

# Emissions tests hinge on global measures 

It will be a case of waiting to see what happens overseas to find out how the automotive industry in New Zealand will be affected by the fallout of the Volkswagen Group's admission to fiddling emissions test results on millions of cars.

The scandal was uncovered after the company fronted up to authorities in the US that it had cheated by installing "defeat devices" on about 500,000 vehicles sold there.

It has since reported that up to 11 million diesel-powered
units worldwide are affected. Broken down by marque, the numbers come in at about five million VW-badged cars, 2.1 m Audis, 1.2 m Skodas and 700,000 Seats, as well as 1.8 m commercial vehicles.

While the Volkswagen Group has unveiled a global action plan to deal with the issue, the scandal has firmly put emissions testing back on the agenda.

Warwick Quinn, chief executive officer of the Motor Trade Association (MTA), says people who have bought affected models thinking they are
more environmentally friendly will have now "doubts about the integrity of other things they are buying and it's not a good look for the car sector".

If measures, such as in-service emissions testing, are enacted in New Zealand will depend on what happens globally especially in the US, Japan, Europe and Australia.
"Whether we have internal testing in the future will depend on the bigger picture because we are a taker of new vehicles and not a maker," Quinn told Autofile.
$\frac{n \text { this issue }}{}$ p10 Profile on IMVIA analyst p14 Marque's design hat-trick p16 Fuel-efficiency variables p19 Sale described as 'sham' p25 New cars and cross-rates
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## Advice given to shareholders

non-originating shareholder holdings at $\$ 1.16$ each and "substantially higher for active shareholders", who get extra commission due to their relationship with the lender.
"Although factors have changed since [last year's] valuation, the board doesn't believe the current value is likely to be materially lower and could

Motor Trade Finances Ltd (MTF) has advised its shareholders to wait for an updated valuation of the company before deciding whether to accept Turners Ltd's offer to buy some of their shares.

The Dunedin-based company's board has also advised them Heartland New Zealand has renewed interest in its takeover bid. shareholders to wait

MTF is obtaining an external valuation and has informed its shareholders to wait until their board assesses Turners' bid to buy up to 20 per cent at $\$ 1.15$ each.
Turners' offer of September 14 came in at a premium on top of the 94 cents the shares had previously traded at on the ShareMart system. MTF says an internal valuation last year valued its

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# Challenging times 

for global industy

The scandal surrounding the Volkswagen Group cheating emission tests has sent shockwaves around the world.

It is amazing the company got away with the scam for so long and it was so widespread - and it only fronted up when the noose was being tightened by authorities in the US.

Only time will tell how much long-term damage this will cause Volkswagen and other marques the group owns.

The short-term fallout is easier to quantify. There will be millions of furious customers whose loyalty may be irreparably damaged.

Millions of cars will have to be recalled, but the timescale for that is immeasurable at this stage. The company will likely face billions of dollars of fines in the US.

The whole group is in turmoil following the revelations. It will continue to lose millions of dollars in profits and its shareholders are counting the cost with the value of its stock plummeting.

It will certainly lose the race to be this year's number-one company when it comes to global sales of new vehicles, which was the aim of its previous chief executive officer.

Volkswagen's slender lead over Toyota by the end of the first half of 2015 will be in tatters come the end of the year, but that's a trifling matter in the greater scheme of things.

How the company retains and wins back buyers, and rebuilds its brand, is a massive intangible.

Then there is the impact this scandal will have on the wider industry as others may be tarnished with the same brush by default.

After all, this is another in a long list of fiascos to break in recent years, such as Takata's airbag inflators, Toyota's unintended
acceleration problems and General Motors' faulty ignition switches.

Of course, other wrongdoings may come to light as the authorities dig deeper as is already the case in the US, Japan and the European Union - the latter collectively and member states individually.

The Volkswagen debacle is already refuelling the debate about diesel engines. It wasn't so long ago that some experts decreed emissions caused by using petrol were bad for the environment resulting in many people opting for diesel cars instead.

The sacrifices in doing so included more noise on start-up and power lacking at the top end. But, on the flipside, trips to service stations to fill up became less frequent and annual running costs dropped.

Then, low and behold, the World Health Organisation reclassified the noxious fumes spewing out of diesel-engined vehicles as carcinogenic, and highlighted the environmental, social and health costs associated with that.

If you stand on a street corner on a sunny day and watch a diesel car pull away, you will often see a haze made up of unburnt particulates that can work their way into your lungs, for example.

The technology in diesel engines has advanced beyond recognition since the 1970 s and many have filters that capture much of the particulates. In addition, global nitrogen-oxide emissions from vehicles dropped by 81 per cent between 1990 and 2010.

Many issues will have to be tackled - not only by the Volkswagen Group, but the automotive industry across the world - over the coming months.


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# In-service testing on the <br> agenda 

"We will have to consider all options and work through them instead of defaulting to one. If it is found there is no confidence in other jurisdictions' testing regimes, that's a different issue again.
"For example, vehicles may be tested more rigorously by regulators overseas so what happens in other countries will need to be considered before we form a view on how to respond here."

In regards to in-service testing, Quinn notes that due to the age of New Zealand's fleet, many vehicles already on our roads will fail to comply with current standards.

David Crawford, chief executive officer of the Motor Industry Association (MIA), describes talk about in-service emissions testing and checking new vehicles at the border as "premature".

He says any such action on a global scale will first need
to be considered by "governments in terms of what is appropriate for individual jurisdictions".

The MIA has
traditionally been opposed to in-service emissions testing. This is because vehicles are evaluated to set standards and typecertification approvals overseas, and distributed in New Zealand on the basis of those outcomes.

Crawford stresses distributors of new vehicles in this country rely on processes on which many transport regulations here are based.
"It would take some persuasion for the MIA to support emissions testing, but if it was being discussed we would be at the table to talk about it," he adds.
"We need to see how this current situation with Volkswagen


Warwick Quinn
pans out, so talk about this is premature at the moment.
"Type-approval process used to homologate vehicles for compliance to required standards may benefit from a review to see how we can bring some more rigour to the validation of testing versus reallife performance.
"My view is in-service emissions testing will not improve the validation process, is expensive, and problematic for most of the current old and everageing New Zealand fleet."

As for the bigger picture in regards to what the Volkswagen Group has admitted to, the MIA has yet to take an official policy line because the issue affects "only one manufacturer".

However, if the situation becomes more widespread, the association will look into its position further.
"Because this affects one manufacturer at the moment, it is for that manufacturer to sort out," says Crawford.
"Let's be clear though. Not one single distributor would ever condone such a course of action.
"We are all surprised and disappointed beyond measure with the actions of the manufacturer. That is particularly the case for Volkswagen's distributor in New Zealand."

He adds the issue is one of a number of items on the agenda for the MIA's council meeting this week.

Quinn describes the situation the German company finds itself in as "incredible" and global action in its wake will probably be mirrored in New Zealand.

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## The technical stuff

THE Volkswagen Group has admitted to installing "defeat devices" in some of its vehicles during an investigation by the Environmental Protection Agency (EPA) in the US.

The company has since reported about 11 million cars worldwide have been fitted with this computer software.

The EPA says engines with it installed can sense test scenarios by monitoring speed, engine operation, air pressure and even the steering wheel's position.

When cars are operated under controlled laboratory conditions in the US, which typically involves putting them on stationary test rigs, defeat devices appear to put them into a sort of safety mode in which the engine runs below normal power and performance.

Once on the road, the engines switch from this test mode.

The result is engines have emitted nitrogen-oxide pollutants up to 40 times above what is allowed
through legislation in the US.
"We've totally screwed up," says VW America boss Michael Horn, while ex-group chief executive Martin Winterkorn concedes it has "broken the trust of customers and the public".

With the company recalling about 500,000 cars in the US alone, it has set aside US\$7.1 billion - or about NZ\$11b - to cover costs.

That's unlikely to be the end of the financial impact. The EPA has powers to fine the group up to US\$37,500 for each vehicle breaching standards - or about US\$18b in this case.

Legal action from consumers and shareholders may follow, and the US Justice Department may launch an investigation.

The scam and emissionstesting procedures are also being investigated by the authorities in Japan, Europe and a plethora of other jurisdictions.

Visit www.autofile.co.nz for more on the technical aspects of this scandal.

4 "It's the first major incident we're aware of when there has been a deliberate and fraudulent attempt to manipulate results," he says.
"It's not uncommon for vehicles to have faults and be recalled, but to have something like this happen has stunned everybody."

While he says no new vehicles made for the American market, where the scandal first came to light, have been sold in New Zealand, some imported from Europe - particularly Germany are likely to be affected.

Within 24 hours of the news breaking, the MTA received inquiries via its helpline.
"A number of people were saying they are holding off until they see what happens, so I think the effects have been immediate and we know VW's share-market price has been affected.
"There are some heavy liabilities in the US - billions of dollars - so there's water to pass under the bridge yet."

As for any damage to the company's brands in New Zealand, Quinn thinks what happens will go worldwide. "It will have a knock-on effect. Whatever occurs overseas will happen here. It's very unfortunate."

As for specifics, he says how Volkswagen responds to the crisis will have major implications not only for its marques, but the wider industry.
"The people at Volkswagen NZ are as shocked by this as everyone else," he says. "I feel for distributors and dealers who have been left having to front up to customers about this while waiting for more information."

If the emissions issue can be solved by changing software or in other ways, Volkswagen owners may be left with vehicles with lower fuel-consumption figures and less power, notes Quinn.

On the other hand, if nothing is actually done "we will be left with illegal cars on New Zealand roads because they do not

## Global models hit

Vehicles affected in the Volkswagen Group include Beetles, Golfs and Jettas made between 2009 and 2015, and the 2014-15 Passat.
Also hit are Audi's A1 to A6, TT, Q3 and Q5, and some Skodas including the Octavia. The cars affected are fitted with the company's EA189 two-litre turbo direct-injection

comply with emissions tests". Either way, people may be fearful they will be left with cars with lower resale values.

Then there is the impact on demand for diesel vehicles. Quinn points to some passenger car forecasting carried out by Shell in Germany before the Volkswagen issue surfaced.

One scenario, which assumes a continuation of current trends, predicts demand for diesel and petrol cars by 2030 will each come in with a market share of 37 per cent with hybrid vehicles and EVs making up the balance.

A second scenario,
characterised by accelerated technology change, forecasts diesel and petrol engines to each have market shares of 17 per cent by 2030 with demand for hybrids doubling to about 50 per cent.

For this to happen, however, Quinn says purposeful transport, energy and climate policies are needed.

As for what has been
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happening at Volkswagen, "people in the industry are gobsmacked it has come out like this".
"This story has some legs yet. Regulators around the world will be looking closely at their testing regimes to ensure it doesn't extend beyond the current problem."

The New Zealand government is watching international developments closely to see what, if anything, it needs to do in addition to any action taken by vehicle manufacturers overseas to address issues with emissions cheating.

