

# Used import checks 'broken', MIA says

New Zealand's used vehicle importing process is broken, because it failed to identify cars with disabled passenger-side airbags, according to the Motor Industry Association (MIA).

he NZTA is now urgently working to identify the vehicles, imported from Japan since 2015, which have been modified to disengage the passenger airbags as a quick, interim fix to the Takata airbag recall.

Toyota NZ has
identified 8,373 used
imports where a Some u
disabling device was
fitted to the passenger
airbag. Of these, 7,491 have been
registered and are on the road in
New Zealand.

The carmaker has provided NZTA with the registration numbers of these cars and they will be flagged at Warrant of Fitness (WoF) stage, so the airbags can be reconnected.

But MIA chief executive David Crawford says about another 7,500 vehicles are likely to have



Some used vehicles imported after 2015 have the passenger airbag deactivated

been imported into New Zealand with the interim fix, and not all of the them will be easy to identify because not all parent companies were notified about the process in Japan.

Crawford explains the interim fix was done at the customer's request and was allowed in Japan because passenger-side airbags are not compulsory.

These vehicles are still subject to the Takata recall, which is being

done in stages due to the short supply of new airbag inflators. The Takata recall is the largest in history, affecting more than 100 million vehicles worldwide, after Takata's faulty airbag inflators were linked to 14 deaths and 150 injuries.

But the interim fix is not compliant in New Zealand, where it is illegal to tamper with the airbag, Crawford explains.

The NZTA's website says it is safer to have a functioning, but potentially faulty, airbag than to have none at all, as only a very small percentage of the airbags are likely to malfunction in a crash.

While Crawford believes none of the importers in New Zealand, nor their agents in Japan, knew the airbags were disabled, they should have identified that the vehicles were subject to recall.

"The recall should've been

[continued on page 5]













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GUEST EDITORIAL

# Intelligent Transport Systems - then and now

lain McGlinchy is principal adviser, Aviation and Maritime at the Ministry of Transport

have just returned from the Intelligent Transport Systems (ITS) World Congress in Melbourne. It was an extraordinary event, with over 11,000 delegates and over 300 displays (including one from NZ). Being in our neighbourhood there was a large kiwi contingent (over 120), including the Minister of Transport, the Hon Simon Bridges, and many from central and local government and

In late 2012, I attended an earlier World Congress in Vienna and wrote about it in Autofile.

industry groups.

Rereading the article I'm struck that most of what I thought would be important actually has been. However, what has changed is how much earlier the technology may be available and how our ideas of how we will use it have changed as well.

While no two speakers at this recent event agreed when the changes will occur, most agreed the future transport system will be connected, automated, and shared. Many also added electric to that list.

As a government representative, it was interesting to see that all jurisdictions are grappling with the same legal issues. Discussions about policies and laws, including a session organised by the Ministry of Transport, attracted good audiences. To pick just one policy issue being discussed, many are asking how will governments ensure fully automated vehicles are sufficiently safe to be sold to the public? Or should

governments just stand back and let the car companies take all the responsibility?

Most agree that to answer these questions we need to learn by doing – trials are going to be vital for all concerned.

In this space, the Ministry and the NZ Transport Agency have recently engaged Dr

> Peter Sweatman, an international expert on connected vehicles. He will help us scope out how a connected vehicle trial in New Zealand might work. Because connected vehicles will need roadside infrastructure to work



effectively, transport organisations need to develop their capabilities. Car makers in Europe and the US said they expect to start fitting connected vehicle technology from next year.

The recently announced trial of an automated shuttle in Christchurch will also help us get a better understanding of how to safely operate such vehicles.

One thing I didn't see coming in 2012 was the rise of the sharing economy. Speaker after speaker talked of reducing congestion by using ITS technology to enable people to share vehicles and to make using public transport simpler and faster. Some think that as soon as in five years, owning a car in many cities will be a rare and unnecessary thing.

What is clear from the Congress is that the pace of technological change is not slowing and New Zealand will need to be ready for it if we are to get the advantages, and 

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# MVR class authorisation extended

further six months has been added to the deadline for accessing the Motor Vehicle Register under a class authorisation, to May 1, 2017.

