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August 2017

Aussie write offs: nine months on

It's been nine months since the rules were changed for water-damaged write offs coming to New Zealand from Australia, however there is a range of opinions about whether it has made a difference to the industry or not.

In September last year, Associate Transport Minister Craig Foss announced that light vehicles damaged by flood water will require a full replacement of all electronic and pyrotechnic safety components, including airbags, sensors, seatbelts and seatbelt pre-tensioners and wiring. The rule applies to all vehicles whether they have been imported or are part of the domestic fleet, and was effective as of September 7.

At the time, the change was announced in order to "address concerns that it was difficult to determine the extent of water damage to some vehicles and therefore what components should be replaced", says a New Zealand Transport Association (NZTA) spokesperson. Prior to this rule being implemented, only items below the water line were required to be replaced.

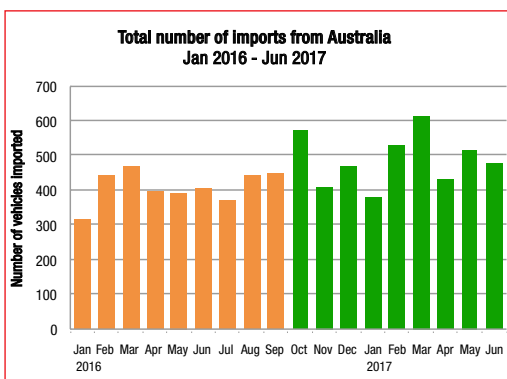
Although the rule changes have

been applauded by some in the industry, the NZTA states that it is difficult to measure any impact from the changes on the road safety outcomes.

According to Motor Trade Association (MTA) Chief Executive Craig Pomare: "The government statistics on crash data don't capture

mediation line for some time."

As shown by the data in the graph below, rather than decreasing, the amount of vehicles that have been imported from Australia has actually increased in the nine months following the rule change. For the period January to September 2016, 3698 used cars were imported



from Australia, in the following nine months October 2016 to June 2017, 4,411 came in, an increase of 713 units, or 19.3 per cent. Australian vehicle importer, Tony Burrowes from OzCars, believes market awareness of Australian vehicles is increasing. "We often hear of traders who are new to the industry and are now looking at dealing with

this specific aspect of vehicle condition. From an anecdotal perspective, we are hearing far fewer examples of flood-damaged problems. MTA has not received complaints about this issue on its

Australian imports as their core business. If all is done as it should be, this is a legitimate and excellent quality product, offering a consumer opportunity that previously didn't exist; remembering that only a few

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GUEST EDITORIAL

A period of change ahead

Ken Quigley is the Managing Director of Jacanna and has been working in global logistics for more than 25 years.

There are many things which I believe will lead to change in the car import market over the coming months and years.

There is currently a lot of uncertainty in the economic market place of how the country will fare on the world stage and also how the government will handle the many domestic issues it is facing with infrastructure, housing and the social problems many New Zealanders are concerned about.

Election 2017 is shaping up to be very interesting, highlighted by the recent upheaval in the Labour party with the leader resigning eight weeks before the election and now the Greens who appear to have trumped Little! There is the possibility there could be a change in government which will undoubtedly result in a change of policy. Should the current government win an unprecedented fourth term and should they not win enough seats to govern alone what affect could a new kingmaker have on the shape of policy? We all know who the kingmaker will be and are well aware of his immigration policy. He may already be on the phone to Donald asking for his block layer to help with his wall.

There are overseas influences not least the effect of President Trump a man who has fired more than he has hired. Then there is the small issue around Brexit where no one really understands what potentially lies ahead.

Banks are reviewing their lending



KEN QUIGLEY
Jacanna NZ

rates and criteria, there is a flattening in the housing market, changes to immigration, which history shows could cause a slowing of the economy as a whole

There are many more sector orientated changes which will determine the fate of the used car import industry.

The regulations surrounding ESC and the car sharing initiative will all impact on the future volumes of cars coming into the country. ESC is very near with the next round in March 2018 where all vehicles 2000cc or above must have ESC and following March 2020 when all vehicles must have ESC.

The increase in electric vehicles shows a change in philosophy of car importers. We now see that the UK has announced that all vehicles manufactured must be electric by 2040. Volvo says they will only produce electric or hybrid engines by 2019. This is definitely the future and how New Zealand in general will adopt this change will be telling to the used import model.

The new globalisation is all about consolidation. We see this every day in every sector. An example of consolidation in the shipping industry are the mergers of the larger container lines like Maersk and Hamburg Sud, OOCL and Cosco, as well as MOL, NYK and K-Line forming "The Alliance", although this has a limited effect on vehicle logistics, could this represent the possibility of the RORO operators heading down the same path in the future? ☺

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[continued from page 1]

years ago there weren't really any cars like this coming into NZ."

The information in figure two shows the total amount of used cars which have been imported from Australia, the numbers that arrived into the country flagged as "Damaged", and the number of "Damaged" flags that were subsequently removed. A flag is removed once the repair certifier determines that the vehicle had been repaired in accordance with the Vehicle Inspections Requirement Manual (VIRM).

In 2013 and 2014 damaged vehicles made up around 15 per cent of total imports, this increased in 2014 and 2015 to just over 20 per cent. The percentage of damaged flags that are removed vary between 18 and 32 per cent over the past 5 years.

Burrowes believes that is partly due to the water-damaged vehicle rule, Australian vehicles have been given a bad reputation as a whole.

He says that the original rule changes were a knee-jerk reaction

Used passenger vehicles entering NZ from Australia 2012-2016						
	2012	2013	2014	2015	2016	Jan-Jun 2017
Passenger vehicles flagged as damaged	77	299	495	1,033	1,062	503
Passenger vehicles - damaged flag removed	66	56	155	332	192	114
Total used cars imported from Australia	1,199	1,990	3,167	4,893	5,152	2,958
Percentage of total imported as "Damaged"	6.4%	15.0%	15.6%	21.1%	20.6%	17.0%
Percentage of flags lifted from "Damaged"	85.7%	18.7%	31.3%	32.1%	18.1%	22.7%

(Fig. 2) Total vehicles imported from Australia, flagged as damaged and where the damaged flag has been removed

to a story aired on Fair Go in 2016 about Aucklander Sacha Perry who paid \$18,000 for a Mazda hatchback which passed a pre-purchase inspection, however the dealer didn't tell her it was a statutory write off.

"I'm nervous driving it, I hate taking the kids in it," the buyer told Fair Go at the time.

The dealer, Mukesh Chand, at that point hadn't paid the full refund ordered by the Motor Vehicle Disputes Tribunal and Trade Me had been pressing the Government to

act, with no progress at that point.

Since the Fair Go story aired, Trade Me has also made changes to its rules relating to write offs. According to an official statement, there were concerns surrounding an unquantified number of vehicles in the New Zealand fleet that have been through the statutory write-off process in Australia and then on-sold to New Zealand buyers and dealers, who are not aware of the history of the vehicle.

As of July 1, 2016, Trade Me

Motors stipulated that motor vehicle traders had to disclose if they were selling a vehicle that had previously been written off in Australia. This meant that the seller would have to include in their advertisement: "This vehicle was imported from Australia as a statutory write off. Buyers should ensure they fully understand the history of the vehicle before purchase."

Trade Me's policy asking dealers to declare Australian write offs was prior to the NZTA rule change in September.

"We're concerned about the safety of our members and we believe consumers need to know the accurate history of a vehicle so they have the opportunity to have the vehicle inspected for specific types of damage or repair," says head of trust and safety at Trade Me, Jon Duffy.

"Trade Me is not protesting against vehicles being appropriately repaired and then on-sold in New Zealand, but we believe consumers

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◀ need to have an accurate picture of the true state of the vehicle to assess the vehicle's worth with full information," a statement on the website says.

By September, the rule was in force in NZ and according to a spokesperson for the NZTA at the time, the new processes would only apply to vehicles that underwent repair certification, which included newly imported vehicles and those that have been written-off in New Zealand and were going through the re-registration process. "It does not cover vehicles that have been damaged in NZ but not deregistered. The Repair Certifier is responsible for correctly identifying the type of damage the vehicle has been subjected to and certifying the repair accordingly."

Burrowes says that the rule change has done its job and there are no longer water-damaged vehicles coming in from Australia. In fact, he believes that the increase in vehicles being imported into the country, since the rule change took place, illustrates how good the vehicles now are.

"Twenty-five years ago, people were complaining about the vehicles coming in from Japan and now people seem to have forgotten about that and are complaining about vehicles coming in from Australia that are in better condition," he says.

While Burrowes believes that New Zealand's standards of certification and compliance for vehicles coming into the country are some of the highest in the world, there have always been people who try to cut corners and work outside the required process and offer vehicles to consumers without letting them know about the vehicle's history.

Pomare also points out that while this rule improves the condition of flood-damaged vehicles arriving from Australia, "we should also recognise flood damage is not limited to Australia - it can occur in all countries". He says that although other countries do have a publicly-accessible register which tracks events like water damage, "in such cases identification of water damage is limited to identifying

any signs of flood damage during border and compliance inspections.

"We should also recognise that vehicles can be damaged due to flooding in NZ. Vehicles might or might not be written-off due to such damage. If they are written-off there is no easy way to identify what was the cause- ie flood, accident, fire, etc."

Vehicle Testing New Zealand (VTNZ) Operational Excellence Manager, Alan Raynor believes that fewer water-damaged vehicles have been presented for entry certification since the rule change took effect in September, but he also agrees that there are other vehicles on the road that are often in a state of disrepair that don't have such strict regulations. "We still have some accident-damaged vehicles presented that have been through the repair certification process along with vehicles from Japan, Singapore and the UK."

He also states that there is an influx of hail-damaged vehicles coming through currently, but he believed that the rule for water-damaged vehicles was important as the damage that some of the vehicles had gone through might not show up until later on down the track.

Sean Stevens, National Manager of Delivery from Vehicle Inspection New Zealand (VINZ), has also noticed more hail-damaged vehicles coming in. "The particular types of damage has shown an increase in hail damaged units, these are mostly simple panel repairs and not structural however some do cross into the structural territory."

Stevens says that the majority of write-offs that are still coming in are via private importers as they feel they can repair and comply and still be profitable.

"Overall the change was a positive step as determining the level of water ingress was getting very difficult. This was due to cleaning process implemented at the origin country. We have had some feedback that the rules now do not allow for vehicles with relatively minor water damage to get through the process. These are either not making it to NZ or are being shipped back out."

Although there is a lot of discussion about whether there

should be rulings across the board, when it comes to damaged vehicles, MTA has supported the move by NZTA to make it more difficult to import water damaged vehicles.

Of key concern is that it is extremely hard to detect water damage once the car is imported, on the road, and be passed from owner to owner. "These vehicles pose a hazard in terms of safety for drivers and also in terms of liability for traders who may face the liability for repairing unseen and unknown issues arising from water damage some years down the track," says Pomare.

"MTA supported the change as it is a matter of raising standards to protect the consumer and, we must acknowledge, this protects used vehicle traders from exposure to liability for faults in cars that come across their yards where those faults would be almost impossible to detect without highly invasive inspection."

Duffy agrees, saying that Trade Me is not against the importation

of write-off vehicles, "buyers need to be aware that vehicles have had that history. They need to be able to accurately access the value of the vehicle and they will be worth less."

While there is a lot of discussion relating to the rule changes, most people agree that buyers need to be made aware of vehicle history, however Pomare says that while the rules have changed, there is still no change to publishing the information on the Consumer Information Notice (CIN); something which the MTA has been fighting for.

"The MTA has raised this informally and will continue to press the Ministry of Transport and NZTA to consider consolidating all vehicle information on one card. The MTA supports clear disclosure of vehicle information."

While the Minister of Commerce, Paul Goldsmith, had previously suggested a review of the CIN to better alert consumers about flood damage history, the change has not taken place yet but the MTA is hoping that this will happen in the future. ☺

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How are we travelling?

Owni ng a car is an important part of the Kiwi lifestyle, according to recent statistics. New Zealand is among the top 10 countries in the world for vehicle ownership per capita, according to a recently released report by the Ministry of Transport (MoT). The Transport Outlook Current State 2016 report says there were three million light passenger vehicles in New Zealand in 2015, which was an increase of 20 per cent over 10 years.

The government's Transport Outlook project aims to provide information, data, and analysis on our current and future transport system.

"Understanding transport demand and emerging trends in our transport system is crucial to ensure that we can provide the right information for the general public and transport planners, investors, and policy-makers,"

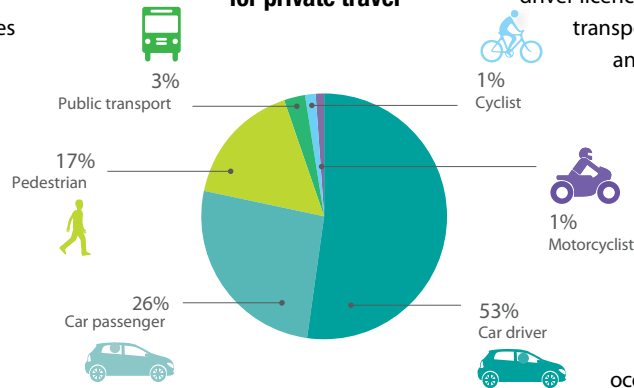
Associate Transport Minister Tim Macindoe says.

"The report combines information from all transport modes for the first time. It provides invaluable information on what is currently happening in the New Zealand transport sector and analysis of what it means," he says.

Information included in the report ranges from public transport patronage in the main urban centres, freight volumes through ports, passenger numbers through airports, transport deaths and injuries, composition of the vehicle fleet, through to the use of different travel modes for work, education, and personal business.

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Use of transport modes for private travel



fewer young people getting their driver licence, improved public transport, cheaper air travel, and more activities conducted online.

New Zealanders spend on average just under one hour a day travelling.

Kiwis travel mostly by car, with drivers being the sole occupants in two thirds

of car journeys. Walking is

the second most common form of household travel with 17 per cent of trips done on foot, followed by public transport at a low three per cent. Cycling, motorcycling, and other modes account for two per cent of trips.

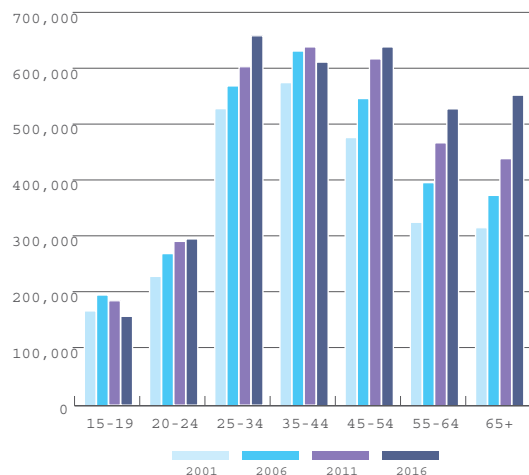
Public transport represents 4.1 per cent of total travel time between 2010 and 2014. Excluding travel home, it is used mostly to travel to places of education, about 36 per cent of public transport trips, which reflects the predominantly young age profile of public transport users. It is also used for travel to work, with 26 per cent of public transport trip legs compared with 15 per cent of trips overall. In 2000/2001 there were 86 million public transport boardings and by June 2016 this had increased to 148 million boardings.

In Christchurch, bus patronage has fallen by 12 per cent during the past 10 years, which has been mainly attributed to the upheavals caused by the earthquakes in 2010 and

population, the number of vehicles on our roads and the distances we travel on our roads has increased, with a total distance travelled on the country's road network of 42.5 billion kilometres during 2014-2015. This was an increase of eight per cent over 10 years.

The vehicle fleet grew by almost 1.2 million, or 44 per cent overall from 2000 to 2015. Light passenger vehicles accounted for almost three quarters of this growth and there are 657 light passenger vehicles per 1,000 people in NZ.

While light passenger vehicles are the dominate form of transport, commercial vehicles make up 16 per cent of the traffic. Although the total distance travelled in light passenger vehicles has increased with population growth, travel per capita has fallen from a peak in 2004. The MoT suggests this could be due to the cost of transport, for example, oil prices which hit their peak in 2008, denser urban living encouraging walking and cycling,



There are more older drivers, perhaps as more older New Zealanders remain active in the workforce. Fewer young people are now applying for a driver licence.

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Despite an increase of train users in the past few years, rail use is significantly underutilised compared to other major cities in the world

2011. It reached a high in 2008/09 but has fallen 21 per cent since then. However, Hamilton, Dunedin, Queenstown and Tauranga's bus patronage have risen.

Use of public transport in Auckland has historically been low, driven in part by a decision in the 1950s to favour a network of motorways over an upgrade of the rail system and the removal of the tram network. More recently, however, public transport use has grown across all modes.

Train patronage in Auckland has shown the most significant increase – up a massive 67 per cent in five years, which is attributed to the opening of the central Britomart station in July 2003, the introduction of electric trains, and network improvements. The planned construction of the City Rail Link is expected to enable greater use of public transport with increased train capacity, new central-city stations, and reduced travel time.

There are currently about 8,000 privately operated taxis in New Zealand, an increase from about 2,700 in 1989 when the government deregulated the taxi industry, lifting restrictions on the number of taxis and their fares.

In recent years, ride-source services such as Uber have come to New Zealand. Uber has 1,700 drivers in Auckland, Wellington, and Christchurch. There are also providers of ride-share/car-pooling and car-share services in the main centres.

The report states that the more cars a household owns, the less the household will use public transport. A two-car household, 38.4 per cent, is more likely now than a one car household, which sits at 37.6 per cent. While 60 per cent of people in households with no car used public transport in the previous 12 months compared with 32 per cent of people in households with two cars.

At the same time, in some other

parts of the country urban drift in general and slower population and economic growth, or even decline, are forcing decisions on whether to maintain road networks to the same standard. Options may include reducing maintenance, changing sealed roads to gravel, or imposing speed or weight restrictions.

As a result, there is network underutilisation in some regions and congestion pinch points in others.

The average age of our drivers is increasing, perhaps as older New Zealanders remain active in the workforce. The report found men drive more than women, which was measured by distance, although driving by women has increased. This may be because the number of women in full-time employment has also increased.