Leigh Mitchell, the NZTA's acting group manager of access and use, says the Volkswagen saga was originally thought to be restricted to vehicles in the US market, which are unlikely to have made their way to this country because they are left-hand-drives.
"Further reports suggest the issue might be wider than the US and also affect vehicles manufactured for other markets, such as Europe, which is one of our main source markets," she says.
"Until we have clarity, it is not possible to say if any - or how many - vehicles in New Zealand are affected."

If action is required, then this would be an "operational matter" for the NZTA.
"The agency is working with the manufacturer's representatives in New Zealand, European Motor Distributors, to obtain more information about whether the issue affects vehicles in New Zealand," adds Mitchell.
"The government recognises
owners of any affected vehicles will have purchased them in good faith.
"Should vehicles in New Zealand be found to be affected, the government will look to mitigate any potential impacts on vehicle owners."

The Volkswagen Group plans to recall millions of diesel vehicles affected by the software that can rig exhaust-emission tests.

Chief executive Matthias


Some Volkswagen Amaroks are among the vehicles in New Zealand affected by the global emissions scandal

Müller, who has replaced Martin Winterkorn, says a project team has put together "a comprehensive action plan" and will inform customers shortly about refitting their vehicles.

The company will submit technical solutions to regulators and environmental authorities for approval in October, and set up websites to inform affected owners about their vehicles.

The group's spokesman for technical issues, Christian Buhlmann, says the refitting will involve a change of software and possible hardware changes. Software updating can
be performed quickly, while hardware alterations involve replacing fuel-injection pumps and will take "at most a few hours".

The company expects emissions and fuel-consumption figures to rise as a result of the software switch, but only minimally and for them to remain within environmental standards.

The results of an internal evaluation, which were published on September 25,


4,639 vehicles fitted with fourcylinder TDi engines are affected by the emissions scandal here. This amounts to about six per cent of the marque's models on Kiwi roads.

They include 1,411 two-litre Tiguans manufactured from 2009-15, 1,357 2009-15 B7 Passats, 874 two-litre 90 kW and 120 kW Amaroks made from 2011-12, 680 1.6-litre and two-litre Golfs from 2009-13, and 312 1.6-litre units from the 2011-15 Caddy range.

Other models fitted with TDi engines include two 2011 1.6-litre Polos, two 2013 two-litre Sharans and one 2011 two-litre Touran. However, new B8 Passats launched in May 2015, current 132 kW TDi Amaroks, and Golf 7 s , which came onto the market in February 2013, are unaffected. About 1,600 Audis will probably have to be recalled, including some A3s, A4s and Q5s, while Skoda has 535 Superbs, 497 Octavias, 267 Yetis and 29 Rapids affected.

Volkswagen NZ says the operation of these vehicles is not impaired and they can be used as usual without restrictions.

The company is in the process of contacting affected customers and informing them of the next steps. Vehicle identification number lookups are also available for customers online at www.volkswagen.co.nz.

It adds Volkswagen AG in Germany is working as quickly as possible to find a technical solution. Once that is known, customers will be informed of the action plan to remedy their vehicles. $\oplus$
procedures are required for about five million vehicles from Volkswagen's passenger cars brand out of a total 11 million group vehicles worldwide.

These vehicles from certain models and model years - such as the sixth-generation Golf, and seventh-generation Passat or first-generation Tiguan - are fitted with EA189 diesel engines.
"All new Volkswagen brand vehicles fulfill the EU6 norm valid throughout Europe and aren't affected," the company adds. "This includes the current Golf, Passat and Touran."

Volkswagen New Zealand says


# Industry backs levy proposals 

The government is reviewing how ACC's vehicle risk-rating system works as part of consultation on levy reductions worth $\$ 450$ million in 2016/17 for the work, earners and motor-vehicle accounts.

Nikki Kaye, Minister for ACC, says wider proposals are based on the board's new funding policy of each account targeting assets within a band of 100 and 110 per cent of its liabilities.
"ACC will also consult on potential refinements to riskrating policy," she adds. "When it was applied in July, I said this new system would be refined over time.
"Following discussions with stakeholders, I'm proposing some pragmatic changes to enable greater consistency in the placement of vehicles in bands."

The Motor Industry Association (MIA), Imported Motor Vehicle Industry Association (IMVIA),

Motor Trade Association (MTA) and AA have welcomed Kaye's pledge to fix the system.
"We are pleased with the co-operation between ACC and industry organisations," says David Vinsen, of the IMVIA. "This highlights the benefits of the organisations having good relationships between themselves and with the government.
"We've had to dig in deep by going through each vehicle. Significant improvements have been made and we're confident we have got them all. But, from time to time, one may still get through."

The MIA also welcomes consultation on the levy and risk-rating changes. It describes reducing overall charges by 33 per cent - or by an average of about \$70 - as significant.


Nikki Kaye, Minister for ACC

Proposed cuts in the petrol levy by 1.2 cents per litre and the motorcycle safety levy by $\$ 5$ have also been praised.
"Risk-rating worked well for the majority of vehicles, but was plagued with errors for some makes and models due to the inflexible nature of the ACC model," says David Crawford, of the MIA.

It called for changes to incorporate model generations as opposed to treating a series of models over a long period as one generation thereby penalising new models for the less-safe outcomes of earlier models.

Crawford adds ACC has included proposals to tighten up the rigour around using total secondary safety-index data so the outcome is more credible and has proposed to extend the use of NCAP ratings.

Warwick Quinn, of the MTA, says: "Car manufacturers, dealers and consumers were confused about apparent differences in the perceived safety of seemingly similar vehicles. The refinements come after discussions with key stakeholders."
"It's pleasing to see the government and ACC looking at how they can reduce levies so motorists aren't paying more than their fair share," says the AA's Mark Stockdale.

The AA also supports ACC for seeking feedback on the idea of adding levies to road-user charges paid on diesel vehicles at some stage in the future, which would mean petrol and diesel vehicles having the same annual licensing fees.

People wanting to comment on the proposals can do so online at www.shapeyouracc.co.nz. Visit www.autofile.co.nz for more on this story. $\odot$

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# Company issues views on offers 

be higher," says Stephen Higgs, chairman of MTF.

Turners - formerly known as Dorchester Pacific - currently holds 218,452 MTF shares, which is about one per cent of the stock.

It will need the support of MTF's board to acquire 20 per cent because the target company's constitution has restrictions on holdings above 10 per cent. The proposed offer is expected to close on October 17.

MTF has also recommended its ordinary shareholders read Turners' disclosure document and terms of offer carefully, and seek financial or legal advice if they are unsure about it or are thinking about selling their ordinary shares.

Higgs' statement to the NZX adds MTF shareholders are under no obligation to accept any offer or take action in respect of Turners' offer. It adds unsolicited offers are subject to the Financial Markets Conduct Regulations, which means they must be made in clear and concise disclosure documents outlining prescribed information.

Also, MTF's shareholders have a right to cancel any offer acceptance up to 10 working days after the date of their acceptance.

Any shareholder wanting to hold more than 10 per cent may only do so with the approval of MTF's board of directors and shareholders at a
shareholders' full meeting.
This means the board cannot approve a shareholder holding of more than 10 per cent of MTF's voting shares and at least 75 per cent shareholder approval is required.
"A transfer of shares will be approved by the board only if it results in a shareholder continuing to hold the minimum requirement after the transfer is complete," adds Higgs.
"This means a shareholder originator may only agree to sell into Turners' offer [any] ordinary shares in excess of their minimum shareholding.
"Similarly, the board will only approve a transfer of shares that would result in a shareholder holding more than 10 per cent of voting shares in the company if approval in respect to that holding has been obtained in accordance with MTF's constitution.
"This offer does not apply to the listed MTF perpetual preference shares."

Meanwhile, Heartland NZ has confirmed its continuing interest in acquiring MTF if shareholders, franchisees and dealers are receptive to a proposal.

Its offer is also on the proviso that existing issues between MTF and the Commerce Commission in relation to loan fees in the Sportzone


Stephen Higgs, chairman of MTF
case are better understood.
In a statement to the NZX on September 18, Heartland notes Turners has notified MTF of its intention to write to its ordinary shareholders with an unsolicited offer to buy ordinary shares at \$1.15 each.
"Turners is prepared to receive acceptances that would take its shareholding up to 20 per cent of ordinary shares in MTF," states Heartland.
"In light of the proposed offer by Turners, Heartland wishes to update the market in relation to its interest in acquiring MTF."

Heartland believes "MTF shareholders should exercise caution when considering the

# Hall of fame spot 

The chief executive of the Ministry of Transport (MoT) has scooped a major honour for promoting intelligent
transport systems, known as ITS. Martin Matthews has landed the ITS World Congress' hall of fame lifetime achievement award
for leadership in the sector. He is challenging the industry to think about how people and freight might travel in future, and how technology can facilitate change.
"The MoT is working to ensure the regulatory system and infrastructure are ready for
merits of Turners' unsolicited offer". In particular, it observes: "Turners' offer comes at a time of uncertainty for MTF given that the Sportzone case is pending. The outcome of the case may or may not have material value implications for MTF."

Heartland adds: "If Turners achieves a 10 per cent plus shareholding in MTF, and if MTF shareholders vote to approve registration of transfers affecting that outcome, Turners will effectively have a blocking stake and will be able to prevent a full takeover of MTF by another party.
"Any takeover premium potentially realisable by MTF shareholders for their shares would effectively be removed as competing offers would be discouraged."

Higgs notes Heartland's confirmation of its interest in MTF since Turners announced its offer, which follows Heartland tabling a takeover proposal to the finance company in 2015.

He says MTF's board intends to engage with both parties, and take advice on issues raised by Turners' offer and Heartland's approach.
"At this point, we believe it would be prudent for ordinary shareholders to await further advice from the board before making any decision," adds Higgs. $\odot$
technologies to be tested and deployed in New Zealand, which could be at the forefront of changes if we play our cards right," says Matthews.

Visit www.autofile.co.nz for more on this story and the ITS action plan published by the MoT.

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## Car volumes ise to boost results

The record number of motor vehicles being processed by Ports of Auckland Ltd (POAL) has been flagged up as one of the highlights in its annual results.

The council-owned company has declared a $\$ 41.7$ million dividend for the 2015 financial year, which compares to an ordinary dividend of $\$ 50.2 \mathrm{~m}$ plus a special dividend of $\$ 16.4 \mathrm{~m}$ in the previous reporting period.

Net profit after tax was $\$ 63.2 \mathrm{~m}$ compared to $\$ 74 \mathrm{~m}$, while capital expenditure rose from $\$ 27.4 \mathrm{~m}$ to $\$ 47.9 \mathrm{~m}$.

