

The makeup of the NZ's light vehicle fleet

With some of the highest levels of ownership globally, 90 per cent of our total vehicle fleet is dominated by light vehicles

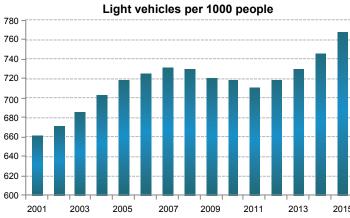
he term 'light vehicles' is made up of a wide range of transport options, from cars through to vans, utes, sportsutility vehicles (SUVs), people movers, trucks and camper vans under 3.5 tonnes.

According to the 2015 Annual Fleet Statistics report which was published by the Ministry of Transport (MoT), late last year, the ownership model of light vehicles has always been particularly high in NZ, however there has been significant fluctuation throughout time.

By the end of 2015 NZ had 3,524,672 light vehicles on the road, the largest fleet ever recorded. When comparing this number with the population, there were 767 light vehicles per thousand head of population.

Since the end of 2000 the light vehicle fleet has increased by 37.5 per cent from just over 2.5 million 15 years ago. In the past decade it has grown by 16.4 per cent.

Fleet numbers reflect the general economy and a number



Vehicle ownership rates started increasing significantly in the second half of 2012, after dropping between 2007 and 2011. Light vehicles per 1,000 people are now at their highest ever level.

of factors, including the high value of the NZ dollar - making vehicles cheaper to buy overseas, increasing employment opportunities and the positive economic outlook at that period of time. More recently positive immigration has stimulated a significant increase in fleet numbers. In the last two years of the report, net immigration had grown from 2,542 in 2013 to 56,275 by the end of 2015. There are also negative factors that affect fleet size, like the global financial crisis, the aftermath of which was felt in the 2011 figures when ownership was down to 711 per 1,000 head of population, the lowest since 2004.

While passenger vehicles continued to increase, the light commercial fleet also grew, with figures up significantly in the last three years, from just over 428,000 at the end of 2012 to 506,500 by

[continued on page 4]



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GUEST EDITORIAL

great time to get organised

Geoff Sinclair is a director with Blackbird Finance and has been involved with the used car industry for over 15 years

ith the new year upon us, and the 2016 vehicle sales statistics out, there has been much discussion about the record number of used imports sold last year, and whether the trend is set to continue in 2017.

There are so many factors which come into play, I don't think any of us can say with absolute certainty, but, for my money the signs are looking positive.

New Zealand's economic fundamentals, for the time being, remain strong. Amongst other things the economy continues to grow at a steady pace, general business confidence is high, interest rates are at an historical low, and net migration remains positive.

Combine these factors with an exchange rate that currently favours importers, and a plethora of offshore vendors looking to supply vehicles to NZ dealers, and certainly at first glance, 2017 has the makings of another great year.

Of course, on the down side, while NZ seems to be travelling well, there are several unknowns on the world stage. Not least of which, the impending arrival of "the Donald", and the yet unknown fallout and impact of Brexit on the global economy.

Certainly, from Trump's rhetoric, at the very least the much lauded TPP trade deal is dead in the water. However, barring any drastic actions by the powers that be, I think the opportunity for a successful 2017 is, for the most part, there for the taking.



GEOFF SINCLAIR Blackbird Finance

you operate, set some goals, and revisit where you sit in the market. Even if last year was a record, and more particularly if it wasn't, it's important to take the time to revisit your business plan, and your product offering. What's your niche? Your unique selling proposition? Why would a consumer buy from you rather than the competitor down the road?

As always though,

So, if you haven't

time to review how

I am lucky enough to talk to, and work with, a broad spectrum of dealers, from one-man bands selling 10 cars a month, to large operators who run multiple sites and sell hundreds of vehicles. Some common traits I have noticed successful dealers often possess include:

They position themselves in the market, so they have a point of difference, but at the same time remain flexible, and respond to opportunities as they arise;

They take a consistent approach to testing and measuring performance across their business, and ensuring they are getting the results they are looking for, especially in areas like cash flow and stock management. They always remember that, in this business, you make your money when you buy.

All the best for a great year ahead. 🕤

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news

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the end of 2015, an increase in the light commercial fleet size of over 78,000 and 18.3 per cent. The recent increase is most likely due to the popularity of modern utility vehicles, with improved access and comfort, being used as private transport.

Although light vehicles are a popular choice both for business and personal transport, there is a marked difference in the makeup of that segment of the fleet. Light commercial vehicles are typically made up of relatively young NZ-new vehicles, whereas the passenger fleet has a far higher proportion of older used imports.

It is thought that this is because most commercial vehicles are bought by companies, which are usually more concerned with depreciation, which is greater in new vehicles.

TRAVEL DISTANCES

Passenger vehicles contributed to 76 per cent of road travel in 2015 and light commercial vehicles made up a further 16 per cent. Only

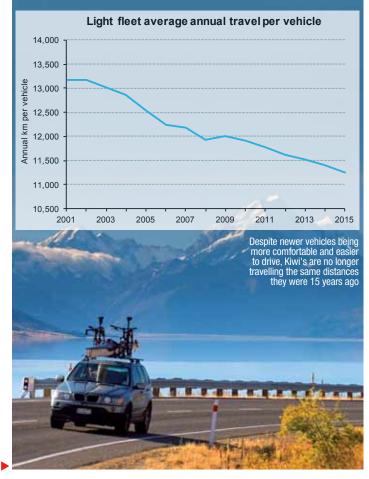
eight percent of road travel was made up by other vehicles - this included motorcycles, heavy trucks and buses.

Annual travel per light vehicle has been declining, as light vehicle numbers have increased at a greater rate than travel distances. In 2001 the average travel was 13,178 km per year, with annual travel reducing each year since, with the exception of 2009 when there was a slight increase of 0.6 per cent. By the end of 2015, the kilometres travelled per light vehicle was 11,251 per year, reduction of 17 per cent.

THE AGE OF OUR VEHICLES

There is a clear relationship between vehicle age and the distance they travel. Older vehicles are not driven as much as newer vehicles are each year. The patterns of used and new light vehicle travel also vary with vehicle age.

Light commercial vehicles are typically driven further than light passenger vehicles, especially early



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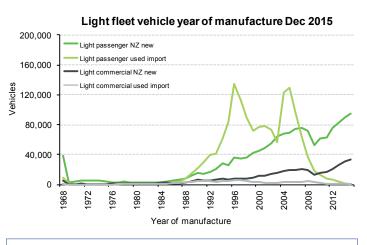
in their life. This effect starts to diminish as the vehicles age, and has disappeared by the time they are 20 years old. On the other hand, travel by vehicles manufactured in 2015 appears low, due to the fact that most of these vehicles would have been on the road for only part of the year.

The average age of the vehicles in the light fleet is high by international standards, largely as a result of the high numbers of used imports manufactured in the mid 1990s that remain in the fleet today. The 1996 year of manufacture peak is, in part, a consequence of the Frontal Impact Rule which effectively restricted registration of used car imports that were manufactured before 1996. Many of the used imports manufactured in the mid 1990's will be reaching the end of their lives in the next five years, and the numbers leaving the fleet will increase.

As the years and rules have progressed, a second used-import peak is beginning to emerge, with an increased number of light vehicles built in 2005 appearing in the fleet. This coincides with a requirement set out in the Transport Rule: Vehicle Exhaust Emissions 2007 which took effect in 2012. This required used vehicles registered after 2012 to be built to the Japanese 2005 exhaust emissions standards.

After the original Exhaust Emissions Rule was put into place, in January 2008, the average age of vehicles dropped in 2009. But by 2011, the average age of used imports entering the fleet was at an all time high. The reason for this being that older vehicles could be sourced for import, as the age range of the vehicles compliant with the rule broadened. The oldest used vehicles that could be imported in 2008 were typically manufactured in 2001, and it was still possible to import those vehicles until December 2011.

"We know from the formation of the 1995-97 'peak' that once a rule (in that case, the frontal Impact Rule) sets a minimum standard, importers will 'buy down' to that year. This means that instead of



"Instead of imports getting a year younger each year, importers continue to buy older vehicles and this is happening around the 2005 model

year now" - Iain McGlinchy, Ministry of Transport

imports getting a year younger each year, importers continue to buy older vehicles and this is happening around the 2005 model year now. We don't know when buyers will start buying newer vehicles," says lain McGlinchy, Principal Advisor at the MoT.

The average age of the light fleet at the end of 2015 was 14.2 years and the truck fleet 17.6 years. Although the average age of the fleet was increasing for much of the past decade, the average age of light vehicles has not increased appreciably for the past three years, as the surge of newer vehicles being imported offsets the effect of the large numbers in the 1996 'peak'.

The increase in average vehicle age is not isolated to NZ, with light vehicle fleets in most developed countries getting older over the same period, though none are as old as the vehicle fleet in NZ. One possible influence is improved mechanical reliability, leading to vehicles lasting longer. It also has a lot to do with less vehicles being scrapped these days, as modern vehicles are more likely to withstand the test of time, thanks to new technology and improved manufacturing capabilities.

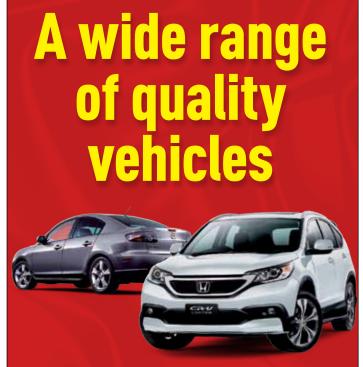
WHAT'S IN OUR TANKS? Although an increasing amount of electric vehicles (EVs) seem to be manufactured across the world and are becoming very popular in Europe, Asia and the United States, used light vehicle imports into NZ are overwhelmingly petrol powered.

In fact, the penetration of hybrid and EVs is still quite low, with only 973 EVs and 14,805 hybrid vehicles recorded in the country as at the end of December 2015.

With our high levels of petrolpowered vehicles, we are not performing well in terms of fuel economy. Despite the entry of more fuel-efficient vehicles into the fleet in recent years, real world light vehicle petrol economy only improved by five per cent between 2011 and 2015.

The on-road economy of the light petrol fleet has been estimated by comparing the travel of the light-petrol fleet with petrol deliveries, less the estimated other uses of petrol. The resulting rates are indicative of what happens on NZ roads in our unique conditions. These values are higher than the vehicle fuel test cycle values based on European and Japanese regulatory test cycles.

In fact, there is now a large body of evidence that real world [continued on page 6]



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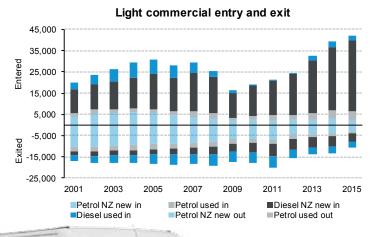


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fuel economy is worse than the manufacturers' laboratory test values. The gap between the published figures for fuel consumption and the real world is widening. This increasing gap reflects that manufacturers are focussing on optimising their vehicles to reduce fuel use during the test procedure, rather than in the real world.

The market share of the cleaner, more fuel efficient petrol vehicles (up to 170g CO₂/km) has

been growing. This may be partly due to a move away from large-engine petrol vehicles to diesel SUVs. However, since 2013 there has been no appreciable improvement in the average efficiency of vehicles entering the fleet. In turn, because there has been a growing divergence with real world and laboratory testing, it is likely that vehicles



entering NZ are not, on average, improving in efficiency. In terms of engine size, the average engine capacity of petrol vehicles entering the light fleet was increasing until 2004. The average engine capacity of the light fleet continued to increase for some years after 2004 as the vehicles

entering the fleet had larger engines

than those exiting the fleet.

Larger-engine vehicles travel further in their lifetime, which explains in part, why the fleet average lifetime distance is increasing. The engine-size mix of the used imports entering the light fleet is different to that of NZ-new vehicles. There are relatively more smaller-engine used imported vehicles than NZ-new.

While we continue to buy petrol-powered vehicles, we are also beginning to show more interest in diesel, especially for our commercial vehicles. A high proportion of the new vehicles entering the light commercial fleet are diesel powered. The proportion of the light fleet, which is diesel powered, grew from 11.7 percent in 2000 to 17.4 percent in 2015.

The average age of light diesel vehicles, when scrapped, has risen as the light diesel fleet has changed from being very commercially orientated (vans and utes) to now include a large numbers of SUVs and diesel cars.

[continued on page 8]



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[continued from page 7]

The distance covered in the lifetime of light diesel vehicles exceeds that of petrol vehicles on average, even though they are scrapped earlier.

The final Warrant of Fitness (WoF) or Certificate of Fitness (CoF) odometer reading provides a good estimate of lifetime travel. The lesser lifetime distance covered by used imports may reflect their smaller average engine size and shows that larger-engine vehicles typically cover a greater lifetime distance.

DRIVING THROUGH COUNTRY

According to MoT figures, at the end of 2015 there were 3,018,118 light passenger vehicles in the country. The Nelson/Marlborough region had the highest ownership rate with 919 light vehicles per thousand head of population, followed by Canterbury on 909 and Southland with 896.

Auckland accounted for 33.9 per cent of NZ's light passenger fleet with 1,023,827 cars and 22 per cent of the light commercial fleet with 111,762 vehicles recorded

Canterbury and Wellington made up a further 15.02 and 9.48 per cent respectively with light passenger vehicle ownership of 453,585 and 286,263.

As for light commercial vehicle ownership, Canterbury accounts for 16.16 per cent with 44,380 vehicles recorded and the people of Waikato owned 10.91 per cent, with 55,276



light passenger vehicles.

The number of vehicles leaving the fleet, in 2015, remained quite low, however it is predicted that these numbers should increase in future years once more vehicles have reached their use-by date and begin to get scrapped.

The MoT has looked at the question of scrappage in some detail, and it appears that distance, rather than age is the better predictor of scrappage. Meaning the exit from the fleet of the bulk of vehicles manufactured in the mid to late 90s may not be easy to predict, as older vehicles travel less and owners may be happy to have them stay on as a spare or specialist/hobby vehicle.

Many statistics relating to the fleet rely on knowing how many vehicles exist in that month. "While we have very good records for vehicles entering, unfortunately this is not the case for vehicles exiting. Fewer than half of all vehicles exiting the fleet are actively deregistered, so we do not know for sure if a vehicle has left the fleet until it is not re-registered the following year - and even then a surprisingly large number of vehicles reappear on the register after several years' absence," says McGlinchy.

This means the MoT has to find another way of determining when a vehicle leaves the fleet. Until recently the method used was to 'scrap' a vehicle after it didn't obtain a WoF.

In July 2014, the Vehicle Licensing Reform (VLR) came into effect and the periods between Warrants of Fitness (WoF) testing changed for many vehicles. For new light vehicles, testing is carried out when they first enter the fleet, with the next test due three years after that date and then annually after that.

Light vehicles that are currently in the fleet are inspected annually if their year of manufacture is the year 2000 or later, or six monthly if the vehicle has been manufactured prior to the year 2000. VLR and the changes to WoF inspection cycles disrupted the way the MoT collected this data regarding scrappage.

With 10 per cent of the fleet now on three year inspection cycles and 48 per cent on annual inspections, only 42 per cent of vehicles, those manufactured prior to 2000, can provide the information the MoT previously calculated scrappage on.

Because of these changes, WoF information ceased to be reliable for removing vehicles from the fleet. The results in this change of regime is that since July 2014, scrappage numbers may have been overestimated. ⊕

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OWN

ore new cars crash rated in 2016

further 45 new ANCAP ratings were published for 2016, with 95 per cent of the vehicles receiving a 5 star rating.

According to a statement from the Automobile Association (AA), there was an influx of vehicles that included Autonomous Emergency Braking (AEB) entering the market, thanks to certain test criteria which emphasises the importance of anticrash safety features.