Meanwhile, fewer young people are now applying for a driver licence. Only a third of young people aged 15-24 have a driver licence compared with nearly half in 1989. Older New Zealanders are now more likely to have a driver licence and 73 per cent of those aged 75-plus have a driver licence, although people in this age group spend less time driving and drive the shortest average distance. The report states the average driver drives 28.5km per day while drivers aged 75-plus drive on average only 12.7km per day.

"Later this year the report will be published which will project transport demand over the next 25 years. It will examine future regional travel patterns, including the impact of new and emerging technologies," Macindoe says.

"Transport underpins our economy and society. The information provided through the Transport Outlook project will enable us to make informed decisions about transport services and infrastructure. We will be better placed to respond to our growing population and economy and increasing tourist numbers." ☺



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How do we look? NZ's emissions standards



New Zealand has one of the oldest light vehicle fleets in the developed world which also means we have higher emissions than most countries.

According to the Ministry of Transport (MoT), our average fleet age has actually increased in recent years.

In fact, by the end of 2000, the average age of the fleet was 11.5 years, but by 2015 it had increased to 14 years.

When it comes to analysing both the environmental and safety factors of a fleet, vehicle age is an important factor when monitoring the level of harmful vehicle emissions, which are higher in older model vehicles.

The 2012 Health and Air Pollution in New Zealand (HAPINZ) report states that harmful emissions from vehicles cause 256 premature deaths (with social costs of \$934 million) annually in New Zealand.

Emissions can refer to either noxious emissions including nitrogen oxide (NOx), carbon monoxide (CO) and particulate matter, which affect air quality

and can have negative impacts on human health and/or greenhouse gas emissions such as carbon dioxide (CO₂).

The most harmful to human health are particulates, which can settle in the bronchial pathways and lungs and are more often found in diesel engines.

With this in mind, the EQUA Air Quality Index is used to identify vehicles which emit the lowest

quantities of nitrogen oxides (NOx) on a scale from A (best) to H (worst).

According to the EQUA website, the Index has checked over 1,000 vehicles and over 400 new cars are tested each year.

Of these vehicles, 15 tested by emissions analytics conformed to the regulations, however the majority of new cars tested emitted far more NOx than they were supposed to.

In fact, 11 H-rated cars emitted more than 12 times the legal limit. Some of these cars can be found on NZ roads.

In order to deal with these types of emissions, the New Zealand government has progressively introduced measures to reduce the health and environmental impacts of vehicle emissions via the Land Transport Rule: Vehicle Exhaust Emissions 2007 (the Rule).

The Rule sets emissions standards that new and used vehicles must meet when entering the New Zealand fleet. At present, emissions standards for new vehicles are Euro 5, this is applicable to both heavy and light vehicles.

The Rule states that used imports certified from January 2012 must meet the Japanese 05 emissions standard. According to the MoT's Quarterly Vehicle Fleet statistics report, almost all registrations of used vehicles now meet that standard. This is highlighted in the graphs to the right, which have been obtained from the MoT's Quarterly Vehicle Fleet statistics report.

The EQUA Air Quality Index ratings			
RATING	LOWER BOUND ¹	UPPER BOUND ²	EXTERNAL REFERENCE POINT
A	0.00	0.08	Meets Euro 6 limit for diesels, meets Euro 4 limit for petrols
B	0.08	0.12	Meets 1.5 Conformity Factor under Euro 6 Real Driving Emissions regulation
C	0.12	0.18	Meets Euro 5 limit for diesels (and similar to 2.1 Conformity Factor under Euro 6 Real Driving Emissions regulation)
D	0.18	0.25	Meets Euro 4 limit for diesels
E	0.25	0.50	Meets Euro 3 limit for diesels
F	0.50	0.75	No comparable Euro standard: roughly equal to 6-8 times Euro 6 limit
G	0.75	1.00	No comparable Euro standard: roughly equal to 8-12 times Euro 6 limit
H	1.00	None	No comparable Euro standard: roughly equal to 12+ times Euro 6 limit

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Trans Future 6	98	–	7 Aug	8 Aug	12 Aug	31 Aug	2 Sep	4 Sep	5 Sep
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[continued from page 8]

“The Ministry plans to propose adoption of Euro 6 emissions standards for new vehicles, as we are aware that these standards are more stringent, especially regarding NOx emissions,” says an MoT spokesperson.

According to the MoT, the primary health concerns with air pollution from vehicles are associated with pollution from diesel vehicles.

“In general, emissions from petrol vehicles are no longer a primary concern for health because successive levels of emissions standards have largely been effective.”

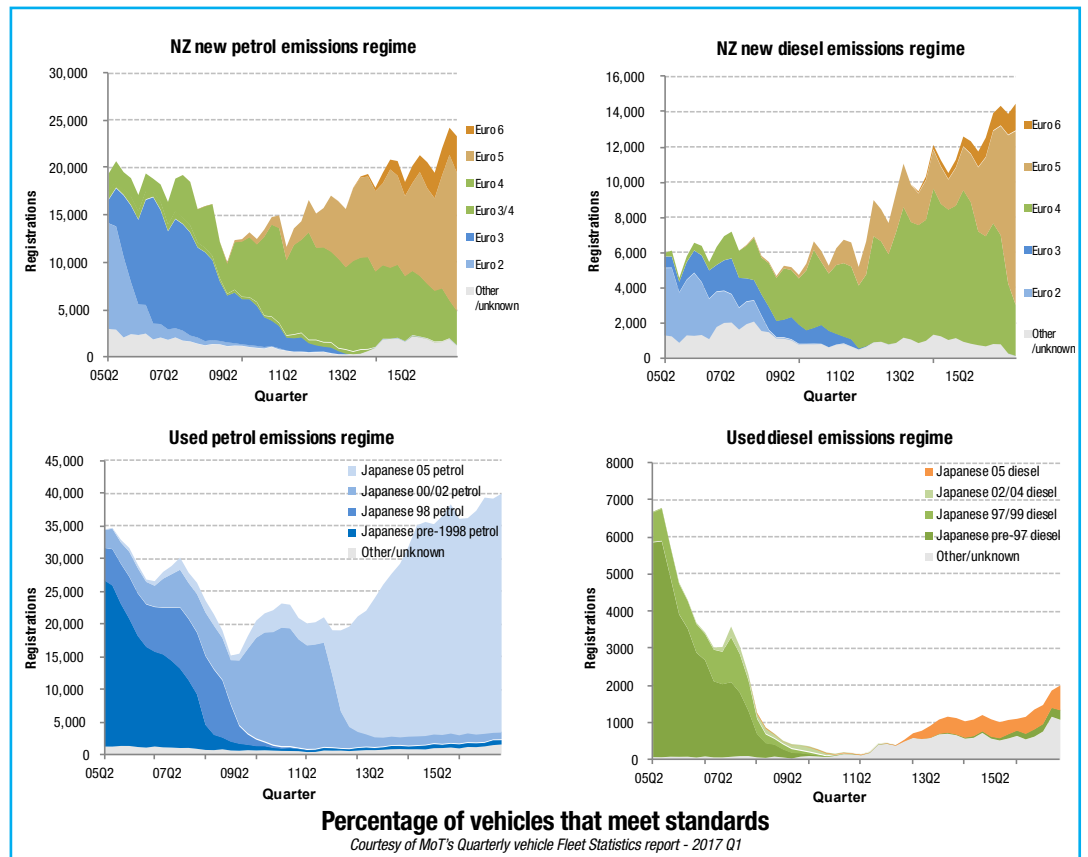
According to membership and technical services manager for VIA, the Imported Motor Vehicle Industry Association, Malcolm Yorston, there are many people who feel that the current NZ standards are low in comparison to other countries.

For used vehicles, NZ’s minimum standards are lower than other parts of the world (currently Japan 05 or Euro 5, depending on the vehicle’s country of origin). “Basically it all hinges on when Australia decides to move to Euro 5 (for used cars) and 6 (for new cars). They have ten cars in the fleet to every one of ours so when they decide to move up, I would imagine the Ministry of Transport in NZ will look at doing so also.”

“We recognise that it is appropriate to consider raising standards for used vehicles, as we have done in the past. However, the absolute numbers of used diesel vehicles entering the fleet are still relatively small. When updates to new vehicle standards are being considered, we will also consider any necessary update to the current minimum requirements for used vehicles,” says the MoT spokesperson.

As a very small market with little influence over manufacturers’ technology decisions, NZ has historically been known as a ‘taker’ with regards to emission standards settings.

“We tend to have to wait until other countries have moved to strengthen their standards, before we can effectively strengthen ours,”



Percentage of vehicles that meet standards

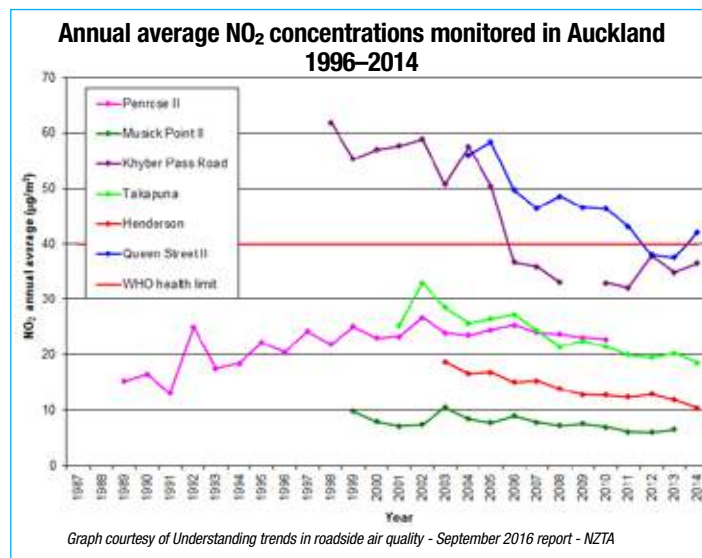
Courtesy of MoT’s Quarterly vehicle Fleet Statistics report - 2017 Q1

says the MoT spokesperson.

“At present we are waiting to see how and when Australia adopts the highest current standard (Euro 6) to act as a guide for how we adopt Euro 6 standards in New Zealand. However, New Zealand is not behind international standards, as Euro 6 has not yet been universally adopted.”

Although Yorston says the current standards aren’t as stringent as Euro 6 levels, he still believes the NZ government is on the right track. “Euro 4 used cars that are coming into the country are still replacing some really old vehicles that are operating so ineffectively it’s just not funny,” he says.

HISTORICAL DATA



Graph courtesy of Understanding trends in roadside air quality - September 2016 report - NZTA

As part of the continuous work towards decreasing emissions and improving safety on the roads, Auckland Transport and the NZTA’s Research Report – ‘Understanding trends in roadside air quality’, is used to decide where too from here.

A summary of the NO₂ monitoring undertaken in Auckland from 1996 to 2014 concludes that over the last decade the monitoring data shows that NO₂ concentrations are actually decreasing. This is highlighted in the graph below.

Although the decreasing levels in Auckland’s Queen Street are due to a council planning project which diverted traffic away from pedestrian areas, the graph shows there was a decline across the board

from approximately 2006 onwards.

While the levels in Khyber Pass Road and Queen Street have decreased to just under the World Health recommendations of the health limit, most of the city is significantly beneath the standard.

As far as the size of our ageing fleet is concerned, the amount of older vehicles that we own has begun to decrease since 2007. The graph on page 12, which has been obtained from the MoT’s Annual Fleet Statistics for 2015, shows that vehicles built in the 1990s peaked at 1.8 million in the 2006 fleet, and have dropped by 41 per cent to 1.07 million by December 2015.

AT THE BORDER

In order to ensure that vehicles with high emissions are being kept out of the country, the government has a set of standards that need to be achieved.

Joe Barnett, managing director of SOC NZ Limited, says, in the past some manufacturers have only declared the emissions standards as those required in the country they are being exported to. “But the car may have been produced to a higher standard than declared.” This can make reporting difficult later on down the line.

When it comes to processing the vehicles from the Japanese domestic market, cars will need a three digit emission code (ABA) if they don’t



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[continued from page 10]

have a 17 digit VIN/Chassis number. If they don't have one of these, they cannot be imported.

"If a car has a 17 digit VIN number but only has a two digit emission code (GH or similar) then there is a good chance we can check the European databases, to see if the car was built to a higher standard than declared on the Japanese de-reg. If after checking the database, we can identify the car meets the correct standards, then we can supply a certificate that confirms this and is accepted by NZTA for compliance."

When it comes to checking new cars, it depends on the vehicle type and model introduction date. "Basically anything manufactured after November 2016 and being declared as a new light vehicle - up to 3500kg Gross Vehicle Weight (GVW), will need to be a minimum of Euro 5 emission standards," says Barnett.

Thanks to strict rules and border control, the Ministry for

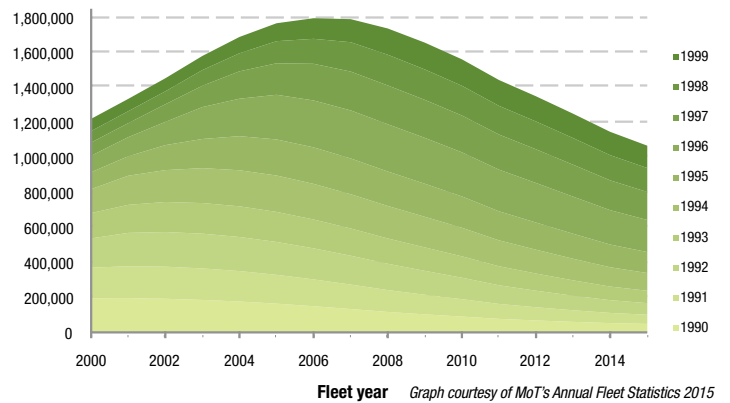
the Environment's Environment Aotearoa 2015 report found that between 2001 and 2013, estimated emissions for five key pollutants from road vehicles fell between 26 and 52 per cent. This was mainly due to improvements to fuel and stricter emission limits on new vehicles.

However, as the saying goes "rules are made to be broken" and it wasn't long before the used car trade began to show instances of vehicle tampering as they entered the country.

"While new vehicles arriving into New Zealand comply with the standards on entry, the MoT understands that a portion of these vehicles unfortunately have their emission control mechanisms subsequently tampered with," says their spokesperson.

At present the Ministry is conducting research into better understanding the scale and nature of tampering to gauge what action, if any, it can

1990s light vehicles in the 2000-2015 fleets



consider to maintain continued compliance of the fleet entering New Zealand. "We expect to have further information later in 2017," says the spokesperson.

NZ VERSUS THE WORLD

In terms of the future, the MoT is currently monitoring international rulings in relation to emissions standards and waiting to see what is set to take place overseas. "This includes suggestions that there may be further standards (such as a Euro 7) developed and equivalent changes in Japanese standards."

Meanwhile, decision makers from some of the biggest cities in the world, including Madrid, Athens, Paris and Mexico City, have all said that they will go so far as banning diesel cars and vans from their roads by 2025.

"The air in London is lethal and I will not stand by and do nothing," Mayor Sadiq Khan said in April as he announced plans to set up an ultra-low emissions zone.

California has set stringent emissions standards and promotes

zero-emission cars with substantial rewards such as the clean vehicle rebate where California residents are awarded up to \$7,000 for the purchase or lease of a new, eligible zero-emission or plug-in hybrid light-duty vehicle.

Paris has already banned polluting vehicles from the city centre during periods of peak smog and car owners are forced to display a sticker on the car's windscreen to show how high the pollution levels are. Parisians are also given discounted public transport if they are prepared to give up their older vehicle.

Licensed vehicles in Mexico City are expected to undergo emission testing twice a year and in the city of Tokyo, diesel-car owners are required to install exhaust gas purifiers and have done so since 2003.

While we still have a way to go, in terms of keeping up with the bigger cities around the world, all indicators are pointing at New Zealand following in the footsteps of these bigger cities. For now, it's just a matter of wait and see. ☺

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"The air in London is lethal and I will not stand by and do nothing"
- Sadiq Khan, Mayor of London

How can I sell more cars?

I really enjoy when this question comes up in a dealership, as it starts some great conversation and gets the thought process going about the many aspects that influence the ability to sell more cars. There is however, opportunity to generate more revenue from every sale, which then lessens the pressure of selling more cars.

The one area I don't want to focus on is slashing prices and eroding whatever little margin you had in the car to begin with. This isn't best business practice and won't set you up well for the long term, when there are many other areas you can be proactive in, to significantly increase the sustainable future success of your business.

When considering the answer to this question it's much better for your bottom line to focus on:

1. **Converting more leads to sales** – selling more from what leads you have.
2. **Maximising the opportunity from each customer** – this strategy isn't about selling more, it's about selling better.
3. **Generating more customer referrals** – recommendations have significant worth to your business.
4. **Retaining more of your existing customers** – repeat business is your most profitable business.
5. **Generating quality leads that are active** – get their attention, then respond quickly with useful information.

Hopefully by now these five points have got you thinking about them in relation to your own business. Due to what we need to explore in each of these strategies, I will cover them in multiple parts over the next few articles with this being the first part in the series.

1. CONVERTING MORE LEADS TO SALES

Maximise the opportunities at hand before you increase your leads through spending more money on advertising. Don't get me wrong, spending more will likely lead to selling more cars, however if you can focus on understanding your customers and converting more of what you've already got, then when you bring even more leads in to the top, you will convert more. Converting a higher percentage of leads increases sales productivity, and therefore return on investment.

Remember the customer on their purchasing journey only visits two to three dealerships and potentially the same number of private sellers. Therefore beginning to understand why



MARK GREENFIELD
Motorcentral

they didn't purchase from you provides highly valuable insight into what you could do differently to convert more.

Ensuring your conversion of phone calls and emails, to dealership visits, is the

very first phase in this process to increased conversion. You need to understand how many of these are received into the dealership each day, week, month, and how many resulted in dealership visits and/or test

drives, right down to a per salesperson level.

Understand these numbers and you will identify areas you can improve, to maximise customer visits to your dealership.