Total group revenue came in at $\$ 218.3 \mathrm{~m}$. This was down from $\$ 221.2 \mathrm{~m}$ during the previous reporting period and reflects the sale of POAL's subsidiary Connlinx part way through the year.
"I'm very pleased with this result," says Tony Gibson, chief executive."We have delivered another strong dividend and are well-positioned for further growth." Multi-cargo volumes held up well with car volumes increasing by 17.4 per cent to a record 243,801 units from 207,591. Total breakbulk tonnage, including cars, went up by 4.4 per cent on the year before.
"We have made better than expected progress replacing container volumes after Maersk moved a major service away from Auckland early in our financial year," adds Gibson, pictured.

Container volumes finished the year up at 972,434 20-foot equivalents compared to 968,741 in 2014 against expectations they may fall, while "several unusual items" impacted on the dividend and profits.

These included putting aside $\$ 7.3 \mathrm{~m}$ to cover costs and provisions for Bledisloe Wharf's extensions following the high court's decision to overturn the consents granted by Auckland Council. If the project

had certainty, which it no longer has, those costs would not have been expensed.

The company incurred a $\$ 4 \mathrm{~m}$ cost relating to wharf and building demolition, and made $\$ 2.4 \mathrm{~m}$ in severance payments to workers who left after a collective agreement was settled with the Maritime Union.

Gibson describes prospects for the coming year as "subdued" because of lower dairy prices and a fall in the New Zealand dollar.
"We are expecting a softening in some import trades, slower growth in car volumes and a decline in bulk exports," he says.
"Long-term growth prospects remain strong in line with Auckland's. We are making several strategic investments to ensure we can meet that growth.
"We are investing in a North Island supply-chain network with new freight hubs in the Manawatu and Bay of Plenty, and an expansion of our existing freight hub in South Auckland.
"To improve productivity and capacity, we are investigating partial automation of our container terminal. A decision on whether or not to proceed will be made in early 2016."

The company will finish a 50-metre wharf extension at Fergusson Container Terminal in October and start the construction of Fergusson North Wharf.
"These projects will increase our terminal berth space by about 50 per cent, and are essential for handling growth in ship size and trade volumes," adds Gibson.
"Overall, our performance has been good given the challenges we have faced."

POAL is also investing in container terminal infrastructure and cranes, and improving its sustainability by increasing the number of containers moved by rail. $\oplus$

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- MIKE FARMER, Group Managing Director, Farmer Motor Group Limited.


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# Using data to drive forward 

Kit Wilkerson is thrilled to be applying his academic expertise in the real world with the Imported Motor Vehicle Industry Association (IMVIA).

For example, in-depth knowledge of artificial intelligence means he can look at how technology is being driven forward utilising data and with intelligent transportation systems (ITS).
"Systems, such as ITS, are being progressed by engineers and academics who talk in my language," says Wilkerson, who stepped into the newly created role of policy adviser and analyst about 18 months ago.
"What I do is take that on board and advise our industry, or even the government, as to how I see everything moving forward. The great thing about my position is the challenge, and being involved in issues that help keep
the industry's doors firmly open." Wilkerson likens adopting ITS for widespread use as akin to comparing cars to horses - that's to say, one form of transport rendering another obsolete in many ways.
"This also happens when
"Having a public transport system that's more convenient, smarter and provides additional options is probably more important than autonomous cars. Then there are systems in vehicles." Wilkerson believes ITS have, and will continue to have, a
nodes. Rather, we are controlling the whole at system level.
"Autonomous vehicles are exciting, but will not replace today's cars because people still enjoy driving.
"If you go back in time, there must have been horse dealers


# "Autonomous vehicles are the tip of the iceberg when it comes to ITS, but not everyone will want one." 

\author{

- Kit Wilkerson, IMVIA
}
industries cannot change business models or may not want to, or don't fit into new systems.
"Autonomous vehicles are the tip of the iceberg when it comes to ITS. They demonstrate these systems' most visible aspect, but not everyone will want one.

major impact on how drivers get around - from when they are on roads to helping ensure optimum numbers of people make full use of networks.

But to what extent should on-board computer systems be in control - and not the driver? Wilkerson sees ITS as bringing many advantages and as part of our evolution.

He opines:"Many people no longer have to worry about survival, which allows us time to worry about other things. ITS is a form of automation and will ultimately free up time for us to focus on different things.
"ITS is more about how vehicles interact with each other. We aren't giving up control because we are automating
who didn't think everyone would buy cars. They did and horses got replaced, but people still go places to enjoy riding.
"Similarly, ITS and autonomous vehicles are the next step in the evolution of transport."

## ASSOCIATION MOVES AHEAD

Wilkerson was appointed by the IMVIA in May 2014 at a turning point for the association and about 100 people applied for his role.

Industry stalwart John Nicholls resigned from analysing statistics for the IMVIA after many years, while extra back-up was needed for Malcolm Yorston, technical services and membership manager.
"At first, the association was unable to find anyone with its preferred credentials," recalls


KIT Wilkerson is "qualified for security clearance: Nuclear access L" in the US, but "it's nothing that glamorous".

He explains:"I did some contract work at a nuclear plant during an outage for maintenance.
"I acted as a process analyst related to its third-party service providers, such as pipefitters and electricians, advising on optimising workflow.
"Nuclear plants are considered national security interest sites
in the US, so everyone who works at one has to go through a thorough background check and get a clearance from the federal government."

He laughs:"I only have it on my resume so people can see I am trustworthy, or at least I was so then.
"The $L$ refers to the level of access I had to nuclear material. I think it denotes I have access to the site, machinery and personnel, but no actual nuclear material."

4 Wilkerson, who worked for the ITS department St Cloud University in Minnesota before the IMVIA.
"It approached an agency to help look for a technical engineer with knowledge of computer sciences and the humanities.
"It wanted someone who could offer a different perspective, write and analyse data. It wanted to teach that person the industry instead of teaching an industry expert about analysis and so on.
"That path was created on advice from the Ministry of Transport so the successful applicant would fit in with what the government's analysts are like when it comes to functionality."

A key part of Wilkerson's job is providing analysis on data and processes, looking at what the IMVIA does and streamlining systems.
"As far as learning about the industry, Malcolm is a font of knowledge. I will never be able to learn everything he knows, but then no one will as it's an ongoing process.
"Our industry is international, and there are unique aspects to it because it is a standards adopter and not a setter.
"We accept vehicles from all major jurisdictions globally and many things overlap. Because of this, no one has the expertise we have, which comes from how New Zealand's industry was set up and has evolved."

## ROLLING BACKTHE YEARS

 After completing high school, Wilkerson joined the Merrill Corporation in 1998. He worked on project management on its IT help desk for three years before becoming a warehouse manager.He began university in 2005 at Southern Illinois University where he completed a degree in linguistics and computer science before securing his masters in 2010.
"I went back to education because I had ideas I needed to formalise and share, but I've always been interested in artificial intelligence. When I left high school, I didn't feel ready for university. I wasn't ready to go back until I was 27 ."

## From practical to artificial intelligence

KIT Wilkerson's first car was a 510 Datsun. "Station wagons may be practical, but they aren't that acceptable to Americans.
"It was horrendous. It was a hand-me-down from my mother in the early 1980s. But when you are 16, you take what you can get."

His current drive is a 2007 Toyota Ractis, pictured, with a panoramic sunroof and three
seats in the back - "a practical family car with plenty of space for the kids".

He quite likes the styling of Honda's Element, "but they don't make them anymore".
"I would like to buy one and experiment with throwing in an electric motor, and perhaps even an artificially intelligent brain to see if I can get it to learn to drive itself."


Wilkerson, who is married with three children, shifted here in 2011 when he received a vicechancellor's doctoral scholarship from Auckland University of Technology (AUT) to do research into artificial intelligence.
"It has been a learning experience because it was the first time I had been to a foreign country. I've just received permanent residency for New Zealand, which provides stability because I know my family and I will not be kicked out.
"Being at AUT has been great, but I don't have a graduation date as I'm working full time as well as studying. I have earned my candidacy and am now working on my thesis.
"Getting an education in the US is expensive. I was applying for Phd courses at the height of the global financial crisis when many universities didn't know if they could afford the funding for students they already had.
"Without funding, I would have been looking at around US\$30,000 a year [about NZ\$46,000] at the cheapest school.
"Being an international student here is comparatively cheap - about NZ\$7,000 a year. My scholarship made the decision to come here easy.
our children to grow up in, so it has been worth the effort and challenges."

## CRUNCHING THE NUMBERS

Wilkerson is spending a lot of his time becoming an expert on New Zealand's automotive industry "so if and when the next battle comes up, the IMVIA has all the information it needs to make its case".

This involves finding sources of data and warehousing that information for when it's needed, such as on the dynamics of the fleet," but we still have a lot more to gather".
"The IMVIA's work could enable us to advise the industry on what stock to choose, what prices to pay and what vehicles customers are interested in.
"This can be achieved by analysing economic indicators, while the results can also be used when it comes to advocacy with the government. It's about how we break down data and use it." $\oplus$

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# Marques battle it out in Frankfurt 

Mercedes-Benz is aiming to launch an electricpowered competitor to Tesla in the next few years.

The German marque plans to start selling an electric vehicle with a range of $400-500 \mathrm{~km}$, possibly in 2018.

It will likely need to be a larger model to accommodate the size of the battery pack needed for that sort of range.

Thomas Weber, Daimler's board member in charge of MercedesBenz car development, says it isn't meant to compete with the company's electric versions of the Smart ForTwo, Mercedes B Class or Mercedes-AMG SLS.
"It's something different," Weber told journalists at Frankfurt Motor Show last month. "It's unique and emotional. Aerodynamics is and will be important."

Some of the features shown in the marque's Intelligent


Aerodynamic Automobile concept unveiled in Frankfurt may be used to help extend electric range.

## STICKING TO SPORTS CARS

Ferrari is aiming to concentrate on manufacturing high-end sports cars and will avoid following the crowd with an electric or SUV model.
"We've been refining our concept of building two-door sports cars for

which made its debut in Paris in 2014
The marque says the C-HR delivers on a pledge by global president Akio Toyoda to build better cars that bring the fun back to driving.

Spencer Morris, general manager of product at Toyota NZ, says this latest incarnation heralds an exciting possible addition to its local line-up.
"The striking looks, compact packaging and agility in the C-HR Concept mean it's on our wishlist," he says.
"Given the right specification, pricing and availability, we expect the C-HR production model to accelerate hot demand for vehicles in the small SUV segment.'

The concept has been designed around a platform developed by the marque's new global architecture programme, which also underpins the latest Prius.

The C-HR has a highly rigid body and low centre of gravity to minimise body movement and roll while cornering. This allows for suspension settings that deliver ride comfort and equips the C-HR


Citroen's Cactus M

Concept with responsive handling agility and straight-line stability.

The sleek cabin contrasts with angular rear shoulders and muscular wheel arches, which feature unique 21-inch wheels with machined-surface spokes.

## SURFING SPIRIT INSPIRES

Citroen has built a concept that takes inspiration from its Mehari beach buggy and hints at a production SUV version of the C4 Cactus.

The Cactus M"illustrates the potential of the C4 Cactus as the basis
for new models," says the marque. Painted in Hawaii blue, it has been "inspired by the surfing spirit".