The authorisation was originally due to cease on April 30, this year and was subsequently rolled over for a further six months, with expiry due on October 31 2016.

The rules for access to the Motor Vehicle Register (MVR) changed in 2011, introducing greater controls on the use of information obtained from the register.

With a large amount of businesses and individuals applying for class authorisation, the decision was made to extend the date, to ensure that everyone was given a fair chance to become authorised.

According to an NZTA spokesperson, once the application is sent through, the Transport agency is currently working to an

eight week period for consultation and processing of applications. When the changes first took place back in April last year, many were concerned that it would effectively result in access denial to the register. According to an article that was published in the March 19 edition of Autofile, the NZTA created a temporary six-month class authorisation to ensure registered motor vehicle traders and vehicle information providers continue to have access to the motor vehicle register.

The notice period provided by the authority effectively allowed one week for registered traders to prepare and submit renewal applications to avoid potential disruption to vehicle ownership information.

Membership and technical services manager for the IMVIA, Malcolm Yorsten says "The dealer obviously needs to have access to the information to ensure that they can make an informed judgement as to whether the person they are speaking with has the authority to sell the car."

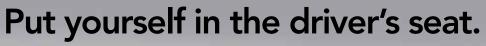
Currently the MTA is awaiting information about whether their application for class authorisation has been approved or not. "We applied for approval on behalf of our members in April, but we have not yet been advised whether our application has been approved. We have been reluctant to spend too much resource on setting up new software processes to accommodate the new regime, until it was certain that our application had been approved. Given the very short lead-time that now exists, a further extension of the existing class approval provisions is appropriate," says MTA dealer services and mediation manager, Tony Everett.

He believes although there

could be some teething issues at the beginning, they should be quickly resolved and dealers who are not covered under a representative organisation like MTA, will need to apply individually. "I understand relatively few independent dealers have made an application. If that situation remains those dealers will be unable to access the respective information from the MVR when the change eventually occurs."

In order to apply for class authorisation, the applicant will need to pay a fee, of between \$621.46 for an individual (not being a sole trader), through to \$1,320.65 for representative bodies with no disciplinary power.

The NZTA spokesperson says that the details of any organisation or individual granted an authorised access will be published on the New Zealand Gazette website. 🕣



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completed and closed off in Japan. We now know that hasn't been happening," he says.

"If they had been checking for the status of recalls, my view is that we wouldn't have this problem. The system is broken."

The MIA is further "peeved" with the NZTA's initial advice to car owners that, if they are concerned about their airbags being disabled, they should seek advice from their authorised dealer, Crawford says.

This implies authorised dealers and New Zealand manufacturers will fix and pay for the problem, when the responsibility lies on the shoulder of the importer, he says.

The advice sends a message to used car importers that they do not need to worry too much about compliance, because if the vehicle does not comply, NZTA will send it back to the "new car guys" for a fix, Crawford says.

But NZTA says its primary concern is to ensure vehicles are safe and legally compliant, by providing customers with simple information to make it easy for them to take action.

"Dealers are best placed to do these checks and reconnections properly," spokesman Andy Knackstedt says.

The NZTA will update advice to customers about legal and financial responsibility shortly, in conjunction with the Ministry of Business, Innovation and Employment.

Just who will pay for the airbags to be reconnected is currently unclear, although Toyota NZ says it will take responsibility for all affected Toyotas, irrespective of the importer.

#### EXTRA CHECK IN PLACE

On October 5, the NZTA introduced a new checking system for imports to ensure airbags are correctly connected. This has been added to entry certification requirements and may involve dismantling part of the vehicle's interior.

Crawford commends the NZTA for this measure.

However, he would like extra processes to be put in place to also ensure vehicles are not subject



New Zealand's repairs of the faulty Takata airbags are slowly progressing

to a known recall. If they are, they should be fixed in the country of origin before being imported.

A working party including the MIA, the Imported Motor Vehicle Industry Association (IMVIA) and the NZTA will look at this issue, as well as work out a way to identify all the vehicles that could have their airbags disabled.