Once you have converted leads to visits,

if you lose these customers then there is a reason they didn't buy from you, and most likely purchased their new vehicle somewhere else. Consider these potential reasons as to why you weren't successful in converting them to a sale through your dealership:

- ▶ You didn't have the right vehicle for them
- ▶ Your vehicles weren't

presented very well

- ▶ Your prices were too high compared to others they looked at
- ▶ You couldn't trade in their vehicle at the right price
- ▶ They didn't like the vehicle after they test drove it
- ▶ They didn't like or trust the sales person, or sales manager, or you the owner
- ▶ Your dealership didn't give them a very good impression
- ▶ They weren't given any attention when they came on to the dealership
- ▶ They couldn't get any finance arranged by you.
- ▶ Your email/phone communication was poor and/or slow to respond

If you can identify any trends amongst the customers that didn't buy, these are the most critical areas for your dealership to focus on improving. They will make a profound difference to how many of your customers you convert to sales.

Now think about how many active leads (customer opportunities) visit your dealership each month? These are the customers that have gone further than emails and phone calls and have physically visited your dealership and better yet, test-driven a vehicle.

The difference between the number you have just identified and your monthly sales, is lost opportunity for more sales. Regardless of how big or small the number is, it's still a number and they are yours to convert.

[To be continued next issue]

Maximise the opportunities at hand before you increase your leads through spending more money on advertising.



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Mazda unveils Sustainable Zoom Zoom 2030

Mazda Motor Corporation has announced it will push ahead with its next-generation petrol engine. It's a move that has attracted a lot of industry attention due to the fact that many large car manufacturers have shifted their focus away from petrol engines to electric engines. Mazda says its next-gen engine, called SKYACTIV-X, will be the world's first commercial petrol engine to use compression ignition and will be introduced to the market in 2019.

Mazda says the SKYACTIV-X, with its proprietary combustion method called spark controlled compression ignition (SCCI), will combine the

advantages of petrol and diesel engines to achieve outstanding environmental performance, power and acceleration performance.

It will be the world's first commercial petrol engine to use compression ignition, in which the fuel-air mixture ignites spontaneously when compressed by the piston. By maximising the zone in which compression ignition is possible and achieving a seamless transition between compression ignition and spark ignition, Mazda will overcome two issues that had previously impeded commercialisation of compression



ignition petrol engines.

Using compression ignition and a supercharger fitted to improve fuel economy the result is an unprecedented engine response and 10 to 30 per cent increase in torque over the current SKYACTIV-G petrol engine. Compression ignition also provides a super-lean burn that improves engine efficiency up to 20 to 30 per cent over the current SKYACTIV-G, and from 35 to 45 per cent over Mazda's 2008 petrol engine of the same displacement.

The SKYACTIV-X will even equal or exceed the latest SKYACTIV-D diesel engine in fuel efficiency, Mazda says. With high efficiency across a wide range of rpms and engine loads, the engine allows much more latitude in the selection of gear ratios, providing both superior fuel economy and driving performance.

David Hodge, Managing Director of Mazda New Zealand, says the motor vehicle industry is going through some of its most significant changes and it is great to see Mazda continue to demonstrate innovation in its long-term technology strategy.

"The first generation SKYACTIV engine really made its mark in New Zealand due to both its power and environmental performance. The exciting changes planned for the next-generation SKYACTIV-X will further highlight the company's commitment to the environment while still delivering the thrill of driving great cars."

Mazda unveiled its new petrol engine this month as part of its

long-term vision for technology development called Sustainable Zoom-Zoom 2030, which looks ahead to the year 2030.

The manufacturer says that in light of the rapid changes taking place in the automotive industry, the new vision takes a longer-term perspective and sets out how Mazda will use driving pleasure, the fundamental appeal of the automobile, to help solve issues facing "people, the earth and society".

As part of Sustainable Zoom-Zoom 2030, Mazda says it will expand measures for carbon dioxide reduction from a "well-to-wheel" perspective, considering emissions over the vehicle's entire life cycle. Its aim is to reduce corporate average "well-to-wheel" carbon dioxide emissions to 50 per cent of 2010 levels by 2030, and achieve a 90 per cent reduction by 2050. This will be achieved by prioritising efficiency improvements and measures for cleaner emissions that apply in the real world.

"We think it is an imperative and fundamental job for us to pursue the ideal internal combustion engine," says Mazda's head of Research and Development, Kiyoshi Fujiwara. "Electrification is necessary but ... the internal combustion engine should come first."

From 2019, the company will start introducing electric vehicles and other electric drive technologies in regions that use a high ratio of clean energy for power generation or restrict certain vehicles to reduce air pollution.

It says testing will begin in 2020 of autonomous driving technologies currently being developed in line with Mazda's human-centered Mazda Co-Pilot Concept2 with the aim to make the system standard on all models by 2025. ☺



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Autohub embraces the ever-changing market

The past two years have been massive in terms of used imports entering New Zealand and Autohub has been at the forefront, managing a significant number of these on behalf of New Zealand dealers, and from a number of different source markets.

In 2016, over 160,000 imported used light vehicles, including cars, SUVs, utes and vans, were sold, and looking at this year to date figures of over 83,000, we are well on track to exceed that total.

The next five to ten years are also expected to herald in massive changes to the auto industry, and Autohub is looking forward to these changes, as with change comes opportunity.

"With the increase in numbers, emerging markets and an ever changing environment, we have managed to maintain our market share," says John Cameron, Customer Services Manager at Autohub. "Some changes were needed to our systems and we have increased staff numbers to deal with the increased business, but all of this has been driven by the opportunities and customer feedback.

"As the volume in business increases, Autohub has the systems in place to allow our customers the security of knowledge that their vehicles are in safe hands and with our regular shipping schedule they will arrive as timely as possible," John says.

Autohub's business development managers cover the whole of New Zealand to ensure a consistently high level of service, as well as sharing their knowledge of the unique opportunities in each of the source markets.

Business development representatives, Jim Shi and Vincent Pieterse, are passionate about providing excellent service to customers and thoroughly understand the processes to make shipping painless, simple and reliable. Transporting vehicles throughout

the world without a hitch is a challenge few businesses would relish but Autohub has mastered the process.

"Both Vince and Jim are focused on helping their customers grow their existing businesses while assisting them with new opportunities to expand and increase the profit of their business," John says.

"Customers' vehicles must get to New Zealand as soon as possible, in the same condition they bought them in and with as little hassle as possible," he says.

The customer services team consists of four people, all with varying and complimentary skills.

John joined Autohub in 2012 after returning from a five-year stint in Australia as the sales manager for a large privately owned heavy equipment company. He initially became Autohub's administration manager - international, handling the documentation and funding processes for UK imports.

Vincent Pieterse comes from an automotive background, starting off as an apprentice mechanic straight out of school then into vehicle signage and wraps and most recently sales for automotive paint and panel supplies.

"With a passion for all things automotive, I can relate to customers, having owned classic cars and most things in between but now prefer to keep my hands dirty for my hobbies when competing in motorsports events in the weekends with friends. I enjoy

helping customers find something that will make them more noticeable in the marketplace," Vincent says.

Jim Shi joined Autohub in 2014, after working as account manager for a well-known NZ home systems company. He has eight-years' experience dealing with customers in a number of different industry sectors including B2C and B2B. He has a true passion for the automotive world, with a genuine interest in supporting individuals and businesses to excel. Jim is highly motivated and enjoys working in a challenging and fast changing environment, and he has become a well-respected member of the Autohub team. "Customer feedback is essential so we can adapt to new trends and keep ahead of the changes in the industry," he says.

Phil Ronaldson, who deals with customer claims, joined the customer service team at the beginning of the year. "With four years insurance experience with Vero Marine, I found myself seeking a new challenge," Phil says. "A chance call from Frank (Willett), Autohub's acting chief executive officer, while discussing claims matters presented an opportunity to leave the city for the green pastures of Kumeu and the opportunity to join a fantastic team in an exciting and rapidly expanding industry," he says.

"I pride myself on providing prompt and efficient service across both my claims and customer service roles and am thoroughly enjoying being part of Autohub's operation."

Phil Ronaldson

Vincent Pieterse

John Cameron

Jim Shi



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Educating for Automation

I attended a workshop recently where the topic of discussion was the skills that the transport industry of the future would require. Specifically, we were looking 18 years out, at the year 2035.

It is always difficult to predict what the future will bring. This difficulty is compounded by the fact that the rate of technological and scientific advancement is increasing.

There are many good ideas that are currently being explored by governments and industry on ways to address this change and ensure we have the skills necessary to both take advantage of and maintain this technological change as it effects the transport industry.

Among the most innovative is around "micro-degrees". These focused learning programmes have been heavily pioneered by online schools such as Udacity and Coursera, but recently universities and polytechnics in New Zealand and abroad have been exploring developing similar programmes for more hands-on skills.

In short, these micro degrees are a series of focused courses designed to train for a discrete skill or skill set. The benefit of this approach is that it allows people who are currently employed to either retrain or augment their training at their convenience in a very short period of time. Combining a variety of these programmes allows for a more customised training regime, perhaps targeting for a very specific job.

I have some experience with these courses, at least the ones from the most recognised online

providers. I have recently been involved with a tech start-up and one of the first things we did was identify the common skills required by the members of the team. We are all using these micro-degrees to quickly and efficiently upskill - and this is a group of people with advanced university degrees. We have also put together a regime for continued learning beyond this foundation.

These courses will be a useful tool for many within our industry to stay up to date with technological, social, and regulatory changes.

For example, courses that would be of obvious use to those within the industry, both today and into the future, would be: web development, app development, digital marketing, data analytics, small business management, how to build a start-up, business foundations, social media marketing, etc. These courses are already available and we can expect the catalogue of options to continue to expand.

Of course, not all solutions have to come from technology. Traditional on-the-job training is also expected to make a comeback in the form of apprenticeship programmes. Through the development of formal opportunities in this area, it is likely that many of our skill needs can be met as the technology we adopt



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evolves over time.

On a more strategic note, I am dubious that simply throwing money at one solution or another is the best way to ensure our future needs are met. Even were the demand to be recognised and training made affordable, the incentive to go into a programme would be

lacking without recognition of the long-term opportunities that job offers.

A different way of thinking about the problem would be to increase interest in the opportunity. Identify careers as opposed to jobs and then the experience and training pathways that lead into those careers.

I think, however, that the most impactful thing New Zealand could do to prepare the entire workforce of the future is to officially recognise computer science as a core competency, on par with literacy and numeracy.



There are very few jobs in any industry that the ability to program a computer will not in some way benefit in the future.

To clarify, I am not referring

to the ability to use a computer, I assume our children who have grown up with the ubiquity of computers will be much more computer literate than us. What we need to do is teach our young children the ability to setup problems in a way that subdivides it into logical steps and instruct computers to do the work.

This training needs to start early, like literacy and maths. This will prepare them to think in terms of solving computation problems.

The date of 2035 is also perfect because it allows several years for upskilling teachers and staff, updating systems and standards, before it is necessary to implement for a generation of children who would graduate in 2035. This training would be useful for anyone and everyone, but the earlier it can be taught, the more "fluent" learners will be. Young children who learn these skills will get further training by simply utilising them in their later years of schooling.

The obvious objection to this will be the cost of pre-training

instructors. Many schools in New Zealand, however, are already embracing e-learning and there are already many programmes currently available designed to teach these concepts to children.

The recent news has been full of predictions about automation and how

all our jobs will be at risk in the next few decades. What better way to prepare for this future than to ensure New Zealanders know how to automate? ☺



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Land Transport Act amendment passed

The Land Transport Act Amendment Bill was passed in Parliament on August 3, with only NZ First voting against the new legislation.

Transport Minister Simon Bridges says the amendment will introduce "more flexibility in small passenger services, mandatory alcohol interlock sentences, and tougher penalties for fleeing drivers".

The bill makes small changes to numerous existing clauses in the Land Transport Act. These include some deregulation of passenger services, such as taxis and Ubers; mandatory alcohol interlocks for first-time high-alcohol and repeat drink-drivers; stronger legislation to prosecute evasion of public transport fares; increased penalties for drivers fleeing from police, and changes to the regulation of heavy vehicles.

A supplementary paper was

also added to the bill, which bans window-washers from all New Zealand roads.

The legislation about passenger vehicles drew the most attention from both MPs and industry bodies, as the new bill looks to shake up the taxi sector by formally recognising ridesharing as part of the country's transport system.

Ride-sharing app service Uber has welcomed the new bill. "This is the final stage in officially recognising your right to a safe, affordable and reliable ride across the city," Uber General Manager Richard Menzies says.

The bill has met opposition from the taxi industry. Blue Bubble Chief Executive Bob Wilkinson was "disappointed and frankly shocked" at the amendment.

"We welcome competition and innovation, but are very concerned with this legislation," he says. ☹

NEWS in brief

Turners joins Australian Stock Exchange

Turners Automotive Group Limited has been admitted to the Australian Stock Exchange (ASX), effective from the market opening at 1pm New Zealand time on July 28.

Turners has joined the ASX as a foreign-exempt entity alongside other major Kiwi companies, including Air New Zealand, Fisher & Paykel, and Trade Me.

"The listing on the ASX will provide the company with access to a larger capital market to support its growth strategy," Turners Group say.

Turners is now trading on the ASX with the code TRA. Details of share prices and volumes will be revealed as trading on the ASX gets fully under way.

Auditor-General resigns over MoT fraud case

Auditor-General Martin Matthews, pictured, has resigned following heavy criticism over his handling of a Ministry of Transport fraud case committed under his leadership.

"It is with great regret that I have tendered my resignation as Controller and Auditor-General," he said earlier this month.

"The issues and speculation about how I handled matters in relation to the fraud committed on the Ministry of Transport during my term as CEO have made it untenable for me to continue in this role."

While Matthews was CEO, a high-level staffer, Joanne Harrison, defrauded the government department of nearly \$750,000 and secured employment for friends and family. Matthews allegedly ignored requests from staff to investigate the fraudulent activities.

The commission found the investigation into Harrison was lacking, and advised the ministry to compensate former staff members who had been forced out after raising concerns about Harrison's behaviour.



Researchers unlock fast-charging secret

A new battery design being developed in Philadelphia could be the answer to near-instant EV battery charging.

A team of researchers at Drexel University, working with colleagues in Israel and France, has designed a battery electrode using a highly-conductive two-dimensional material called MXene.

The new design can charge batteries in seconds, which researchers say could solve a key issue with EVs. Future battery charging could take less time than a petrol refill.

The team at Drexel used MXene to boost the energy storage volume of a supercapacitor. By changing the structure of the electron, researchers were able to make ions flow freely.

The team said it is unclear exactly how the battery could be upscaled for use in a vehicle, but it would completely change the way batteries are used in an electric car.

Fatality possibly linked to faulty airbag

A woman killed in a car crash in Florida last week was most likely the victim of a faulty Takata airbag inflator, Honda says. If confirmed by authorities, it will be the 19th death worldwide linked to the defective airbags.

Honda says the 34-year-old woman was driving a 2002 Honda Accord.

The Accord at the centre of last week's crash was initially recalled in 2011. Honda says it had mailed 21 recall notices, including 10 notices to the current owner, but the repairs were never completed.

Honda says older vehicles, particularly those manufactured between 2001 and 2003, are most at risk. There has been no fatalities or injuries linked to faulty airbags in New Zealand. ☹

Custom ute set to hit Kiwi roads

Toyota's Hilux Gladiator concept ute that debuted at Fieldays proved so popular with the crowds a detuned version for the public is already in the works.

The one-off Hilux was developed in partnership with Retro Vehicle Enhancements (RVE). With a 50-year history of creating custom vehicles, RVE was eager to take on the challenge.

Toyota's General Manager of Product, Spencer Morris, says the team had four weeks – one to plan and three to build, to bring the Gladiator to life.

"We wanted something that grabbed attention from first glance, and then made you look twice for more detail," Morris says. He credited the design team, headed by Toyota's Clint Beaumont and Mark Stanners from RVE, for the Gladiator's success.

"Toyota's brief was pretty



The 2017 Toyota Hilux Gladiator Concept

simple," RVE's Managing Director, Dave Stanners, says "make an aggressive show-stopper."

Starting with a standard Hilux SR5, RVE installed a suspension lift kit with offset 20-inch alloy wheels and tyres and a matching bull bar and winch, sump guard, snorkel and bolt-in flares, all of which were specially designed.

"The concept Gladiator was a privilege to work on," Stanners says.

"It gave our entire team a chance to showcase the depth of our capabilities all on one vehicle."

Other accessories, such as LED roof rack lights, a sports bar with custom mounts for spare tyres and tools, and a full-red leather interior with carbon-fibre trim capped off the concept. Virtually every aspect of the build was completed in-house and involved creating custom-made parts, laser-cut

details, and a one-off decal design.

The Gladiator didn't just make waves at Mystery Creek – the concept video has gone viral online, attracting attention from motor companies throughout the world.

It's not the first time Toyota and RVE have teamed up on a project. In November 2015, the two firms produced the first Hilux Gladiator concept, and more than 100 custom utes have been sold since the launch.

"As RVE had already produced the 2015 Gladiator, it was only natural to have them build the 2017 Concept version," Morris says. "RVE have a very skilled team that when combined with Toyota gave the project the extra boost it needed to produce something never seen before."

Planning and development of a Gladiator production model is underway, which Stanners says will be available near the end of the year. ☺



Wraps come off VXR

Holden has finally lifted the covers on the range-topping Commodore VXR, which will replace the SS in the flagship Holden line-up when an all-new series manufactured by Opel launches early next year.

The VXR packs a 3.6-litre V6 engine under the bonnet, pumping out 235kW of power and 381Nm of torque. The nine-speed transmission is mated to an adaptive all-wheel drive system, which features torque vectoring technology and a twin-clutch rear differential.

Brembo front brakes and a unique sports setup separates the VXR from the Commodore range, and allows drivers to switch between driving modes.

Holden has reassured drivers that the Australian design influence

shines bright in the German-produced car. "The next-gen Commodore VXR offers a different execution of performance to the outgoing SS, but make no mistake, this is a more than worthy successor," says Holden's lead Dynamics Engineer, Rob Trubiani.