The Mehari's influence is seen with the Cactus M's open roof, visible door hinges and moulded plastic one-piece doors.

Like the original Mahari, which was built from 1968-88, the Cactus M is intended as a "go anywhere" vehicle with its grip-control function having four modes - normal, all-terrain, snow or sand

The cabin can be hosed down thanks to drainage outlets in the foot
wells. It has an inflatable roof that can be stretched over the car's back to create a tent, while the rear seats can be folded down to make a bed.

The car is given SUV toughness by making the windscreen more upright and thickening the A-pillars.

The Cactus $M$ is the second compact SUV concept Citroen has shown based on the C4 Cactus hatchback and follows the unveiling of the Aircross concept in Shanghai earlier this year.

Visit www.autofile.co.nz from more from Frankfurt Motor Show. ©


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## NEWS in brief

## Second edition of Dealer Directory gets delivered

The second issue of Dealer Directory has been published by 4 Media Ltd, which owns Autofile magazine.

The publication, which provides a full list of traders of passenger and light commercial vehicles in New Zealand, returned to the market earlier this year as a bi-annual publication under 4 Media's management.

The latest edition was delivered free to
 subscribers of Autofile with the September 19 issue of the magazine.

Dealer Directory lists traders by NZTA postal area regions as reported by the Motor Vehicle Registry's sales statistics.

Also included is the region's population and proportion compared to how many people live in New Zealand, and automotive sales by firsttime registration and change of ownership - by number of units and as percentages of national figures.

Following the snapshot of each area, franchises are listed first followed by all dealers, while industry services are given at the start in eight categories. Email brian@autofile.co.nz to request extra copies of Dealer Directory.

## Blue Lena fetches small fortune for Rolling Stone

The Bentley S3 Continental Flying Spur, which took Keith Richards and model Anita Pallenberg on a drug-fuelled trip to Marrakech from the UK, smashed its pre-sale estimate to realise $£ 763,100$ or about NZ\$1.86 million
"It was a car meant to be driven
 fast at night," the Rolling Stone said in his 2010 autobiography.
"Having this car was already heading for trouble, breaking the rules of the establishment, driving a car I was definitely not born into. Blue Lena carried us on many an acid-fuelled journey."

It was one of more than 350 lots of cars, planes and automobilia that achieved NZ\$31m at the Bonhams Goodwood Revival Sale last month.

The auction also featured vehicles belonging to Chris Evans, the new host of BBC's Top Gear. Among them was a 1963 Ferrari 250 GT SWB Berlinetta, which made NZ\$1.48m.

## Marque's design team scoops hat-trick of awards

Mazda landed three awards in last month's Automotive Brand Contest in Germany. The marque's global design department received the team of the year award for "innovative and consistent brand design".

It also won the "best of the best" award for exterior volume brand with the CX-3, and was recognised in the parts and accessories category for its Kodo concept track racer.
"Over the years, German designers have set benchmarks," says Andrew Clearwater, managing director of Mazda NZ. "For them to recognise the skill and talent of our team is a tribute to its hard work and dedication."

## Racing event to promote uptake of electric cars

An electric motorsport racing event returns for its second year on November 28 at Mike Pero Motorsport Park in Ruapuna, Christchurch.

EVolocity will feature workshops and exhibits on electric vehicles (EVs), and a showcase for smart energy solutions so people can learn about solar and energy-storing technologies.

There will also be 38 high-school teams racing EVs they have designed and built. Other attractions include a race between a Tesla P85D, Ferrari and Porsche. Visit www.evolocity.co.nz for more details. $\odot$


AIfa Romeo's all-new Giulia Quadrifoglio was unveiled at Frankfurt Motor Show with five examples of the highperformance car on display. Built on a rear-wheel-drive platform with an emphasis on weight and agility, sporty underpinnings define its shape.

The sedan is powered by an all-aluminium, 2.9-litre turbo petrol V6 engine, which has been inspired by Ferrari technology and expertise, and produces 380 kW of
power and 600 Nm of torque.
The Quadrifoglio has a top speed of 307 kph and takes 3.9 seconds to get from 0-100kph. The marque says it returns best-in-class $\mathrm{CO}_{2}$ emissions levels of $198 \mathrm{~g} / \mathrm{km}$ largely thanks to its electronically controlled cylinderdisabling system and aerodynamics.

The front of the car has a double-wishbone suspension with semi-virtual axis to optimise the filtering effect, and guarantees rapid and accurate steering.
instantaneous response and a stopping distance from 100 kph of 32 metres, is introduced in the Quadrifoglio.

A new active aero splitter, which actively manages downforce for higher performance and better grip at higher cornering speeds, also makes its debut.

All of the Giulia's systems are governed by chassis domain control developed with Magneti Marelli. This acts like the car's "brain" and co-ordinates all the onboard electronics.

New Zealand sales of the Quadrifoglio will start in late 2016 when pricing will be announced. ©

## Crossover revealed

aguar celebrated its 80-year heritage by revealing its allnew F-PACE in Frankfurt - its first performance crossover.

The marque says camouflaged prototypes have already been proving its "everyday usability, and exceptional ride and handling" by supporting Team Sky on the Tour de France.

It has also been put through more than $400,000 \mathrm{~km}$ of extreme testing at test centres in Dubai and northern Sweden, and has tackled some of the most challenging roads in the world.
"This year is Jaguar's 80th anniversary and it has been a monumental year of
transformation for the brand," says Kevin Stride, vehicle line director for Jaguar Land Rover.
"The introduction of the innovative Jaguar XE was followed closely by the classleading all-new XF."

The F-PACE was joined at the motor show in Germany by the 2016 XJ and XF, which will be available in Europe from September along with the award-winning new XE with Kiwi pricing and availability yet to be determined.

The 2016 F-TYPE range, which now includes all-wheel-drive and manual transmission options in coupé and convertible body styles, also starred in Frankfurt.


This feature keeps the caster trail constant in corners to allow higher levels of lateral acceleration.

The rear suspension is underpinned by an advanced multi-link set-up with electronic torque vectoring on the rear differential to allow the driver to explore the handling "without running up against an invasive stability-control system".

The integrated brake system, which combines stability control and a traditional servo brake for

An interesting application came before the Disputes Tribunal last month.
The case was brought by a consumer concerned by the discrepancy between a new car's fuel economy, and its expected efficiency on its window card and online at www.rightcar.govt.nz.

While I understand the consumer's frustration, the efficiency numbers published are followed by a disclaimer stating the information is for comparative uses only, and actual costs and fuel consumption will vary.

It continues by stating conditions can contribute to deviations and consumers shouldn't expect to exactly meet values on the label.

The values published are provided by manufacturers in a manner mandated by law. They are required to use standard test protocols to determine them as specified by New Zealand's Land Transport Rule: Fuel Consumption Information 2008, Rule 33020.

Registered traders must by law print and display labels with these standard figures on them.

Based on the generous nature of the values, I must assume the tests used to develop these fuelefficiency numbers represent ideal situations.

Research carried out by the Center for Transportation Studies at Oak Ridge National Laboratory in the US has highlighted particular characteristics, conditions and other variables that create the greatest deviations from the ideal numbers that are reported by the manufacturers.

It found the characteristic most affecting fuel efficiency was the ratio of city versus busy motorway driving.

This rating, however, is not as simple as we may initially think. The only situation that really qualifies as motorway driving is travelling nonstop at about 70-90kph. Everything else, faster or slower, decreases efficiency. Stop-and-go driving exacerbates the issue. Crawling toward Auckland's CBD at 20kph is city driving even if done on a busy motorway.

This variable affects fuel efficiency by up to 27 per cent, so one should expect a proportional increase in consumption and therefore emissions.

People's driving styles was the second greatest factor influencing fuel efficiency and, thankfully, this is also one of the easiest for them to change. Driving style generally represents aggressiveness. The study showed the most aggressive drivers had increased fuel consumption of 18 per cent.

Interestingly, the third most significant variable was the vehicle


KIT WILKERSON IMVIA policy adviser and analyst
type. In general, larger vehicles increase consumption by up to 15 per cent.

This initially seems odd because the vehicle's characteristics should already have been taken into account by base efficiency tests. After some
consideration, however, the result is obvious because more people and gear fit into bigger cars, and that mass takes more energy to accelerate. We even tend to fill empty cars with things, such as child seats, bags of gym clothes and so on.

The next potentially most influential factor was the cold. Each degree below $20^{\circ}$ and measured down to $-15^{\circ}$ reduces fuel efficiency by just under 0.5 per cent (up to 14 per cent).

There are several reasons for this including cold air being denser and more difficult to push through, especially at higher speeds.

Additionally, engines have optimal temperatures.

Since most commuters in New Zealand travel less than 10 km to work, they are probably reaching

their destinations before vehicles ever reach their optimal operating temperatures.

The geography of the driving conditions was also found to increase consumption by up to 12 per cent, which is fairly obvious.

Driving the roads of Coromandel Peninsula, which are winding with many elevation changes, requires frequent acceleration and braking, will consume much more fuel than someone cruising along Canterbury's flat plains.

Finally, the baseline tests are done with optimised fuel. Most fuel available at pumps has been modified for a variety of reasons, such as reducing emissions and costs. The type used was found to increase consumption by up to 10 per cent.

As a final point, I mention this because it surprised me, is that the researchers found the age of a vehicle doesn't alter its efficiency by more than two per cent over 15 years.

As can be seen, there are many factors that potentially change fuel efficiency. Some are within our control, some outside.

While I applaud the government for doing what it can to help educate consumers, we should be wary of creating unreasonable expectations by allowing them to use baseline figures as a relative comparator when deciding which vehicles to buy.

A standardised vehicle's efficiency rating is valid only in the context of these other variables. Creating a model that's personalised would be a better tool for providing accurate information. ©
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|  | 4 Holden | 4 Falcon | 4 Station wag | 4 Yam | comes with its original handbook |
| Stat\|st|cs | - Mazda | 5 Golf | 5 Hatchback | Sawasaki | delivery docket and dealer invoice. |

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# Tribunal dismisses buyer's request to reject vehicle purchased sight unseen 

## Background

On or about January 12, 2015, Wayne Kennedy agreed to buy a 2007 Mazda Axela sight unseen for $\$ 8,800$ from Autopride Cars.

The purchase price included the cost of shipping the car, which had $109,428 \mathrm{~km}$ on its odometer, from Auckland to Christchurch.

Two months later when
Kennedy received it, he emailed the trader rejecting it because the engine stalled when it was stationary and he added it was in a shabby condition.

He wanted the tribunal to order the dealer to refund his purchase price.

The trader said Kennedy was offered a refund if he paid the cost to return the vehicle to Auckland, which he refused to do.

## The case

Kennedy saw the vehicle advertised by the Auckland trader on Trade Me.

He agreed to purchase it sight unseen with delivery to Christchurch where he lived. The car had a new warrant of fitness (WOF) issued by VTNZ.