The Mercedes Benz GLC had the highest overall score in ANCAP tests which cover both vehicle occupant and pedestrians. Of the 45 ANCAP rating published in 2016 only two were awarded a 4 star rating, these included MG's GS and the Haval H9.

General manager of motoring services for the AA, Stella Stocks says the Haval H9 scored well in the areas of side impact and whiplash protection but did not perform well enough in the frontal offset test to enable a rating beyond four stars. "Lower leg protection was marginal and there was a slight risk of serious chest injury for the driver," she says.

Kia Optima

Skoda Octavia

Skoda Superb

Lexus IS ctober 2016 - onwards

Meanwhile, the Mercedes Benz Vito did not fit head-protecting side airbags as standard – a mandatory requirement for a 5 star ANCAP safety rating.

Following pressure from ANCAP, Mercedes-Benz implemented a midcycle production change with all Vito vans produced from July 2016 to have head-protecting side airbags (window bags) as standard. As a result, all Vito vans built after July 2016 will hold the maximum 5 star ANCAP safety rating. "Vito vans produced prior to this which lack head-protecting side airbags hold a 4 star ANCAP safety rating," says Stocks.

ANCAP continues to raise the bar for vehicle safety and whilst keeping a focus on the basic safety features of vehicles now requires the inclusion of Safety Assist Technologies (SAT's) which assist in preventing crashes. In 2016 there was a requirement for a minimum of six SAT's over and above the mandatory ones such as ESC.

The full list of ANCAP's vehicle safety ratings are available at www. autofile.co.nz/ancap-results-2016. ⊕

SMALL CAR	LARGE CAR
Audi A4	Jaguar XF
October 2015 - onwards	February 2016 - onwards
Holden Astra	Mercedes-Benz E-Class
November 2016 - onwards	July 2016 - onwards
Holden Spark March 2016 - onwards	SPORTS CAR
Kia Cerato	Mazda MX-5
June 2016 - onwards	September 2015 - onwards
Kia Picanto 2016 - onwards	COMPACT SUV
Mazda 3	BMW X1
August 2016 - onwards	October 2015 - onwards
Subaru Impreza	Fiat 500X
November 2016 - onwards	July 2016 - onwards
Subaru Levorg	Jeep Renegade
June 2016 - onwards	May 2016 - onwards
Toyota Corolla	Mazda CX-5
June 2016 - onwards	September 2016 - onwards
Toyota Prius	Mitsubishi ASX
November 2015 - onwards	November 2016 - onwards
MEDIUM CAR	Suzuki Vitara 2015 - onwards
Hyundai Elantra February 2016 - onwards	MEDIUM SUV
Infiniti Q30	Hyundai Tucson
August 2016 - onwards	November 2015 - onwards
Jaguar XE	Kia Sportage

Kia Sportage Mercedes-Benz GLC Tovota RAV4 st 2016 - onwards Volkswagen Tiguan . /ards

2.CO.	nz/ancap-results-201
	LARGE SUV
	Haval H9 2015 - onwards
	Holden Trailblazer July 2016 - onwards
	Lexus RX October 2015 - onwards
	Mazda CX-9 July 2016 - onwards
	PEOPLE MOVER
	Ford Tourneo Custom (NZ) March 2014 - onwards
	Kia Carnival January 2016 - onwards
	Kia Rondo / Carens August 2016 - onwards
	Mercedes-Benz Valente July 2015 - onwards
	Mercedes-Benz V-Class July 2015 - onwards
	UTILITY / VAN
	Ford Transit Custom

March 2014 - onwards Holden Colorado Mercedes-Benz Vito* Mercedes-Benz Vito Toyota LandCruiser 70 Series David Boot, General Manager, Stadium Cars Vicki Kemp, Business Manager, Stadium Cars

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The 45 new vehicles tested by ANCAP

- onwards

-/ards

per 2015 - onwards

A small snapshot – of 40 years

where the set of the terms of terms of

Since 1977 New Zealand has registered 5,781,644 passenger vehicles, and the split between new and used imported cars are only separated by one percentage point.

There have been 2,859,458 new cars and 2,922,186 used cars for a 49.5 to 50.5 per cent share respectively.

When these numbers are dissected we can see periods in which either new or used vehicles were most popular in NZ.

During the decade between 1977 and 1986, before the tariffs for usedimported vehicles were lifted, the split-in was 97 per cent new imports and three per cent used. Fastforward ten years to 1996 and used car imports were becoming more acceptable with the public of NZ. Within that period of time there were 1,211,222 vehicles imported of which 55 per cent, or 661,261, were new.

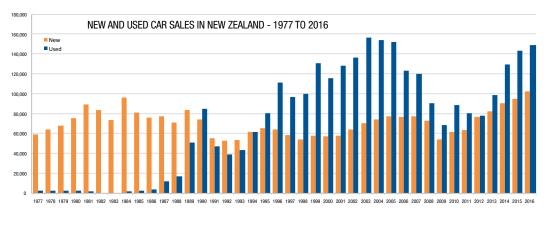
Between 1997 and 2006 the used import trade took off. Just under two million cars (1,946,833) were imported and during this time used cars had claimed 67 per cent of the imported passenger vehicle market.

The last ten years has seen a

more balanced market emerge, overall numbers of . Overall numbers of imported vehicle registrations were down by over six per cent on the previous decade but the share between new and used imports had closed considerably to 57 per cent used and 43 per cent new imported passenger vehicles.

There have been issues within NZ that have influenced these specific segments of the import

market, like the breaking down and then removal of import tariffs in the late 80s. Frontal impact law changes in the early 90s, Emissions Rules 2007 and 2012 respectively and currently the phased introduction of mandatory ESC for all vehicles. Throw in the global influences, such as the global financial crisis and it's easy to see why importing and selling cars, whether new or used, in New Zealand is a fine vocation! \ominus



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Winger

Tips for a successful 2017

he start of a new year is a time to pause, reflect, think about what we want to achieve and how.

From a business perspective, this means thinking about aspects of your business to gain a better understanding and see where improvement could be made.

If you haven't done so already, today is the day to find a quiet space, drilldown into your business and begin to plan for the year ahead. Having a business plan is the first step to keeping you and your company focused on growth and success.

Remember it is not just about top and bottom line goals, there are other areas which are important foundations of your business's long tem success and contribute in a much more organic way to its profitability. Company culture, how you support the community, process efficiencies, to name a few.

Ask yourself, what are a few things I can do that would really make a difference to where I want to be?

If you are not much of a planner and struggle in this area, then simply start by making a short list of what you want to achieve and measure this at the end of each month, to confirm vou are on track.

Need some ideas to get the creative juices flowing? Try these:

DEVELOP A SALES EVENTS & PROMOTIONS CALENDAR FOR THF YFAR

Begin by graphing your last 3-4 years' worth of monthly sales

volume, and identify any trends. If there are months where sales drop at the same time each year, then develop a marketing plan for these months, to straighten your sales line. Give yourself plenty of lead time when

organising these events as they are important.

If your sales are consistent month on month, then plan some initiatives around annual events like school holidays, community events etc.

HIRE THE RIGHT PEOPLE

Make a very clear decision of what type of people are right for what roles within your dealership. Be clear on what experience and personality traits they need. What is it that they need to deliver to co-workers and customers? Then when hiring stay true to it.

All too often businesses hire because they believe they need someone quickly. In most cases you can get by, and the extra time taken to find the right person with the right fit will make a significant difference to the dealership.

LEARN MORE FROM YOUR DATA

All businesses accumulate a lot of valuable information, the longer they trade the better it is. Past sales, customer type, reconditioning costs, all of this will help to understand your business better

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By utilising technology you'll be more efficient and able to achieve significantly more than you thought you could.

Don't be afraid to learn what technology trends are out there for this year, ask for a review of what software and devices you are currently using and try to determine what areas of your business could benefit from further utilisation. The best place to start would be with your Dealer Management Software provider or technology partner.

COMPLETE AN INTERNAL

PRESENTATION HEALTH CHECK Check you are presenting your business, your vehicles and your staff in the best possible way. Remember, most customers are on your yard specifically to look at one of your vehicles they have already seen whilst doing their research online.

Statistics tell us that the majority only visit two dealerships before purchasing. Therefore it is critical that you impress on every aspect and don't give them reason not to do business with you.

GET A WEBSITE THAT SELLS,

AND MAKE SURE IT'S MOBILE The reality is if you don't have a dedicated website for selling vehicles that displays well on a mobile device you actually make it harder for people to do business with you. Websites aren't expensive when you consider they are a fraction of what you'd spend on other advertising over 3-4 years. And generally it's all that advertising that encourages people to your website.

PLAN FOR MORE CUSTOMER **CONVERSION, RETENTION & REFERRALS**

Think about what you are currently doing in these highly important areas of your business.

Conversion is all about getting the maximum penetration into your customer enquiries and test drives for the month.

Retention is about giving customers a great experience, keeping in touch with them through friendly communication, they should think of your dealership as the natural first choice when it comes to purchasing a car.

Referrals is literally the cheapest form of advertising and provides the highest return. Get them to do the selling for you.

The start of a new year can be an exciting time as we dream big about the year ahead. Make sure you get off on the right foot, by doing some simple planning now, execute correctly and then sit back and enjoy a fruitful year, as your plan achieves your desired goals. 🕤



The team at motorcentral* sincerely wish you and your family a safe & prosperous 2017!

IF ONE OF YOUR NEW YEAR'S RESOLUTIONS IS TO SELL MORE CARS THIS YEAR CALL US ON 0800 623 687 FOR A FREE NO OBLIGATION CONSULTATION.

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Kia steals Detroit spotlight

etroit is the spiritual home of the iron horse and the first motor show of the year is usually headlined by muscle from the likes of Ford, Chevrolet, or one of the prestigious Euro marques. But the 2017 event turned out the unlikeliest of stars and journalists keyboards were in a frenzy when Kia lifted the cover on their Stinger GT - a 3.3-litre twin-turbo V6 rear-wheel drive sedan aimed at the likes of BMW's 5-series.

The sleek and aggressive four-door is based on the GT Concept shown in 2011 and is 25mm shorter than the current Optima, yet has a 100mm longer wheelbase. The 270kW V6 is mated to an eight-speed auto and sends the Stinger GT from 0-100 km/h in 5.1 seconds.

Two drivetrain choices are available - rear-wheel drive and all-wheel drive, with the latter having a mechanical limited-slip differential and brake-based torque vectoring. Inside the cabin, a heads-up display, large colour touchscreen, multiadjustable drivers seat, and an optional 720-watt, 15-speaker Harmon/Kardon audio system Kia's Stinger GT

with two subwoofers are a few of the luxury touches appointed to the Stinger GT.

The flagship model will also be joined by a 2.0-litre turbocharged four-cylinder base model.

LONG-RANGE FASTBACK SUV

Audi unveiled it's Q8 concept at Detroit - a fastback coupe version of the Q7 SUV along the lines of Mercedes-Benz's GLE Coupe and BMW's X6. Strictly a four-seater, the back row has no centre seat and there is no third row for obvious reasons. Under the bonnet a 250 kW 3.0-litre TFSI V6 is teamed up with a single 100kW electric motor and a 17.9-kWh lithium-ion battery mated with an eight-speed auto. Theoretical economy is an all-electric range of 100 km and a total range of around 990 km.

A production-ready version of the Q8 is expected in 2018.

LOOKING TO THE NEAR FUTURE

Some of the favourite concepts shown were Nissan's Vmotion 2.0 and the I.D Buzz from Volkswagen. The latter being yet another revision of the iconic Microbus from the sixties. VW unveiled a modern Microbus way back in 2001 and the latest take will appeal even more to the modern day hippie. The new green machine aims at the larger family or multipurpose user with its dimensions being close to the company's T6 commercial van, offering loads of room. The concept's hybrid powertrain claims 275kW from its single front and dual rear motors. Looking after all the kids in the back could become easier with VW

hinting that the I.D. Buzz could be fully autonomous, utilising four onboard laser scanners, ultrasonic sensors, radar sensors, side view cameras, and a front camera.

A showcase for its future sedan design, the Vmotion 2.0 hints at being a possible replacement for the Maxima. Suicide rear doors eliminate the B-pillar and open up the passenger area for a "futuristic, dynamic, and more cabinfocused" environment. Aimed at busy professionals, Nissan has provided its occupants with a luxurious interior to eniov while the car is in its ProPILOT autonomous mode. The company is aiming for zero emissions and zero fatalities in its future designs and other road users will know ProPILOT is in charge as the Nissan logos on the grille and





the rear diffuser of the Vmotion 2.0 concept both glow when the sedan drives itself.

LIFE IN THE FAST LANE

The top-end Euro margues stamped their mark on the show with abundant offerings of pure grunt.

Bentley introduced a new **Continental GT Supersports** which boasts 700 horsepower

and over 1000 Nm of torque from the twinturbocharged W12 engine, launching it from 0-96 km/h in 3.4 seconds to a top speed of 334 km/h. Huge carbon ceramic brakes return the 2280ka behemoth to mere mortal

speeds. A carbonfibre front splitter, rear diffuser and side sill extensions plus an optional spoiler set the Supersports apart from the standard Continental GT. An "X Specification" option gives buyers eight two-tone color



mirrors and trim, as well as a titanium exhaust. Mercedes' offerings included updated AMG GT and GT S

models and a brand new GT C coupe, which sits in between the GT S and the hardcore GT R. The GT and GT S receive revised front bodywork inspired by the GT R as well as a slight horsepower

schemes along with carbon-fibre

increase. Porsche announced GTS models will be added to the current turbocharged 991.2 generation, Porsche 991 GTS coupe which brings a boost of 22kW

and an extra 50Nm of torque to the 3.0-litre flat-six, upping the total

> output up to 331kW and 550Nm. All GTS models, whether all-wheel drive or not, get the wider allwheel drive body and sit upon Porsche's adaptive suspension which drop the car 20mm lower the standard 911. 🕤



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Top broadcaster rates our talent



He is the voice of the premier classes in New Zealand's resurgent summer series. Jonathan Green flies from his home in Austin, Texas every year to voice commentary for the television coverage that goes out to more than 40 countries around the world.

It is a trip he says he loves to make. "I get to see one of the most

stunning countries in the world and meet the latest crop of up and coming single-seater drivers – kids I know will go on to do amazing things in motor racing around the world," he said.

A passionate follower of premier-level motor racing for as long as he can remember, Green runs the Speedcity 'news and views' online blog site. He voices English language commentary at the annual Macau Grand Prix, and his CV includes World Superbikes, GT racing, endurance racing and a wide range of leading singleseater categories.

Green says New Zealand punches well above its weight in the world of motor racing.

"It's amazing really. A country of four million people in the South Pacific shouldn't be such a hotbed of talent. You've got Scott Dixon, one of the best and most enduring talents Indy has ever seen. Brendon Hartley, Richie Stanaway, Chris van der Drift, Mitch Evans, Nick Cassidy, Earl Bamber. This is a golden age of New Zealand motorsport," he said.

Key to the tidal wave of Kiwi talent now surging through offshore racing has been the investment by Toyota in the



"This is a golden age of New Zealand motorsport" -Jonathan Green

country's top single-seater championship, the Toyota Racing Series. Devised in 2004 as an 'incubator' for young New Zealand drivers aiming to race overseas, the series has propelled all the drivers Green mentions into their international careers except Dixon, who went global before the series began.

"Not only that but by bringing young internationals down here in your summer, you are honing their talents too, which means the likes of Lance Stroll and Red Bull's Daniil Kvyat are now in Formula One drives having 'graduated ' to single-seater careers through TRS. That's huge."