Holden has also added sports styling accents to the VXR, including bespoke 20-inch alloy wheels, larger rear spoiler, front and rear sports fascias and premium VXR sill plates.

Other highlights include adaptive LED Matrix headlights, heated and ventilated leather performance front seats, and a range of cutting-edge driver assistance technology.

The Commodore VXR will be on sale alongside the rest of the sedan range, including the Sportwagon and Tourer body styles, in early 2018. ☺

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The month that was.... August

With more than 30 years of history, Autofile is delving into the past to see which stories previously made headlines

August 20, 2004

Odo code of practice agreed

Four major odometer checking companies agreed to sign a code of practice to regulate their services. An agreement was reached whereby standards of performance would be developed and adhered to and negative publicity regarding odometer inspections would end.

Present at the meeting were Steve Ward of Optimech, Euan Philpott of JEVIC, Daryl Muir of Automotive Technologies and Mike Smith of Autoterminal representing NTKK.

IMVDA's David Vinsen, who chaired the meeting, said the meeting was "fairly heated" but the absence of lawyers indicated how interested the parties were in finding a solution.

The agreement, or code of practice, followed weeks of concern throughout the industry that the publicity at that time about odometer tampering would ruin the credibility of vehicle traders and the products they sold.

It was also agreed that an independent claims ombudsman would be appointed to adjudicate upon claims that were rejected by signatories. Signatories could give evidence in support of odometer certificate claims but could not act as advocates or representatives of claimants.



August 10, 2007

Registration loophole uncovered

A legal loophole within the registration system for imported vehicles entering the register for the first time was uncovered. The loophole allowed many non-compliant vehicles to be registered through "VIN exempt" channels.

Vehicle classes such as mopeds and tractors could be registered by presenting a completed form at any Post Office.

The process did not involve the requirement for vehicles registered under these classes to be presented for a Vehicle Identification Number (VIN) or entry certification, making them 'VIN exempt'.

Autofile learned that many 'non-compliant' vehicles had been registered incorrectly through this channel. Sources had revealed that some examples included new motorcycles imported from markets such as China registered as 'mopeds' as well as large four-wheel-drives (4WDs) such as Hummer, Toyota, Mitsubishi and Chevrolet, registered as 'tractors'.

Land Transport New Zealand (LTNZ) was unavailable for comment at the time of print but had previously stated that it was unable to comment on the number of vehicles that had "slipped" through. It also confirmed that the quantities of vehicles registered in these categories had dramatically increased.

Technical services manager for IMVDA, Frank Willett, said "I am disappointed LTNZ has been aware of such a loophole existing since the mid-1990s, and had not addressed this serious issue."



August 29, 2008

National rejects emissions proposal

National Party Finance spokesman Bill English warned New Zealanders that the Labour government was considering a tax that would increase the price of the family car by thousands of dollars.

He referred to the fuel economy discussion paper released in January 2008, and stated "A Suzuki Swift is to be the new standard for everyone. If your car emits more CO2 than a Suzuki Swift, the tax will apply."

One option outlined in the document was a proposed levy on all new and used imported cars if they did not meet fuel economy standards. The levy would range from \$4000 for a van to \$10,000 for a Holden Commodore.

Associate Transport Minister Judith Tizard said the vehicle levy scheme was one of a number of options.

Perry Kerr, chief executive of the Motor Industry Association (MIA), said the MIA had rejected the discussion document's three options, and preferred a 'burden sharing scheme' that included a carbon tax on petrol and diesel.

David Vinsen, chief executive of the Independent Motor Vehicle Dealers Association (IMVDA), said the association would prefer differential registration and licensing costs based on fuel consumption and vehicle characteristics.



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Industry movers

GREG HEDGEPEETH has been announced as the new CEO of its Turners Group NZ business (formerly Turners Auctions).



Hedgepeth is an experienced automotive executive and has previously held a number of senior roles with BMW Group NZ and Armstrong Motor Group, one of NZ's largest privately owned retail automotive networks. He has strong skills in sales and marketing and is passionate about brand strategy, employee engagement, customer experience and harnessing technology to deliver better results.

SHAUN SUMMERFIELD has joined the Giltrap Group as General Manager – Marketing & Communications, responsible for overseeing the marketing of the Group's 17 retail brands in eight locations across Auckland. He will lead the Group's external and internal communications.



Summerfield has spent the last 17 years in the TV3 Newsroom, mainly working as a sports reporter. His role at the Giltrap Group doesn't spell a complete end to his involvement in broadcasting, he will continue to host the motorsport show: CRC Motorsport.

DANIEL GOLDENFEIN joins Mercedes-Benz Botany as its New Vehicle Manager. A recent arrival from Melbourne, Goldenfein has extensive experience in the premium sector in various roles with BMW, Audi and Volkswagen dealerships.



MARK BYRON has taken up the position of Pre-Owned Manager at Mercedes-Benz Botany. Byron's most recent prior role was Used Car Manager at Auckland City Toyota. He has significant premium vehicle experience leading Auckland City BMW's pre-owned team and setting up used operation AEM.



ALEX MURRAY has joined Mercedes-Benz Botany as Service Manager. His previous position was Service Manager at Manukau Nissan since its inception. Murray also has extensive experience running Hyundai service departments in South Africa.



ALAN CLARK, head of Trade Me Motors, will join the Trade Me executive team. CEO Jon Macdonald said the new structure reflected Trade Me's strategic priorities, and would help further grow the business, and "reflects the continued growth in scale and importance of its classified businesses."



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

Auto industry job ads up

Monthly employment growth appears to be easing from the highs seen earlier in the year, with the latest ANZ Job Ads Report noting a one per cent fall in job ads during July (once seasonally adjusted).

The report says ad growth has flattened during the quarter, up just 0.5 per cent, with declines in two of the past three months flagging "a turning point" in the job market and wider economic landscape.

"Is labour demand coming off the boil or are workers simply becoming too difficult to find, with firms giving up on advertising and looking at alternative means?" ANZ says in their report. "With skilled staff the biggest problem holding back firms... it's looking more like the latter."

The Ministry of Business, Innovation and Employment (MBIE) has also reported a slight downturn, with online vacancies increasing 10.6 per cent in the past year – two per cent lower compared to the previous month.

Auckland remains the strongest of the three main urban centres, up 10.4 per cent (when averaged over three months), but still lags behind the national average. Job growth was also low in Wellington and Canterbury during July, down 7.7 per cent and 8.2 per cent respectively. The regions continue to experience stronger annual growth, with construction, manufacturing and transport the best performing industries.

The West Coast had the highest annual increases among the regions, up 53.2 per cent. Southland saw a 32.9 per cent increase in job ads, followed by the Nelson, Tasman and Marlborough region, up 31.9 per cent.

"While overall growth in vacancies is steady, the data is pointing to rising demand for

machinery drivers and labourers, and in regions outside Auckland, Wellington and Canterbury," says Stuart King, MBIE's labour market trends acting manager.

Within the auto industry, automotive electricians saw the biggest jump in job ads in the June quarter, up 50 per cent compared to the June 2016 quarter, followed by motor vehicle and vehicle parts salespersons, up 36 per cent, and motor mechanics, up 30 per cent. Car detailing job advertisements also rose, up 27 per cent.

Panelbeating jobs remain flat, up just one per cent year-on-year, while retail managers and technical sales representatives saw modest

annual gains, up five per cent and four per cent respectively.

Unemployment dropped in the June 2017 quarter, says Stats NZ, down 0.1 percentage points to 4.8 per cent, the lowest rate since December 2008.

The Nelson/Tasman/Marlborough/West Coast region saw a particularly sharp fall, with unemployment down 2.9 percentage

points to just three per cent.

However, the labour cost index (LCI) salary and wage rates increased 1.7 per cent in the year ending June, exactly the same growth seen in the CPI inflation rate over the same period, which nullified real wage growth. Salaries in the public sector increased 1.9 per cent, and 1.6 per cent in the private sector, marking the fourth quarter in a row where wage growth in the public sector outstripped the private job market.

Westpac predicts that wage growth will remain muted in their Labour Market Review for the June quarter, saying "although wage inflation is likely to rise over the coming year as the economy continues to expand, we expect it will remain modest for some time".

are workers simply becoming too difficult to find, with firms giving up on advertising and looking at alternative means?

Protect your customers

The truth is most of us are under insured. We neglect to update our insurances to match our current liabilities. Most of us believe we will get around to evaluating our insurance needs later, when we have more time, more money or more possessions. "Later" seldom comes until illness, injury or death meets us head on.

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It is estimated that 97 per cent of New Zealanders have, as their only source of income, their ability to work. If their loan would be a burden to them or their family during a period off work due to a covered event, this protection would come in very handy.

The Responsible Lending Code says that you must give

your customers the opportunity to purchase products that will try to safeguard their ability to repay their loan.

It is better for your customers to have it and not need it rather than need it and not have it.

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the customer cannot make their payments due to injury, illness, bankruptcy/ redundancy, death or terminal illness, hospitalisation or due to caring for



TONY HEADLAND
General manager
Protecta Insurance

a family member. It pays in addition to other insurances the customer may have through their work or other provider. This protection is something that will provide continuation of the loan repayments or freehold title of the vehicle for the family during a time of need and stress.

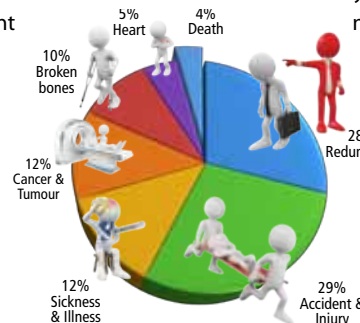
Present the benefits of this valuable plan to everyone. Your customers have the right to make the choice for themselves. How can they make an

informed decision without knowing all the facts and the benefits?

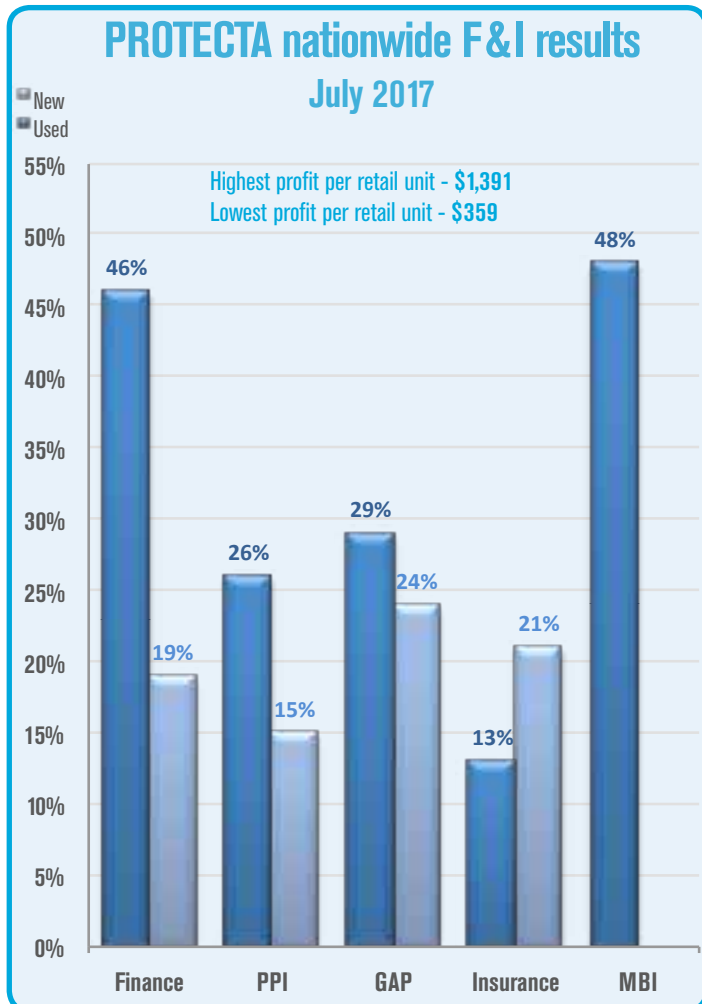
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This graph shows payment protection insurance claims by event



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- 6 Aug**
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NASCAR Cup Series - Watkins Glen, USA
FIM Motocross World Championship - Lommel, Belgium
- 12-18 Aug**
Atacama Rally - Chile
- 12-13 Aug**
British Touring Car Championship - Knockhill
- 13 Aug**
MotoGP - Red Bull Spielberg, Austria
NASCAR Cup Series - Michigan Speedway, USA
FIM Motocross World Championship - Frauenfeld, Switzerland
- 17-20 Aug**
WRC - Rally Germany
- 19 Aug**
NASCAR Cup Series - Bristol Motor Speedway, USA
- 19-20 Aug**
FIA Formula 3 European Championship - Zandvoort, Netherlands
Blancpain GT Series Asia - Fuji International Speedway, Japan
DTM - Zandvoort, Netherlands
- 20 Aug**
FIM Motocross World Championship - Uddevalla, Sweden
- 25-27 Aug**
IMSA SportsCar Championship - Virginia, USA
- 26-27 Aug**
British Touring Car Championship - Rockingham Circuit
- 27 Aug**
MotoGP - Silverstone GP Circuit
F1 - Spa-Francorchamps, Belgium
- 2-3 Sep**
World Rallycross Championship - Loheac, France
International GT Open - Silverstone
- 3 Sep**
F1 - Monza, Italy
NASCAR Cup Series - Darlington Raceway, USA
Motocross World Championship - USA
World Endurance Championship - Autodromo Hermanos Rodriguez, Mexico

Where to for Bamber and Hartley?

The future careers of Kiwi race drivers Earl Bamber and Brendon Hartley hang in the balance after Porsche confirmed it will leave the LMP1 category in the FIA World Endurance Championship to prepare for an entry in the Formula E all-electric series.

The move sees Porsche follow other luxury brands including Mercedes and Jaguar, but the switch casts doubt over the futures of up to six drivers as the format of Formula E means drivers change cars; in endurance racing the reverse is true so Bamber, Hartley and German racer Timo Bernhard all shared their historic win at the 24 Hours of Le Mans this year.

Current battery technology does not allow Formula E cars to complete a race without recharging, hence the need to switch cars.

The two Kiwis are being offered drives for Porsche in the



Brendon Hartley, Earl Bamber and Timo Bernhard celebrate victory at the Le Mans 24 Hours

more road-based GTE category and in the American Le Mans Series in 2018. Hartley's analytical abilities would be valued by Porsche as they build new electric race cars from scratch. The pair are under contract, but could well become hot property on the driver job market due to their current world championship winning form.

There is wide speculation

that the move also links with the recent announcement that Porsche would have to recall tens of thousands of Cayenne SUVs caught up in the 2016 'dieselgate' scandal, an international legal requirement that will cost the company millions of dollars.

Toyota is 'last man standing' in the LMP1 category and could yet withdraw, finding little honour in winning a deserted category. ☹

Hampton Downs secures endurance series

Circuit owner Tony Quinn has only just been told Hampton Downs will not host the 2018 New Zealand Grand Prix, but far from fretting about that decision, he's celebrating the news that his FIA-rated circuit will be the venue for the opening round of a prestigious international GT series next year.

The inaugural Asia Pacific SRO36 will be contested over three 12-hour rounds – Hampton Downs on October 28, the Motul Sepang



GT3s in the Blancpain GT championship at Silverstone

in successful race organisation and promotion including the Blancpain GT Series. Both Quinn and Ratel expect the series to offer Kiwi racers unprecedented access to drives in modern GT3 race machinery.

Quinn's own endurance races at Hampton Downs and his Highlands Park circuit at Cromwell will also continue to offer opportunities to New Zealand drivers.

The Cup will be open to GT3, GT4 and GT Cup cars. ☹

12 Hours on December 9 and the final round, the Liqui-Moly Bathurst 12 Hour, on February 3, 2019.

The owner of SRO Motorsport, Stephane Ratel, has a long history



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Speedway racer Michael Pickens is world famous outside New Zealand. A champion and race winner on two continents, he is a giant in a sport that has massive international profile but paradoxically struggles for mainstream coverage in New Zealand.

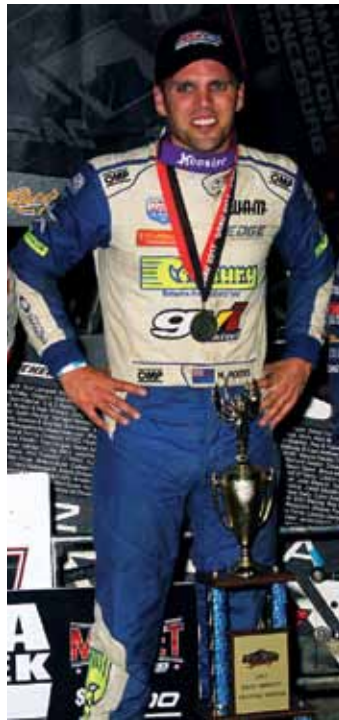
The Aucklander is adept in two main categories these days, the lightswitch-agile midgets and the blindingly fast sprintcars. He knows his way around the iconic Western Springs speedway track and has carved a name for himself in the sport's homeland, the USA.

Once, he aspired to race Nascar in the USA. Nowadays he is happy hammering out laps at 'the Springs'. Pickens says everyone in Speedway must travel a rite of passage, from impetuous youth to consistent, fast racer.

Gaining experience, getting older means getting wiser: "you learn to drive strategically, pick and choose the passes, rather than be a typical gung-ho young man. A lot of it is about slowing down and not making mistakes. From early on I had reasonable speed and was fortunate to be around the right people who could teach me the right things."

Understatement from the multiple New Zealand national champion who has more wins in Australia and America than he can recall in casual conversation. Pickens holds the New Zealand record for the most wins in a row in 'A-main' final heats (17) and has equaled the record for the most A-main wins overall. He is an eight times champion in the Midget category and is the defending Sprintcar international series champion.

Like most racers involved in the sport, he is passionate about Western Springs, the spiritual home of speedway and possibly New



Zealand's oldest sporting venue. Speedway has been at the Springs since the 1930s and in recent years has been under threat from local residents, who have hobbled the sport by complaining about noise and dust issues.

