figures on their completion."

Knowles says customers have been secured through the web and by referrals.

"We're also going to the clients, rather than getting them to come to us. We record our sales and we've dropped about 70 per cent in volume from walk-in traffic because of the roadworks."

Knowles believes the market in the Garden City is on the rebound as the rebuild enters full pace.

"Things are starting to drop back into place and we have seen an increase in sales to people on work visas living in Christchurch," he told Autofile.

"There have been a lot of Irish and English workers buying cars. We are also building on the commercial side of the business.

"If purchasers feel safe and secure in their employment and they are paid better money, cars are one of those things they do buy.

"When hiring a sales person, once you may have got between 50 and 60 applicants. "Today, you are to get three or four because builders and labourers are getting paid good money – and there is employment out there."

Knowles describes the local market as "outstanding at the moment and it can only improve as people go back to normality, get their jobs sorted out and return to their homes".

He adds: "After the earthquakes, we had the worst three months we have ever had.

"Moorhouse Avenue was closed and no one was coming down "Our buyers are no problem to deal with, while finance doesn't seem to be an issue. We are getting a lot of cash buyers and out-of-Auckland sales."

The business, which Wall started with his father John – who is now retired – in July 1993, moved from a car yard into a warehouse in Grey Lynn about 12 months ago and is now very web-based.

"The internet has changed the industry," says Wall. "We have been in the warehouse for just a year and have monitored that the internet is our biggest source for inquiry. up to scratch and who are working on \$100 margins".

"We need to retain our licensed dealers," says Walls, who has been in car sales since 1986. "It won't be easy, but the good ones will survive."

Lloyd Wilson, managing director of Lloyd Wilson Motors in Dunedin, says: "The market has been up and down a bit. Last month was a bit patchy – we've just had the school holidays.

"We're just doing the winter thing at the moment, but the sales are still better than this time last year though."

A dealer from the greater Wellington area says: "We sell a bit of everything including Commodores, Falcons, station wagons and people movers – all stock is going well.

"I look at some of the stuff we trade for three or four grand, and think that's a lot of car for the price, while European models have become more affordable for the public at the front end.

"New cars are so cheap. There have been some extraordinarily priced vehicles in the segments a lot of buyers never thought they would be.

"We're fortunate that a lot of used car buyers don't consider themselves to be new car buyers because they may be out there purchasing them."

The Nissan Tiida was July's the top-selling used import on 692 units. It was followed by the Suzuki's Swift on 642 and Mazda's Axela on 548.

Mazda's Demio secured 504 sales while the Honda Fit's total was 402.

Toyota topped the marques table with 2,871 units registered to bring its year-to-date market share to 3.8 per cent. Nissan was second with 2,393 followed by Mazda on 1,881. ⊕

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here, but you work through these things. During tough times, we work harder knowing and having faith that business will come right.

"We've been here since 1974 and we're fortunate enough to have a repeat referral client base." Craig Wall, of Wall Motors in

Auckland, says: "July was hard, especially with the football world cup, school holidays and bad weather all falling in the same month.

"It was profitable, but the hardest month this year, and overall the whole year has been pretty good. "Having the yard didn't justify enough for the cost of renting because walk-in traffic is less than 10 per cent.

"People come to you because of the internet. In the old days, they used to spend the whole weekend wandering around dealerships. Now they come for a reason."

Wall, who worked for six years for Percy Honda and then spent 18 months running a small yard called Surrey Autos, believes there are too many online "fly-bynighters with vehicles that aren't