The vehicle was damaged at Port of Auckland during transit to Lyttelton, so the dealer paid for it to be repaired in early March before it was collected on March 13.

Kennedy was disappointed with the Axela because of its condition, the vehicle was running rough and stalled while stationary, and its check-engine light was on.

He added rust was visible around a brake light, and its interior
and exterior were scratched.
On the same day he collected the car, he emailed the trader. He said he wanted to reject it and asked for a refund.

The dealer said it would refund the purchase price less the cost of shipping it to Lyttelton and returning it to Auckland - a total of $\$ 1,140$. This offer was declined.

The trader discussed the matter with Kennedy on March 19 and three days later emailed a similar offer for him to only pay the cost of transporting it back to Auckland, which was also refused.

Kennedy claimed he then didn't use the vehicle except when he drove it on May 19 to Jones Road Auto (JRA) when its odometer was on $109,731 \mathrm{~km}$.

JRA inspected the car and found it had a faulty ignition coil. It added the brake-pad linings were low, the left-front shock absorber leaked, and the auxiliary drive-belt was cracked.

The dealer said the purchase price included sea freight to Lyttelton. It added delays in transporting the vehicle were caused by the shipping company and Kennedy was kept informed.

The trader said it offered to accept the vehicle back, but expected the buyer to pay the cost of returning it.

## The finding

The tribunal - in determining whether the car complied with the guarantee of acceptable quality under the Consumer

Guarantees Act (CGA) considered its age, purchase price and mileage.

It found a reasonable purchaser of an aged and highmileage vehicle would expect it to be worn, scratched and have some surface rust.

But the tribunal said a reasonable purchaser wouldn't expect the engine-check light to be on due to a faulty coil, and to find a leak from the shock absorber and crack in the drive-belt.

It determined these problems indicated the vehicle wasn't free from minor faults when sold.

However, the tribunal was surprised JRA found the brakepad linings were low because the vehicle had passed a WOF in January 2015 - 300km before it was seen by JRA - and was unconvinced they needed replacing.

It ruled the vehicle didn't comply with the guarantee of acceptable quality as stated in section six of the CGA because it wasn't free from minor faults.

Kennedy rejected the vehicle as soon as he received it and before it was assessed by JRA.

After stating it took seven weeks to arrive damaged, he listed its faults as no reversing camera, which he paid for, scratches on the dashboard, and the logo on the steering wheel was chipped and "looking tatty".

He added there was no band expander for the stereo, the car hadn't been groomed, it didn't have full tank of petrol

The case: The buyer wanted to reject a Mazda Axela, bought sight unseen from a trader, on the day he received it. The purchaser described the car as being in a shabby condition. The dealer said it would refund the purchase price if the vehicle was returned to Auckland.
The decision: The tribunal dismissed the application to reject the car, but ordered the trader to pay the buyer about $\$ 1,000$ for repairs.
At:The Motor Vehicle Disputes Tribunal, Auckland.
as promised and it was almost empty when it was picked up, and the engine was running rough and felt as if it was going to stall when at a standstill.

The tribunal ruled these faults were not failures of substantial character.

Instead, they reflected Kennedy's disappointment that he had bought a car sight unseen and it wasn't in as good a condition as he might have wanted in an eight-year-old and high-mileage vehicle.

The tribunal wasn't satisfied that under section 21 of the CGA it had the grounds to uphold Kennedy's rejection of the Axela.

Due to the cost of returning it to Auckland for repairs, the adjudicator ruled the trader should pay Kennedy \$999 to cover the estimated cost of fixing the vehicle's three minor faults and to refund him for the reversing camera that it failed to supply.

## Orders

The application was rejected and the dealer was ordered to pay the purchaser \$999. ©


# Couple awarded \$30,000 after sale described as 'sham' by adjudicator 

## Background

Sheldon Rodrigues and Jessica Wallman agreed to buy a 2014 Mazda 3 from Farzad Nikanjam for $\$ 30,000$ on January 5, 2015, after he told them the car was "brand new".

Three months later, the buyers discovered the Mazda had been written off in Australia and imported as a damaged vehicle into New Zealand.

They also discovered Nikanjam was a director of Nikan Cars, a registered motor vehicle trader.

They emailed him on April 1 to reject the vehicle under the Consumer Guarantees Act (CGA) and wanted wanted the tribunal to uphold their rejection or find a remedy under the Fair Trading Act (FTA).

Nikanjam claimed it was a private sale and the tribunal had no jurisdiction on the application.

## The case

The buyers produced a copy of the Trade Me advert and a link to a video on YouTube, which described stock offered for sale by Nikanjam.

They said he told them the Mazda was brand new and he imported vehicles from Australia as a hobby.

On March 17, Rodrigues noticed a paint chip on the bonnet. Three days later, the couple took the car to an AA customer services centre.

An inspection revealed it had been in an accident and paint had peeled from the bonnet due to poor workmanship.

The bonnet, front bumper cover, right headlight, right-front guard and inner fittings had been
replaced with second-hand parts. The car's left side had also been damaged and painted.

The purchasers obtained VTNZ documents that showed the vehicle had been written off in Australia and imported as damaged.

They also discovered Nikanjam was a registered dealer and had operated as a sole trader of Nikan Cars since February 19, 2009, and had incorporated the respondent company in 2012.

The respondent company was registered as a trader on April 30, 2014, with its renewal date being April 30, 2015.

During April, the buyers twice emailed Nikanjam to reject the Axela claiming he had breached the FTA. He didn't respond.

An estimate from Collision
Repair Services (CRS) dated April 14 stated it would cost $\$ 10,194$ to fix the car.

Midas reported the alternator pulley, drive belt and both lowerfront control arms were damaged. It estimated repair costs at \$500.

The couple obtained valuations of the Mazda. Turners estimated it as being worth $\$ 10,000$ to $\$ 12,000$, Auto-Car-Tel said \$20,000 and John Andrew stated \$10,000.

The buyers filed their application with the tribunal on May 15.

They also emailed Nikanjam and said they would keep the car if he agreed to reimburse them with the difference in value between the purchase price and an assessed value of $\$ 20,000$ together with the cost of repairs of $\$ 10,695$, interest on their

Marac loan of \$1,595, and compensation and costs of $\$ 2,250$ - a total of $\$ 24,540$. Nikanjam replied and said the tribunal had no jurisdiction and, if it ruled in the buyers' favour, he was sure the findings would be overturned on appeal.

He offered to have the Mazda inspected by three independent panel beaters and said he would choose one to carry out paint repairs at his expense.

## The finding

On the basis of the YouTube video, the tribunal found the respondent trader held itself as the Mazda's seller.

As a consequence, the "private sale" agreement was described by the tribunal as a "sham" intended by Nikanjam, as the director of the dealer, to avoid the involvement of the trader as a party to the transaction - and enable it to avoid legal consequences under the CGA and the FTA by selling the damaged car.

Therefore, the tribunal ruled it had jurisdiction to hear the application.

The purchasers said they were misled by Nikanjam's representation that the Mazda was brand new when the car had been written off, repaired and imported as damaged.

The tribunal agreed. It said Nikanjam would have known these facts at the time of sale and the trader's conduct breached section nine of the FTA.

Also, the dealer's failure to

The case: The purchasers wanted to reject what was described to them as a new Mazda, which they later discovered had been written off in Australia. The seller claimed the transaction was a private sale and the tribunal had no jurisdiction in this matter.
The decision: The seller, who was a director of a registered trader, was ordered to pay the buyers $\$ 30,000$ by bank cheque after which they had to return the vehicle.
At:The Motor Vehicle Disputes Tribunal, Auckland.
disclose what was wrong with the car was the effective cause of the couple's loss or damage.

Three companies agreed the vehicle was worth at least $\$ 10,000$ less than what they paid for it, which the tribunal found roughly equalled estimates for repairs and one-third of the purchase price.

The tribunal made an order under section 43 of the FTA that the sham agreement for the purchase of the vehicle was "void ab-initio".

On the basis of the evidence from CRS and Midas, the tribunal was satisfied the Mazda had been seriously damaged and poorly repaired, and didn't comply with the CGA's guarantee of acceptable quality when sold.

It added if the car was repaired, the blight of the importeddamaged flag would result in an additional loss of value to the purchasers if they sold it.

## Order

Nikanjam was ordered to pay the buyers $\$ 30,000$ by bank cheque after which they had to return the vehicle. $\odot$

Total new cars 8,835

2014: 8,382 $\quad$ 5.4\%


| Whangarei |  |  |
| :--- | :--- | :--- |
| NEW: $\mathbf{1 6 9}$ | 2014: 155 | $\Delta \mathbf{9 . 0} \%$ |
| USED: $\mathbf{2 5 6}$ | $2014: \mathbf{2 2 7}$ | $\triangle \mathbf{1 2 . 8} \%$ |



| Hamilton |  |  |
| :--- | :--- | :--- |
| NEW: $\mathbf{5 0 2}$ | 2014:537 | $\boldsymbol{\nabla} \mathbf{6 . 5} \%$ |
| USED: $\mathbf{7 5 3}$ | 2014: 715 | $\mathbf{\triangle 5 . 3} \%$ |


| New Plymouth |  |  |
| :--- | :--- | :--- |
| NEW: $\mathbf{1 4 0}$ | 2014: 123 | $\triangle \mathbf{1 3 . 8} \%$ |
| USED: $\mathbf{1 8 4}$ | 2014: 177 | $\triangle 4.0 \%$ |


| Wanganui |  |  |
| :--- | :--- | :--- |
| NEW: $\mathbf{4 8}$ | 2014: $\mathbf{6 5}$ | $\boldsymbol{\nabla} \mathbf{2 6 . 2} \%$ |
| USED: $\mathbf{8 8}$ | $2014: 95$ | $\boldsymbol{\nabla} \mathbf{7 . 4} \%$ |


| $l l l$ |  |  |  |
| :--- | :--- | :--- | :--- |
| Palmerston North |  |  |  |
| NEW: $\mathbf{2 1 1}$ | 2014: $\mathbf{2 3 0}$ | $\nabla 8.3 \%$ |  |
| USED: $\mathbf{3 1 3}$ | 2014: $\mathbf{2 5 9}$ | $\triangle \mathbf{2 0 . 8} \%$ |  |




| Greymouth |  |  |
| :--- | :--- | :--- |
| NEW: $\mathbf{1 4}$ | 2014: 15 | $\nabla \mathbf{6 . 7} \%$ |
| USED: $\mathbf{3 2}$ | 2014: $\mathbf{3 8}$ | $\nabla \mathbf{1 5 . 8} \%$ |



VTNZ is the market leader in independent safety and service inspections. With over 80 stations nationwide, our people are experts in Entry Certification, Pre Purchase Inspections and Certificates of Fitness.