More recently still, Auckland Council has been proposing a kind of 'musical chairs' of venue allocation for major sports, looking to push Speedway into Mt Smart, move the Warriors to games at Eden park and move cricket from Eden Park to Western Springs. None of these moves were proposed or supported by the sporting codes involved, and speedway quickly came to the conclusion that Mt Smart would simply not have room for the show itself or the massive spectator crowds that follow it.

Bill Buckley, longtime competitor and passionate devotee of the sport, has invested massively in the Springs and helped resist the Council's agenda.

These days, the noise issues that

have plagued the Springs in the past are largely addressed by limits on the number of race meetings the sport can stage each summer and by the mufflers all classes must run. Pickens says speedway cars are now 'about as noisy as your lawnmower' and the continued spectator support for the racing is an emphatic demonstration of the continued passionate support for the venue and the sport.

"Essentially the cars are about as quiet as you can get without affecting the performance. The neighbours probably won't ever be happy but you have to remember very few speedways in the world

have the history of Western Springs, and nowhere would you get that many people at a dirt track," he said.

The shape of the track has also been changed to create progressive banking (where the higher line through turns has more banking) and the surface upgraded to reduce dust. "Racing a dirt track means dealing with a surface that is always changing: the composition of the clay cap, moisture content, recent weather, how they prepare the track, how many cars are running... there are a lot of variables that influence the speed you can go. That is what makes it so exciting." ⊕

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New Chery J3 has major rust issues two years after purchase

Background

Andre Swartz purchased a new Chery J3 from Brendan Foot Motors Limited on April 16, 2014, for \$16,508 including a finance agreement.

Swartz said he first noticed rust in the Chery two years following purchase. He took the vehicle back to the trader which arranged for repair work, covered under factory warranty, to be completed over a three-week period in June 2016.

The dealer's report dated June 24 described the fault as: "rust forming round the fuel filler cap, black vertical appliques on both front doors, upper and lower hinges on both rear doors, left front strut tower, top rails on the left and right inner guards, top inner seam of tailgate".

About six months later, Swartz noticed rust was reappearing, including in some of the same places where rust was repaired.

Swartz wrote a letter to the trader on December 8 rejecting the Chery stating he had experienced a number of issues with it, including transmission problems. But the Chery's "major issue" was the rust which continued to show all over despite significant repairs. Swartz requested a full refund of the purchase price.

The trader requested Swartz bring the vehicle in for further assessment, which he did on December 12. The trader obtained various quotes for rust repair work.

Swartz refused the trader's offer to repair the vehicle and, on December 16 and 22, repeated his request to reject it.

The case

Swartz produced a number of photographs confirming the existence of the rust described in the dealer's report dated December 14. The trader's technician described the fault as: "found rust on right and left lower edge of headlight panel, in engine bay, top edges of both front guards at each side of the windscreen, door hinges and seams on all four doors, under the weather strips on all four doors, chip towards top interior edge of right front door, top interior seam on tailgate, studs and nuts of both tailgate lamps, round left hand bump stop on tail gate, spot weld at left rear door lock striker, paint chips and spider rust at left hand leading edge of bonnet and left side of bonnet towards the windscreen, paint chips and small dent close to the J3 badge on the tailgate, both front seat inner and outer runners have surface rust".

There was clear evidence presented at the hearing, both documented and photographic, of rust in numerous places on the vehicle. The trader did not dispute that the rust was unacceptable. It suggested that the location of the vehicle in a coastal area of Wellington may have contributed to the corrosion. However, the tribunal noted that Swartz's home was not near the coast and he said it was usually kept in a garage.

The trader produced no evidence to show the car was used in a manner that was inconsistent with the manner or extent of use that a reasonable consumer would expect to obtain from it.

The finding

The tribunal ruled that a reasonable consumer would regard the quantity and location of the rust in the Chery as unacceptable. Under the terms of the Consumer Guarantees Act, the extent of the rust showed the vehicle was not as acceptable in appearance and finish or as durable as a reasonable consumer would expect from a new vehicle after two years of ownership.

There was rust in the hinges of all four doors which the tribunal's assessor advised was one of the worst places to find corrosion in a vehicle and could lead to difficulties in maintaining its warrant of fitness.

Accordingly, the tribunal found that the vehicle initially failed to comply with the act's guarantee of acceptable quality due to the rust. That failure was compounded by the subsequent corrosion issues as described in the dealer's second report dated December 14.

Swartz complied with his obligation under the act to ask the trader to fix the rust within a reasonable time which resulted in the repair work.

The dealer was willing to carry out further repairs.

The trader's second report, and its email dated March 17, 2017, confirmed that rust had returned in the door hinges and in the tailgate area. In addition, rust had appeared in a number of other areas.

A trader may not be able to repair a fault on its first attempt. A measure of reasonableness

The case: The buyer wanted to reject his 2014 Chery J3 two years following purchase due to a reoccurring, major corrosion issue. Despite considerable repairs to the car, the rust returned. The buyer refused the trader's second offer to repair the car and repeated his request to reject it under the terms of the Consumer Guarantees Act. The trader did not dispute that the rust was unacceptable.

The decision: The buyer's rejection of the vehicle was upheld.

At: The Motor Vehicles Disputes Tribunal, Wellington

must be applied before the tribunal can conclude that the trader had not succeeded under the terms of the act. The dealer acknowledged that the original repair was at least partly unsuccessful. The lack of success had not occurred through difficulty of diagnosis but through poor workmanship and the fact the rust had spread into new areas suggested the extent of the problem was underestimated. The tribunal found the repairs were unsuccessful and corrosion problems in several areas could jeopardise the ability to renew the Chery's WoF and therefore was of a substantial character under the terms of the act.

The authority ruled that Swartz had exercised his right to reject the vehicle in the correct manner under the act by notifying the dealer of his decision to reject the vehicle and of the grounds for his rejection of it.

Orders

The buyer's rejection of the Chery was upheld and the dealer was ordered to refund the full purchase price. ☺

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Trader lists van as five door but it only has four

Background

Andrew Hammond, a Gisborne-based electrician and director of Waiteata Holdings Limited, wanted to buy a five-door van to use as a work vehicle. A five-door van would give Hammond access to both sides of the vehicle because he stored tools on one side of a van and electrical cabling and other accessories on the other.

In January 2017, Hammond saw a Trade Me listing for a five-door 2011 Toyota Hiace posted by 2 Cheap Autos Limited. The listing stated that the Hiace had five doors, climate control and electric mirrors.

About January 29, Hammond paid a \$500 deposit on the van, then flew to Auckland to purchase it. When he inspected the Hiace he noticed the vehicle only had four doors. He asked an employee of the trader whether this was the same vehicle as advertised, and the employee said that it was. The trader confirmed that the vehicle had four doors. Hammond tried to view the listing using his mobile phone, but it had been removed. He bought a four-door 2011 Toyota Hiace Regius diesel van for \$23,574 from the trader on January 29.

But soon after his return to Gisborne, Hammond lodged a claim with the tribunal alleging the trader engaged in false advertising.

The case

Despite Hammond's reservations about the van, he went ahead with the purchase.

Hammond said although he was not "100 per cent sure" the Hiace was

the same vehicle he saw in the Trade Me listing, he needed to be back in Gisborne that night. He bought the vehicle "rightly or wrongly", and drove it back to Gisborne.

After he returned home, Hammond found a copy of the listing. It confirmed the van was advertised as having five doors. He also noticed that the Hiace did not have the climate control or electric mirror features mentioned on the listing and it had a dent in its roof.

The finding

The tribunal found the dealer's Trade Me listing drew the buyer into the "marketing web" by engendering a mistaken belief the van had five doors, climate control and electric mirrors. Therefore, the trader engaged in misleading and deceptive conduct in breach of the Fair Trading Act. After Hammond was enticed to the trader's premises under that erroneous belief, and despite becoming aware that the Hiace did not have five doors, he continued with the purchase. Unsurprisingly, Hammond regretted his decision to buy it. However, the tribunal found that although the buyer was misled, he had not suffered loss or damage under the FTA because he paid a reasonable price for the four-door van. Hammond had not, therefore, suffered any loss that was recoverable under the FTA.

The tribunal investigated if the buyer had a claim under the Contractual Remedies Act (CRA). It was satisfied Hammond had suffered expectation losses and found the absence of a fifth door in the Hiace caused a substantial

loss of amenity, ie convenience of use. While the absence of the climate control was a minor loss of amenity, and it would cost about \$1000 to install electric mirrors. However, the CRA's remedies are only available if the contract was validly cancelled.

The tribunal ruled that Hammond was not entitled to cancel the contract because he had affirmed it by completing the transaction and driving the vehicle back to Gisborne and was, therefore, not entitled to a remedy under the CRA.

It went on to investigate if Hammond had a claim under the Consumer Guarantees Act (CGA).

To comply with the guarantee, a vehicle must correspond with its description. The Shorter Oxford English Dictionary (3rd edition, 1973), defined "corresponds" as being "similar to". "Similar" is defined as "having a marked resemblance or likeness to".

The authority was not satisfied that the mis-description regarding the presence of climate control or electric mirrors amounted to a breach of the guarantee. On the evidence presented, it ruled that the climate control function and electric mirrors were not significant features of the vehicle, and are not so material that their absence makes the vehicle dissimilar to the vehicle described by the trader.

It was satisfied though that the vehicle did not correspond with the description on the Trade Me listing that it had five doors. However, the mis-description

The case: The trader listed a five-door Hiace on Trade Me. When the buyer flew to Auckland to collect the van he discovered it only had four doors. He alleged the trader engaged in false advertising under the Fair Trading Act. The trader confirmed the Hiace was the same van advertised on Trade Me.

The decision: The tribunal found the trader had breached the FTA but the buyer had suffered no loss recoverable under the act, therefore, the buyer's application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Auckland

of the van was remedied before the vehicle was supplied to the purchaser. That meant the vehicle corresponded with the description given to it when it was supplied to the purchaser. There was no doubt the buyer knew that the vehicle had four doors when it was purchased. On that basis, the tribunal considered that the van did comply with its description for the purposes of section nine of the CGA when it was supplied to the purchaser.

Order

The buyer was not entitled to a remedy under the FTA, CRA or CGA. The purchaser had clearly been misled, and in reliance on those misleading representations purchased a vehicle that he never really wanted.

However, the purchaser had not suffered any loss that he was entitled to recover. The price paid for the vehicle was reasonable, so he had not suffered loss he could recover under the FTA. Further, the purchaser was also aware before he completed the purchase that the vehicle had four doors therefore he was not entitled to a remedy under either the CRA or the CGA. ☺

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JAPAN	Moji	-	14 Aug	-	14 Sep	-
	Osaka	3 Aug	15 Aug	1 Sep	15 Sep	2 Oct
	Nagoya	4 Aug	16 Aug	2 Sep	16 Sep	3 Oct
	Toyohashi	-	17 Aug	-	17 Sep	-
	Yokohama	5 Aug	18 Aug	3 Sep	18 Sep	4 Oct
NZ	Auckland	20 Aug	4 Sep	18 Sep	5 Oct	21 Oct
	Wellington	27 Aug	8 Sep	25 Sep	9 Oct	28 Oct
	Lyttelton	2 Sep	7 Sep	8 Oct	8 Oct	8 Nov
	Nelson	5 Sep	12 Sep	13 Oct	13 Oct	13 Nov

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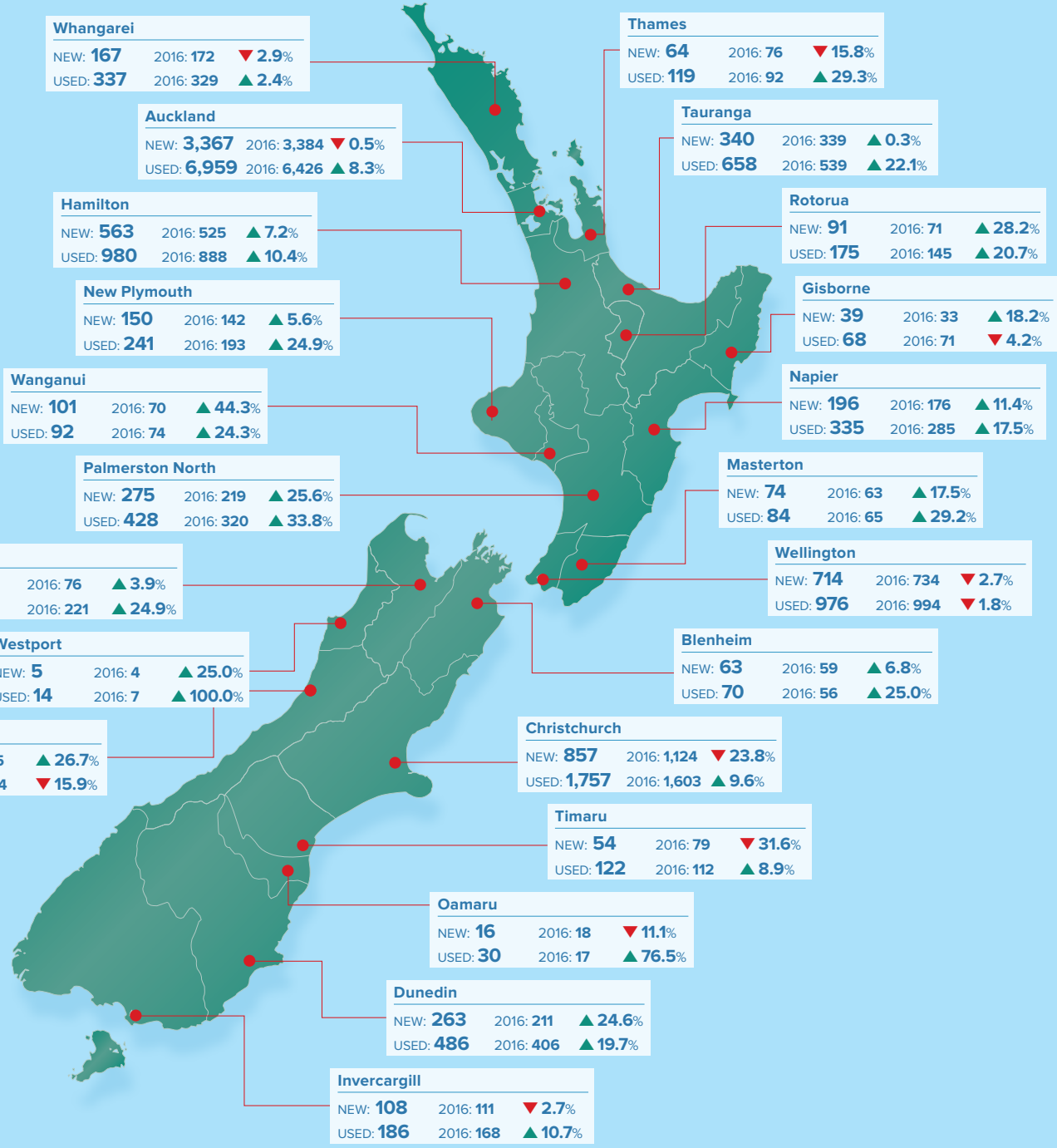
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Total new cars
7,605
 2016: 7,701 ▼ 1.2%

Total imported used cars
14,430
 2016: 13,055 ▲ 10.5%



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Imported Passenger Vehicle Sales by Make - July 2017

MAKE	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	3,705	3,260	13.7	25.7%	23,978	25.4%
Nissan	2,732	2,540	7.6	18.9%	17,375	18.4%
Mazda	2,146	1,961	9.4	14.9%	14,013	14.8%
Honda	1,447	1,381	4.8	10.0%	9,458	10.0%
Suzuki	746	639	16.7	5.2%	4,693	5.0%
Subaru	687	599	14.7	4.8%	4,292	4.5%
BMW	632	543	16.4	4.4%	4,191	4.4%
Mitsubishi	515	467	10.3	3.6%	3,475	3.7%
Volkswagen	449	525	-14.5	3.1%	3,251	3.4%
Mercedes-Benz	295	243	21.4	2.0%	2,138	2.3%
Audi	271	220	23.2	1.9%	1,850	2.0%
Ford	113	120	-5.8	0.8%	762	0.8%
Lexus	103	50	106.0	0.7%	603	0.6%
Volvo	75	77	-2.6	0.5%	578	0.6%
Holden	59	36	63.9	0.4%	419	0.4%
Land Rover	55	48	14.6	0.4%	361	0.4%
Chevrolet	53	31	71.0	0.4%	393	0.4%
Mini	42	39	7.7	0.3%	302	0.3%
Jaguar	36	41	-12.2	0.2%	310	0.3%
Hyundai	35	53	-34.0	0.2%	226	0.2%
Porsche	32	20	60.0	0.2%	248	0.3%
Jeep	28	22	27.3	0.2%	181	0.2%
Dodge	26	18	44.4	0.2%	189	0.2%
Chrysler	18	13	38.5	0.1%	128	0.1%
Renault	15	12	25.0	0.1%	90	0.1%
Daihatsu	14	7	100.0	0.1%	91	0.1%
Kia	13	7	85.7	0.1%	68	0.1%
Peugeot	13	17	-23.5	0.1%	104	0.1%
Maserati	7	3	133.3	0.0%	85	0.1%
Bentley	6	3	100.0	0.0%	62	0.1%
Alfa Romeo	5	1	400.0	0.0%	27	0.0%
Cadillac	4	5	-20.0	0.0%	28	0.0%
Ferrari	4	4	0.0	0.0%	24	0.0%
Fiat	4	1	300.0	0.0%	23	0.0%
Range Rover	4	2	100.0	0.0%	16	0.0%
Others	41	47	-12.8	0.3%	350	0.4%
Total	14,430	13,055	10.5	100.0%	94,382	100.0%

Imported Passenger Vehicle Sales by Model - July 2017

MAKE	MODEL	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Mazda	Axela	676	588	15.0	4.7%	4,144	4.4%
Suzuki	Swift	626	524	19.5	4.3%	4,010	4.2%
Nissan	Tiida	625	645	-3.1	4.3%	4,077	4.3%
Honda	Fit	500	495	1.0	3.5%	3,238	3.4%
Mazda	Demio	474	474	0.0	3.3%	3,188	3.4%
Toyota	Wish	385	320	20.3	2.7%	2,391	2.5%
Subaru	Legacy	340	288	18.1	2.4%	2,157	2.3%
Toyota	MarkX	310	203	52.7	2.1%	1,841	2.0%
Toyota	Prius	297	220	35.0	2.1%	2,146	2.3%
Mitsubishi	Outlander	293	246	19.1	2.0%	1,940	2.1%
Mazda	Atenza	284	223	27.4	2.0%	2,045	2.2%
Toyota	Vitz	281	264	6.4	1.9%	1,782	1.9%
Volkswagen	Golf	277	319	-13.2	1.9%	2,013	2.1%
Toyota	Estima	239	168	42.3	1.7%	1,454	1.5%
Nissan	Dualis	229	208	10.1	1.6%	1,435	1.5%
Mazda	MPV	223	213	4.7	1.5%	1,440	1.5%
Toyota	Corolla	213	210	1.4	1.5%	1,510	1.6%
Mazda	Premacy	192	224	-14.3	1.3%	1,383	1.5%
Nissan	Note	191	233	-18.0	1.3%	1,213	1.3%
Toyota	Auris	188	183	2.7	1.3%	1,240	1.3%
Honda	Odyssey	188	219	-14.2	1.3%	1,309	1.4%
Nissan	Murano	187	151	23.8	1.3%	1,056	1.1%
Subaru	Impreza	158	133	18.8	1.1%	975	1.0%
Toyota	RAV4	157	94	67.0	1.1%	977	1.0%
Nissan	Leaf	154	70	120.0	1.1%	871	0.9%
Nissan	Bluebird	153	148	3.4	1.1%	1,109	1.2%
Nissan	Skyline	148	115	28.7	1.0%	896	0.9%
Honda	Stream	148	123	20.3	1.0%	917	1.0%
Toyota	Blade	147	145	1.4	1.0%	935	1.0%
Nissan	X-Trail	146	99	47.5	1.0%	868	0.9%
Nissan	Teana	145	126	15.1	1.0%	841	0.9%
Honda	CRV	135	121	11.6	0.9%	819	0.9%
Nissan	Elgrand	122	104	17.3	0.8%	629	0.7%
Toyota	Ractis	118	87	35.6	0.8%	774	0.8%
BMW	320i	116	127	-8.7	0.8%	778	0.8%
Others		5,365	4,945	8.5	37.2%	35,981	38.1%
Total		14,430	13,055	10.5	100.0%	94,382	100.0%

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The rise and rise of used imports

Used imported passenger vehicle sales throughout New Zealand totalled 14,430 units last month, up 8.2 per cent on June's figure of 13,339 and a 10.5 per cent increase compared to July 2016, when 13,055 cars were sold.