New Passen	ger Vehi	cle Sale:	s by Mo	ake - Ju	ıly 2014		New Pas	ssenger Vehic	le Sale	s by N	Nodel	- July 20	014	
МАКЕ	JUL '14	JUL '13	+/- %	JUL '14 MKT SHARE	2014 TOTAL	2014 MKT Share	MAKE	MODEL	JUL '14	JUL '13	+/- %	JUL '14 MKT SHARE	2014 Total	2014 MKT Share
Toyota	1030	1158	-11.1	14.6%	7515	14.6%	Toyota	Corolla	428	376	13.8	6.1%	2741	5.3%
Holden	805	857	-6.1	11.4%	5624	10.9%	Holden	Commodore	304	237	28.3	4.3%	1702	3.3%
Ford	602	604	-0.3	8.5%	4271	8.3%	Honda	Jazz	302	87	247.1	4.3%	769	1.5%
Hyundai	571	533	7.1	8.1%	4668	9.1%	Mazda	Mazda3	222	173	28.3	3.1%	1370	2.7%
Mazda	529	569	-7.0	7.5%	3755	7.3%	Mazda	CX-5	206	221	-6.8	2.9%	1462	2.8%
Honda	421	231	82.3	6.0%	1939	3.8%	Suzuki	Swift	193	239	-19.2	2.7%	1631	3.2%
Mitsubishi	405	305	32.8	5.7%	3107	6.0%	Holden	Captiva	152	244	-37.7	2.1%	1348	2.6%
Suzuki	394	405	-2.7	5.6%	3039	5.9%	Toyota	Yaris	148	226	-34.5	2.1%	981	1.9%
Nissan	373	294	26.9	5.3%	2804	5.5%	Hyundai	ix35	147	115	27.8	2.1%	1045	2.0%
Volkswagen	307	307	0.0	4.3%	2485	4.8%	Ford	Focus	141	223	-36.8	2.0%	1086	2.1%
Kia	241	231	4.3	3.4%	1779	3.5%	Hyundai	Santa Fe	130	122	6.6	1.8%	1138	2.2%
Audi	168	149	12.8	2.4%	1257	2.4%	Nissan	Qashqai	128	76	68.4	1.8%	761	1.5%
Subaru	152	142	7.0	2.1%	1042	2.0%	Toyota	RAV4	128	194	-34.0	1.8%	1271	2.5%
BMW	147	169	-13.0	2.1%	1274	2.5%	Ford	Kuga	121	113	7.1	1.7%	842	1.6%
Mercedes-Benz	138	93	48.4	2.0%	1098	2.1%	Nissan	X-Trail	120	71	69.0	1.7%	880	1.7%
Jeep	113	76	48.7	1.6%	720	1.4%	Volkswagen	Golf	120	140	-14.3	1.7%	1168	2.3%
Skoda	76	54	40.7	1.1%	512	1.0%	Mitsubishi	Outlander	118	94	25.5	1.7%	918	1.8%
Land Rover	72	33	118.2	1.0%	538	1.0%	Toyota	Highlander	117	105	11.4	1.7%	983	1.9%
Fiat	68	17	300.0	1.0%	229	0.4%	Mitsubishi	Lancer	107	33	224.2	1.5%	998	1.9%
SsangYong	68	62	9.7	1.0%	559	1.1%	Mitsubishi	ASX	104	63	65.1	1.5%	515	1.0%
Peugeot	57	115	-50.4	0.8%	618	1.2%	Holden	Cruze	103	188	-45.2	1.5%	965	1.9%
Dodge	46	50	-8.0	0.7%	279	0.5%	Toyota	Camry	102	71	43.7	1.4%	460	0.9%
Volvo	46	18	155.6	0.7%	265	0.5%	Kia	Sportage	101	82	23.2	1.4%	564	1.1%
Lexus	40	71	-43.7	0.6%	313	0.6%	Suzuki	SX4 S-Cross	100	-	-	1.4%	531	1.0%
Mini	34	42	-19.0	0.5%	312	0.6%	Ford	Territory	98	82	19.5	1.4%	680	1.3%
Alfa Romeo	25	15	66.7	0.4%	158	0.3%	Hyundai	i30	84	97	-13.4	1.2%	915	1.8%
Chery	25	36	-30.6	0.4%	185	0.4%	Holden	Barina	82	87	-5.7	1.2%	467	0.9%
Porsche	20	12	66.7	0.3%	173	0.3%	Ford	Fiesta	79	67	17.9	1.1%	597	1.2%
Citroen	15	36	-58.3	0.2%	258	0.5%	Holden	Barina Spark	72	44	63.6	1.0%	224	0.4%
Renault	14	4	250.0	0.2%	112	0.2%	Ford	Falcon	69	49	40.8	1.0%	440	0.9%
Great Wall	12	28	-57.1	0.2%	91	0.2%	Hyundai	i20	66	53	24.5	0.9%	469	0.9%
Jaguar	10	5	100.0	0.1%	72	0.1%	Jeep	Grand Cherokee	63	50	26.0	0.9%	483	0.9%
MG	10	0	1000.0	0.1%	30	0.1%	Volkswagen	Tiguan	59	56	5.4	0.8%	476	0.9%
Isuzu	6	0	600.0	0.1%	52	0.1%	Honda	CRV	58	60	-3.3	0.8%	503	1.0%
Mahindra	6	0	600.0	0.1%	31	0.1%	Hyundai	i40	53	34	55.9	0.7%	193	0.4%
Maserati	6	1	500.0	0.1%	42	0.1%	Mazda	Mazda6	50	105	-52.4	0.7%	411	0.8%
Chrysler	5	18	-72.2	0.1%	49	0.1%	Fiat	Punto	49	-	-	0.7%	68	0.1%
Can-Am	4	6	-33.3	0.1%	37	0.1%	BMW	X5	48	24	100.0	0.7%	248	0.5%
Ferrari	3	3	0.0	0.0%	6	0.0%	Ford	Mondeo	48	68	-29.4	0.7%	429	0.8%
Aston Martin	- 1	- 1	0.0	0.0%	16	0.0%	Dodge	Journey	46	49	-6.1	0.7%	277	0.5%
Others	6	18	-66.7	0.1%	83	0.2%	Others	<b>,</b>	2205	2350	-6.2	31.2%	18388	35.8%
Total	7071	6768	4.5	100.0%	51397	100.0%	Total		7071	6768	4.5	100.0%		100.0%