## TWO SAILINGS PER MONTH JAPAN TO NZ

## LATEST SCHEDULE

| Port Calls | Morning <br> Miracle V20 | Tokyo Car <br> V4 | Morning Midas <br> V6 | Morning <br> Miracle V21 |
| :--- | :---: | :---: | :---: | :---: |
| Moji | - | 15 Oct | - | - |
| Osaka | 4 Oct | 16 Oct | 3 Nov | 15 Nov |
| Nagoya | 5 Oct | 17 Oct | 4 Nov | 16 Nov |
| Yokohama | 6 Oct | 18 Oct | 5 Nov | 17 Nov |
| Auckland | 22 Oct | 5 Nov | 21 Nov | 6 Dec |
| Wellington | 27 Oct | 8 Nov | 26 Nov | 10 Dec |
| Lyttelton | 30 Oct | 7 Nov | 25 Nov | 9 Dec |

## YOUR FIRST CHOICE IN SHIPPING

Imported Passenger Vehide Sales by Make - September 2015

| MAKE | SEPT'15 | SEPT'14 | +/-\% | SEPT'15 MKT SHARE | 2015 YEAR TO DATE | $\begin{array}{r} 2015 \text { MKT } \\ \text { SHARE } \end{array}$ | MAKE | MODEL | SEPT'15 | SEPT'14 | +/-\% | SEPT'15 MKT SHARE | 2015 YEAR TO DATE | $\begin{array}{r} 2015 \text { MKT } \\ \text { SHARE } \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Toyota | 2,745 | 2,605 | 5.4 | 23.5\% | 24,423 | 22.6\% | Nissan | Tiida | 555 | 577 | -3.8 | 4.8\% | 4,647 | 4.3\% |
| Nissan | 2,057 | 2,183 | -5.8 | 17.6\% | 18,504 | 17.1\% | Mazda | Axela | 542 | 507 | 6.9 | 4.6\% | 5,051 | 4.7\% |
| Mazda | 1,876 | 1,791 | 4.7 | 16.1\% | 17,511 | 16.2\% | Suzuki | Swift | 530 | 542 | -2.2 | 4.5\% | 5,564 | 5.1\% |
| Honda | 1,261 | 1,097 | 14.9 | 10.8\% | 11,374 | 10.5\% | Honda | Fit | 472 | 300 | 57.3 | 4.0\% | 4,129 | 3.8\% |
| Suzuki | 651 | 660 | -1.4 | 5.6\% | 6,578 | 6.1\% | Mazda | Demio | 465 | 378 | 23.0 | 4.0\% | 4,374 | 4.0\% |
| Subaru | 650 | 452 | 43.8 | 5.6\% | 5,996 | 5.5\% | Subaru | Legacy | 356 | 252 | 41.3 | 3.1\% | 3,228 | 3.0\% |
| BMW | 526 | 496 | 6.0 | 4.5\% | 4,986 | 4.6\% | Toyota | Wish | 290 | 281 | 3.2 | 2.5\% | 2,581 | 2.4\% |
| Volkswagen | 445 | 436 | 2.1 | 3.8\% | 4,154 | 3.8\% | Volkswagen | Golf | 286 | 273 | 4.8 | 2.5\% | 2,589 | 2.4\% |
| Mitsubishi | 388 | 404 | -4.0 | 3.3\% | 4,071 | 3.8\% | Mazda | Atenza | 236 | 289 | -18.3 | 2.0\% | 2,583 | 2.4\% |
| Audi | 217 | 228 | -4.8 | 1.9\% | 2,212 | 2.0\% | Mazda | MPV | 224 | 216 | 3.7 | 1.9\% | 1,991 | 1.8\% |
| Mercedes-Benz | 199 | 197 | 1.0 | 1.7\% | 2,121 | 2.0\% | Toyota | Corolla | 213 | 230 | -7.4 | 1.8\% | 1,877 | 1.7\% |
| Ford | 116 | 126 | -7.9 | 1.0\% | 1,292 | 1.2\% | Mitsubishi | Outlander | 209 | 181 | 15.5 | 1.8\% | 2,077 | 1.9\% |
| Volvo | 90 | 83 | 8.4 | 0.8\% | 686 | 0.6\% | Toyota | Estima | 196 | 160 | 22.5 | 1.7\% | 1,585 | 1.5\% |
| Lexus | 50 | 39 | 28.2 | 0.4\% | 455 | 0.4\% | Toyota | Vitz | 196 | 263 | -25.5 | 1.7\% | 2,074 | 1.9\% |
| Mini | 49 | 32 | 53.1 | 0.4\% | 448 | 0.4\% | Mazda | Premacy | 171 | 181 | -5.5 | 1.5\% | 1,413 | 1.3\% |
| Chevrolet | 46 | 37 | 24.3 | 0.4\% | 504 | 0.5\% | Nissan | Note | 161 | 186 | -13.4 | 1.4\% | 1,367 | 1.3\% |
| Holden | 43 | 31 | 38.7 | 0.4\% | 331 | 0.3\% | Honda | Odyssey | 151 | 158 | -4.4 | 1.3\% | 1,567 | 1.4\% |
| Hyundai | 41 | 44 | -6.8 | 0.4\% | 351 | 0.3\% | Nissan | Dualis | 150 | 170 | -11.8 | 1.3\% | 1,352 | 1.2\% |
| Jaguar | 40 | 30 | 33.3 | 0.3\% | 355 | 0.3\% | Toyota | Ist | 141 | 143 | -1.4 | 1.2\% | 1,145 | 1.1\% |
| Land Rover | 29 | 37 | -21.6 | 0.2\% | 341 | 0.3\% | Nissan | Bluebird | 136 | 115 | 18.3 | 1.2\% | 1,370 | 1.3\% |
| Peugeot | 22 | 15 | 46.7 | 0.2\% | 172 | 0.2\% | Nissan | Murano | 132 | 122 | 8.2 | 1.1\% | 1,179 | 1.1\% |
| Dodge | 18 | 17 | 5.9 | 0.2\% | 179 | 0.2\% | Toyota | Prius | 127 | 70 | 81.4 | 1.1\% | 939 | 0.9\% |
| Jeep | 12 | 7 | 71.4 | 0.1\% | 88 | 0.1\% | Toyota | Mark X | 125 | 101 | 23.8 | 1.1\% | 1,138 | 1.1\% |
| Porsche | 12 | 8 | 50.0 | 0.1\% | 128 | 0.1\% | Honda | Accord | 124 | 127 | -2.4 | 1.1\% | 1,197 | 1.1\% |
| Daihatsu | 11 | 11 | 0.0 | 0.1\% | 149 | 0.1\% | Subaru | Outback | 124 | 59 | 110.2 | 1.1\% | 1,030 | 1.0\% |
| Cadillac | 6 | 6 | 0.0 | 0.1\% | 25 | 0.0\% | Honda | Stream | 123 | 110 | 11.8 | 1.1\% | 1,044 | 1.0\% |
| Fiat | 6 | 3 | 100.0 | 0.1\% | 43 | 0.0\% | Toyota | Auris | 121 | 140 | -13.6 | 1.0\% | 1,118 | 1.0\% |
| Alfa Romeo | 5 | 6 | -16.7 | 0.0\% | 41 | 0.0\% | Toyota | Avensis | 114 | 117 | -2.6 | 1.0\% | 878 | 0.8\% |
| Kia | 5 | 3 | 66.7 | 0.0\% | 55 | 0.1\% | Nissan | Teana | 113 | 131 | -13.7 | 1.0\% | 1,004 | 0.9\% |
| Chrysler | 4 | 12 | -66.7 | 0.0\% | 79 | 0.1\% | Honda | CRV | 109 | 138 | -21.0 | 0.9\% | 877 | 0.8\% |
| Citroen | 4 | 4 | 0.0 | 0.0\% | 29 | 0.0\% | Nissan | Wingroad | 108 | 68 | 58.8 | 0.9\% | 910 | 0.8\% |
| Pontiac | 4 | 9 | -55.6 | 0.0\% | 36 | 0.0\% | BMW | 320i | 103 | 111 | -7.2 | 0.9\% | 1,058 | 1.0\% |
| Smart | 4 | 1 | 300.0 | 0.0\% | 22 | 0.0\% | Nissan | March | 103 | 103 | 0.0 | 0.9\% | 995 | 0.9\% |
| Renault | 3 | 3 | 0.0 | 0.0\% | 83 | 0.1\% | Subaru | Impreza | 102 | 88 | 15.9 | 0.9\% | 1,100 | 1.0\% |
| Rover | 3 | 0 | 300.0 | 0.0\% | 22 | 0.0\% | Nissan | Skyline | 102 | 148 | -31.1 | 0.9\% | 1,023 | 0.9\% |
| Others | 29 | 29 | 0.0 | 0.2\% | 319 | 0.3\% | Others |  | 4,257 | 4,107 | 3.7 | 36.5\% | 40,109 | 37.1\% |
| Total | 11,667 | 11,142 | 4.7 | 100.0\% | 108,163 | 100.0\% | Total |  | 11,667 | 11,142 | 4.7 | 100.0\% | 108,163 | 100.0\% |

# Year-to-date registrations 

TThere were 11,667 used imported cars sold in New Zealand last month to bring the total to 108,163 so far this year.

September's figures represented a 4.7 per cent increase over the same month of last year when 11,142 units were registered.

Toyota topped the ladder for marques with 2,745 sales, which was an increase of 5.4 per cent from 2,605 in September 2014.

It has now sold 24,423 units this year for a 22.6 per cent share of the market.

Nissan came second although its sales dropped by 5.8 per cent to 2,057 from 2,183.

Third spot went to Mazda on 1,876 on the back of a 4.7 per cent jump from 1,791.

September's best-selling model was Nissan's Tiida on 555 units. This represented a 3.8 per cent drop on 577 units registered in September 2014.

The Tiida was closely followed by Mazda's Axela on 542 and Suzuki's Swift on 530.

Peter Whelan, of Chevron Motor Court in Dunedin, says the lower value of the New Zealand dollar against the yen is one of the factors why sales have slowed for him.

He pinpoints the 12-month warrant of fitness (WOF) rule as impacting on sales in that people are less likely to change cars with annual inspections.
"With some WOFs going out to a year, people settle into cars longer now," he says. "While it's great for customers, this is going
to impact dealers and workshops somewhat."

In terms of "fly-by-night" competition, Whelan say more needs to be made out of "buyer beware" if possible.

Mark Taylor, of Autocourt in the Auckland suburb of New Lynn, says while sales have been a little unpredictable, he is lucky to remain unaffected by the falling dollar.
"I own all the cars on my yard and I am not currently importing from Japan," he says. "The pressure on my yard is different."
says. "There are fewer overheads for them and it all seems to be too easy."

When asked about a business' reputation as being a factor, Taylor suggests the market is currently more price-driven than reputation-driven.
"You would be surprised at how quickly people will turn up for a cheap car, even if it's being sold by a pop-up style dealer."