Year to date, used imported car registrations have increased by 10.6 per cent to 94,382 vehicles – 9,065 units higher than the January – July 2016 period, which saw 85,317 used passenger vehicle sales.

Toyota was the market leader, as usual, with 3705 used cars sold, up 13.7 per cent for a 25.7 per cent market share for the month. Comfortably in second place, Nissan sold 2,732 used passenger vehicles, a 7.6 per cent increase for an 18.9 per cent market share, followed by Mazda, up 9.4 per cent to 2,146 units sold, taking 14.9 per cent of the market.

The top-selling car was once again the Mazda Axela, with 676 units sold, a 15 per cent annual increase, followed by the Suzuki Swift, with 626 sales (up 19.47 per cent year-on-year) and the Nissan Tiida, only one unit behind with 625 sales (down 3.1 per cent). Sales of the Nissan Leaf continue to leap ahead of last year's figures with 154 registrations in July compared to 70 in the same month last year – an increase of 120 per cent. Year to date, 871 Leaf have been registered – a 0.9 per cent of the market share. Toyota's RAV4 had a 67 per cent increase in sales on July 2016, with 157 units sold compared to 94.

Some regions saw large gains in used imported car registrations last month, including Westport, which doubled its total to 14 units sold, Oamaru, which jumped 76.5 per cent to 30 vehicles, and Palmerston North, which increased 33.8 per cent to 428 units, an extra 108 used imported cars sold.

Nathan McColl, owner of Ross McColl Cars in Levin, says business has been "steady as she goes" for most of winter. "June and July are usually a bit slow but we are trucking along. It's certainly not doom and gloom."

The dealership mostly sells Japanese imported cars in the \$10k range which includes Nissan March, Tiida and Mazda Demio. "These cars are very reliable and economical, we service and finish the cars to a high standard. We add value in a ruthless market," says Nathan McColl, who has worked in the industry for the past 18 years.

"We have a lot of repeat customers. They see the value in coming back and that is a smart decision to buy a car from a reliable dealer. It is the fine art of adding value and then clearly explaining the benefit to our customers. Most people don't want a drama with their cars," he says.

"The market is fiercely competitive but it has always been competitive. We try to meet what the public wants. We have a marketing campaign on at the moment," McColl says.

"The year has moved so quickly. April was quiet for us and when we thought about it there was a huge amount of importing during February and we thought it may have pushed down the prices," he says.

"Properties are selling well here. As a rule, people are positive about the future, the demographics in Levin are older with new retirement villages being built. Many young people still

have to leave to go to university."

Steve Greenwood, sales manager at EV Central in Taupo, says July was a record sales month for the dealership which has been in business for over 12 months.

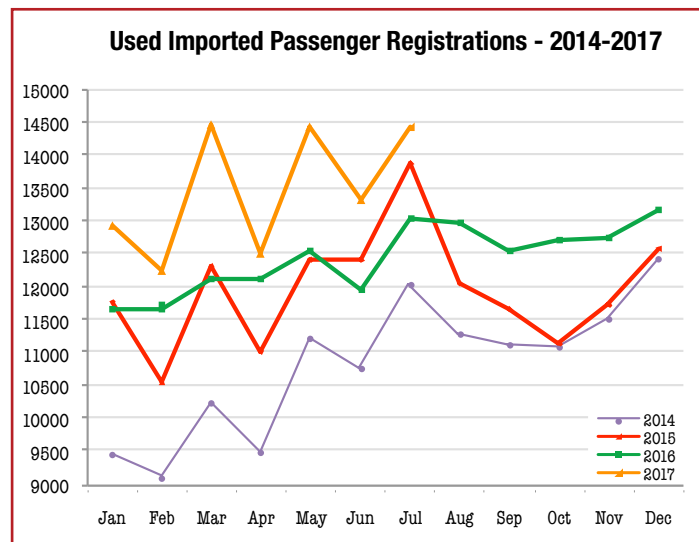
"We recently had an EV night here and about 80 locals turned up to see Californian-based Chelsea Sexton, who starred in "Who Killed The Electric Car?" for a Q&A session on EVs. We are now starting to get a lot of local folk inquiring about EVs."

Greenwood says many people who attended the event knew little about EVs and wanted to know the distance the cars can travel, if they can charge the battery at home and how long the battery would last before it needs to be replaced.

"We were very pleased to see the large number of people interested in EVs. During the past 12 months since we opened, we have seen a lot of changes, initially buyers were mostly EV enthusiasts or people who are environmentally aware but now we are seeing a lot of interest in EVs from the general public such as rural people who need to commute," he says.

"I think the government's expectations over EV uptake is accurate. EV uptake is doubling every year and it's expected there will be 64,000 EVs on New Zealand's road by 2021, although the final years will be challenging.

"EVs are becoming 'normal' for people so the mainstream market will follow from there," Greenwood says. ☺



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Imports well up on last year

There were 14,492 used cars imported into the country during July which was a 28.8 per cent increase on the same month last year when 11,249 units were imported. Year to date, 103,740 used cars have entered the country, a 16 per cent increase on the first seven months of 2016 when 89,036 units had been imported.

The new car boom continues with 12,591 units crossing the border last month, and gives a year-to-date tally of 67,547.

Demand for used light commercial vehicles saw 618 units imported last month which was a

small decrease on 640 units in June.

As usual the vast majority of used imported cars come from Japan with 13,640 units imported in July, a 29.5 per cent increase on the same month last year when 10,533 units were sourced from that market.

Importers brought 452 used cars in from Australia, a 21.5 per cent increase on July 2016's total of 372. Year to date, 3437 used cars have been shipped from Australia, a 21 per cent increase on 2806 units during the same time last year. The UK rounded out last month's top three with 135 units down from 151 in June.

Singapore and the United States both saw a fall in the number of used cars exported to New Zealand with 135 and 122 units respectively compared to 151 and 187 in June.

Bryce Williams, owner of Tauranga-based Westcoast Classic Imports Limited, which imports late model 'muscle' cars, classic cars and pickup trucks from the United States, says he enjoys the challenge of finding a classic car worth importing to New Zealand.

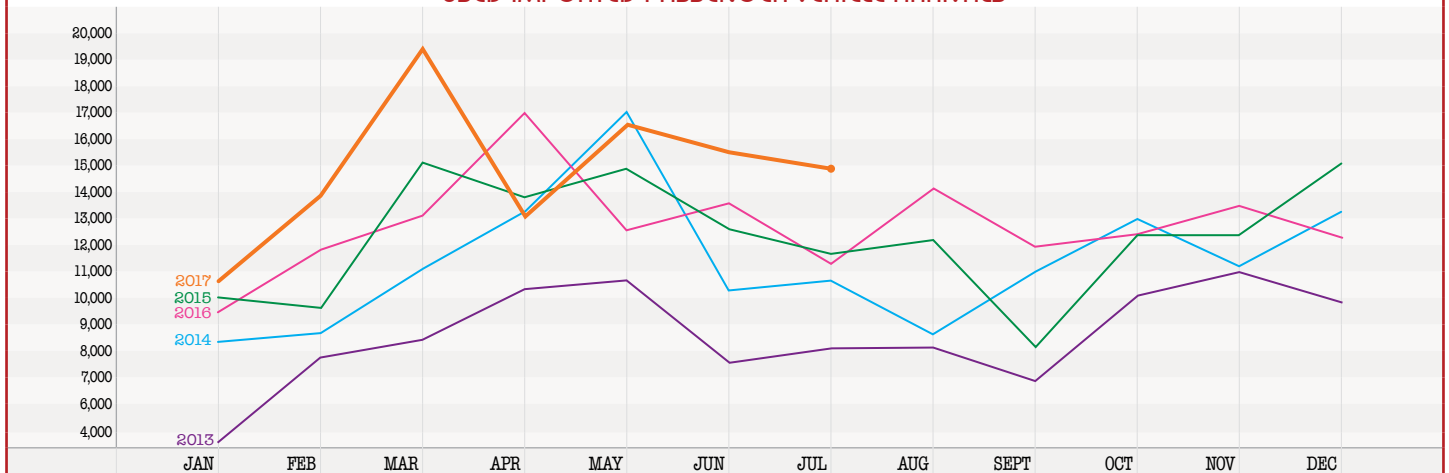
"There are a lot of horror stories of Kiwis buying old cars in the US off eBay blind, only to land it here and have huge compliance issues, often to do with rust and

prior accident repairs. It's likely the American owner of the car didn't really know the true state of the car or the seller has embellished things," he says.

"You have to see an old car before you buy it and that's what we do. Old cars that have been done up may not be worth buying either. Standards in the US are very different, there are generally no safety inspections," Williams says.

"We sell cars sight unseen to buyers every week because of our excellent reputation. Business has been pretty consistent the past few years. We will be importing our 1000th car ex the USA this year." ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2017								2016						
	JAN '17	FEB '17	MAR '17	APR '17	MAY '17	JUN '17	JUL '17	JUL MRKT SHARE %	2017 TOTAL	Q1	Q2	Q3	Q4	2016 TOTAL	MRKT SHARE
Australia	382	530	617	431	519	506	452	3.1%	3,437	1,233	1,201	1,264	1,453	5,151	3.4%
Great Britain	273	173	241	152	190	151	135	0.9%	1,315	166	210	387	774	1,537	1.0%
Japan	9,697	12,924	18,426	12,274	15,727	14,589	13,640	94.1%	97,277	32,722	40,969	34,514	34,875	143,080	93.7%
Singapore	47	81	97	54	89	187	122	0.8%	677	201	362	310	358	1,231	0.8%
USA	156	100	135	82	120	112	107	0.7%	812	251	287	349	388	1,275	0.8%
Other countries	28	21	30	24	21	62	36	0.2%	222	61	124	112	141	438	0.3%
Total	10,583	13,829	19,546	13,017	16,666	15,607	14,492	100.0%	103,740	34,634	43,153	36,936	37,989	152,712	100.0%



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Changes of ownership slows in July

Second-hand car sales were down across the board in July, following June's modest gains. Dealer-to-public sales decreased the most, down 2.3 per cent year on year to 17,774 sales. Bucking that trend, however, were Whangarei, up 14.6 per cent to 660 vehicles, from 576 for the same month last year, followed by Oamaru, up 12.9 per cent to 70 up from 62 units. But these were in stark contrast with most other regions.

Sales in Westport fell 54.5 per cent to 15 vehicles, the sharpest regional decline. Timaru sales also fell, decreasing 21.2 per cent to 197 units. Rotorua also saw a decline in

dealer-to-public sales, down 19.8 per cent to 276 units.

Public-to-public sales of second-hand cars were down 1.1 per cent, with 44,738 cars sold last July, compared to 45,227 sales in the same month last year. Gisborne had the strongest month of growth, with sales up 23.4 per cent to 475 vehicles. Oamaru was the only other region to see double-digit growth, with sales up 22.2 per cent to 193 units.

Only one region saw a decline over 10 per cent – Thames, with sales down 10.7 per cent to 557 units. Sales in Wanganui declined 9.8 per cent to 535 cars, followed

by Greymouth, down 9.4 per cent to 203 units, and Masterton, down 9.1 per cent to 430 vehicles.

Public-to-dealer sales were also down, with 12,945 cars sold in July – 2.2 per cent less than in July 2016. Timaru saw the steepest drop-off in sales, down 32.4 per cent to 431 units, followed by Greymouth, down 30.6 per cent to 25 cars, and Rotorua, down 20.7 per cent to 111 vehicles.

Only four regions saw sales growth in the trade-in segment. Whangarei saw the largest increase by a wide margin; sales rose 26.7 per cent year on year to 327 vehicles. This was followed by Oamaru, the only region to see

double-digit growth in all three second-hand car sales segments, up 18.2 per cent.

Public-to-dealer sales also increased in New Zealand's largest market, up eight per cent in Auckland to 5,242 vehicles. Nelson was the fourth-highest region, with sales up 6.1 per cent to 227 cars.

Lyndon Moore, sales manager at Smallbone Holden in Ashburton, says "We get a lot of phone calls about used vehicles we have listed online. We do a lot of talking to people until they get serious about a vehicle. A lot of people are busy so it's easier to talk about a car over the phone before they come in." ☺

SECONDHAND CAR SALES - July 2017

	DEALER-TO-PUBLIC				PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER		
	JUL '17	JUL '16	+/- %	MARKET SHARE	JUL '17	JUL '16	+/- %	JUL '17	JUL '16	+/- %
Whangarei	660	576	14.6	3.71	2,013	2,028	-0.7	327	258	26.7
Auckland	6,000	6,073	-1.2	33.76	15,276	15,577	-1.9	5,242	4,853	8.0
Hamilton	1,535	1,578	-2.7	8.64	3,683	3,579	2.9	1,135	1,334	-14.9
Thames	233	260	-10.4	1.31	557	624	-10.7	77	88	-12.5
Tauranga	957	1,032	-7.3	5.38	2,273	2,395	-5.1	518	605	-14.4
Rotorua	276	344	-19.8	1.55	884	953	-7.2	111	140	-20.7
Gisborne	185	188	-1.6	1.04	475	385	23.4	69	77	-10.4
Napier	639	629	1.6	3.60	1,546	1,602	-3.5	409	419	-2.4
New Plymouth	404	398	1.5	2.27	1,121	1,040	7.8	212	242	-12.4
Wanganui	200	219	-8.7	1.13	535	593	-9.8	116	117	-0.9
Palmerston North	822	804	2.2	4.62	1,917	1,814	5.7	666	724	-8.0
Masterton	181	187	-3.2	1.02	430	473	-9.1	99	108	-8.3
Wellington	1,533	1,573	-2.5	8.62	3,158	3,168	-0.3	1,014	1,146	-11.5
Nelson	308	328	-6.1	1.73	1,022	1,086	-5.9	227	214	6.1
Blenheim	149	175	-14.9	0.84	426	424	0.5	101	111	-9.0
Greymouth	74	92	-19.6	0.42	203	224	-9.4	25	36	-30.6
Westport	15	33	-54.5	0.08	88	82	7.3	0	0	0.0
Christchurch	2,237	2,325	-3.8	12.59	5,370	5,407	-0.7	1,754	1,847	-5.0
Timaru	197	250	-21.2	1.11	569	573	-0.7	117	173	-32.4
Oamaru	70	62	12.9	0.39	193	158	22.2	13	11	18.2
Dunedin	690	666	3.6	3.88	1,967	1,944	1.2	431	445	-3.1
Invercargill	409	408	0.2	2.30	1,032	1,098	-6.0	282	290	-2.8
NZ total	17,774	18,200	-2.3	100.00	44,738	45,227	-1.1	12,945	13,238	-2.2



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New Passenger Vehicle Sales by Make - July 2017