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## **Dealers report mixed fortunes**

here were 7,071 new passenger vehicles sold last month, which was up by 303 units – or 4.5 per cent – on July 2013.

Year-to-date registrations of new cars are now 4,853 units, or 10.4 per cent, ahead of last year.

Toyota topped July's sales ladder on 1,030 units for a market share of 15 per cent share.

Holden came second with its 805 registrations accounting for 11 per cent of the market, and Ford was third on 602 and nine per cent.

The Corolla was the top-selling passenger model with a six per cent share and 428 units. It was followed by Holden's Commodore on 304 units with the Honda Jazz having to settle for third on 302.

Autofile contacted some dealerships around the country to find out how business has been.

Mark Peyper-Smith was recently appointed dealer principal at Winger Central, which holds franchises for Suzuki, Kia, Peugeot in Queenstown, and Hyundai and Isuzu in Cromwell.

He reports some "very sold inquiry" and now the business is fully staffed, it's all about growth.

"Currently, our SUVs are seeing the strongest growth," says Peyper-Smith. "Isuzu's M-UX is a really nice truck to drive and it's very solid.

"It's a high and low-range fourwheel-drive, which is fantastic for farmers. It's just hit the ground in the past eight weeks and we're fielding strong inquiry on it.

"Most of our stock mix is available and in general terms we're okay. Hyundai's ix35 is so popular that there has been a bit of a wait."

lan Gibson, dealer principal of

the Mini Garage in Newmarket, says: "Auckland is the largest Mini market in the country and we may do 70 per cent of national sales.

"We have seen a large increase on 2013's total and certainly during the first half of 2014."

As far as stock goes, the new Cooper and Cooper S hatch, which were launched in April, are selling now.

"We've also got the four-door version of the Mini coming along, which will open up the market for us because the three-door market tends to be quite niche," says Gibson. make too much progress," he says. "However, the basic answer is to upskill our own people, but that doesn't help us out in the short term.

"In an ideal world, we would rather get Kiwis, but it's just an issue to get applicants for a role.

"We took on two new apprentices at BMW this year and are likely to take on an apprentice at the Mini dealership too."

Paul Fisher, new vehicle sales manager with Waikato Toyota in Hamilton, also reports issues with staffing.



"We are very focused on networking, events and experiences rather than traditional marketing. We also have strong Facebook activity and lots of owner events."