Significantly, he notes, major

driver 'academy' programmes and top GP2, GP3 and Formula 3 teams send their best young racers here every year to get a head start on their championship year.

"Red Bull, the BRDC Rising Star programme, Force India and the top teams are all very aware of New Zealand these days. Pit lane at Macau [each November] is always buzzing with gossip about who is coming down for TRS. No other country can lay claim to that kind of profile."

Green says the local scene has rebounded in the time he has been coming here.

"You have new circuits for the summer series, built to very high standards. You have an increasingly strong Formula 1600 [previously Formula Ford] bringing kids up from karting. And the V8 categories now seem to be recovering, though they do need to grow their top class entry list. It's all looking very promising," he said.

So who does the affable British-born commentator rate in the current crop of TRS drivers?

'Phew, that's too tough to call. There are 20 drivers here who will go on to do awesome work on circuits around the world. Three different winners in the first three races underlines the talent on display here – truly world class. But the real question is, who's next? Locally, I think the top three in Formula 1600 this year are all well capable of being the next crop of talent too – Liam Lawson is one to watch. It's an exciting time to be involved in the New Zealand scene." ⊕



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Kiwi drivers start strong in premier championship

II three New Zealand drivers were on the pace in the opening round of the 2017 Castrol Toyota Racing Series at Ruapuna.

Promising Christchurch driver Marcus Armstrong, 16, served notice of his potential with two front-row starts and a race win, while Pukekohe's Taylor Cockerton



was blindingly fast in practice and qualifying and won the second race but was stripped of the victory when officials judged him to have moved before the start sequence was complete.

Invercargill's Brendon Leitch, meanwhile, shrugged off a damaged suspension to put in three strong drives and tie for eighth in the 20-strong field which included Pedro Piquet, son of multiple Formula 1 champion Nelson Piquet.

Force India's Jehan Daruvala won the feature race to put his name on the prestigious Lady Wigram Trophy for the second year running.

The championship is currently led by Red Bull junior driver Richard



Verschoor of the Netherlands.

Meanwhile, domestic singleseater categories continue to propel talented young New Zealanders into overseas drives.

In Formula 1600, which is a final step up to the wings-and-slicks TRS and thus on to international categories, Pukekohe teenager Liam Lawson was dominant and now leads the championship by 34 points, leaving series regular Michael Collins vowing to fight back.

Lawson, 14, is a rookie entry in the series. He raced Formula

First last year and was Rookie of the Year in that category. Not yet old enough to hold a driver's licence or compete in the premier class, TRS, he is tipped by many to follow in the tracks of Mitch Evans, Nick Cassidy and, more recently, Marcus Armstrong.

For the second year running the winner of the national Formula 1600 title will represent New Zealand in an international 'shootout' for \$US200,000 fully-supported drive in the Cooper Tires USF2000 Championship in 2018. ⊕

Motorsport mulls touring car of the future

t Ruapuna during the opening round of the championship, Motorsport New Zealand was wondering "where next?"

After the angry schism that tore apart the V8 touring car category over recent seasons, the new blended category – dominated again by Simon Evans – struggles with parity issues and the sheer cost of competing.

Though cars are visually similar and are mostly built with Holden Commodore or Ford Falcon body panels, they are very different specifications with one of the two top categories running 5.0-litre



V8 engines and the other a 'crate' specification Chevy V8 of 7.0 litres.

Older cars run to a third, lower spec, have less 'aero' and are less competitive.

Now, MSNZ is asking competitors and interested parties, including media, what they think should be the future direction of touring car racing in New Zealand. While the V8 camp is adamant the category remains relevant for future seasons, others point to the success of GT racing, including the two '101' events run by Scottishborn Australian Tony Quinn at his Highlands Park and Hampton Downs circuits.

Quinn owns the Australian GT series and is so confident of their appeal that he has moved the category away from the V8 Supercar calendar to its own championship season, which of course includes the two NZ events. The most recent race at Hampton Downs is reputed to have attracted a crowd in excess of 8,000. ⊕



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Sixth largest but positives aplenty

unedin, Otago's principal city, is slowly seeing improvements in its economy as it grows and diversifies.

From 2006 to 2014 the city struggled economically with an average growth rate of just 0.2 per cent per annum but now, according to a recent report by Business and Economic Research Ltd (BERL), it is growing at 1.3 per cent per annum.

This shows that some progress has been made to achieve Dunedin's economic development strategy – a 2013 to 2023 blueprint – which has goals of 10,000 extra jobs over 10 years requiring employment growth of approximately two per cent per annum and an average \$10,000 extra income for each person, requiring real GDP per capita to rise



by around 2.5 per cent per annum. The strategy recognises that Dunedin faces the risk of losing business and people to other cities. The University of Otago and

the Otago Polytechnic contribute enormously to the region, both in respect of student spending and the general economy generated by them as a business, to their capital works programmes. Otago University itself has a building programme that is lending additional weight to Dunedin's

Dunedin vehicle sa	les - December	2015 to Decen	nber 2016				
	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS	PUBLIC TO TRADER	PUBLIC TO PUBLIC	TRADER TO PUBLIC
Dec '15	366	225	30	116	450	1,783	694
Jan '16	383	247	25	137	406	2,026	616
Feb '16	394	261	26	151	452	1,983	679
Mar '16	375	299	21	209	471	2,064	711
Apr '16	379	215	20	130	454	1,963	665
May '16	380	242	27	146	492	1,984	669
Jun '16	365	266	38	162	450	1,895	707
Jul '16	406	211	17	128	445	1,944	666
Aug '16	373	260	31	137	443	1,916	723
Sep '16	384	271	23	183	450	1,848	722
Oct '16	378	220	29	142	455	2,004	640
Nov '16	385	215	42	147	437	2,013	706
Dec '16	422	155	35	111	463	1,863	719
Total 12 months	4,624	2,862	334	1,783	5,418	23,503	8,223
Increase/Decrease on December 2015	15.3%	-31.1%	16.7%	-4.3%	2.9%	4.5%	3.6%
Dunedin total sales 2015	4,056	2,589	302	1,623	5,333	21,982	8,152
2016 % increase on 2015	14.0%	10.5%	10.6%	9.9%	1.6%	6.9%	0.9%
NZ sales - last 12 months	149,526	102,644	10,967	44,292	157,858	517,287	213,207
Dunedin's % of NZ sales	3.1%	2.8%	3.0%	4.0%	3.4%	4.5%	3.9%
Population	New Zealand	4,693,000	Dunedin	183,255 3.9%			

growth, with a plan to spend over \$800 million on capital projects over the next decade.

On the tourism side Dunedin's visitor numbers are increasing, mostly as a result of promotional efforts and the arrival of more cruise ships. For the 2016-17 season the Dunedin City Council is predicting arrivals of 162, 000 cruise ship passengers.

Chris Wilkinson, director for First Retail Group, says that there has been a notable increase in appetite for investment in the area by small to large stakeholders. "There is investment back into commercial buildings and many buildings are being refurbished," he says.

This city is also increasingly taking on a more cosmopolitan, diversified and aspirational character as a result of its growing cafe society and Warehouse Precinct, its Gigatown status – which is connecting Dunedin digitally through wide band width and brings in new business opportunities, and an increase in IT startups, media and other businesses that can operate remotely.

NZTech research has already revealed that the technology sector is now worth \$330 million to the Dunedin economy.

The plan is for Dunedin to match cities like Cambridge (UK), Salisbury (North Adelaide), Kingston (Ontario) and Dundee (Scotland), which also have populations under 150,000, and build a strong knowledge base and a high per capita income, which in turn improves quality of life, education, knowledge intensity, export growth and enterprise.

Currently Dunedin's population is 127,000 but predictions are that





4 it will reach 130,300 by 2031.

The Dunedin City Council has to date consolidated a number of strategies around its vision of Dunedin as one of the world's great small cities, including the economic development, transport, environment, social wellbeing, arts and culture, and spatial plan.

Wilkinson says council initiatives include plans to invest in the George Street upgrade in the heart of Dunedin and further restoration upgrades.

"All these improvements will encourage consumers to return to the CBD and support its retail and thereby lessen spending attrition," he says.

Dunedin's property market is also up with average house prices sitting at \$354,133, up 14.3 per cent in the last year.

When it comes to the automotive industry, sentiment is mixed. Paul Coory, managing director of Valley Motor Court, says regardless of the economic climate it's business as usual. "That means it's a wee bit tough, which makes us sharper in pricing, customer service and not coming across as too pushy."

This sense of equilibrium is echoed by Lloyd Wilson of Lloyd Wilson Motors, who says that sales at his dealerships have remained consistent.

Neil Videler, dealer principal of Dunedin Kia and Carbase, is more upbeat as he notices the benefits coming through from increased confidence in Otago and the university's building work. "All this helps, and as anyone retailing today knows, it's a competitive market across the board and especially so in Otago where people are possibly more conservative in their buying habits." Gerard Perkins from Cooke Howlison Holden agrees that the trades have been doing well and that this buoyancy is filtering down to the automotive industry. "Electricians, builders, plumbers and the like are buying new light commercials" he says. "We had a very good 2016, we sold more new vehicles across our range than ever before, and a lot of our growth came in Colorado utes."

Coory on the other hand says that a barrier to doing business in the motor trade is the Consumer Guarantees Act, which makes more onerous demands on the dealers. "Now, if a dealer sells a used car with 120,000km on the clock he might find himself paying the buyer out in a year's time – that's ridiculous. The ABC warranty was much fairer," he says.

Videler praises council's tourism initiatives which have highlighted Dunedin's qualities as a standout location based on its history and unique heritage. He questions however whether council is doing enough to attract businesses. I believe Dunedin is a fantastic place to do business and I'd like to see more promotion from council targeting business investment."

Wilson, however, is more emphatic in his conviction that Dunedin Council and Otago Regional Council have not done enough to improve the region's business climate despite the hype.

"Council needs to attract and develop industry," he says. "In recent times we have seen the closure of large manufacturing companies like Fisher & Paykel Appliances. Tamahine Knitwear and Hillside Workshops reduced staff and were then sold. This has to stop. "On the positive side however, there are success stories like Scott Technology, Farra Engineering, McKinlay Footwear, Ellis Fibre and Escea, which appear to be growing and contributing the the region in a positive way."

In terms of business, Wilson admits it's not all plain sailing "Nothing is easy when competitors sell the same product, so we focus on finding our point of difference," he says. "The supply and availability of stock at realistic prices and the ability to sell at a profit is the challenge – and for the most part we maintain static profit margins."

Into the future Coory sees no sign of "boom times" and anticipates business remaining tough. "Our profit margins are down, but we're still doing the numbers, moving with the times, getting the stock on – not an easy game but the old days of making \$2,500 out of a car are gone" he says.

"But dealers with their heads screwed on right will do well in line with a market where people are conservative and keeping their hands in their pockets."

In terms of vehicle sales for the region 2016 was a very good year for both new and used cars.

Imported used cars increased by 14 per cent from 4,056 for 2015 to 4,624 last year. New cars were up by 10.5 per cent from 2,589 to 2,862. Used commercials improved by 10.6 per cent smaller numbers of 334 last year as against 302 in 2015 and to round off registrations new commercial vehicles increased by 9.9 per cent from 1,623 in 2015 to 1,783 last year. ⊕



Many reasons to choose the UK and AUTOHUB

hen Autohub opened its vehicle supply channel, from the UK to New Zealand, five years ago things were very different. Services to prepare cars for export did not exist and the buying environment was less than favourable. All that has changed.

Back then the New Zealand dollar was buying 45 British pence, roll-on-roll-off shipping services were yet to commence and the buying process was, at times, a hit-and-miss affair.

Now, with English staff located in the UK, Autohub has good reason to believe it offers the premier-export vehicle service from the UK to New Zealand. Here's why.

VEHICLE SOURCING

Autohub has a permanent UK manager who deals with UK local suppliers (in their own time zone) to assist with the purchase of suitable cars from recognised sources.

VAT RECOVERY

Certain vehicles can have their Value Added Tax (VAT 20 per cent) recovered from the sale price -Autohub assists with this process, provided the UK supplying dealer meets the criteria.

COLLECTION AND DELIVERY TO PORT WITHIN THE UK

Autohub arranges VAT-free collection and delivery services in the UK to its Felixstowe port facility with transport companies that specialise in moving everything from high-value supercars and caravans to the more standard sedans.

FULL PHOTOGRAPHIC GATE-IN SURVEY

On arrival at the Felixstowe facility, the New Zealand importer is informed the vehicle has arrived into Autohub's care. A full photographic "Gate-in survey" is completed of the vehicle's external panels and interior to identify any areas of damage. The vehicle is also hoisted for a similar inspection of the underside. Once completed, a full inspection report is emailed to the New Zealand buyer.

VEHICLE EXPORT PREPARATION

Prior to shipment Autohub prepares all vehicles for export in two steps:-

- In association with JEVIC, Autohub is the only company licensed to complete off-shore MPI (MAF) clearance in the UK. This means all vehicles shipped through Autohub's export centre can be pre-cleared, resulting in minimal wait times for onshore clearances by MPI or NZTA in New Zealand.
- 2. When the MPI clean and clearance is completed and prior to loading, Autohub prepares the vehicle for export to ensure it arrives in the best possible condition:

Cars and vans are treated with transit wax, with particular care paid to vulnerable surfaces. Moisture-absorption packs are placed inside the car.

Exposed light units and bump stops are removed from **caravans** (where possible) and wrapped in packing film, with corner protection mouldings fitted.



VEHICLE LOADING

All vehicles are loaded by staff specially trained for the task led by Autohub's facility supervisor Ben Stammers. Autohub loads a maximum of two vehicles per container, with the vehicles strapped securely to the container floor. Thanks to their combined experience, the staff avoid loading more than two vehicles in a container, which increases the risk of transit damage.

SHIPPING NOTIFICATION

Once the vessel leaves Felixstowe, Autohub sends the New Zealand importer a Certified Certificate of Shipment (CCS), which includes the following information:

- Vehicle details
- Vessel details
- Container number
- ETD
- ETA

The importer is always notified of any significant changes to the shipping schedule as listed on the CCS, so unless advised otherwise, the CCS can be used to plan the expected import date.

ON ARRIVAL IN NEW ZEALAND

Cars are delivered to the nominated address on the booking (normally a compliance centre) near the New Zealand port of arrival.

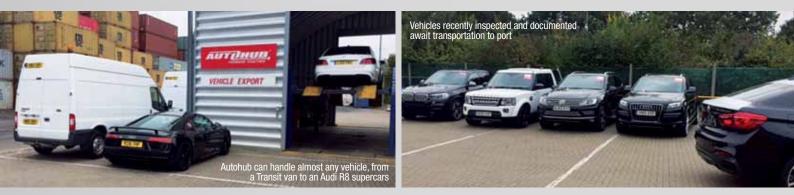
This comprehensive process has proved so effective it has allowed Autohub to remain active in the market even when the exchange rate was unfavourable.

During 2015 and 2016, the currency fluctuated between £0.40 (September 2015) and £0.60 (July 2016) which meant cars could be landed 30 per cent cheaper than in September 2015.

John Davies, Autohub's chief executive says the currency has always been a major driver of their business... "and right now the market is right for a number of reasons, not only the exchange rate."

He said, "You don't look to the UK to find cars to sell on the New Zealand market for under \$15,000 but there are real opportunities in the \$30-70K vehicle market."

Autohub's Europe general manager, Joe Barnett (pictured right), says in September 2015, he bought a six-month old BMW 335D in the UK. He landed it in New Zealand for \$71,400. Ten months later he bought an identical BMW 335d from the same source but this car was able to be landed in New Zealand for just \$55,200.