The suggestion dealers can offer a one-stop range of services to clients, such as mechanical warranties, good service histories


A third-generation car dealer, Taylor remarks that the biggest ongoing pressure he sees on used car yards is the increase in the small-operation traders who are able to gain licences quickly for $\$ 560$ and sell stock from almost anywhere.
"Everyone has a right to run a business and these guys can trade from almost anywhere because most of it is online," he
and years of experience in the automotive trade, is also matched by the availability of similar online products.
"People are doing everything online now," says Taylor. "I like to talk to people, get them on the yard. That's how we have always done things.
"But people are increasingly moving to online purchases and this means cars too. It seems this
heathy
is how things are changing for dealers now."

In terms of range, it is perhaps here that used car dealers have the advantage.

Taylor asserts that nothing beats being able to see a range of cars and talk about them - and that amounts to an advantage over online traders.
"We stock and sell a bit of everything from utes and vans to small-to-medium and large cars.
"The Hyundai Santa Fe is popular because, as we say to our clients, it's a one-stop car for everything modern people want to do - from shopping trips to going to the beach."

Taylor notes that coming to the end of each year though, business is still viable with fluctuations averaging out over the poorer-performing months.

Used European imports are still selling at some dealerships, as Tony Hammond, of Tony Hammond Motor Group in Tauranga, noted in the regional reports that appeared in the September 19 issue of Autofile.

He says while sales of European marques are generally slower, there are still steady inquiries.

Autocourt's Taylor agrees, although he has ceased stocking Europeans on the whole.
"Everyone wants to have a crack at it," says Taylor. "This is a legacy of there only being a small range to choose from years ago.
"While times have changed, the yearning for something a bit different remains now they are easier to come by." $\oplus$

New Passenger Vehicle Sales by Make - September 2015

| MAKE | SEPT'15 | SEPT'14 | +/-\% | $\begin{array}{r} \text { SEPT'15 } \\ \text { MKT SHARE } \end{array}$ | 2015 YEAR TO DATE | $\begin{array}{r} 2015 \text { MKT } \\ \text { SHARE } \end{array}$ | MAKE | MODEL | SEPT'15 | SEPT'14 | +/-\% | SEPT'15 MKT SHARE | $\begin{gathered} 2015 \text { YEAR } \\ \text { TODATE } \end{gathered}$ | $\begin{array}{r} 2015 \text { MKT } \\ \text { SHARE } \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Toyota | 1,471 | 1,582 | -7.0 | 16.6\% | 11,902 | 16.9\% | Toyota | Corolla | 687 | 629 | 9.2 | 7.8\% | 4,059 | 5.8\% |
| Holden | 1,068 | 1,044 | 2.3 | 12.1\% | 7,499 | 10.7\% | Holden | Commodore | 362 | 277 | 30.7 | 4.1\% | 2,128 | 3.0\% |
| Mazda | 891 | 671 | 32.8 | 10.1\% | 6,475 | 9.2\% | Mazda | Mazda3 | 244 | 270 | -9.6 | 2.8\% | 1,866 | 2.7\% |
| Hyundai | 700 | 636 | 10.1 | 7.9\% | 6,017 | 8.6\% | Holden | Captiva | 241 | 202 | 19.3 | 2.7\% | 1,738 | 2.5\% |
| Ford | 618 | 479 | 29.0 | 7.0\% | 4,453 | 6.3\% | Mazda | CX-5 | 210 | 178 | 18.0 | 2.4\% | 1,923 | 2.7\% |
| Mitsubishi | 604 | 515 | 17.3 | 6.8\% | 4,468 | 6.4\% | Toyota | RAV4 | 208 | 251 | -17.1 | 2.4\% | 2,532 | 3.6\% |
| Nissan | 425 | 496 | -14.3 | 4.8\% | 3,516 | 5.0\% | Toyota | Highlander | 194 | 153 | 26.8 | 2.2\% | 1,571 | 2.2\% |
| Honda | 353 | 388 | -9.0 | 4.0\% | 2,891 | 4.1\% | Hyundai | Santa Fe | 191 | 155 | 23.2 | 2.2\% | 1,622 | 2.3\% |
| Suzuki | 314 | 302 | 4.0 | 3.6\% | 3,209 | 4.6\% | Mitsubishi | Outlander | 183 | 154 | 18.8 | 2.1\% | 1,455 | 2.1\% |
| Volkswagen | 314 | 327 | -4.0 | 3.6\% | 3,018 | 4.3\% | Hyundai | ix35 | 174 | 186 | -6.5 | 2.0\% | 1,848 | 2.6\% |
| Kia | 265 | 256 | 3.5 | 3.0\% | 2,410 | 3.4\% | Toyota | Yaris | 172 | 373 | -53.9 | 1.9\% | 1,729 | 2.5\% |
| Subaru | 258 | 175 | 47.4 | 2.9\% | 1,768 | 2.5\% | Mitsubishi | ASX | 167 | 112 | 49.1 | 1.9\% | 1,349 | 1.9\% |
| Mercedes-Benz | 194 | 180 | 7.8 | 2.2\% | 1,550 | 2.2\% | Mazda | CX-3 | 160 | 0 | 16,000.0 | 1.8\% | 682 | 1.0\% |
| Audi | 187 | 184 | 1.6 | 2.1\% | 1,455 | 2.1\% | Nissan | Qashqai | 151 | 213 | -29.1 | 1.7\% | 1,185 | 1.7\% |
| BMW | 182 | 181 | 0.6 | 2.1\% | 1,452 | 2.1\% | Holden | Cruze | 147 | 128 | 14.8 | 1.7\% | 1,207 | 1.7\% |
| Jeep | 131 | 123 | 6.5 | 1.5\% | 1,088 | 1.5\% | Honda | Jazz | 147 | 256 | -42.6 | 1.7\% | 1,552 | 2.2\% |
| Fiat | 114 | 68 | 67.6 | 1.3\% | 529 | 0.8\% | Nissan | X-Trail | 144 | 121 | 19.0 | 1.6\% | 1,154 | 1.6\% |
| SsangYong | 111 | 108 | 2.8 | 1.3\% | 1,054 | 1.5\% | Subaru | Outback | 137 | 49 | 179.6 | 1.6\% | 903 | 1.3\% |
| Dodge | 102 | 71 | 43.7 | 1.2\% | 514 | 0.7\% | Ford | Mondeo | 134 | 49 | 173.5 | 1.5\% | 626 | 0.9\% |
| Skoda | 81 | 68 | 19.1 | 0.9\% | 792 | 1.1\% | Mazda | Mazda2 | 133 | 114 | 16.7 | 1.5\% | 1,197 | 1.7\% |
| Land Rover | 71 | 57 | 24.6 | 0.8\% | 708 | 1.0\% | Honda | HR-V | 132 | 0 | 13,200.0 | 1.5\% | 247 | 0.4\% |
| Mini | 63 | 52 | 21.2 | 0.7\% | 470 | 0.7\% | Suzuki | Swift | 129 | 171 | -24.6 | 1.5\% | 1,722 | 2.5\% |
| Lexus | 57 | 54 | 5.6 | 0.6\% | 473 | 0.7\% | Mitsubishi | Mirage | 124 | 75 | 65.3 | 1.4\% | 539 | 0.8\% |
| Volvo | 56 | 34 | 64.7 | 0.6\% | 347 | 0.5\% | Kia | Sportage | 117 | 79 | 48.1 | 1.3\% | 861 | 1.2\% |
| Peugeot | 50 | 107 | -53.3 | 0.6\% | 567 | 0.8\% | Ford | Falcon | 115 | 66 | 74.2 | 1.3\% | 559 | 0.8\% |
| Porsche | 31 | 12 | 158.3 | 0.4\% | 387 | 0.6\% | Mazda | Mazda6 | 111 | 94 | 18.1 | 1.3\% | 637 | 0.9\% |
| Isuzu | 23 | 9 | 155.6 | 0.3\% | 143 | 0.2\% | Suzuki | Vitara | 105 | 0 | 10,500.0 | 1.2\% | 118 | 0.2\% |
| Citroen | 16 | 25 | -36.0 | 0.2\% | 180 | 0.3\% | Volkswagen | Golf | 102 | 110 | -7.3 | 1.2\% | 1,102 | 1.6\% |
| Jaguar | 15 | 13 | 15.4 | 0.2\% | 137 | 0.2\% | Dodge | Journey | 102 | 71 | 43.7 | 1.2\% | 514 | 0.7\% |
| Chery | 12 | 28 | -57.1 | 0.1\% | 158 | 0.2\% | Holden | Trax | 100 | 102 | -2.0 | 1.1\% | 691 | 1.0\% |
| Maserati | 10 | 9 | 11.1 | 0.1\% | 50 | 0.1\% | Fiat | Punto | 97 | 45 | 115.6 | 1.1\% | 291 | 0.4\% |
| Yamaha | 8 | 0 | 800.0 | 0.1\% | 84 | 0.1\% | Mitsubishi | Lancer | 89 | 130 | -31.5 | 1.0\% | 772 | 1.1\% |
| Renault | 7 | 41 | -82.9 | 0.1\% | 147 | 0.2\% | Ford | Kuga | 85 | 105 | -19.0 | 1.0\% | 968 | 1.4\% |
| Alfa Romeo | 5 | 12 | -58.3 | 0.1\% | 73 | 0.1\% | Jeep | Grand Cherokee | 84 | 48 | 75.0 | 1.0\% | 492 | 0.7\% |
| Bentley | 5 | 1 | 400.0 | 0.1\% | 27 | 0.0\% | Toyota | Landcruiser Prado | 82 | 42 | 95.2 | 0.9\% | 577 | 0.8\% |
| Others | 23 | 74 | -68.9 | 0.3\% | 227 | 0.3\% | Others |  | 3,075 | 3,374 | -8.9 | 34.8\% | 27,822 | 39.6\% |
| Total | 8,835 | 8,382 | 5.4 | 100.0\% | 70,238 | 100.0\% | Total |  | 8,835 | 8,382 | 5.4 | 100.0\% | 70,238 | 100.0\% |

## CONNECT

Currency issues

TThe new car market is unlikely to be affected as much by weaker cross-rates between the New Zealand dollar and currencies of key overseas markets where stock is sourced from.

Warwick Quinn, chief executive of the Motor Trade Association, says recent drops in the kiwi's value typically mean the usedimport sector adjusts more quickly compared to prices of new cars.
"Distributors of new vehicles may have more significant forward foreign-exchange cover, which provides extra cushion, but in the end similar impacts are still likely," he told Autofile.
"New cars' recommended retail list prices didn't drop when exchange rates improved and it is likely the same will hold true, albeit for a while, as rates move backwards."

Quinn notes local prices for new vehicles can be influenced heavily by applying distributor-driven trading allowances, which are regularly seen around events such as Fieldays.
"Dealers don't have those levels of margin," he explains. "The situation varies between manufacturers and source-plant support can make a difference.
"Some dealers will often say it is easier to confront a period when prices are increasing and customers are stimulated to act to avoid paying more, while trade-in prices for good-quality used stock can also rise with the market.
"As always, the cost to change remains the key decider and it can be easier to meet consumers' expectations during periods of price
increases. Periods of price increases don't always mean bad news."