Part of this includes sponsoring Omaha Surf Lifesaving Club and Coromandel FM's fleet, which will be out and about in the region during the summer.

Gibson, who is also managing director of Team McMillan, notes it's a constant battle to find technical staff.

"I've been lobbying the government, but have yet to

"It's always hard to find someone up to speed in sales, but we have a stable base," he says.

"We have just employed a younger chap and he will be up to speed in about two or three years.

"It takes three to five years because you have got to build up your base and gain repeat business.

"Even in the downturn, we never let anyone go because we always knew it was going to bounce back."

As for finance, Fisher says this "goes up and down".

"We had a record month for



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finance in June and we have been doing a lot of volume, so it's a really mixed bag," he adds.

Bruce Johnston, of Aspiring Auto Court, which has branches in Wanaka, Queenstown and Alexandra, describes trade as being "fairly quiet".

He says: "There has been a lot of inquiry, but we are finding it a little bit hard to get a commitment.

"The winter has been mild and the lateness of the ski season has meant people have tightened their belts a bit.

"We've had an interesting winter with restaurants and bars seeming to be busy, but the high price of housing keeps money out of the economy.

"We have had highs and lows all year. Last month started brilliantly for us, then the school holidays came along and it became quiet."

Aspiring Auto Court, which holds franchises for SsangYong and LDV, sold more used stock than new last month.

"I'm hoping that once the general election is out the way, there won't be that uncertainty," says Johnston, whose family has been operating in Central Otago and the Lakes District for more than 20 years.

"If the status quo remains, things will be on the up again. But people are spending less than they were 10 years ago in the \$10,000 price range."

Last month's sales of all new vehicles were the strongest in 29 years.

There were 10,313 new passenger cars and commercial vehicles sold in July, which was up by 10 per cent on July 2013.

For the year to date, they are now up by 13 per cent – or 8,594 units – compared to this time in 2013.  $\oplus$ 

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## Strong demand boosts market

here were 3,242 commercial vehicles registered last month, which was up by 610 units – or 23 per cent – on July 2013. The numbers reflect continued

strong demand and are the best July figures since the Motor Industry Association started collecting records for commercials in 1981.

Year-to-date sales are 3,744 units, or 21.5 per cent, ahead of this time last year.

Tony Bowater, chief executive officer of Bowater Toyota, says: "The Hiace is the go-to van.

"New and second-hand, it's just phenomenal and has performed stronger this year than last year.

"There's a buoyant tradie economy and it's healthy to see where the industry is going.

"The biggest problem here in Nelson is getting land. Our trades people have also been helped by what's happening in Christchurch." Bruce Johnston, of Aspiring

Auto Court, which has three branches in Central Otago and the Lakes District, says LDV vans have been proving popular in a variety of commercial applications.

"We have put them out as a courier van and courtesy coach, and we've also had a shearing contractor who has bought some," he says. "At certain times, the

commercial vehicle segment is strong but it's not persistent.

"It's driven a little bit by when people have to replace their vehicles as well as the end of the tax year.

"Fieldays took a lot of buyers out of the market that we would normally see over that period of time



because they waited for the deals. "But our philosophy is that we have got Fieldays prices all-year around."

Ford's Ranger regained its position as the monthly top-selling model with 537 registrations in July, or 17 per cent market share.

Toyota's Hilux came second with 411 and 13 per cent, while Nissan's Navara secured 10 per cent with its 332 sales.

The Hilux is hanging onto its yearto-date lead as the top-selling model with 16 per cent market share and 3,326 units from the Ranger on 3,294 and a similar percentage share.

Toyota topped last month's marques table with 635 units and a 20 per cent market share.