A Mercedes C63 gets a full underbody inspection > UK manager Graham Hubbard, left, and facility supervisor Ben Stammers >





Vehicles arrive at Auckland's Queens wharf
 The decontamination process before inspection

Last year, Autohub was responsible for over 60 per cent of the cars shipped from UK to NZ.

Barnett says "Autohub is committed to New Zealand as a market for good used vehicles supplied from the UK and we have everything in place to make that easy for the importer.

"Our customers appreciate we have their best interests at heart and we do all we can to assist them. Our management means we are ready to handle any sort of volume and any sort of vehicle."

The UK is now a mature market with well-established relationships, he said. "Essentially we have been setting up systems and forging reliable relationships so our clients can buy with confidence in this market. We don't sell vehicles but we can put New Zealand clients in touch with reliable suppliers and once the purchase is confirmed we take over and arrange everything else."

Joe gives a lot of credit for Autohub's success to his UK-based staff: "Without the right people on the ground in the UK, and their commitment to supplying a premier service, we would struggle, but we don't. "My UK manager Graham Hubbard, has been with Autohub for almost two years now and our facility supervisor Ben Stammers, for about a year."

Hubbard has spent his life in the motor trade. After completing an apprenticeship as a mechanic he progressed through the ranks ultimately becoming dealer principal of a Volvo Franchise. He then changed direction into re-furb and logistics to become regional director for a large preparation and distribution centre handling around 500 cars a week. Hubbard's work history has certainly given him the experience and skills required for the ever-changing world of international vehicle transportation.

> After completing a music degree, Stammers joined Autohub at Pentalver. He spent two years in the specialist cargo lashings department, and was then promoted to manage the facility in March 2016. He has been deeply involved with developing vehicle preparation processes, gate-in surveys and the day to day management of the facility. Stammers brought valuable experience, with him, loading new vehicles for companies such as Land Rover/Jaguar and JCB while working in the Pentalver specialist cargo lashings department.

Current market conditions are right for New Zealand dealers buying vehicles in the UK, the exchange rate is favourable, the buying networks are well established and supply chain logistics are effective and efficient.



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AUT ()H

The month that was.... January

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

January 18, 2008 Emission rule signed into law

The Minister for Transport Safety, Hon Harry Duynhoven, signed the new Vehicle Exhaust Emissions rule into law, along with nine amendment rules relating to vehicle equipment and compliance.

The rule updated the provisions detailed in the 2006 rule, and was part of the government's series of legislative measures aimed at reducing the levels of harmful emissions from motor vehicles.

From Jan 3, 2008, all new and imported vehicles had to comply with more stringent emissions standards than those previously in place.

Land Transport New Zealand's Vehicle Equipment Amendment 2007, would amend the Land Transport Rule: Vehicle Equipment 2004 in relation to vehicle exhaust noise levels.

The other eight amendment rules would affect heavy-vehicle brakes, passenger service vehicles, traffic control devices, tyres and wheels, vehicle dimensions and mass, vehicle lighting, vehicle standards and compliance, and the road user rule.

The IMVDA advised members that the new Exhaust Emissions Rule would apply to all used imported vehicles border checked by the Ministry of Agriculture and Fisheries from February 1, 2008, and recommended that vehicles be delivered to testing companies in Japan before the cut-off date.

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If you're a Kiwi car dealer, here's a clever media system you can't go past.

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January 31, 2000

Big five tackle government on dealer act

The IMVDA, MVDI, AA, Consumer Institute and MIA were in the process of finalising a letter to the Minister of Justice, at the time, Phil Goff. The letter stressed the need for the Motor Vehicle Act to be revised.

If the Bill did not receive any attention from the government by June 30th of that year, it would lapse and would then have to be reintroduced all over again.



Chairman of the IMVDA John Nicholls stated that the lack of enforcement against illegal dealers largely negated the Act in its current form, while consumers only really enjoyed protection from about 30 per cent of all vehicle transactions taking place.

"A good 70 per cent of transactions are public to public and unlicensed dealers to public - a situation from which the consumer has no protection."

Director of public affairs for the New Zealand Automobile Association, George Fairbairn said his organisation would like to see progress with the Motor Vehicle Dealers' bill also.

"If this is not debated in six months we will be back to square one and will have to reintroduce the bill again. The bill never got the necessary attention from the previous government because they didn't see the matter as urgent."

MVDI membership services manager and acting head at the time, Stephen Wilson, said the Act, as it was, penalised a small proportion of legitimate people selling cars, who were disadvantaged in comparison to unlicensed dealers who didn't have to contend with the bureaucracy.

January 14, 2005 A year of records

New vehicles registrations exceeded the previous record-setting year with total registrations of new passenger vehicles reaching 74,758 - 6.1 per cent ahead of the 70,453 made in the previous year.

Combined with a commercial market ahead 11.7 per cent from 21,514 to 24,037 - new vehicle sales reached 98,795 in 2004, a 7.4 per cent improvement on last year's 91,967.

This was the highest number of registrations recorded since 1989, when the importing of used vehicles began.

Chief executive officer of the Motor Industry Association, Perry Kerr, says: "In a continuation of the cycle of recovery for the new vehicle industry since the elimination of tariffs, we have seen sales of new vehicles increase by 50 per cent since 1998."

Toyota led the way among the new car distributors for the seventeenth year in a row, with 12,532 registrations, a 4.2 per cent increase of 2003's 12,023.

Meanwhile, the market for used imports was not as impressive falling short by 477 registrations, from the previous year. 154,042 used imported passenger vehicles were sold in 2004 - two per cent less than 156,969, which were sold in 2003.

The commercial used import market was ahead 19.1 per cent on 2003, with 15,249 compared to 12, 799 - which made up for the shortfall and pushed total sales up to 169,291 - 0.3 per cent less than 2003's 169,768.



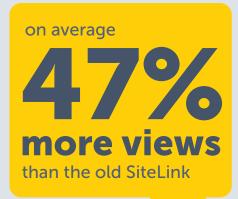
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Self-driving technology on display at CES

The annual Consumer Electronics Show (CES), which took place in Las Vegas in early January, was dominated by new and exciting gadgetry.

This year's event took place from the 9th to the 12th of January and was so impressive that it spanned three locations in the Las Vegas Convention and World Trade Centre.

Although the show was dominated by phones, cameras and smart television products, the headliners of the show included a wide range of autonomous vehicles.

A range of demonstrations took place throughout the show from popular manufacturers and industry insiders including the likes of Toyota through to Panasonic. There were also some relatively newer entrants such as BlackBerry, which is known for its smartphone technology. With the popularity of

autonomous vehicles, the powers that be at BlackBerry are planning to revive the company with self-driving technology - recently pledging US\$75 million towards autonomous-vehicle technology over the next few years.

Faraday Future also stood out as a company to follow. The American start-up technology company is focused on the development of intelligent vehicles and was named after Faraday's law of induction which relates to English scientist, Michael Faraday's discovery of electromagnetic induction.

During the show, Faraday Future debuted its first production vehicle - a connected car called the FF91, pictured above, which was introduced via a live demo, in which it drove itself around a car park and backed into an empty space. Pre-recorded footage also showcased its ability to accelerate from 0-100 kph in 2.39 seconds, beating Tesla's fastest model's time of 2.5 seconds, on the same track.

While there were a lot of great self-driving vehicles on show, there were also some very interesting predictions for the future, including Hyundai's 'mobility vision' concept, which hypothesized a future where the line between mobility and living was blurred - integrating the car into a user's daily life. One example was where an autonomous vehicle can be docked inside your home and detach when you're ready to leave for an errand or road trip.

Nissan is also thinking big, with technology utilised by NASA's Mars Rover, to control future autonomous car fleets. Nissan's Seamless Autonomous Mobility technology, which will allow a 'mobility manager' to examine vehicle images and sensor data when the vehicle comes across a situation that it can't understand.

The mobility manager would take requests from entire fleets of vehicles and illustrate a route for the vehicle to take. Once it's past the obstruction, the car can resume autonomous operations and the entire fleet can learn from the solution.

Overall, the wide range of self-driving technology included a wide range of different aspects of autonomous vehicle progression, including parking assist, collision avoidance, emergency braking and much more, with no doubt left, in the minds of the attendants, that the future will include autonomous vehicle technology. ⊕



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that we are looking to open another AA Auto Centre.

> - **Lisa and Brendan Sharland**, AA Auto Centre Palmerston North



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Automated car culture

oving into the new year, I expect automated vehicles will continue to be a major topic of discussion for the transport community. The last month saw our first official demonstration of automated vehicles with Volvo and the New Zealand Traffic Institute (Trafinz) demonstrating an Automated solution on public roads in Tauranga. We will also soon see the rollout of the first long-term trial as Christchurch International Airport, in conjunction with HMI Technologies, is poised to begin a trial of an Automated (electric) shuttle in early 2017. Globally, an enormous amount of money is being thrown at the problem with all major OEMs and tech companies such as Apple, Uber, Baidu, and Google all hoping to be first to market with a viable solution.

Of course, as we have seen, this effort is not all about economic advantage. Many countries see automated transport as part of a solution to their transport woes. Automated vehicles are seen as a way to squeeze more productivity out of current infrastructure because the traditional solution of building our way to a successful transport system is becoming less viable. In many cases, there is guite simply no more room for roads.

While I do agree that there are many ways in which we can improve our transport system by embracing automated vehicles, I caution against the view that it will be a magic bullet. It might very well complicate some of the problems we are trying to fix.

One of the obvious ways automated vehicles will benefit New Zealand is as a mobility aid. Specifically, it would offer solutions to people for whom traditional transportation presents challenges.

Many experts also think automated vehicles will make transportation cheaper. Automated personal vehicles would optimise their driving behaviour to maximise range

(potentially making EVs appear more viable) making the cost of ownership lower. Many companies, such as Uber and Lyft, are looking at automated vehicles as a way provide their services at a much lower cost, making Transport as a Service more competitive (and profitable) with vehicle ownership.

Finally, the part that really excites governments, automated vehicles are perceived as a way to make roads safer and more efficient. Autonomous vehicles will not be able to drive in a way that is unsafe and since they can be programmed to drive cooperatively, they should have a positive impact on congestion.

It is also assumed that large-scale

Will autonomous vehicles solve our traffic congestion problems?



Policy adviser and analyst kit@imvia.co.nz imvia vehicles would decrease the need for every person to have a vehicle, decreasing the size of the fleet. This, it is argued, would result in decreased congestion.

If automated vehicles become mainstream, improvements in cost and safety are a given.

This can be assumed because it will likely be a regulatory requirement in the major jurisdictions such as Japan, US, and Europe. If autonomous vehicles lead to an increase in accidents, they will not be allowed. I am not convinced that

automated vehicles and the expected benefits will lead to a smaller fleet which will then lead to improvements in congestion. Not only do all the commuters who currently use the roads still need to use the road, but as we have already pointed out, automated vehicles will provide access to everyone, increasing the potential number of road users. This increased demand could lead to growth in the size of our fleet as challenges to mobility

are removed from everyone.

It is easy to imagine a world in which automated vehicles that are as cheap as vehicles today could lead to people purchasing additional vehicles or holding on to older cars for the transportation of their children or aged family members.

Therefore, automated vehicles could cause an increase in the size of the fleet. Even if we see a decrease in the size of the fleet, they could result in an increase in road users and hence congestion. There is no question in my mind that the way in which the vehicles cooperate, either explicitly or implicitly, can be used to produce drastic efficiency and safety benefits. I must question, however, whether those benefits will outweigh the continued increases in demand.

One real answer is car sharing. Some companies exploring transportation as a service are looking at automated vehicles as part of their solution, but in no way are automated vehicles a prerequisite for car sharing in general. If we are not willing to share a vehicle now, what is it about riding in an automated vehicle that will change that? Today, most vehicles on the road are carrying one person; doubling the occupancy would potentially cut the number of cars on the road in half. Any method we found to accomplish that today could be carried over when the fleet becomes automated.

On the other hand, if we do not need to drive our vehicles and they become entertainment devices and/ or mobile offices, does the existence of congestion remain the concern it is today? 🕤



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Kiwi job market ends 2016 on a high

he New Zealand employment market is in great shape for the new year according to analysis of more than 65,000 job vacancies on Trade Me Jobs in the three months from October to December 2016. The number of new job listings across the country rose by 16.4 per cent compared to the same period last year.

Head of Trade Me Jobs Jeremy Wade said the New Zealand job market was showing "outstanding signs" for the year ahead.

"Kiwi employers seem pretty confident about 2017, with every region and all but four job categories across the country having more new listings than a year ago.

"We don't see this kind of consistent nationwide growth often, so it's really encouraging for the 2017 job market as well as the economy as a whole."

Wade said the average salary was down 0.4 per cent. "Wage inflation in the last quarter of 2016 appears low, but we expect this to rise in 2017 as demand for candidates increases."

The large increase in listings meant job seekers had more choice and employers would need to work harder to get the best people.

"Applications per listing dropped by 14 per cent in the last quarter of 2016 which is good news for job seekers.

"Job seekers want to know they're applying to a workplace that meets their needs in terms of development, culture and opportunity, not just pay, and they gravitate to listings that sell the organisation and the opportunity well." says Wade



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Auckland ended 2016 on a very strong note with listings up 17.5 per cent on the same time last year, and average salaries were up 0.8 per cent.

Auckland's strength continues to stem from construction and trades which were up 27.1 per cent and 24.6 per cent respectively.

IT listings in Auckland were up 27.2 per cent, led by growth in programming and telecommunications roles.

Every region around the country saw listings grow in the last three months of 2016, but the Bay of Plenty and Waikato continue to be "the standouts" with 38.9 per cent and 31.8 per cent listing increases respectively.

"The phenomenal growth in these regions has been driven by roles across the transport and logistics, trades and services and construction industries, coupled with the halo effect stemming from their proximity to Auckland," says Wade.

Other areas to shine were Gisborne (up 50.3 per cent), Nelson/Tasman (up 28.7 per cent) and Otago (up 27.2 per cent). Canterbury had the smallest change with just a 0.9 per cent lift on last year as it continues to stabilise following the rebuild.

The last three months of 2016 were very positive with just four sectors experiencing a decrease in listings. Sectors that did particularly well were property (up 54.4 per cent), science & technology (34.4 per cent) and management (53.7 per cent).

One category which experienced a significant decrease was banking, where listings fell by 26.7 per cent.

IT continues to be the most lucrative career option on Trade Me Jobs, with all five of the top salary spots taken by IT roles. IT architects were number one again with an average salary of \$142,028. \oplus

Listings growth by job Q4 2016 vs Q4 2015

	412010 10 412010
CATEGORY	YEAR-ON-YEAR Change5
Accounting	0.7%
Agriculture, fishing & forestry	26.3%
Architecture	-21.6%
Automotive	28.6%
Banking, finance & insurance	-26.7%
Construction & roading	29.0%
Customer service	23.9%
Education	29.0%
Engineering	-4.1%
Executive & general management	53.7%
Government & council	8.1%
Healthcare	12.0%
Hospitality & tourism	27.7%
HR & recruitment	6.5%
IT	5.0%
Legal	10.7%
Manufacturing & operations	16.9%
Marketing, media & communications	9.3%
Office & administration	16.2%
Other	4.6%
Property	54.4%
Retail	27.9%
Sales	-4.3%
Science & technology	34.4%
Trades & services	18.1%
Transport & logistics	21.9%
Total	16.4%

listings growth b	y region
REGION	YEAR-ON-YEAR CHANGE: Q4 2016 vs Q4 2015
Auckland	17.5%
Bay Of Plenty	38.9%
Canterbury	0.9%
Gisborne	50.3%
Hawke's Bay	17.8%
Manawatu/Wanganui	15.5%
Marlborough	26.35
Nelson / Tasman	28.7%
Northland	19.7%
Otago	27.2%
Southland	7.2%
Taranaki	15.8%
Waikato	31.8%
Wellington	12.9%
West Coast	20.8%
Total	16.4%

Highest average pay by region full-time - Q4 2016

	REGION	PAY RATE (\$)
1	Wellington City	71,245
2	Auckland City	69,939
3	West Coast	58,544
4	Christchurch City	58,479
5	South Waikato	58,032

Adding value leads to growth

The automotive sector has never been more competitive, which often makes sales targets challenging month after month.