As for the rest of 2015, Quinn says it will be great if the market can maintain its momentum until the end of the year.
"We are on track for an all-time record market of combined new and used-import registrations, and it would be exciting to achieve that result."

There was extensive coverage in the September 19 issue of Autofile on how other factors in addition to the New Zealand dollar's dip in its cross-rate with

to meet if the current pace of registrations continues in the second half of 2015.

Chairman Fumihiko Ike says a recovery in demand is riding on 660 cc mini vehicles, but the outlook is "very tough" due to an increase in taxes for that segment.

The prediction of 4.99 m sales in the financial year to March represents a decline of 5.4 per cent on the previous 12 -month period.

Looking at the global picture, Volkswagen's admission it cheated on emissions testing for diesel engines threatens a prize

the yen - are affecting access to Japanese used stock.

These include a decrease in the number of new vehicle registrations in Japan increasing demand for second-hand cars there.

The Japan Automobile Manufacturers Association reported last month that its domestic sales forecast of 4.99 million vehicles for the current business year will be difficult
it has been pursuing - the world sales crown.

After years of trailing Toyota, the German marque delivered 5.04 m units in the first half of 2015 - about 20,000 more than its Japanese competitor.

Since then, VW has reported declining demand in China, while the news 11 m of its vehicles having software installed designed to circumvent air-pollution rules may

cut its worldwide sales by as much as 400,000 units next year, predicts Morgan Stanley.

Shortly after becoming group chief executive in 2007, Martin Winterkorn, who has resigned over the scandal, set the goal of VW topping the global ladder.

After reporting worldwide registrations declined by 0.5 per cent during the first six months of 2015, VW deliveries in July dropped by 3.7 per cent.

While Toyota's sales fell by 1.5 per cent in the first half, its sales in China have risen by 13 per cent this year through to August.

Morgan Stanley has compared the VW scandal to Toyota's unintended acceleration crisis of 2009-10 and General Motors' ignition-switch recalls over the past year.

It estimates VW may see sales decline between one and four per cent, or by 100,000 to 400,000 units, as a result of the dieselengine revelations.

The scandal will also threaten profits because the company will face higher costs for emissions compliance and may need to discount its cars to get shoppers back into showrooms.

Meanwhile, registrations of new passenger vehicles in New Zealand during September came in at 8,835 . This was up by 453 units - or 5.4 per cent - compared to 8,382 in the same month of last year.

The Motor Industry Association reports the overall new vehicle market, with year-to-date sales standing at 99,685, is on track to break the annual 130,000-unit barrier for the first time. $\odot$

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# Utes continue market dominance 

There were 3,639 new commercial vehicles registered in September with the total climbing by 181 , or 5.2 per cent, compared to the same month of last year.

They are also up by 1,752 units year to date - an increase of 6.3 per cent.

Toyota topped September's ladder for commercial vehicles with 847 registrations. It was followed by Ford on 831 and Holden with 334.

Ford's Ranger remained as the monthly best-performing ute with 743 sales. It was followed by Toyota's Hilux with 589 and Holden's Colorado on 320.

Year to date, the Ranger is the

top-selling commercial model with 4,967 registrations. Next up is the Hilux with 4,158 sales while the Colorado is in third spot on 2,711. Grant Vincent, of Greenlane Hyundai in Auckland, says: "Isuzu
as a brand has continued an upward trend year on year.
"Its models are made completely like trucks, and we are getting plenty of referrals from tradespeople who have heard good things
about the D-Max from their peers.
"The success of the D-Max was evident at Fieldays with 100 units sold at the event and we are seeing the trend of a lot more families moving into utes.
"We have got our own limitededition Apache model featuring upgraded sports seats, tinted windows and nudge bars. It has points of difference and has gone well for us."

The dominance of utes in this year's new-vehicle market is highlighted by the Ranger being New Zealand's best-selling overall model in September. The Hilux was third with Toyota's Corolla being sandwiched between the two light commercial vehicles. ©

New Commercial Sales bu Model - September 2015

| MAKE | MODEL | SEPT'15 | SEPT'14 | +/-\% | $\begin{array}{r} \text { SEPT'15 } \\ \text { MKT SHARE } \end{array}$ | 2015 YEAR TODATE | $\begin{array}{r} 2015 \\ \text { MKT SHARE } \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Ford | Ranger | 743 | 595 | 24.9 | 20.4\% | 4,976 | 16.9\% |
| Toyota | Hilux | 589 | 526 | 12.0 | 16.2\% | 4,166 | 14.1\% |
| Holden | Colorado | 320 | 280 | 14.3 | 8.8\% | 2,716 | 9.2\% |
| Toyota | Hiace | 243 | 186 | 30.6 | 6.7\% | 1,896 | 6.4\% |
| Mitsubishi | Triton | 225 | 158 | 42.4 | 6.2\% | 1,765 | 6.0\% |
| Nissan | Navara | 200 | 144 | 38.9 | 5.5\% | 2,508 | 8.5\% |
| Isuzu | D-Max | 145 | 117 | 23.9 | 4.0\% | 1,346 | 4.6\% |
| Mercedes-Benz | Sprinter | 106 | 91 | 16.5 | 2.9\% | 433 | 1.5\% |
| Mazda | BT-50 | 90 | 112 | -19.6 | 2.5\% | 1,051 | 3.6\% |
| Ford | Transit | 79 | 74 | 6.8 | 2.2\% | 696 | 2.4\% |
| Fiat | Ducato | 78 | 44 | 77.3 | 2.1\% | 349 | 1.2\% |
| Volkswagen | Amarok | 67 | 88 | -23.9 | 1.8\% | 697 | 2.4\% |
| Isuzu | $N$ Series | 56 | 60 | -6.7 | 1.5\% | 357 | 1.2\% |
| SsangYong | Actyon Sport | 54 | 72 | -25.0 | 1.5\% | 552 | 1.9\% |
| Isuzu | F Series | 54 | 52 | 3.8 | 1.5\% | 347 | 1.2\% |
| Foton | Tunland | 48 | 41 | 17.1 | 1.3\% | 357 | 1.2\% |
| Mitsubishi Fuso | Canter | 37 | 22 | 68.2 | 1.0\% | 207 | 0.7\% |
| Hyundai | iLoad | 37 | 84 | -56.0 | 1.0\% | 492 | 1.7\% |
| Volkswagen | T5 | 34 | 25 | 36.0 | 0.9\% | 187 | 0.6\% |
| Hino | 500 | 31 | 46 | -32.6 | 0.9\% | 252 | 0.9\% |
| Others |  | 402 | 641 | -37.3 | 11.1\% | 4,096 | 13.9\% |
| Total |  | 3,638 | 3,458 | 5.2 | 100.0\% | 29,446 | 100.0\% |



# Construction increases sales 

Adealer in used commercial vehicles says the continuing rebuild of Christchurch five years after the devastating earthquakes struck is boosting business.

Craig Costello, of Costello Cars in the Garden City, says there is a lot of money around with so many tradespeople in the area.
"This means commercial vehicles, such as utes and vans, have been selling incredibly well here," he told Autofile.
"Probably about 80 per cent of our business is internet-related. We just ensure we are accurate with our photos and descriptions, and putting stock online is almost a full-time position."


Costello notes that it is unusual for his dealership to have cash buyers. However, he has had to review the way his business markets finance and insurance products because of recent
changes that have resulted from the loan-shark laws.
"This includes providing a weekly figure with full disclosure of the total amount to be paid off," says Costello.
"I think the new laws are good laws because they protect consumers from loan sharks.
"We have gone through a patch when finance was a bit harder, but it will come right again."

There were 759 used light commercials sold in New Zealand last month to bring year-to-date total to 6,579 . This was a decrease of 4.2 per cent compared to 792 units in September last year.

Toyota was the best-selling marque with 344 sales, but this was a 12.2 per cent decrease on September 2014's total of 392 units.

The marque's Hiace topped the models tables albeit with a 16.4 per cent drop from 299 to 250 registrations. $\odot$

| Used Commercial Sales by Model - September 2015 |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| MAKE | MODEL | SEPT'15 | SEPT'14 | +/-\% | SEPT'15 MKT SHARE | $\begin{gathered} 2015 \text { YEAR } \\ \text { TO DATE } \end{gathered}$ | MKT SHARE |
| Toyota | Hiace | 250 | 299 | -16.4 | 32.9\% | 2,358 | 35.8\% |
| Nissan | Caravan | 72 | 73 | -1.4 | 9.5\% | 548 | 8.3\% |
| Nissan | Vanette | 28 | 38 | -26.3 | 3.7\% | 254 | 3.9\% |
| Mazda | Bongo | 26 | 40 | -35.0 | 3.4\% | 280 | 4.3\% |
| Toyota | Dyna | 24 | 19 | 26.3 | 3.2\% | 265 | 4.0\% |
| Isuzu | Elf | 23 | 25 | -8.0 | 3.0\% | 170 | 2.6\% |
| Nissan | NV200 | 23 | 7 | 228.6 | 3.0\% | 149 | 2.3\% |
| Toyota | Regius | 23 | 34 | -32.4 | 3.0\% | 243 | 3.7\% |
| Nissan | Atlas | 20 | 16 | 25.0 | 2.6\% | 127 | 1.9\% |
| Toyota | Hilux | 13 | 7 | 85.7 | 1.7\% | 122 | 1.9\% |
| Mitsubishi | Canter | 12 | 12 | 0.0 | 1.6\% | 135 | 2.1\% |
| Nissan | Navara | 12 | 13 | -7.7 | 1.6\% | 104 | 1.6\% |
| Toyota | Estima | 11 | 6 | 83.3 | 1.4\% | 11 | 0.2\% |
| Toyota | Toyoace | 11 | 17 | -35.3 | 1.4\% | 154 | 2.3\% |
| Ford | Ranger | 10 | 11 | -9.1 | 1.3\% | 64 | 1.0\% |
| Chevrolet | Silverado | 10 | 6 | 66.7 | 1.3\% | 68 | 1.0\% |
| Holden | Commodore | 9 | 6 | 50.0 | 1.2\% | 59 | 0.9\% |
| Hino | Dutro | 8 | 11 | -27.3 | 1.1\% | 102 | 1.6\% |
| Chevrolet | C1500 | 7 | 5 | 40.0 | 0.9\% | 18 | 0.3\% |
| Fiat | Ducato | 7 | 2 | 250.0 | 0.9\% | 55 | 0.8\% |
| Others |  | 160 | 145 | 10.3 | 21.1\% | 1,293 | 19.7\% |
| Total |  | 759 | 792 | -4.2 | 100.0\% | 6,579 | 100.0\% |

CLOBAL VEHICLE LOCISTICS
NZ - JAPAN - AUSTRALIA - UK - EUROPE


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[^0]:    *in September on Trade Me Motors