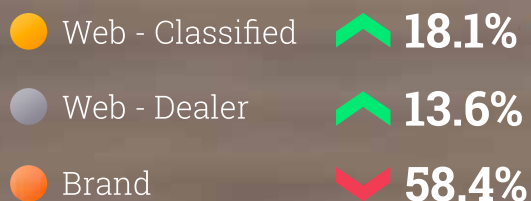
MAKE	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	975	1,321	-26.2	12.8%	9,039	14.9%
Mazda	811	686	18.2	10.7%	5,786	9.5%
Mitsubishi	592	418	41.6	7.8%	4,094	6.8%
Kia	569	598	-4.8	7.5%	3,983	6.6%
Holden	537	663	-19.0	7.1%	5,193	8.6%
Suzuki	520	407	27.8	6.8%	4,339	7.2%
Honda	467	325	43.7	6.1%	2,670	4.4%
Ford	444	578	-23.2	5.8%	3,940	6.5%
Hyundai	391	513	-23.8	5.1%	4,175	6.9%
Nissan	381	467	-18.4	5.0%	2,776	4.6%
Volkswagen	303	252	20.2	4.0%	2,696	4.4%
Subaru	292	237	23.2	3.8%	1,955	3.2%
Audi	169	121	39.7	2.2%	1,257	2.1%
Bmw	168	131	28.2	2.2%	1,176	1.9%
Mercedes-Benz	167	205	-18.5	2.2%	1,544	2.5%
Skoda	108	88	22.7	1.4%	748	1.2%
Jeep	84	124	-32.3	1.1%	681	1.1%
Peugeot	80	49	63.3	1.1%	379	0.6%
Land Rover	73	92	-20.7	1.0%	699	1.2%
Ssangyong	72	42	71.4	0.9%	527	0.9%
Lexus	59	50	18.0	0.8%	398	0.7%
Mini	54	48	12.5	0.7%	402	0.7%
Citroen	29	22	31.8	0.4%	130	0.2%
Volvo	29	51	-43.1	0.4%	323	0.5%
Jaguar	27	48	-43.8	0.4%	194	0.3%
Isuzu	26	24	8.3	0.3%	165	0.3%
Porsche	22	35	-37.1	0.3%	230	0.4%
Renault	21	7	200.0	0.3%	158	0.3%
Tesla	20	2	900.0	0.3%	125	0.2%
Alfa Romeo	18	4	350.0	0.2%	83	0.1%
Fiat	18	10	80.0	0.2%	142	0.2%
Mahindra	13	13	0.0	0.2%	26	0.0%
Dodge	11	38	-71.1	0.1%	174	0.3%
Maserati	9	6	50.0	0.1%	101	0.2%
Yamaha	7	7	0.0	0.1%	48	0.1%
Others	39	19	105.3	0.5%	242	0.4%
Total	7,605	7,701	-1.2	100.0%	60,598	100.0%

New Passenger Vehicle Sales by Model - July 2017

MAKE	MODEL	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Kia	Sportage	330	378	-12.7	4.3%	2,147	3.5%
Mazda	Cx-5	309	217	42.4	4.1%	1,872	3.1%
Mitsubishi	Outlander	279	103	170.9	3.7%	1,755	2.9%
Toyota	Corolla	265	486	-45.5	3.5%	2,602	4.3%
Toyota	Rav4	258	326	-20.9	3.4%	2,263	3.7%
Nissan	Qashqai	179	138	29.7	2.4%	1,008	1.7%
Holden	Commodore	174	141	23.4	2.3%	1,277	2.1%
Hyundai	Tucson	168	184	-8.7	2.2%	1,358	2.2%
Suzuki	Swift	162	198	-18.2	2.1%	1,457	2.4%
Toyota	Yaris	159	90	76.7	2.1%	913	1.5%
Nissan	X-Trail	155	148	4.7	2.0%	1,043	1.7%
Volkswagen	Tiguan	152	13	1069.2	2.0%	1,380	2.3%
Honda	Crv	140	35	300.0	1.8%	259	0.4%
Ford	Escape	135	0	13500.0	1.8%	932	1.5%
Honda	Hr-V	135	69	95.7	1.8%	932	1.5%
Mitsubishi	Lancer	130	63	106.3	1.7%	418	0.7%
Mazda	Cx-3	129	120	7.5	1.7%	929	1.5%
Toyota	Highlander	120	90	33.3	1.6%	1,368	2.3%
Honda	Jazz	120	176	-31.8	1.6%	854	1.4%
Mitsubishi	Asx	119	146	-18.5	1.6%	1,137	1.9%
Mazda	Mazda3	117	165	-29.1	1.5%	1,012	1.7%
Suzuki	Vitara	114	118	-3.4	1.5%	956	1.6%
Subaru	Outback	111	106	4.7	1.5%	906	1.5%
Mazda	Cx-9	109	6	1716.7	1.4%	841	1.4%
Kia	Rio	105	64	64.1	1.4%	675	1.1%
Holden	Captiva	100	163	-38.7	1.3%	1,292	2.1%
Ford	Focus	99	132	-25.0	1.3%	922	1.5%
Hyundai	Santa Fe	92	148	-37.8	1.2%	1,114	1.8%
Subaru	Impreza	91	11	727.3	1.2%	282	0.5%
Mazda	Mazda2	91	118	-22.9	1.2%	722	1.2%
Ford	Everest	73	40	82.5	1.0%	355	0.6%
Holden	Astra	71	0	7100.0	0.9%	352	0.6%
Suzuki	Ignis	69	0	6900.0	0.9%	677	1.1%
Ford	Mondeo	59	80	-26.3	0.8%	557	0.9%
Volkswagen	Golf	57	103	-44.7	0.7%	575	0.9%
Others		2,629	3,326	-21.0	34.6%	23,456	38.7%
Total		7,605	7,701	-1.2	100.0%	60,598	100.0%

Top 3 Sources for Leads, Test Drives and Sales - New Zealand Dealerships

LEADS



TEST DRIVES



Outlander on the up

There were 7,605 new cars imported during July. It was a surprising 25.3 per cent decrease on the previous month when 10,181 units were imported and a 1.2 per cent decrease on the same time last year when 7,701 vehicles were imported.

Toyota topped the leader board with 975 vehicles sold in July, although it was a 26.2 per cent decrease on the same time last year when 1,321 vehicles were registered. The manufacturer holds 14.9 per cent of the annual market share.

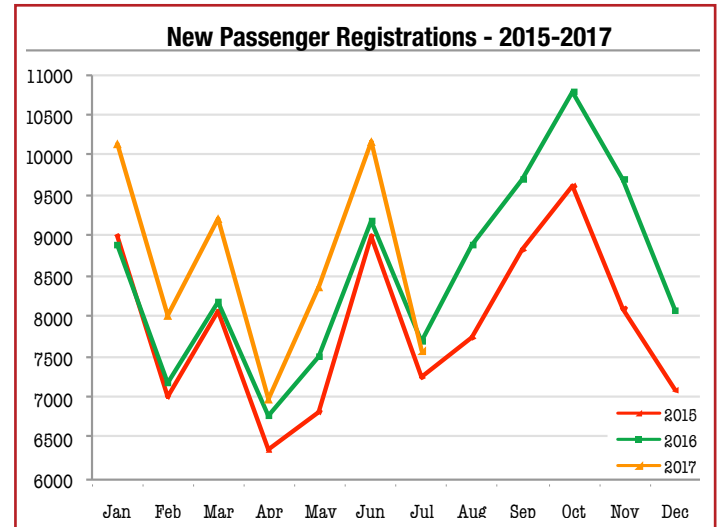
Mazda followed with 811 vehicles sold - an 18.2 per cent

increase on July 2016 when 686 vehicles were registered. It holds 9.5 per cent of the market share.

Third goes to Mitsubishi, with 592 cars registered and a significant increase of 41.6 per cent on the same time last year when 418 vehicles were sold. Mitsubishi has 6.8 per cent of the market share.

The Kia Sportage was the most popular model for July, with 330 vehicles sold, a decrease of 12.7 per cent on the same time last year when 378 were sold. It has a market share of 3.5 per cent for the year.

Second went to the Mazda



CX-5 which had a sales increase of 42.4 per cent from the same time last year with 217 vehicles sold in July 2016 and 309 sold last month.

Mitsubishi's Outlander was

also popular, with 279 vehicles sold in July, an incredible increase of 170.9 per cent on the same time last year when 103 vehicles were sold. ☺

NEW VEHICLE SALES BY BUYER TYPE - July 2017

	JUL '17	JUL '16	MTH%	2017 YTD	2016 YTD	% YTD
Passenger	2,938	3,728	-21.2	24,405	27,000	-9.6
Private	1,321	1,538	-14.1	9,991	11,322	-11.8
Business	1,320	1,638	-19.4	11,111	11,989	-7.3
Gov't	155	241	-35.7	1,253	1,447	-13.4
Rental	142	311	-54.3	2,050	2,242	-8.6
SUV	4,621	3,942	17.2	35,793	28,143	27.2
Private	2,198	1,697	29.5	16,467	12,371	33.1
Business	2,079	1,857	12.0	15,296	12,782	19.7
Gov't	66	55	20.0	581	480	21.0
Rental	278	333	-16.5	3,449	2,510	37.4
Light Commercial	3,409	3,321	2.6	26,193	22,107	18.5
Private	842	795	5.9	6,691	5,586	19.8
Business	2,293	2,300	-0.3	17,852	15,130	18.0
Gov't	136	115	18.3	937	737	27.1
Rental	138	111	24.3	713	654	9.0
Sub Total	10,968	10,991	-0.2	86,391	77,250	11.8
Private	4,361	4,030	8.2	33,149	29,279	13.2
Business	5,692	5,795	-1.8	44,259	39,901	10.9
Gov't	357	411	-13.1	2,771	2,664	4.0
Rental	558	755	-26.1	6,212	5,406	14.9
Heavy Commercial	532	436	22.0	3,309	2,640	25.3
Other	131	119	10.1	1,037	688	50.7
Total	11,631	11,546	0.7	90,737	80,578	12.6

NEW VEHICLE MARKET SEGMENTATION - July 2017

	JUL '17	JUL '16	MTH% DIFF	2017 YTD	2016 YTD	% YTD
Passenger	2,938	3,728	-21.2	24,405	27,000	-9.6
SUV	4,621	3,942	17.2	35,793	28,143	27.2
Light Commercial	3,409	3,321	2.6	26,193	22,107	18.5
Heavy Commercial	532	436	22.0	3,309	2,640	25.3
Other	131	119	10.1	1,037	688	50.7
TOTAL MARKET	11,631	11,546	0.7	90,737	80,578	12.6
Micro	93	144	-35.4	1,044	1,235	-15.5
Light	931	1,005	-7.4	7,214	7,689	-6.2
Small	1,164	1,517	-23.3	9,539	9,965	-4.3
Medium	328	596	-45.0	3,179	3,986	-20.2
Large	245	266	-7.9	1,835	2,375	-22.7
Upper Large	12	10	20.0	70	141	-50.4
People Movers	41	55	-25.5	356	366	-2.7
Sports	124	135	-8.1	1,168	1,243	-6.0
SUV Small	1,214	908	33.7	9,477	7,279	30.2
SUV Medium	2,204	1,779	23.9	14,781	11,200	32.0
SUV Large	1,140	1,210	-5.8	10,988	9,338	17.7
SUV Upper Large	63	45	40.0	547	326	67.8
Light Buses	58	53	9.4	556	396	40.4
Vans	468	504	-7.1	3,595	3,228	11.4
Pick Up/Chassis Cab 4x2	1,152	1,196	-3.7	8,919	7,730	15.4
Pick Up/Chassis Cab 4x4	1,731	1,568	10.4	13,123	10,753	22.0
Heavy Commercial	532	436	22.0	3,309	2,640	25.3
Other	131	119	10.1	1,037	688	50.7
TOTAL MARKET	11,631	11,546	0.7	90,737	80,578	12.6

July 2017 (vs June 2017)

SALES

- Repeat ▲ 39.8%
- Web - Classified ▲ 32.6%
- Brand ▲ 5.7%

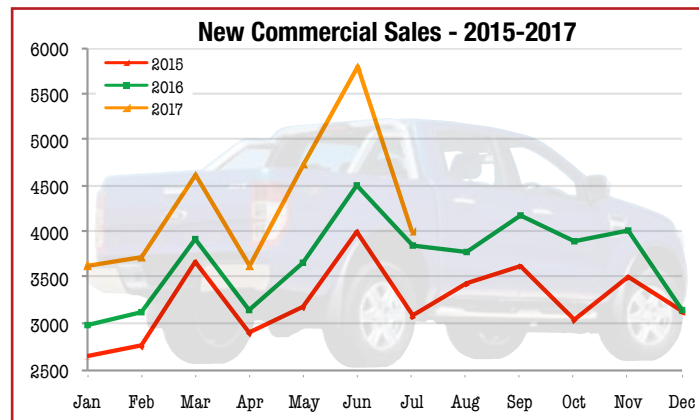
Hilux threatens Ranger's hold

New commercial vehicles continue to sell well, with 4026 units registered in July - an increase of 4.1 per cent on the same time last year when 3866 were recorded.

Toyota currently holds 21.9 per cent of the annual market share, with 845 vehicles sold in July, an increase of 21 per cent on the same time last year when 703 vehicles were registered.

Ford follows with 746 vehicles sold - which was a substantial decrease of 23.3 per cent from the same time last year when 972 vehicles were registered. Ford has 20.2 per cent of the annual market share.

Third place goes to Holden,



with 350 vehicles registered and an increase of 10.4 per cent on the same time last year when 317 vehicles were sold. Holden makes up 9.3 per cent of 2017's market share.

Although the Ford Ranger

continues to be the top selling light commercial vehicle, it saw a 29.2 per cent decrease in registrations on July 2016 with 655 units sold compared to 925. It has a market share of 18.6 per cent.

The Toyota Hilux follows right behind with 654 vehicles sold in July, an increase of 34.6 per cent on the same time last year when 486 vehicles were registered.

The Mitsubishi Triton registered 342 sales - an increase of 66 per cent from the same time last year when 206 were sold.

Lyndon Moore, sales manager at Smallbone Holden in Ashburton, says "A lot of interest here is towards the light commercial vehicles with the Colorado very popular with both town and country buyers. Not only will it tow a large caravan and climb up to the ski fields but handles the day-to-day activities that a passenger car once did and has the same comforts." ☺

New Commercial Sales by Make - July 2017

MAKE	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	845	703	20.2	21.0%	6,627	21.9%
Ford	746	972	-23.3	18.5%	6,113	20.2%
Holden	350	317	10.4	8.7%	2,826	9.3%
Mitsubishi	342	206	66.0	8.5%	2,473	8.2%
Isuzu	339	345	-1.7	8.4%	2,309	7.6%
Nissan	228	254	-10.2	5.7%	1,938	6.4%
Mazda	206	208	-1.0	5.1%	1,252	4.1%
Mercedes-Benz	148	76	94.7	3.7%	519	1.7%
Volkswagen	143	76	88.2	3.6%	897	3.0%
LDV	76	93	-18.3	1.9%	666	2.2%
Fiat	72	75	-4.0	1.8%	494	1.6%
Hyundai	71	129	-45.0	1.8%	628	2.1%
Fuso	66	0	6600.0	1.6%	415	1.4%
Hino	56	79	-29.1	1.4%	370	1.2%
SsangYong	54	80	-32.5	1.3%	386	1.3%
Foton	40	37	8.1	1.0%	449	1.5%
UD Trucks	27	19	42.1	0.7%	152	0.5%
Volvo	24	9	166.7	0.6%	242	0.8%
DAF	20	17	17.6	0.5%	153	0.5%
Iveco	20	11	81.8	0.5%	137	0.5%
Others	153	160	-4.4	3.8%	1,213	4.0%
Total	4,026	3,866	4.1	100.0%	30,259	100.0%

New Commercial Sales by Model - July 2017

MAKE	MODEL	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Ford	Ranger	655	925	-29.2	16.3%	5,635	18.6%
Toyota	Hilux	654	486	34.6	16.2%	4,728	15.6%
Mitsubishi	Triton	342	206	66.0	8.5%	2,473	8.2%
Holden	Colorado	331	303	9.2	8.2%	2,719	9.0%
Nissan	Navara	228	254	-10.2	5.7%	1,936	6.4%
Isuzu	D-Max	209	197	6.1	5.2%	1,584	5.2%
Mazda	BT-50	206	208	-1.0	5.1%	1,252	4.1%
Toyota	Hiace	169	212	-20.3	4.2%	1,719	5.7%
Mercedes-Benz	Sprinter	135	64	110.9	3.4%	380	1.3%
Volkswagen	Amarok	106	39	171.8	2.6%	531	1.8%
Ford	Transit	90	44	104.5	2.2%	474	1.6%
Fiat	Ducato	68	72	-5.6	1.7%	474	1.6%
Hyundai	iLoad	64	124	-48.4	1.6%	607	2.0%
SsangYong	Actyon Sport	54	80	-32.5	1.3%	386	1.3%
Isuzu	F Series	53	60	-11.7	1.3%	326	1.1%
LDV	V80	45	53	-15.1	1.1%	393	1.3%
Isuzu	N Series	42	61	-31.1	1.0%	257	0.8%
Foton	Tunland	38	31	22.6	0.9%	395	1.3%
Hino	500	32	43	-25.6	0.8%	183	0.6%
LDV	G10	31	39	-20.5	0.8%	272	0.9%
Others		474	365	29.9	11.8%	3,535	11.7%
Total		4,026	3,866	4.1	100.0%	30,259	100.0%

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MESSAGE
TO YOUR TARGET MARKET?



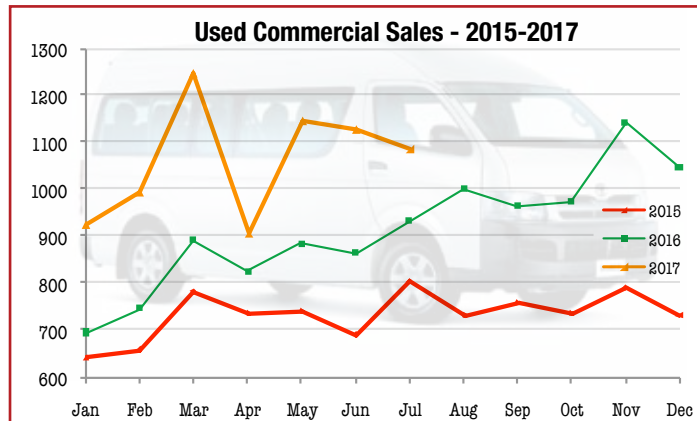
Hearty increase on previous year

Used imported commercial vehicle sales have eased slightly from last month, down 3.5 per cent to 1,089 vehicles. However, sales are up a healthy 16.8 per cent compared to July 2016, when 932 units were registered.