It was closely followed by Ford with 608 sales and 19 per cent, with Holden third with 11 per cent and 352. ⊕

#### New Commercial Sales by Make - July 2014 JUL '14 MKT SHARE 2014 Full year 2014 MKT SHARE MAKE JUL '14 JUL '13 +/- % Tovota 635 544 16.7 19.6% 5013 23.7% Ford 608 447 36.0 18.8% 3692 17.5% 52.4 10.9% Holden 352 231 1813 8.6% Nissan 332 310 7.1 10.2% 1719 8.1% Mazda 198 113 75.2 6.1% 913 4.3% Mitsubishi 204 -7.8 188 5.8% 1406 6.7% ISUZU 171 qq 727 5.3% 1243 5.9% Volkswagen 92 94 -2.1 2.8% 747 3.5% SsangYong 79 40 97.5 2.4% 530 2.5% Hino 70 50 40.0 2.2% 412 1.9% Great Wall 64 74 -13.5 2.0% 533 2.5% LDV 52 0 5200.0 1.6% 228 1.1% Mercedes-Benz 51 39 30.8 1.6% 314 1.5% Mitsubishi Fuso 47 48 2.1 1.5% 351 1.7% Foton 41 18 127.8 1.3% 225 1.1% Hyundai 39 86 -54.7 464 2.2% 1.2% Fiat 28 27 3.7 0.9% 157 0.7% MAN 25 2 1150.0 0.8% 180 0.9% DAF 20 25 -20.0 0.6% 0.6% 123 UD Trucks 20 17 17.6 0.6% 139 0.7% Others 129 165 -21.8 4.0% 927 4.4% 3242 Total 2632 23.2 100.0% 21129 100.0%

#### JUL '14 MKT SHARE 2014 Full year 2014 MKT SHARE MAKE MODEL JUL '14 JUL '13 +/-% Ford Ranger 537 380 41.3 16.6% 3302 15.6% Toyota Hilux 411 374 99 12.7% 3327 15.7% Nissan Navara 332 304 9.2 10.2% 1719 8.1% Holden Colorado 320 208 53.8 9.9% 1676 7.9% Toyota Hiace 205 158 29.7 6.3% 1554 7.4% Mazda BT-50 198 113 75.2 912 4.3% 6.1% Mitsubishi Triton 141 139 1.4 4.3% 968 4.6% Isuzu D-Max 100 55 81.8 3.1% 755 3.6% SsangYong Actvon Sport 79 40 97.5 2.4% 530 2.5% Ford Transit 66 57 15.8 2.0% 355 1.7% Volkswagen Amarok 54 62 -12.9 1.7% 465 2.2% LDV V80 52 0 5200.0 1.6% 228 1.1% Mitsubishi -26.6 437 1300 47 64 1.4% 2.1% Great Wall 45 V240 57 -21.11.4% 411 1.9% 1.3% 1.1% Mercedes-Benz Sprinter 41 29 41.4 237 Hyundai -51.2 454 2.1% iLoad 39 80 1.2%

39

34

32

30

440

3242

20

18

24

15

435

2632

95.0

88.9

33.3

100.0

1.1

23.2

1.2%

1.0%

1.0%

0.9%

13.6%

100.0%

206

202

192

134

3065

21129

1.0%

1.0%

0.9%

0.6%

14.5%

100.0%

New Commercial Sales by Model - July 2014

#### TARGETED ADVERTISING SPACE SHOULDN'T WE BE LOOKING AT YOUR BUSINESS?

Isuzu

Foton

Hino

Hino

Others

Total

F Series

Tunland

500

300

#### 26 | www.autofile.co.nz

## **Utes and vans bounce back**

There were 676 used commercial vehicles sold last month, which was 92 more than in June.

July's total was also up compared to the same month of last year – by 28.3 per cent – but one dealer contacted by Autofile is finding stock hard to come by.

"We are struggling to buy Hiaces in New Zealand because they are in short supply in the market," says Bill Julian, of August Autos in Takanini, South Auckland.

"We are seriously struggling to buy utes. Stock is available from lease companies, but for what we have to pay for it we would be working for nothing."

He says some marques, such as SsangYong and Foton, have eaten into the used market by offering competitive finance deals, baseline warranties and prices coming more in line with secondhand commercials.

"I believe they are costing us sales," says Julian. "The only upside is where exchange rates are at. But our overall unit sales are down on 2013 because of the drops in the utility market."

Stock being traded in is becoming older after some of his

clients held onto their vehicles during the global financial crisis.