If it is not possible to identify which individual cars had their airbags disconnected, then all vehicles imported from Japan after 2015, which are subject to the Takata recall, should have their airbag connection physically checked during a WoF, Crawford suggests.

The IMVIA is working hard with the MIA to find a way to identify and fix affected vehicles, and develop a protocol to ensure imports are not subject to a recall, IMVIA chief executive David Vinsen confirms.

"It needs to be corrected; it is a work in process."

Vinsen is not concerned the disabled airbags could be a black mark on Japanese imports, because of the enormity of the Takata recall. "This is much bigger than any of that," he says.

Importers generally try to get a recall done before the vehicle leaves Japan, but can't do this if the information about the recall is unavailable, Vinsen says.

"This is a good opportunity for new and used importers to get together and develop this protocol. It's probably been needed for a few years now." TAKATA RECALLS CONTINUE Meanwhile, New Zealand repairs of airbags subject to the Takata recall are progressing, albeit slowly.

Toyota says 82,000 of its New Zealand vehicles are affected and so far 16 per cent of owners have been advised replacement parts are available.

A further five per cent are

expected to be completed this year, with all vehicles completed within 24 months, the carmaker says.

Under an agreed Code of Practice, manufacturers and new car distributors take responsibility for recalls for all cars in New Zealand at the time of the recall, whether they were New Zealand new or a used import, Crawford explains.

He admits this position was forced on distributors by the Government.

A new concern is that only about 50 per cent of owners are getting their vehicles fixed when they get a letter from the manufacturer.

Crawford wants the WoF process to be changed so vehicles subject to a safety recall cannot get a new WoF until the recall is done, if the parts are available.

Despite just a small percentage of Takata airbag inflators being faulty, there is still a risk, which gets bigger as the airbags age, Crawford says. 

①



# Navigating loss of a pioneering spirit

he sound of Julie Utting's heels clip-clopping across the car yard, towards a customer, was enough to place the fear of God into any self-possessing car sales person.

"The rest of the guys would just watch as she nailed another victim", laughs co-owner of Ellis Utting Motors, Gavin Fortune.

As the first female used-car salesperson in Auckland, Julie was also instrumental in starting up the 'Greenlane boulevard of used car sales-yards'.

"At the time a lot of usedcar dealers wouldn't talk to each other and they spent a lot of time bickering amongst themselves. She decided to form a used-car dealership club and thanks to her powers of persuasion, there was a fantastic turn out at the first meeting", says her husband Barry Utting. The motivated sales woman entered into a business partnership with Rod Milner Motors and became one of the pioneers involved in transporting cars to NZ. As the years progressed, she would take groups of sales people on trips to Japan.

"It was a great partnership because Julie did most of the work and I reaped the rewards", says Milner. "She was a really nice lady and a truly hard worker."

As part of a large family of eight children, with an equal amount of boys and girls, Julie was not afraid of competition and was well known for turning her hand to anything she put her mind to.

"She would cook a delicious meal, then whistle on down to the boat and replace its engines", says Fortune. Her proudest



Julie Utting single-handedly landed this 904kg striped marlin from the family launch

moment was the day she took the family's 47 foot launch out for a day and came back with a Marlin. She was the sole skipper and fisherwoman on the boat. "There has been no other recorded instance of this happening", says her husband.

On October 14, Julie lost an almost year-long battle with cancer. She is survived by her husband Barry and was a loving mother to Sandy as well as grandmother to five grandchildren and great grandmother of two. She also had a special relationship with her beloved cat, Khan.

A function was held at Bucklands Beach Yacht Club in Half Moon Bay on Tuesday, October 18.

In lieu of flowers, donations to the Totara Hospice are still welcome.





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# Heartland post profit with help of car loans

eartland Bank has reported a profit of \$54.2 million for the year ending 30 June 2016, up 12.5 per cent on the previous financial year.

The company says the result was driven by growth across its core household, business and rural divisions.

Heartland Bank's portfolio includes motor vehicle loans and MARAC insurance.