While there are effective sales and marketing initiatives that help to achieve those targets, they don't always support long-term strategies.

With less and less margin in the vehicle itself it is more important than ever to maximise profit on each one you do sell, by selling the additional options like finance and insurance products. When we look back over the last 12 months and compare the highest profit return compared to the lowest profit return, per vehicle, the difference between these dealerships is staggering. The difference between the dealerships doing the most with their clients and those doing the least is just over \$995 per unit.

Now it doesn't matter whether you're a yard doing 20 cars a month

or 100, whatever way you look at it that is way too much money to leave on the table.

Let's look at a few simple sums, even if you only improve your profit potential per unit by \$300, if your yard sells an average of 30 cars per month, this amounts to additional

profit of \$108,000 over the course of the year, and it hasn't cost you any more to get that. To the contrary, if you sell more insurance products you are ensuring your clients are better protected and also provides a great reason to stay in touch with them.

There really is no down side to this, but the secret is knowing how to access the help you need to systemise this approach and form long-term partnerships that will assist your business.



TONY HEADLAND General manager Protecta Insurance

We at Protecta are committed to ensuring our clients have access to the best training and support. In short, if our customers are doing well, we are doing well alongside them. These relationships are longterm partnerships that work for us all, so we invest in them as do our

customers.

Protecta Insurance has worked with many dealers over the past 30 years and has seen what works and what doesn't. We have fine-tuned our training and support to suit what we know works.

This, coupled with a sustained increase in our business over the last couple of years, means we have made some key appointments in the areas we believe really will make a difference to our client's success. Ray Meharg, who will be very well known to many of you, takes up the newly created position as national account manager, the role will be a dedicated resource to solely look after key customers. Ray has been with Protecta for more than 20 years and is a key member of our management team.

Erin Mills becomes the national training manager. Erin has extensive experience of working in the business manager's seat for some of Australasia's largest dealers. Her experience, understanding and delivery of Protecta's training programmes are paying real dividends for dealers through increased profitability. Erin's appointment provides the opportunity for Protecta to deliver unique and specific training to a wider group of dealers.

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Buyers reject vehicle, 17 months after supply, due to engine failure

Background

Michaela and Stefan Gabor purchased a 2008 Hyundai Santa Fe diesel with 86,900km on the odometer from Ian Humphrey Motors Limited on August 27, 2014, for \$24,000.

The couple obtained a prepurchase check of the vehicle from Palmerston North Automotive. The report identified no issues with the vehicle's engine, and said the car's next service was due at 93,000km.

The trader said the vehicle had a window sticker stating a service was due at 93,000km. However, the buyers said they did not realise the Santa Fe was due to be serviced so soon after supply. They said they assumed it had been serviced immediately prior to purchase and would not need to be serviced for another year.

They had the vehicle serviced, by Hometune, 11 months after purchase. By that time, the vehicle had travelled 107,985km, which was nearly 15,000km overdue for a service.

After 33,000km of driving, the vehicle suffered engine failure. The buyers rejected the car and sought a refund of the purchase price. The dealer declined to assist, given the mileage travelled, and said too much time had lapsed since purchase.

The case

About 17 months after supply and after being driven 33,000km, the Gabors' car suffered a catastrophic engine failure after the piston of cylinder one cracked. The vehicle's engine required reconditioning or replacement. No written evidence was presented to the tribunal explaining the underlying cause of failure.

The purchasers contacted lan Humphrey Motors. A representative of the company said they were not prepared to assist because the vehicle was outside its warranty period.

The buyers obtained an estimate from Engine Specialties 2012 Limited for rebuilding the engine, at a cost of \$10,323 including GST. Subsequent correspondence dated April 19 suggested Hyundai Motors New Zealand was prepared to contribute an amount of "goodwill consideration and special parts pricing" that would bring the repair costs down to \$7,820 including GST.

Mr Gabor employed Mechanix in Point Chevalier to further investigate the engine failure. Mechanix said there was a loss of compression on cylinder one and the piston was cracked. The purchasers said the representative from Mechanix, and at least one other technician they spoke to, expressed surprise that the engine failed at such a low mileage.

On June 23, the buyers approached Ian Humphrey Motors effectively rejecting the vehicle, and seeking a refund of \$21,000 (to allow for depreciation).

lan Humphrey Motors declined to assist, given the mileage travelled and time elapsed since the vehicle's purchase. Subsequently, they told the Gabors that the company would be prepared to make a small contribution of \$1,000 towards their repair costs as a goodwill payment.

The finding

The question of whether a vehicle was of acceptable quality under the act was considered by the tribunal from the point of view of a reasonable consumer who was fully acquainted with the state and condition of the vehicle, including any hidden defects.

The tribunal found the statutory guarantee as to acceptable quality was not open-ended and did not assist the buyers in the present case. Seventeen months and 33,000km of driving was well outside what the tribunal considered would ordinarily be covered by the act unless the Gabors could prove the engine had a hidden defect at the time of purchase, which the buyers did not do.

Secondly, the tribunal's conclusion also related to the failure by the purchasers to ensure the vehicle was properly maintained and serviced. The Gabors did not have the vehicle serviced for about 30,000km after its previous service. The purchasers did not attend to its servicing needs with the due diligence that the act requires of consumers.

The tribunal found it was not possible to conclude with certainty that the purchasers' failure to adequately service their vehicle caused the engine failure. The tribunal's assessor was unable to conclude that the engine failure was necessarily a result of failure to service the vehicle. However, the assessor said the failure to service the vehicle, in this case. created an increased likelihood of engine **The case:** The purchasers' 2008 Hyundai Santa Fe diesel vehicle suffered a catastrophic engine failure 17 months after supply and after being driven 33,000 kilometers during that period. They rejected the vehicle under the Consumer Guarantees Act and wanted a \$21,000 refund of the purchase price. The trader said the vehicle was outside its warranty period.

The decision: The buyers' rejection of the vehicle was not upheld by the tribunal and their application was dismissed.

At: The Motor Vehicle Disputes Tribunal, Palmerston North

wear that could have led to the engine failure.

As the trader pointed out, failure to adequately service a vehicle was likely to lead to a manufacturer's warranty being voided. The same principle also applied to the guarantee of acceptable quality if there had been failure to comply with recommended servicing requirements.

The tribunal ruled that a reasonable consumer could not seek to take advantage of ordinary expectations of durability in circumstances when they do not treat the vehicle in a way that was consistent with maintaining and protecting its durability.

Applied to the buyers, their failure to have the vehicle adequately serviced made it more difficult for them to demonstrate that the vehicle's engine was defective when it was sold to them. Their own inaction led to the tribunal giving less weight to any reasonable expectations of durability they may otherwise have had.

Orders

The buyers' rejection of the vehicle was not upheld and their application was dismissed. \oplus



Buyer discovers low-mileage BMW's engine damaged by 'hydraulicing'

Background

Graham Wastney bought a 2006 BMW 320i with 28,950km on the odometer for \$16,995 from Kerry Harvey Autos Limited on April 11, 2015. During the first 12 months, the owner said there were no major problems with the vehicle, although the engine had never run smoothly.

In April 2016, Wastney noticed an engine ticking sound during deceleration. A few weeks later the noise became a "deep knocking".

The case

Wastney had the vehicle checked by Kelvin Grove Autos in May 2016. It contacted B&H Engine Services which diagnosed a damaged bigend bearing. B&H Engine Services recommended Wastney send the vehicle to BMW repairer The Engine Room Automotive. The Engine Room told Wastney there was bottom-end damage to the BMW which needed further investigation.

On May 11, Wastney spoke to Kerry Harvey Autos about the problem. The trader told Wastney that the BMW was outside its warranty and therefore they were not responsible for repair costs.

At the end of May, The Engine Room told Wastney the conrods for cylinders three and four were bent and piston number three was broken. It said the damage was very unusual in a car with low-mileage. It concluded "hydraulicing" had caused the damage. Hydraulicing occurs when water gets into a cylinder causing a solid block preventing the piston from rising, leading to engine damage. The Engine Room noted there were water marks on the cylinder bores consistent with water sitting in the cylinders. It said it was likely the damage occurred in Japan, prior to the vehicle's importation to New Zealand, although The Engine Room acknowledged it had no evidence on that point.

Wastney immediately emailed Kerry Harvey Autos about The Engine Room's report. In the email he explained that he had not driven the vehicle near water and it appeared the engine damage had taken place before the buyer had purchased the vehicle.

He also stated that he wanted to repair the engine rather than fit a replacement, and asked for the trader to contribute to the \$8,000 repair costs.

On June 15, Wastney visited Kerry Harvey Autos and discussed the damage to the BMW. Wastney claimed the trader told him they would talk to The Engine Room about its findings, (Kerry Harvey Autos denied it had agreed to do so).

About a month later, Wastney emailed the trader again saying he wanted to make one last appeal to them to resolve the issue, seeking the engine repair costs, and said if Kerry Harvey Autos did not come to an amicable agreement, he would file a complaint with the tribunal. The trader did not reply to this second email.

Engine repairs took 10 weeks and cost \$8,208.

The finding

The essential issue was whether the

vehicle's engine was damaged prior to purchase and, if it was, whether it failed to comply with the guarantee of acceptable quality under the Consumer Guarantees Act.

The tribunal's assessor examined the damaged conrods and piston and agreed it was likely the damage occurred in Japan. He said that explained why it took about 12 months before Wastney noticed something was wrong with the engine.

The assessor said to get to the point where water would come into the cylinders in this way, a substantial body of water must have been sucked into the engine, perhaps a foot or two of water in a bow wave. The assessor said that for such a large amount of water to enter the engine, it would have to be running and the driver would almost certainly be aware of it happening.

Kerry Harvey Autos produced a report by Tania Gooch, of Elite Automotive 2015 Limited, which referred to several major flooding incidents in Palmerston North during the past two years. In Gooch's view, the vehicle would not have been able to travel some 14,000km with damaged conrods.

But the assessor maintained his view that, because the conrods were only slightly bent, the damage would initially have been undetectable.

The tribunal found a reasonable consumer would regard the engine of a vehicle of this age, low mileage, and price to last substantially longer than 12 months before having a The case: The purchaser's low-mileage 2006 BMW was found to have bent conrods and a broken piston. The trader declined to assist with the purchaser's costs of repairing the vehicle's engine because the problem was discovered more than 12 months after purchase. The dealer also made no effort to contact the buyer to discuss his application with the view to settling the dispute.

The decision: The trader was ordered to pay the buyer \$8,208, and the tribunal's hearing costs of \$500.

At: The Motor Vehicle Disputes Tribunal, Palmerston North

catastrophic failure. Accordingly, the vehicle was not as durable as a reasonable consumer would regard as acceptable under the act. Therefore, the vehicle failed to comply with the act's guarantee of acceptable quality.

Where a defect could be remedied and was not of a substantial character, a purchaser must follow the requirement under the act to allow the trader an opportunity to remedy the failure within a reasonable time. Wastney twice visited Kerry Harvey Autos to discuss the damaged engine and to ask to assist with the cost of repairs.

Wastney also twice emailed the trader describing in detail the fault with the vehicle. He received no replies to his emails.

Even after he filed his application to the tribunal, Kerry Harvey Autos made no effort to contact Wastney to discuss his application with the view to settling the dispute. Nor did it provide a written report to the tribunal regarding any discussions.

Orders

The trader was ordered to pay the buyer \$8,208, and the tribunal's hearing costs of \$500 under the Motor Vehicle Sales Act. ⊕