Year to date, 7,451 used imported commercial vehicles have been sold, up 27.7 per cent compared to the first seven months of 2016, when 5,837 units were registered.

Toyota continues to dominate the market, with 530 vehicles sold, a 21 per cent increase compared to July last year, with a 48.7 per cent market share for the month.

It was followed by Nissan on 233 sales, down 0.4 per cent but claiming a 21.4 per cent market share. Distant



third was Mazda with 68 sales in July, a 19.3 per cent increase on the same month last year and a monthly market share of 6.2 per cent.

Toyota Hiace continues to be the commercial vehicle of choice, with

year-on-year sales up 29.7 per cent on last July to 419 vehicles, which was 38.5 per cent of the total market share for July in this segment. Sales fell 22.8 per cent for the Nissan Caravan, but it remains in second

place with 71 units sold. The Mazda Bongo is third with sales up 25.5 per cent and 59 vehicles registered.

Bill Julian, managing director of August Autos in Takapuna, South Auckland, which specialises in utes and light commercials, says the New Zealand government's requirement for all imported used vehicles to be fitted with electronic stability control by March 1, 2020, could be an issue for the dealership. Unlike cars, vans don't appear to be included in mandatory fitting of ESC for the Japanese domestic market, he says.

"We are unsure about what we are going to do about it. But there are always other markets. We will use our experience to move forward."

Used Commercial Sales by Make - July 2017

MAKE	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	530	438	21.0	48.7%	3,505	47.0%
Nissan	233	234	-0.4	21.4%	1,576	21.2%
Mazda	68	57	19.3	6.2%	529	7.1%
Ford	49	30	63.3	4.5%	268	3.6%
Hino	41	10	310.0	3.8%	211	2.8%
Isuzu	41	50	-18.0	3.8%	361	4.8%
Mitsubishi	41	28	46.4	3.8%	263	3.5%
Chevrolet	24	17	41.2	2.2%	144	1.9%
Holden	21	19	10.5	1.9%	146	2.0%
Mercedes-Benz	5	4	25.0	0.5%	43	0.6%
Mitsubishi Fuso	5	4	25.0	0.5%	21	0.3%
Renault	4	0	400.0	0.4%	17	0.2%
Daihatsu	3	0	300.0	0.3%	19	0.3%
Fiat	3	4	-25.0	0.3%	65	0.9%
Volkswagen	3	5	-40.0	0.3%	54	0.7%
Kenworth	2	0	200.0	0.2%	20	0.3%
Mack	2	1	100.0	0.2%	4	0.1%
Suzuki	2	3	-33.3	0.2%	13	0.2%
Volvo	2	0	200.0	0.2%	17	0.2%
Dodge	1	7	-85.7	0.1%	28	0.4%
Others	9	21	-57.1	0.8%	147	2.0%
Total	1,089	932	16.8	100.0%	7,451	100.0%

Used Commercial Sales by Model - July 2017

MAKE	MODEL	JUL '17	JUL '16	+/- %	JUL '17 MKT SHARE	2017 YEAR TO DATE	2017 MKT SHARE
Toyota	Hiace	419	323	29.7	38.5%	2,649	35.6%
Nissan	Caravan	71	92	-22.8	6.5%	591	7.9%
Mazda	Bongo	59	47	25.5	5.4%	435	5.8%
Nissan	NV200	45	45	0.0	4.1%	251	3.4%
Toyota	Regius	34	44	-22.7	3.1%	297	4.0%
Toyota	Dyna	32	30	6.7	2.9%	202	2.7%
Nissan	Vanette	31	45	-31.1	2.8%	263	3.5%
Nissan	NV350	28	9	211.1	2.6%	93	1.2%
Nissan	Atlas	25	18	38.9	2.3%	135	1.8%
Hino	Dutro	24	7	242.9	2.2%	114	1.5%
Isuzu	Elf	23	31	-25.8	2.1%	206	2.8%
Mitsubishi	Canter	20	10	100.0	1.8%	141	1.9%
Toyota	Hilux	19	10	90.0	1.7%	116	1.6%
Nissan	Navara	18	11	63.6	1.7%	131	1.8%
Ford	Ranger	17	22	-22.7	1.6%	100	1.3%
Hino	Ranger	14	3	366.7	1.3%	100	1.3%
Nissan	E-NV200	12	1	1100.0	1.1%	38	0.5%
Isuzu	Forward	12	12	0.0	1.1%	89	1.2%
Chevrolet	Silverado	12	5	140.0	1.1%	64	0.9%
Toyota	Toyoace	12	20	-40.0	1.1%	121	1.6%
Others		162	147	10.2	14.9%	1,315	17.6%
Total		1,089	932	16.8	100.0%	7,451	100.0%

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New stock at eight months

Stock at hand for new cars has reached a new record of eight months – a first for New Zealand.

There were 12,591 new cars imported into the country during July which was an 11.6 per cent increase on June's total of 11,279 and a massive 35.7 per cent increase on the same month last year when 9,279 units were imported. The difference between imports and sales has added 4,986 units to the overall total of stock of new cars yet

to be registered, which now stands at 72,870 compared to 58,605 in July 2016 – a 24.3 per cent increase.

Compared to this time in 2016, there is 6,949, or 7.3 per cent, more stock sitting at distributors or dealerships.

Although average daily sales remain strong at 295 compared to 265 in July 2016, the increase in imports means that days of stock at hand have increase from 221 in the same month last year to 247 in July. It also jumped 17 days from 230 in June.

Stock numbers have continued to trend upwards during the past 12 months with a decrease occurring

only during March – with 222 days of stock at hand.

Therefore, based on these latest figures, if no more cars were imported and sales continued at the same rate, dealers would still have enough stock to last over eight months. Hermann Meyer, sales director at Autohaus Rotorua, says new vehicles sales have been "steady" during the winter months with the Mazda2 proving popular in July.

He says stock turnover is going well with the dealership often struggling to have enough Mazda CX-5 and Ford Rangers on the yard to meet buyer demand. "We can't get enough CX-5s. At one stage during July we could not get enough Rangers. Some days I only had seven Rangers on the yard. We like to stock 13 to 15 Rangers."

He says the on-going three-week delay getting vehicles from the wharf in Auckland to the dealership

continues to be an issue for the business. "It is a massive problem, there is no space on the wharf in Auckland and vessels are having to wait offshore."

Lyndon Moore, sales manager at Smallbone Holden in Ashburton, says July and August are the busy for farmers who will be working long hours with lambing, calving and preparing pastures.

"The rural sector just gets on with it despite the bad weather. We had a lot of water over the weekend (July 22-23) it wasn't ideal but we are still selling vehicles."

"Over the next four weeks we traditionally find most of our sales come from the business and private sector with farmers returning in the spring," Moore says.

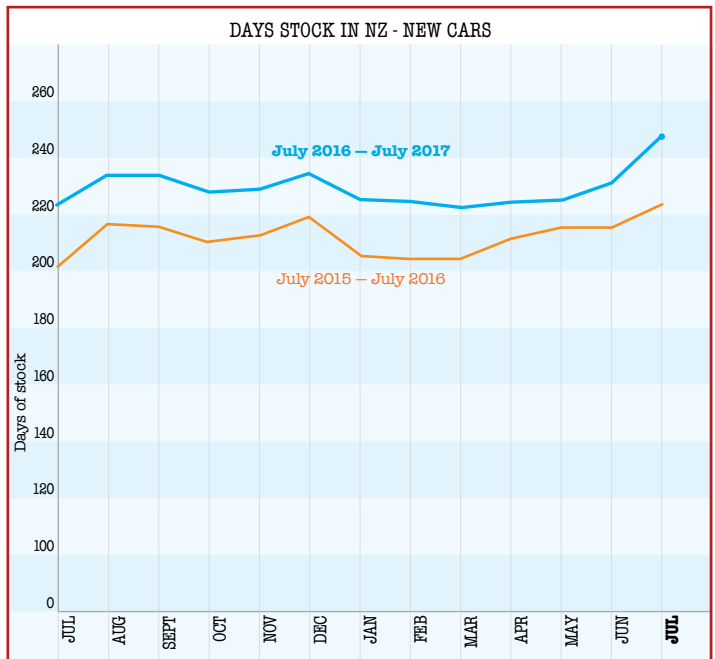
The dealership moved into new premises at the end of 2014 which has been well received by customers. ☺



Despite the country's high levels of new stock, Autohaus Rotorua often struggles to have enough Mazda CX-5 and on the yard to meet buyer demand

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jul '16	9,279	7,701	1,578	58,605	265	221
Aug '16	13,210	8,894	4,316	62,921	269	234
Sep '16	10,291	9,704	587	63,508	271	234
Oct '16	10,115	10,795	-680	62,828	274	229
Nov '16	11,059	9,722	1,337	64,165	279	230
Dec '16	9,825	8,069	1,756	65,921	281	234
Jan '17	8,489	10,150	-1,661	64,260	285	226
Feb '17	8,099	8,050	49	64,309	287	224
Mar '17	9,200	9,230	-30	64,279	290	222
Apr '17	8,234	6,996	1,238	65,517	290	226
May '17	9,655	8,386	1,269	66,786	293	228
Jun '17	11,279	10,181	1,098	67,884	296	230
Jul '17	12,591	7,605	4,986	72,870	295	247
Year to date	67,547	60,598	6,949			
Change on last month	11.6%	-25.3%		7.3%		
Change on July 2016	35.7%	-1.2%		24.3%		
	<small>MORE IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		



Used import stock up slightly in July

A total of 14,492 used cars crossed the border in July, a decrease of 7.1 per cent on the previous month when 15,607 units came into the country. However, it was a 28.8 per cent increase in stock compared to July 2016 when 11,249 units were imported.

Year to date, 103,740 used cars have come into the country and 94,382 units have been registered resulting in used imported passenger vehicle stock increasing by 9,358.

Stock numbers are at an all-time high, hitting a peak in June of 38,009 and the extra 62 units last month brings the unregistered stock number to 38,071 which is a 30 per cent increase from July 2016.

Daily sales over the past 12 months averaged 434 per day, up three from June and an increase of 38 sales per day on the same month last year.

Stock on hand has sat at 88 days for the past two months up 14 days from 74 days in July 2016.

Bill Julian, managing director of August Autos in Takanini, South Auckland, which specialises in light commercials, says they import about 90 per cent of their stock from Japan but the five-week delay getting stock from Japan's wharves to the dealership continues to be an on-going problem.

"We are now looking at electric vehicles. What I have noticed after travelling overseas is that people are saying that EVs could be coming to the market quicker than we think."

He says the market is always cyclical: "It's never 100 per cent steady."

Steve Greenwood, sales manager at EV Central in Taupo, says the dealership imports cars from Japan and Britain, although he says it has become harder to source



EV prices in Japan have dropped which could be due to Nissan's new Leaf hitting the market

cars from the UK because there is no longer an over-supply of EVs.

"Prices of EVs in Japan have come down which could be because a new (Nissan) Leaf is about to come out," Greenwood says.

Arthur Murray, owner of Hatchback Autos Limited in Kelston, Auckland, says many of the used car dealerships in Auckland are more interested in selling a large volume of cheap imported cars than providing an ongoing service for customers. As a result, they often find themselves paying large repair bills to ensure imported cars have

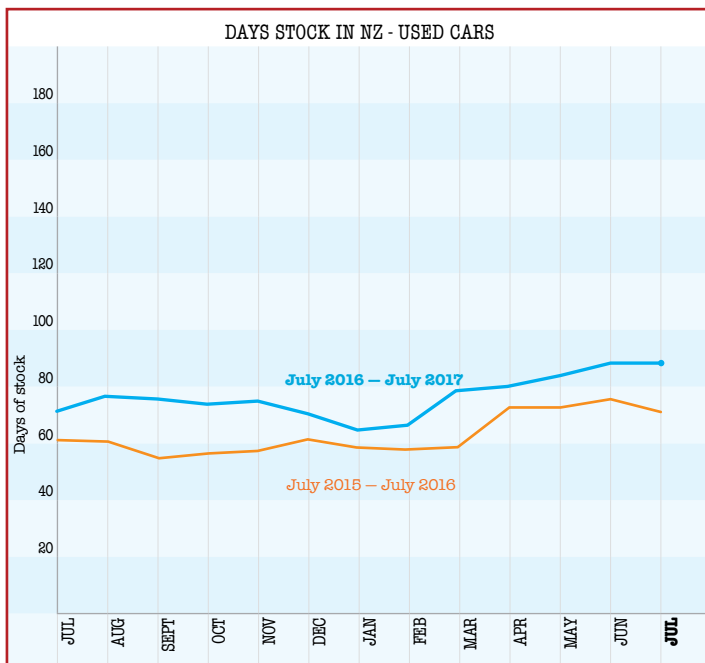
entry certification.

"Many of the new dealers don't know the difference between a good or bad car," Murray says.

"Our business is built on trust and we want customers to get a good run from their cars. We sell quality secondhand Toyota cars because they don't give customers any trouble. We get repeat business and the mechanics in the area refer people to us."

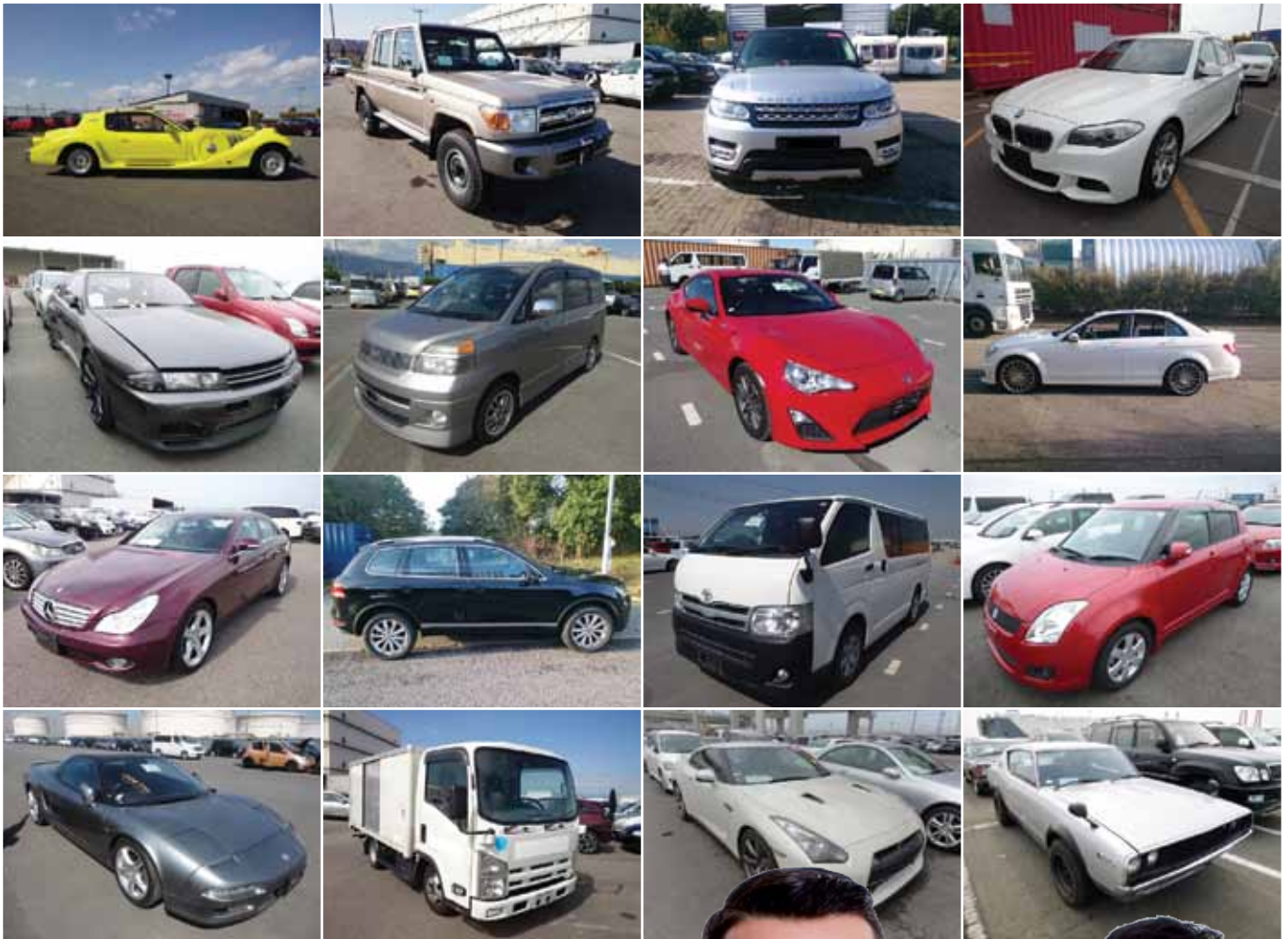
He says mid-sized hatchbacks continue to be popular with buyers. "There seems to be a big demand for SUVs and people movers but we don't stock those cars. We try to buy low mileage cars from Japan and you have to pay more for that stock."

Murray, who has been a dealer for 42 years, says "It is very competitive these days but it's still a great industry to be in." ☺



Dealer stock of used cars in New Zealand						
	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Jul '16	11,249	13,055	-1,806	29,282	396	74
Aug '16	14,058	12,993	1,065	30,347	399	76
Sep '16	11,629	12,564	-935	29,412	401	73
Oct '16	12,311	12,709	-398	29,014	405	72
Nov '16	13,400	12,762	638	29,652	408	73
Dec '16	12,242	13,181	-939	28,713	410	70
Jan '17	10,583	12,933	-2,350	26,363	413	64
Feb '17	13,829	12,260	1,569	27,932	415	67
Mar '17	19,546	14,474	5,072	33,004	421	78
Apr '17	13,017	12,507	510	33,514	422	79
May '17	16,666	14,439	2,227	35,741	427	84
Jun '17	15,607	13,339	2,268	38,009	431	88
Jul '17	14,492	14,430	62	38,071	434	88
Year to date	103,740	94,382	9,358			
Change on last month	-7.1%	8.2%		0.16%		
Change on July 2016	28.8%	10.5%		30.0%		
	<small>MORE IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		

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