"During the crisis, people spent money on maintenance rather than purchases. Unless it is of quality with a warrant of fitness and six months registration, value may be not in a trade-in."

Julian says Turners' vehicles now being available on Trade Me has



also changed the market with utes mostly affected when it comes to sourcing and buying them – and retail prices.

With the decrease in ute sales, the dealership is now looking more at refrigeration units in addition to trucks.

Simon Lucas, of Simon Lucas North Shore, says: "Great Wall buyers often realise instead of spending around \$20,000 on a second-hand ute that they can get a new product with a three-year warranty at a really good price."

Lucas reports business in tradeins hasn't been high.

"What a lot of businesses will do is buy a new vehicle and just hang onto the old one. There are also a lot of trades we won't retail and many people are selling their older utes privately to maximise values."  $\oplus$ 

#### Used Commercial Sales by Make - July 2014 JUL '14 MKT SHARE 2014 Full year 2014 MKT SHARE MAKE JUL '14 JUL '13 +/- % 49.0% Tovota 312 284 9.9 46.2% 2128 Nissan 143 122 17.2 21.2% 914 21.0% Mazda 46.2 199 4.6% 38 26 5.6% Isuzu 33 15 120.0 4.9% 229 5.3% Ford 32 21 52.4 4.7% 175 4.0% Mitsubishi 360.0 3.4% 135 23 5 3.1% 2.3% Chevrolet 20 185 7 7 3.0% qq Hino 18 10 80.0 2.7% 83 1.9% Holden 11 9 22.2 1.6% 67 1.5% Fiat 7 2 250.0 1.0% 37 0.9% Dodge 6 3 100.0 0.9% 21 0.5% MAN 4 0 400.0 0.6% 22 0.5% Suzuki 300.0 0.6% 22 0.5% 4 1 3 34 Mercedes-Benz 3 0.8% 0.0 0.4% Volkswagen 3 3 0.0 0.4% 23 0.5% 3 0 300.0 0.4% 13 0.3% Volvo DAF 2 1 100.0 0.3% 12 0.3% Kenworth 2 0 200.0 0.3% 4 0.1% Mitsubishi Fuso 2 100.0 0.3% 10 0.2% 1 Denning 1 0 100.0 01% 1 0.0% Others 9 -35.7 115 14 1.3% 2.6% 676 527 4343 Total 28.3 100.0% 100.0%

MAKE	MODEL	JUL '14	JUL '13	+/-%	JUL '14 MKT SHARE	2014 Full year	2014 MKT SHARE
Toyota	Hiace	224	222	0.9	33.1%	1589	36.6%
Nissan	Caravan	78	50	56.0	11.5%	444	10.2%
Nissan	Vanette	40	45	-11.1	5.9%	277	6.4%
Toyota	Regius	38	19	100.0	5.6%	196	4.5%
Mazda	Bongo	32	22	45.5	4.7%	163	3.8%
Toyota	Dyna	22	23	-4.3	3.3%	149	3.4%
Isuzu	Elf	21	8	162.5	3.1%	116	2.7%
Toyota	Toyoace	13	13	0.0	1.9%	74	1.7%
Hino	Dutro	11	4	175.0	1.6%	37	0.9%
Mitsubishi	Canter	11	1	1000.0	1.6%	44	1.0%
Toyota	Hilux	11	2	450.0	1.6%	69	1.6%
Ford	Ranger	10	3	233.3	1.5%	45	1.0%
Chevrolet	Silverado	9	3	200.0	1.3%	40	0.9%
Ford	Transit	8	12	-33.3	1.2%	48	1.1%
lsuzu	Forward	8	6	33.3	1.2%	42	1.0%
Fiat	Ducato	7	2	250.0	1.0%	34	0.8%
Nissan	Atlas	7	11	-36.4	1.0%	79	1.8%
Ford	F150	6	0	600.0	0.9%	20	0.5%
Nissan	Navara	6	10	-40.0	0.9%	17	0.4%
Dodge	Ram	4	3	33.3	0.6%	50	1.2%
Others		110	68	61.8	16.3%	810	18.7%
Total		676	527	28.3	100.0%	4343	100.0%

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