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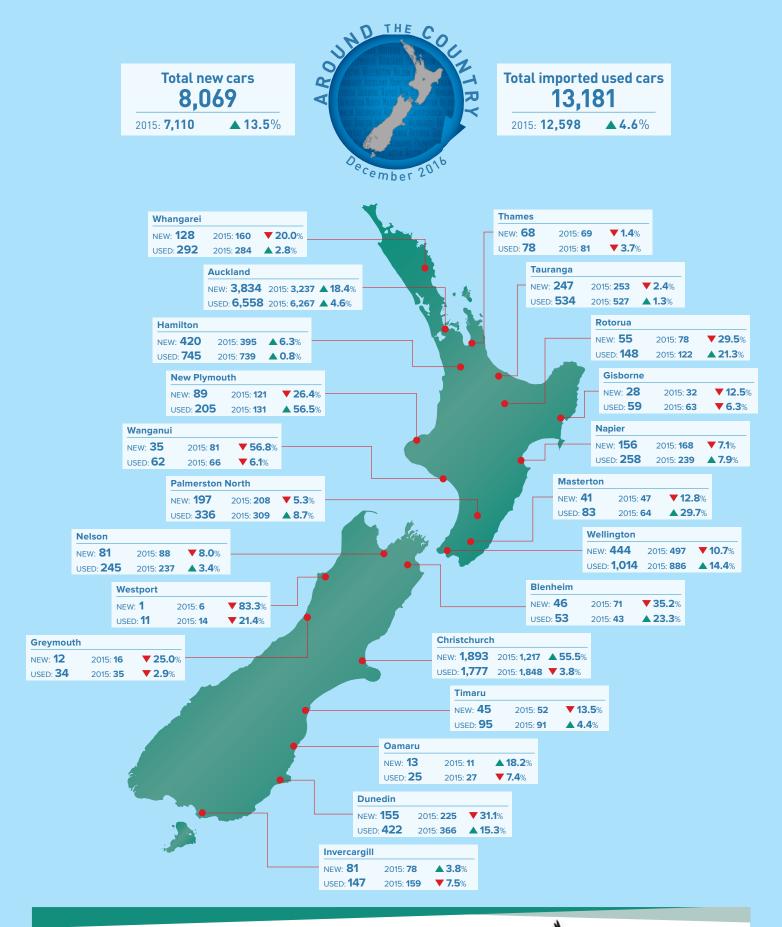
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JAPAN	Osaka	2 Jan	16 Jan	3 Feb	14 Feb	3 Mar
JAP	Nagoya	3 Jan	17 Jan	4 Feb	15 Feb	4 Mar
	Yokohama	4 Jan	18 Jan	5 Feb	17 Feb	5 Mar
	Auckland	20 Jan	6 Feb	20 Feb	7 Mar	22 Mar
N	Wellington	10 Feb	9 Feb	6 Mar	10 Mar	3 Apr
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Imported P	assenger	Vehicle	Sales by	Make -	Decembe	r 2016	Imported	Passeng	er Vehicle	e Sales	s by N	lodel - D	ecembe	r 2016
Make	DEC'16	DEC'15	+/-%	DEC'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE	MAKE	MODEL	DEC'16	DEC'15	+/- %	DEC'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	3,520	2,868	22.7	26.7%	37,557	25.1%	Nissan	Tiida	775	770	0.6	5.9%	7,529	5.0%
Nissan	2,564	2,576	-0.5	19.5%	28,145	18.8%	Mazda	Axela	570	542	5.2	4.3%	6,639	4.4%
Mazda	1,975	2,170	-9.0	15.0%	22,663	15.2%	Suzuki	Swift	500	498	0.4	3.8%	6,283	4.2%
Honda	1,296	1,309	-1.0	9.8%	15,474	10.3%	Mazda	Demio	487	629	-22.6	3.7%	5,529	3.7%
Suzuki	576	591	-2.5	4.4%	7,535	5.0%	Honda	Fit	458	434	5.5	3.5%	5,316	3.6%
Subaru	572	667	-14.2	4.3%	7,074	4.7%	Toyota	Wish	350	306	14.4	2.7%	3,754	2.5%
BMW	519	435	19.3	3.9%	6,121	4.1%	Toyota	Corolla	309	197	56.9	2.3%	2,783	1.9%
Mitsubishi	449	481	-6.7	3.4%	5,249	3.5%	Subaru	Legacy	287	328	-12.5	2.2%	3,433	2.3%
Volkswagen	395	438	-9.8	3.0%	5,612	3.8%	Toyota	Vitz	272	189	43.9	2.1%	3,208	2.1%
Mercedes-Benz	275	194	41.8	2.1%	2,920	2.0%	Mazda	Atenza	261	292	-10.6	2.0%	3,020	2.0%
Audi	214	201	6.5	1.6%	2,748	1.8%	Toyota	Estima	255	251	1.6	1.9%	1,992	1.3%
Ford	131	123	6.5	1.0%	1,589	1.1%	Toyota	Prius	254	143	77.6	1.9%	2,402	1.6%
Volvo	96	84	14.3	0.7%	1,034	0.7%	Mazda	Premacy	244	165	47.9	1.9%	2,275	1.5%
Lexus	72	46	56.5	0.5%	683	0.5%	Volkswagen	Golf	227	260	-12.7	1.7%	3,387	2.3%
Holden	57	44	29.5	0.4%	529	0.4%	Mitsubishi	Outlander	223	250	-10.8	1.7%	2,741	1.8%
Land Rover	54	35	54.3	0.4%	397	0.3%	Toyota	MarkX	206	119	73.1	1.6%	2,207	1.5%
Chevrolet	49	42	16.7	0.4%	524	0.4%	Mazda	MPV	202	246	-17.9	1.5%	2,581	1.7%
Jaguar	46	36	27.8	0.3%	464	0.3%	Honda	Odyssey	176	181	-2.8	1.3%	2,032	1.4%
Mini	41	34	20.6	0.3%	462	0.3%	Nissan	Dualis	161	141	14.2	1.2%	1,953	1.3%
Jeep	36	9	300.0	0.3%	250	0.2%	Nissan	Note	159	142	12.0	1.2%	2,115	1.4%
Porsche	35	12	191.7	0.3%	237	0.2%	Nissan	Murano	155	167	-7.2	1.2%	1,850	1.2%
Hyundai	34	45	-24.4	0.3%	462	0.3%	Toyota	Auris	151	109	38.5	1.1%	2,050	1.4%
Chrysler	19	12	58.3	0.1%	141	0.1%	Nissan	Bluebird	146	161	-9.3	1.1%	1,486	1.0%
Dodge	16	13	23.1	0.1%	255	0.2%	Nissan	Wingroad	141	193	-26.9	1.1%	1,188	0.8%
Peugeot	16	20	-20.0	0.1%	195	0.1%	Toyota	Blade	136	81	67.9	1.0%	1,680	1.1%
Maserati	12	3	300.0	0.1%	48	0.0%	Toyota	lst	129	143	-9.8	1.0%	1,499	1.0%
Daihatsu	11	11	0.0	0.1%	148	0.1%	Toyota	RAV4	127	96	32.3	1.0%	1,271	0.9%
Bentley	10	6	66.7	0.1%	40	0.0%	Honda	Stream	124	120	3.3	0.9%	1,442	1.0%
Kia	9	11	-18.2	0.1%	96	0.1%	Subaru	Impreza	121	110	10.0	0.9%	1,425	1.0%
Renault	9	6	50.0	0.1%	124	0.1%	Nissan	Teana	114	140	-18.6	0.9%	1,432	1.0%
Cadillac	8	2	300.0	0.1%	49	0.0%	Bmw	320i	113	84	34.5	0.9%	1,255	0.8%
Citroen	6	3	100.0	0.0%	47	0.0%	Toyota	Alphard	110	89	23.6	0.8%	986	0.7%
Ferrari	6	2	200.0	0.0%	25	0.0%	Honda	CRV	106	111	-4.5	0.8%	1,476	1.0%
Fiat	5	2	150.0	0.0%	41	0.0%	Nissan	March	105	116	-9.5	0.8%	1,256	0.8%
Pontiac	5	3	66.7	0.0%	38	0.0%	Toyota	Avensis	104	104	0.0	0.8%	1,167	0.8%
Others	43	64	-32.8	0.3%	550	0.4%	Others		4,923	4,691	4.9	37.3%	56,884	38.0%
Total	13,181	12,598	4.6	100.0%	149,526	100.0%	Total		13,181	12,598	4.6	100.0%	149,526	100.0%

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Solid gains of luxury imports

Scontinued to climb in December to a total of 149,526 for the 2016 calendar year, up 4.16 per cent on 2015's total of 143,642.

In 2016 Nissan's Tiida took over as the top selling model from the 2015 winner, Suzuki Swift, which moved to third ranking last year behind the Mazda Axela. Some 7,529 Tiidas were sold last year to stake out a market share of five per cent.

Noticeable in December were significant increases in sales of used imports of four high-end luxury marques, including BMW, Mercedes Benz, Lexus, and Maserati.

Registrations of used BMWs increased 19.3 per cent to 519 units for the month, Mercedes Benz climbed to 275, a 41.8 per cent rise over December last year; Lexus imports were up 56.5 per cent to 72 sales and used Maserati imports were up 300 per cent from three in December 2015 to 12 sold last month.

The largest increase in sales of luxury models was 113 registrations of the BMW 320i with an increase on the same month last year of 34.5 per cent.

Overall, the most impressive increase in sales year on year, went to the Toyota Prius, where 143 vehicles were sold in December 2015 and 254 vehicles were sold last month, an increase of 77.6 per cent.

Once again, Toyota has been the most popular top selling used import brand in 2016 with sales of 37,557, to register a market share of 25.1 per cent for the year.

Nissan came in second with 28,145 sales and 18.8 per cent



market share, followed by Mazda with sales of 22,663 and a share of 15.2 per cent.

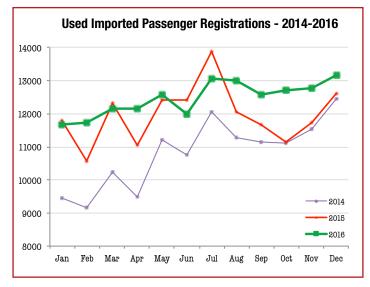
Jason Taylor of Jason Taylor Vehicle Sales Ltd in Invercargill says he is positive about the future.

"I know new cars are going strongly and I expect used vehicles to follow suit," he said.

"Farmers are slowly starting to spend again and with the dairy payout on the positive side we're seeing more of them on the yard again. I think 2017 is going to be a better year."

At the top of the country, in the winterless north, dealer manager for Carl Johnson Autosales, in Whangarei says that December is always a bit of a slow time for sales in the region because the city is "deserted" over the summer months.

"Everyone is on holiday, they take off in their camper-vans and although we have tourists travelling around the area, they are not here to buy cars."



With fifty years experience in the industry, Johnson says this has been the case for as long as he can remember, which is partly why he has started a side business in leasing out rental vehicles. "Our rentals are at an all time high at the moment," he says.

Carl Johnson Auto Sales specialises in small vehicles, under 1,500 ccs and Johnson has noticed that the Suzuki Swift seems particularly popular with the punters. "It's a cheap and reliable vehicle that doesn't cause too much trouble. It's also quite good looking and particularly popular with the younger customers."

As a rule, Johnson says that most of his customers are local people, however many clients also travel down from areas such as Kaitaia, Dargaville and further south, from cities such as Wellsford and Kaiwaka. "There aren't many used car dealerships in the outlying areas, so people come to us for good deals."

He says that vehicle sales are very different in the regional areas, like Whangarei, with bigger cities like Auckland enjoying a higher turnover in foot-traffic thanks to a larger population and more people coming into the city from the airport.

With so many years experience, Johnson has learned to adapt to the fluctuations in the market and is finding that his rental business is beginning to take off. "The rental business is going very well over the summer and continues to do well throughout the year. It works well with used car sales as I can on-sell the vehicles once the mileage has reached a certain level." \oplus





Import options on the increase

he total number of used vehicle imports in 2016 hit 152,745, breaking the record of 150,862. While the increase over 2015 was just 1.2 per cent, the figure represents about 11 per cent more used vehicles imported than in 2014.

Overall it was a bumper year with a combined total of 301,086 new and used passenger and commercial vehicles imported, an increase over 2015's combined totals of 288,688 vehicles of 4.5 per cent.

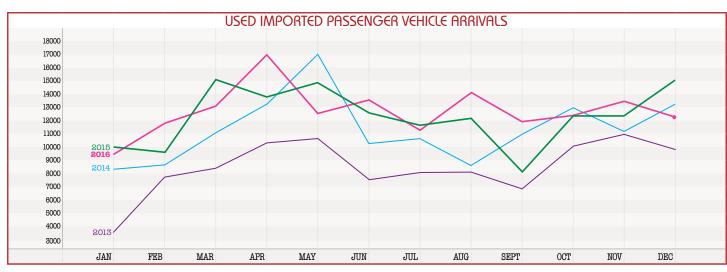
Of the overall total imports last year, 53.2 per cent were used vehicles and 46.8 per cent were new. Used light commercials showed the largest percentage increase with 7,517 used light commercial vehicles imported last year, up by 32.7 per cent on the 5,661 imported in 2015.

In December 2016, 12,242 used cars were imported, with 91.28 per cent or 11,175 of them originating from Japan. A further 470 came from Australia (a three per cent monthly share) and 290 vehicles were imported from Great Britain, a 2.1 per cent share of the monthly tally for used passenger vehicles.

Brexit delivered a silver lining for New Zealand car buyers when the British pound fell mid last year. The numbers of cars sourced from the UK leapt upwards in September 2016 doubling from less than a hundred to well over 200 a month. Monthly average car imports, mostly of high end vehicles, since September have since got up to those experienced in 2012 and 2013, when they contributed 3.75 and 2.71 per cent of the total used car imports respectively.

Australia continues to supply more cars from across the Tasman too. Last year New Zealand imported 5,152 used vehicles from Australia. This market has gained steadily over the last five years, in 2011 we received 1.16 per cent of our total used car imports from this market, rising steadily since, to 3.37 per cent total share in 2016.

As markets gain traction other countries must lose what they have gained, and in this case, Japan, with over 93 per cent of the market, has the most to lose. The last three years have seen slight declines in market share for Japan, from 95.01 per cent in 2014 to 93.69 per cent last year, and although numbers are well up on 2014 when 130,733 were imported, last year saw a slight reduction of 15 units over 2015's figure of 143,125. ⊕



Used Imported Passenger Vehicles By Country Of Export

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COUNTRY OF								2016							2015	2014
EXPORT	JAN '16	FEB '16	MAR '16	APR '16	MAY '16	JUN '16	JUL '16	AUG '16	SEP '16	OCT '16	NOV '16	DEC '16	DEC MKT SHARE	2016 TOTAL	2015 TOTAL	2014 TOTAL
Australia	316	445	472	398	395	408	372	444	448	575	409	470	3.0%	5,152	4,893	3,167
Great Britain	65	39	62	65	73	72	75	94	218	205	279	290	2.1%	1,537	939	1,885
Japan	9,181	11,266	12,275	16,283	11,848	12,838	10,533	13,261	10,720	11,286	12,444	11,175	92.6%	143,110	143,125	130,770
Singapore	76	46	79	121	99	142	109	109	92	133	111	114	0.8%	1,231	611	252
USA	89	79	83	66	103	118	112	124	113	114	152	123	1.1%	1,276	1,041	1,278
Other countries	21	12	28	27	45	52	48	26	38	32	41	70	0.3%	440	253	286
Total	9,748	11,887	12,999	16,960	12,563	13,630	11,249	14,058	11,629	12,345	13,436	12,242	100.0%	152,746	150,862	137,638



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P to P trades streets ahead

ew Zealand cities where used car dealers appear to have done well in December were headed up by Oamaru where dealer to public sales rose 25 per cent to 65 cars, up from 52 in December 2015.

Christchurch dealers recorded a 10.2 per cent increase in sales to the public, but all other centres had either single-figure gains or losses in December compared to the same month a year earlier.

Auckland finished the year with 34.7 per cent of the total trader to public sales followed by Christchurch on 13.76 per cent and Wellington on 8.7 per cent

SECONDHAND CAR SALES - December 2016

DEC '16

DEALER-TO-PUBLIC

DEC '15

over 58 per cent of all vehicles in the fleet (change of ownership, rather than first time registered) are traded without a motor vehicle dealer being involved.

In terms of trade, Auckland had a market share for 2016 of 37.8 per cent, Christchurch 14.7 and Hamilton 8.8 per cent, beating Wellington into third place

The most disturbing statistic from a motor vehicle trader's point of view is that over 58 per cent of all vehicles in the fleet (change of ownership, rather than first time

+/- %

MARKET SHARE

registered) are traded without a motor vehicle dealer being involved. These are public to public trades and in 2016 there were over half a million of them, that's 517,287 cars that dealers don't see. Looking at recent history for this segment, public to public sales are increasing. From 57 per cent of the market for the 2014 year, gaining

PUBLIC-TO-PUBLIC

DEC '15

DEC '16

slightly in 2015 to 57.75 per cent to last year's 58.2 per cent.

When we look at all used cars (passenger vehicles only) sold through dealerships for 2016. There were 149,526 used cars registered for the first time (the vast majority of these by motor vehicle traders) and there were 213,207 trader to public (changes of ownership, so cars in the fleet) sales. Total sales from traders of 362.733 which is still over 154,000 less than are traded between members of the public.

Half a million vehicles that are traded between members of the public have no or little consumer protection. 🕣

PUBLIC-TO-DEALER

DEC '15

+/- %

DEC '16

Whangarei	617	599	3.0	3.47	1,969	1,852	6.3	228	262	-13.0
Auckland	6,073	6,491	-6.4	34.17	14,969	14,356	4.3	4,714	4,960	-5.0
Hamilton	1,395	1,467	-4.9	7.85	3,288	3,241	1.5	1,095	1,207	-9.3
Thames	229	217	5.5	1.29	594	580	2.4	129	83	55.4
Tauranga	1,001	956	4.7	5.63	2,214	2,000	10.7	656	598	9.7
Rotorua	314	325	-3.4	1.77	836	917	-8.8	101	94	7.4
Gisborne	149	179	-16.8	0.84	405	347	16.7	70	92	-23.9
Napier	545	640	-14.8	3.07	1,393	1,480	-5.9	376	425	-11.5
New Plymouth	397	394	0.8	2.23	948	900	5.3	210	179	17.3
Wanganui	173	167	3.6	0.97	503	509	-1.2	100	111	-9.9
Palmerston North	747	759	-1.6	4.20	1,592	1,519	4.8	556	560	-0.7
Masterton	162	200	-19.0	0.91	376	385	-2.3	109	104	4.8
Wellington	1,551	1,584	-2.1	8.73	2,916	2,816	3.6	1,067	1,182	-9.7
Nelson	317	307	3.3	1.78	1,044	954	9.4	220	256	-14.1
Blenheim	163	190	-14.2	0.92	390	396	-1.5	131	117	12.0
Greymouth	77	86	-10.5	0.43	211	191	10.5	26	33	-21.2
Westport	22	24	-8.3	0.12	81	68	19.1	0	0	0.0
Christchurch	2,445	2,218	10.2	13.76	4,809	5,320	-9.6	1,830	1,766	3.6
Timaru	234	243	-3.7	1.32	487	512	-4.9	128	144	-11.1
Oamaru	65	52	25.0	0.37	189	149	26.8	16	19	-15.8
Dunedin	719	694	3.6	4.05	1,863	1,783	4.5	463	450	2.9
Invercargill	376	405	-7.2	2.12	885	960	-7.8	244	268	-9.0
NZ total	17,771	18,197	-2.3	100.00	41,962	41,235	1.8	12,469	12,910	-3.4



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New Passen	iger Vehic	le Sales	by Mal	<mark>ke -</mark> Dece	mber 201	6	New Pas	ssenger Vehic	le Sale	s by N	Nodel	- Decem	ber 2010	6
MAKE	DEC'16	DEC'15	+/-%	DEC'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE	МАКЕ	MODEL	DEC'16	DEC'15	+/- %	DEC'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	2,344	1,608	45.8	29.0%	17,878	17.4%	Toyota	Corolla	905	471	92.1	11.2%	6,277	6.1%
Holden	776	758	2.4	9.6%	10,388	10.1%	Toyota	RAV4	568	461	23.2	7.0%	3,613	3.5%
Mazda	714	588	21.4	8.8%	9,417	9.2%	Toyota	Highlander	349	248	40.7	4.3%	1,989	1.9%
Nissan	521	416	25.2	6.5%	5,544	5.4%	Toyota	Yaris	298	183	62.8	3.7%	2,376	2.3%
Hyundai	489	413	18.4	6.1%	7,329	7.1%	Nissan	X-Trail	268	148	81.1	3.3%	2,061	2.0%
Mitsubishi	475	493	-3.7	5.9%	6,070	5.9%	Mazda	Mazda3	226	142	59.2	2.8%	2,473	2.4%
Ford	387	532	-27.3	4.8%	7,468	7.3%	Hyundai	Tucson	212	146	45.2	2.6%	2,652	2.6%
Suzuki	340	430	-20.9	4.2%	5,290	5.2%	Holden	Captiva	211	160	31.9	2.6%	2,292	2.2%
Volkswagen	247	223	10.8	3.1%	3,894	3.8%	Mitsubishi	Outlander	208	126	65.1	2.6%	2,021	2.0%
Kia	218	245	-11.0	2.7%	5,295	5.2%	Suzuki	Swift	179	264	-32.2	2.2%	2,571	2.5%
Honda	211	149	41.6	2.6%	3,963	3.9%	Mazda	CX-5	150	189	-20.6	1.9%	2,843	2.8%
Jeep	200	102	96.1	2.5%	1,558	1.5%	Hyundai	Santa Fe	145	83	74.7	1.8%	2,066	2.0%
Mercedes-Benz	192	223	-13.9	2.4%	2,482	2.4%	Jeep	Grand Cherokee	136	53	156.6	1.7%	844	0.8%
Subaru	175	100	75.0	2.2%	2,663	2.6%	Nissan	Qashqai	123	131	-6.1	1.5%	1,794	1.8%
Audi	135	66	104.5	1.7%	1,830	1.8%	Holden	Cruze	118	133	-11.3	1.5%	1,389	1.4%
BMW	124	132	-6.1	1.5%	1,864	1.8%	Holden	Trax	114	77	48.1	1.4%	1,270	1.2%
Lexus	65	61	6.6	0.8%	720	0.7%	Kia	Sportage	110	75	46.7	1.4%	3,067	3.0%
Dodge	49	40	22.5	0.6%	493	0.5%	Mazda	CX-3	107	92	16.3	1.3%	1,479	1.4%
Land Rover	46	64	-28.1	0.6%	1,148	1.1%	Mitsubishi	ASX	99	135	-26.7	1.2%	1,535	1.5%
Skoda	46	39	17.9	0.6%	1,209	1.2%	Mazda	Mazda2	94	91	3.3	1.2%	1,396	1.4%
Volvo	42	62	-32.3	0.5%	608	0.6%	Ford	Mondeo	88	83	6.0	1.1%	1,156	1.1%
Renault	39	56	-30.4	0.5%	262	0.3%	Holden	Barina	88	115	-23.5	1.1%	1,225	1.2%
Ssangyong	38	67	-43.3	0.5%	1,462	1.4%	Nissan	Pulsar	86	93	-7.5	1.1%	940	0.9%
Mini	31	28	10.7	0.4%	600	0.6%	Mazda	CX-9	84	17	394.1	1.0%	278	0.3%
Peugeot	30	33	-9.1	0.4%	751	0.7%	Volkswagen	Golf	84	90	-6.7	1.0%	1,308	1.3%
Mahindra	27	3	800.0	0.3%	116	0.1%	Honda	Jazz	82	82	0.0	1.0%	1,589	1.6%
Jaguar	17	10	70.0	0.2%	374	0.4%	Holden	Commodore	80	135	-40.7	1.0%	2,458	2.4%
Isuzu	16	14	14.3	0.2%	256	0.2%	Suzuki	Vitara	77	82	-6.1	1.0%	1,482	1.4%
Porsche	16	7	128.6	0.2%	460	0.4%	Mitsubishi	Pajero Sport	76	36	111.1	0.9%	747	0.7%
Ldv	14	0	1400.0	0.2%	60	0.1%	Toyota	Landcruiser Prado	76	73	4.1	0.9%	733	0.7%
Fiat	11	83	-86.7	0.1%	278	0.3%	Subaru	Outback	74	53	39.6	0.9%	1,268	1.2%
Citroen	7	13	-46.2	0.1%	245	0.2%	Ford	Focus	73	100	-27.0	0.9%	1,367	1.3%
Yamaha	4	8	-50.0	0.0%	78	0.1%	Holden	Spark	70	0	7000.0	0.9%	725	0.7%
Can-Am	3	3	0.0	0.0%	59	0.1%	Volkswagen	Tiguan	69	37	86.5	0.9%	946	0.9%
Ferrari	3	1	200.0	0.0%	33	0.0%	Hyundai	Accent	58	28	107.1	0.7%	459	0.4%
Others	17	40	-57.5	0.2%	499	0.5%	Others		2,284	2,678	-14.7	28.3%	39,955	38.8%
Total	8,069	7,110	13.5	100.0%	102,644	100.0%	Total		8,069	7,110	13.5	100.0%	102,644	100.0%

'A wonderful year' for new car sale

inal sales data for 2016 reveals a total of 102,644 new passengers vehicles were registered during the year.

There were 8,069 new cars sold last month, an increase of 13.5 per cent on December 2015's total of 7,110 units.

For the month of December, Toyota topped the sales tally with 2,344 vehicles sold, an increase of 45.8 per cent on December 2015 when 1,608 vehicles were sold. This made up an overall market share of 29 per cent for the month.

Holden placed second for the month with 776 vehicles sold - a 2.4 per cent increase on 758 at the same time in 2015. Holden has a 9.6 per cent market share for December and 10.1 per cent of the overall market share for 2016.

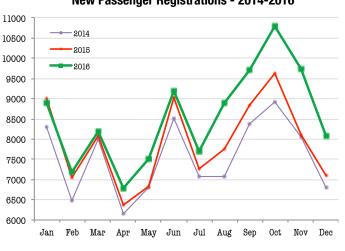
Mazda remains in the top three, with 714 vehicles sold in December 2016, an increase of 21.4 per cent on the 588 sold in December 2015. Mazda takes up 8.8 per cent share for the month of December and a 9.2 per cent share for the year.

For Toyota in particular, the year couldn't have ended better, taking out the top four spots in the model section.

The popularity of the top selling new car last year, the Toyota Corolla again, was made very evident in December registering 905 vehicles, a 92.1 per cent more than the same month in 2015 when 471 were sold. Corolla accounted for 11.2 per

cent of the December market share and its 6,277 sales throughout the year represents an annual market share of 6.1 per cent of the total new passenger vehicle market.

Meanwhile, the Toyota Rav4 reached 568 sales for December 2016, up 23 per cent compared to the same month a year earlier when 461 vehicles were sold, to become the second highest seller last year



New Passenger Registrations - 2014-2016

with 3,612 vehicles registered.

The Toyota Highlander made up the third vehicle, in terms of sales for the month of December with 349 sold, up 40.7 per cent on the month a year earlier.

The biggest rise in sales went to the LDV which increased by 1,400 per cent from no vehicles sold in December 2015, to 14 sold in December 2016. The Mahindra also increased, by 800 per cent from three in December 2015, to 27 last month.

MIA's chief executive David Crawford said "The 2016 record year marked a continued shift in buyer preference and market dynamics with, for the first time in New Zealand history, more SUV's being sold than passenger vehicles.

For the 2016 year, there were 52,913 SUVs sold. This was an increase of 16.5 per cent on the same time in 2015, when 45,401 SUVs were sold. Meanwhile, 49,200 passenger vehicles were sold an increase of 0.3 per cent from December 2015, when 49,066 passenger vehicles were sold. 🕣

NEW VEHICLE SALES BY BUYER TYPE - December 2016

				Boconnor	2010	
	DEC '16	DEC '15	MTH %	2016 YTD	2015 YTD	% YTD
Passenger	3,717	3,454	7.6	49,200	49,066	0.3
Private	1,103	1,440	-23.4	18,427	18,327	0.5
Business	1,349	1,288	4.7	19,910	20,255	-1.7
Gov't	70	142	-50.7	2,003	2,226	-10.0
Rental	1,195	584	104.6	8,860	8,258	7.3
SUV	4,310	3,620	19.1	52,913	45,401	16.5
Private	1,423	1,337	6.4	21,450	17,198	24.7
Business	1,455	1,553	-6.3	22,035	20,351	8.3
Gov't	59	43	37.2	845	719	17.5
Rental	1,373	687	99.9	8,583	7,133	20.3
Light Commercial	2,688	2,548	5.5	38,276	33,671	13.7
Private	669	699	-4.3	9,344	8,455	10.5
Business	1,820	1,607	13.3	25,877	22,615	14.4
Gov't	84	119	-29.4	1,333	1,379	-3.3
Rental	115	123	-6.5	1,722	1,222	40.9
Sub Total	10,715	9,622	11.4	140,389	128,138	9.6
Private	3,195	3,476	-8.1	49,221	43,980	11.9
Business	4,624	4,448	4.0	67,822	63,221	7.3
Gov't	213	304	-29.9	4,181	4,324	-3.3
Rental	2,683	1,394	92.5	19,165	16,613	15.4
Heavy Commercial	326	517	-36.9	4,850	4,930	-1.6
Other	184	88	109.1	1,514	943	60.6
Total	11,225	10,227	9.8	146,753	134,011	9.5

NEW VEHICLE MARKET SEGMENTATION - December 2016

	DEC '16	DEC '15	MTH% DIFF	2016 YTD	2015 YTD	% YTD
Passenger	3,717	3,454	7.6	49,200	49,066	0.3
SUV	4,310	3,620	19.1	52,913	45,401	16.5
Light Commercial	2,688	2,548	5.5	38,276	33,671	13.7
Heavy Commercial	326	517	-36.9	4,850	4,930	-1.6
Other	184	88	109.1	1,514	943	60.6
TOTAL MARKET	11,225	10,227	9.8	146,753	134,011	9.5
Micro	147	131	12.2	2,120	1,988	6.6
Light	1,049	1,102	-4.8	13,736	14,393	-4.6
Small	1,837	1,389	32.3	19,193	19,608	-2.1
Medium	373	404	-7.7	7,048	6,970	1.1
Large	150	204	-26.5	3,909	4,125	-5.2
Upper Large	5	6	-16.7	185	220	-15.9
People Movers	49	44	11.4	947	683	38.7
Sports	107	174	-38.5	2,062	1,079	91.1
SUV Small	773	828	-6.6	13,512	13,169	2.6
SUV Medium	1,876	1,533	22.4	21,473	16,351	31.3
SUV Large	1,607	1,216	32.2	17,299	15,401	12.3
SUV Upper Large	54	43	25.6	629	480	31.0
Light Buses	54	77	-29.9	813	813	0.0
Vans	467	379	23.2	5,925	5,059	17.1
Pick Up/Chassis Cab 4x2	937	847	10.6	13,268	10,538	25.9
Pick Up/Chassis Cab 4x4	1,230	1,245	-1.2	18,270	17,261	5.8
Heavy Commercial	326	517	-36.9	4,850	4,930	-1.6
Other	184	88	109.1	1,514	943	60.6
TOTAL MARKET	11,225	10,227	9.8	146,753	134,011	9.5

oht future in new commercials

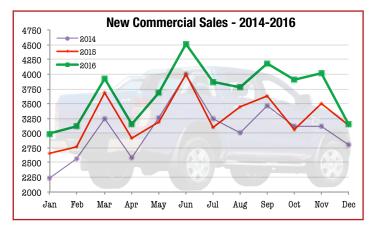
new record of 44,292 new commercial vehicles were sold in 2016 with 3,156 of them registered in December, 20 more than for the same month in 2015.

For the year, commercial vehicle registrations were up 5,147 units or 13.1 per cent on the full year 2015.

Ford retained the top slot in this market segment with an overall 21 per cent market share for the year with 9,313 sales, followed by Toyota on 20.1 per cent and sales of 8,920 with Holden third on nine per cent and 3,974 units sold.

The Ford Ranger was again the top seller for 2016 with sales of 8,485 for the year, 19.2 per cent of the total, beating Toyota Hilux which sold 6,191 units for a 14 per cent total market share. Holden's Colorado completed the podium placings with 3,751 sales for a market share in 2016 of 8.5 per cent

One of the success stories in 2016 was fourth-placed Isuzu. In the past year it has gone from sales of 2,819 to 3,640, an increase of 29.1 per cent' and raised its market share in the 'makes' category from 7.2 per cent in 2015



to 8.2 per cent last year.

Antony Rountree of Harvey Round Motors, in Wanganui has recently gone into new vehicle sales as an Isuzu retailer

"We have taken on the Isuzu franchise in the past four months which has seen people coming onto the yard that we haven't seen before, says Rountree, we're now selling new Isuzu utes and SUVs and interest has been good and steady.

"What we're hearing (about Isuzu) is good stuff. Customers who get them serviced, that had bought them elsewhere but live in Wanganui, guite like them; and you can be certain if there was a problem, mate, they would definitely tell you!"

In terms of general stock and where it comes from Rountree says it's difficult to get used commercial stock "We'll deal in trade-ins when we can get them. But it's difficult tradesmen hang onto them or sell them to their mates."

Going against the national trends for top positions in model sales is Mark Cromie of Mark

Cromie Holden in Whangarei "In Northland we're number

two behind Ranger and even ahead of Tovota. I think we do extremely well. And I think we'll have a strong year ahead, depending on whether we have a drought in the north, which is looking a quite possible. The builders are busy, everyone in construction is flat out, and the farmers are busy also, but we're not 100 per cent dependent on dairy in this area. We're huge in horticulture and forestry, which is a big market for us as well."

Asked about the general trading environment Cromie says "I think that dealers generally give a lot of profit away to close deals. The average dealer's profitability is perhaps 1.9 to 2.2 per cent, some good dealers will be around 3.0 to 3.5 per cent. We're running at 7.5 per cent, because we don't give stuff away and we control our overheads, this is a great business if you have the right people and the right product, then you just need to control the outcome."
The outcome is a set of the outcome is a set of the outcome.

New Commercial Sales by Make - December 2016							
МАКЕ	DEC'16	DEC'15	+/- %	DEC '16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE	
Ford	578	659	-12.3	18.3%	9,313	21.0%	
Toyota	573	620	-7.6	18.2%	8,920	20.1%	
lsuzu	291	256	13.7	9.2%	3,640	8.2%	
Holden	254	329	-22.8	8.0%	3,974	9.0%	
Mitsubishi	254	169	50.3	8.0%	3,189	7.2%	1
Nissan	247	211	17.1	7.8%	3,096	7.0%	1
Mazda	134	98	36.7	4.2%	1,819	4.1%	
Hyundai	110	33	233.3	3.5%	1,058	2.4%	
LDV	105	72	45.8	3.3%	972	2.2%	
Mercedes-Benz	84	117	-28.2	2.7%	957	2.2%	1
Factory built	83	0	8300.0	2.6%	349	0.8%	
Volkswagen	73	66	10.6	2.3%	1,203	2.7%	1
SsangYong	71	50	42.0	2.2%	903	2.0%	
Fiat	62	57	8.8	2.0%	827	1.9%	
Foton	34	54	-37.0	1.1%	571	1.3%	
Hino	30	61	-50.8	1.0%	641	1.4%	
UD Trucks	29	21	38.1	0.9%	247	0.6%	
lveco	23	16	43.8	0.7%	208	0.5%	1
Mitsubishi Fuso	23	122	-81.1	0.7%	508	1.1%	1
Renault	17	36	-52.8	0.5%	167	0.4%	1
Others	81	89	-9.0	2.6%	1,730	3.9%	
Total	3,156	3,136	0.6	100.0%	44,292	100.0%	

New Com	mercial So	iles by	Mode	<mark>el -</mark> De	cember §	2016	
Make	MODEL	DEC'16	DEC'15	+/- %	DEC'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Ford	Ranger	531	608	-12.7	16.8%	8,485	19.2%
Toyota	Hilux	406	419	-3.1	12.9%	6,191	14.0%
Mitsubishi	Triton	254	169	50.3	8.0%	3,186	7.2%
Holden	Colorado	247	313	-21.1	7.8%	3,751	8.5%
Nissan	Navara	247	211	17.1	7.8%	3,096	7.0%
Isuzu	D-Max	172	112	53.6	5.4%	2,387	5.4%
Toyota	Hiace	155	193	-19.7	4.9%	2,601	5.9%
Mazda	BT-50	134	98	36.7	4.2%	1,819	4.1%
Hyundai	iLoad	100	31	222.6	3.2%	1,009	2.3%
Factory built	Lloyds	80	0	8000.0	2.5%	249	0.6%
LDV	V80	72	69	4.3	2.3%	585	1.3%
SsangYong	Actyon Sport	71	50	42.0	2.2%	903	2.0%
Mercedes-Benz	Sprinter	67	104	-35.6	2.1%	821	1.9%
Fiat	Ducato	59	54	9.3	1.9%	795	1.8%
lsuzu	F Series	55	75	-26.7	1.7%	479	1.1%
Ford	Transit	47	49	-4.1	1.5%	777	1.8%
Volkswagen	Amarok	46	44	4.5	1.5%	673	1.5%
lsuzu	N Series	44	29	51.7	1.4%	561	1.3%
LDV	G10	33	3	1000.0	1.0%	385	0.9%
Foton	Tunland	26	31	-16.1	0.8%	474	1.1%
Others		310	474	-34.6	9.8%	5,065	11.4%

3.156

3,136

100.0%

0.6

44,292

100.0%

Three brands dominate in 2016

total of 10,967 used imported commercial vehicles were sold in 2016, a huge 24.09 per cent increase on the previous year when 8,838 units were registered.

The top three models remained unchanged from last year. Toyota Hiace retained its commanding 34.1 per cent market share over the full year with 3,742 sales. In terms of monthly sales Hiace improved 57.9 per cent on 300 units, up from 190 in December 2015.

Nissan Caravan was second with 76 imports for December and 938 for the full year, an 8.6 per cent market share for 2016. Mazda Bongo rounded out the top three with 72 monthly registrations, bringing its total for last year to 628 for a market share of 5.7 per cent.

As with models, the margues also repeated the same top three as 2015. Toyota was well in control registering almost half of all used imported commercial vehicles in 2016, with a market



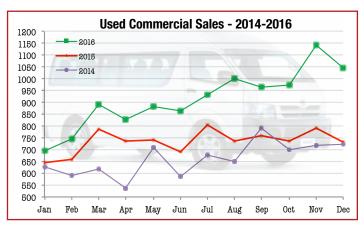
share of 45.6 per cent. Nissan and Mazda followed with 22 and 7.1 per cent respectively. These top three margues accounted for 74.7 per cent of the total used commercial market last year.

Warwick Bunning of North City Cars and Commercials in Porirua says they buy most of their vehicles from Japan and the Hiace is also their top commercial seller. He said North City turns over 40 to 50 vehicles a month, about half of which are commercial utes and vans imported mostly from Japan. "Its hard to get good commercial stock in New Zealand,' he said. According to Bunning, the holiday season is traditionally a quiet time for sales of commercial vehicles but not this year. "This Christmas

commercials have been selling as well as ever. To me that's a sign the tradesmen are busy, probably as busy as they have ever been. At least that's what they tell me.

"Just yesterday we sold a van and a couple and more people are coming in today so all of a sudden we're busy on vans again."

"Over the past six months we've sold 25 per cent more than last year and that's excellent overall. If it keeps going as it is I'll be very happy and there is no sign of a slow down at the moment." 🕤



Used Commercial Sales by Make - December 2016

		00 0 ų m			2010	
Make	DEC'16	DEC'15	+/- %	DEC'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	396	272	45.6	37.9%	4,997	45.6%
Nissan	203	146	39.0	19.4%	2,413	22.0%
Mazda	86	36	138.9	8.2%	781	7.1%
Fiat	72	45	60.0	6.9%	220	2.0%
Ford	55	48	14.6	5.3%	391	3.6%
lsuzu	51	52	-1.9	4.9%	554	5.1%
Mitsubishi	42	17	147.1	4.0%	378	3.4%
Chevrolet	26	16	62.5	2.5%	198	1.8%
Hino	22	20	10.0	2.1%	229	2.1%
Holden	21	13	61.5	2.0%	219	2.0%
Volkswagen	10	8	25.0	1.0%	81	0.7%
GMC	9	3	200.0	0.9%	44	0.4%
Kenworth	7	3	133.3	0.7%	28	0.3%
Dodge	5	10	-50.0	0.5%	62	0.6%
Mercedes-Benz	5	7	-28.6	0.5%	40	0.4%
Renault	5	3	66.7	0.5%	18	0.2%
Subaru	2	0	200.0	0.2%	7	0.1%
Hyundai	2	3	-33.3	0.2%	8	0.1%
MAN	2	2	0.0	0.2%	12	0.1%
Mitsubishi Fuso	2	2	0.0	0.2%	17	0.2%
Others	23	25	-8.0	2.2%	270	2.5%
Total	1,046	731	43.1	100.0%	10,967	100.0%

Used Commercial Sales by Model - December 2016								
MAKE	MODEL	DEC'16	DEC'15	+/- %	DEC'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE	
Toyota	Hiace	300	190	57.9	28.7%	3,742	34.1%	
Nissan	Caravan	76	60	26.7	7.3%	938	8.6%	
Fiat	Ducato	72	45	60.0	6.9%	213	1.9%	
Mazda	Bongo	72	29	148.3	6.9%	628	5.7%	
Nissan	Vanette	39	21	85.7	3.7%	485	4.4%	
Nissan	NV200	35	13	169.2	3.3%	398	3.6%	
Toyota	Regius	32	16	100.0	3.1%	369	3.4%	
lsuzu	Elf	30	35	-14.3	2.9%	345	3.1%	
Toyota	Dyna	21	25	-16.0	2.0%	341	3.1%	
Ford	Ranger	19	17	11.8	1.8%	169	1.5%	
Mitsubishi	Canter	19	7	171.4	1.8%	155	1.4%	
Toyota	Hilux	19	14	35.7	1.8%	172	1.6%	
Nissan	Navara	18	17	5.9	1.7%	163	1.5%	
Nissan	Atlas	17	17	0.0	1.6%	215	2.0%	
Isuzu	Forward	13	6	116.7	1.2%	123	1.1%	
Nissan	NV350	12	6	100.0	1.1%	85	0.8%	
Chevrolet	Silverado	11	3	266.7	1.1%	76	0.7%	
Ford	Transit	11	4	175.0	1.1%	45	0.4%	
Hino	Dutro	10	13	-23.1	1.0%	124	1.1%	
Toyota	Toyoace	10	11	-9.1	1.0%	199	1.8%	
Others		210	182	15.4	20.1%	1,982	18.1%	
Total		1,046	731	43.1	100.0%	10,967	100.0%	



GOOD SALES KEEP STOCK IN CHECK He says that 2016 sales went rain on the horizon, which he believes will spark things on a

imported into the country, with a total of 102,644 of these being sold.

The import figure was 11.24 per cent down from the November's total of 11.070 to 9,825 vehicles imported in December. However, there was an increase of 9.4 per cent on the same month last year when only 8,981 vehicles were imported into the country.

In terms of new car registrations, there was a 13.5 per cent increase, year on year, with 8,069 vehicles registered last month and 7,110 registered in December 2015. This meant that new car stock rose by 1,756 in the month of December, taking the total stock to 65,949 vehicles.

Average daily sales calculated

to 281 units per day and there are currently 235 days of stock at hand.

New vehicle sales manager for Enterprise Motor Group in Gisborne, Steven Shields says that the team tries to keep stock levels over Christmas and the new-year period at a high level and they found that the December month remained reasonably buoyant.

Although stock didn't arrive until late December, they had stocked up enough to keep up with demand. "It's not always easy to manage good stock levels when you are ordering products four months in advance and at the mercy of the shipping containers however we managed to keep our stock levels up. If we haven't got the stock, we can't sell it."

anything changing any time soon because of the strength of the dollar. As a rule, Shields says the top sales go to utility vehicles such as the Nissan Navara and new model Colorado for both commercial and family vehicles.

SUVs are also popular with the highest selling family vehicles going to the X-Trail and Captiva. "The SUV market is going from strength to strength. Gone are the days when you can bundle your family up in a four-door sedan. Increasing amounts of people are going for the SUV's because they are the next best thing to a ute for carrying extra luggage. They also handle no differently to a car and are getting increasingly more economical to run."

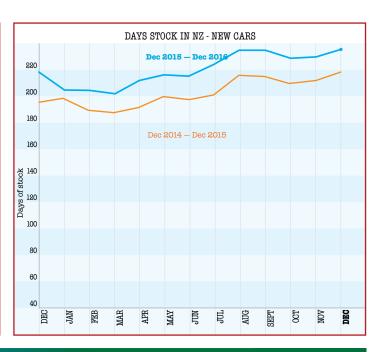
Shields is hoping for spot of

bit further. "There is an eminent drought in this region at the moment and although we've noticed a couple of spits here and there, a few more mils would help the farmers a lot."

He says that with success on the farm, comes more money into the economy, which means more foot traffic through Enterprise Motor's doors. "Success on the farms certainly spins off right across the whole district - whether it be crop farmers or dairy farmers spending their money, it all helps keep the economy buoyant.

With low-interest rates across the board and some good campaigns available, Shields says the company is continuing to buy up on new stock to keep up with demand. 🕤

Dealer stock of new cars in New Zealand								
	CAR S	ALES Registered	VARIANCE	STOCK	DAILY SALES - 12-Month Average	DAYS Stock At hand		
Dec '15	8,981	7,110	1,871	57,625	261	221		
Jan '16	6,647	8,899	-2,252	55,373	260	213		
Feb '16	7,029	7,191	-162	55,211	261	212		
Mar '16	7,561	8,191	-630	54,581	261	209		
Apr '16	8,816	6,790	2,026	56,607	262	216		
May '16	8,184	7,502	682	57,289	264	217		
Jun '16	8,924	9,186	-262	57,027	264	216		
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	10,132	10,795	-663	62,845	274	229		
Nov '16	11,070	9,722	1,348	64,193	279	230		
Dec '16	9,825	8,069	1,756	65,949	281	235		
Year to date	110,968	102,644	8,324					
Change on Dec 2015	9.4%	13.5%		14.4%				
	MORE IMPORTED	MORE SOLD		MORE STOCK				



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Used stock sit at good levels

for last month show that 12,242 used passenger vehicles arrived in New Zealand in December 2016 and 13,181 vehicles were registered, resulting in a reduction in stock of 939 units.

For the full year in 2016 152,746 cars were imported, with 149,526 of these being registered, ending up with an increase of 3,220 used imported cars in stock.

Overall stock levels now stand at 28,783, an increase of 12.6 per cent since the end of 2015 when used stock was sitting at 25,563 units.

Average daily sales calculated on the previous 12 month's activity continued to increase, with 410 used imported cars selling each day and 70 days of stock is currently available on hand.

According to the company director of Bay of Plenty Motors, Neville Harper, stock levels are

Auctions has changed its business model. "Until recently Turners has been a reasonable supplier for us and now that it has turned into the biggest car dealership in the country, it is pushing the prices up and changing the way we buy cars,"

With a limited supply overseas, Harper says he generally finds that vehicles are cheaper to buy in New Zealand than they are in Japan. "As strange as it sounds, I can often find a wide range of vehicles, across the board at a better price."

Harper tries to ensure that the stock levels are overflowing before Christmas, as a rule, however he has found lately that it is not as easy to get into that position each year. "It's getting harder and harder to have that oversupply of stock. Generally, a lot of our traditional sources of supply are closing up." When it comes to trade-ins,

"half of our stock used to be made up of trade-ins, we are finding it is a lot less these days" - Neville Harper, **Bay of Plenty Motors**

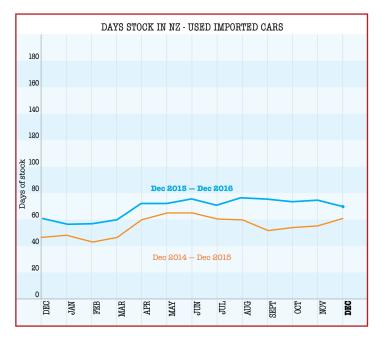
Harper says there is also a smaller amount coming in than what he is used to. "Thanks to Trade Me, many people are having a go at selling their cars themselves and while half of our stock used to be made up of trade-ins, we are finding it is a lot less these days."

Harper says that with 52 cars in stock, in early January, there were only two vehicles that were trade ins.

tends to stock a wide variety of vehicles, however Harper tries to avoid European cars "because they cost too much money." He hasn't noticed a trend in popularity when it comes to sales and feels that there is a fair element of luck involved, when it comes to predicting what his customers will buy.

Although his business is situated on a busy street, Harper says that he also sells a lot of his vehicles on Trade Me. "Because we are on a main street, overheads can be guite high and we are never going to be the cheapest place in town. The fact that we are doing well on the internet as well means that we have a good understanding of what people are looking for."

"For now, we have the right stock and we're ticking along well, we are happy with what we're doing and have no complaints."



Dealer stock of used cars in New Zealand								
	CAR SALES Imported registered		VARIANCE	STOCK	DAILY SALES - 12-Month Average	DAYS Stock At hand		
Dec '15	14,620	12,598	2022	25,563	394	65		
Jan '16	9,748	11,675	-1,927	23,636	393	60		
Feb '16	11,887	11,736	151	23,787	396	60		
Mar '16	12,999	12,153	846	24,633	396	62		
Apr '16	16,960	12,140	4,820	29,453	399	74		
May '16	12,563	12,567	-4	29,449	399	74		
Jun '16	13,630	11,991	1,639	31,088	398	78		
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	12,345	12,709	-364	29,048	405	72		
Nov '16	13,436	12,762	674	29,722	408	73		
Dec '16	12,242	13,181	-939	28,783	410	70		
Year to date	152,746	149,526	3,220					
Change on Dec 2015	-16.3%	4.6%		12.6%				
	LESS IMPORTED	MORE SOLD		MORE STOCK				

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