Heartland's net operating income rose nine per cent on 2015 to \$157.6m, while net finance receivables also increased nine per cent to \$3.1 billion. It offers its shareholders an 11.1 per cent return on equity, up 10.4 per cent on last year.

The company's motor vehicle loans division continued to grow strongly, with net receivables from car loans up 9.5 per cent on 2015, to \$767.4m.

Heartland's consumer business

– which includes these motor
vehicle loans, personal loans and
lending through the platform
Harmoney – grew strongly. Net
operating income was up 14.9 per

cent to \$59.2m and net receivables up 11.7 per cent to \$822.1m.

Heartland bought the final 50 per cent of MARAC Insurance on 17 July 2015. MARAC's assets are worth \$8.8 million, which is 0.25 per cent of the total consolidated assets of Heartland Bank.

Other highlights from the financial year include the amalgamation of Heartland New Zealand Limited and Heartland Bank Limited – making it the first New Zealand-registered bank to be listed on the NZX Main Board.

Heartland says it expects underlying asset growth to continue into 2017, with increased volumes projected across its core divisions.

The bank has been given a stable long-term rating of 'BBB' from Fitch Australia Pty, with a solid performance expected over the next one to two years.

Fitch notes Heartland's continued improvements in its underwriting standards and risk-controls, with a focus on niche markets – including vehicle finance, home equity release mortgages and business asset loans.

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# Strong growth for Trade Me

rade Me continues to grow, with revenue up 9.2 per cent on 2015 to \$218 million, according to the online trader's 2016 annual report.

The company boasts a net operating profit of \$83 million for the year ending 30 June 2016, up 3.5 per cent on a year earlier.

Vehicle sales are helping to boost Trade Me: sales are growing and it continues to be the market leader, it says.

Revenue from Trade Me Motors increased a solid 11.2 per cent on 2015. Strengthened sales by dealers help push this increase, with dealer revenue growing 26 per cent, the report says.

Trade Me's online vehicle data

service, MotorWeb, had a 15 per cent increase in revenue.

Overall, Trade Me made \$58.8 million in revenue from motor sales in the 2016 financial year.

A reviews and news section, launched in July this year, is considered a "key building block" in ensuring Trade Me is relevant to car buyers for more of their research when buying, the report says.

Other highlights of Trade Me's 2016 financial year include the launch of Trade Me insurance in August 2015, the launch of 'Help Me Choose' in February – designed to help motorists pick the right vehicle – and the banning and restriction of statutorily written off vehicles from Australia in May.

# Credit guidelines feedback sought

he Commerce Commission has released updated draft consumer credit fees guidelines and is now seeking feedback from interested parties.

The Commission's previous fee guidelines were published in 2010 and remained in draft pending the outcome of their long-running litigation against Sportzone/MTF. Sportzone was a Christchurch-based company that sold, serviced and repaired motorcycles and offered financial services, through MTF, to its customers.

In 2009 the Commission filed court proceedings alleging MTF and Sportzone charged unreasonable establishment and other credit fees on 39 finance contracts entered into, between 2005 and 2008. By September 2013, the High Court had found that the fees were unreasonable and in breach of the Credit. **Contracts and Consumer Finance** Act 2003 (CCCFA). The Court also released a further judgment the following year clarifying the extent of the unreasonableness and the practices for lawfully calculating fees.

MTF and Sportzone appealed both decisions to the Court of Appeal, which dismissed their appeal in March 2015. They then took their case to the Supreme Court in November last year. The Supreme Court instructed MTF and Sportzone to pay \$25,000 plus reasonable disbursements towards the Commission's costs, stating that credit fees should only cover costs that are closely related to the particular loan transaction.

According to the Commerce Commission's draft consumer

is of course subjective and the draft fees guidance provided by the Commerce Commission is intended to remove some of that uncertainty," says executive director of Financial Services Federation (FSF), Lyn McMorran.

"Fees must be disclosed before a loan contract is entered into, which means that lenders must set their fees in advance. Therefore lenders must estimate what their costs are likely to be –

be reasonable and reflect its costs in setting up the loan. Usually the finance company's establishment fee and the dealer's fee will be disclosed separately to the customer," says head of governance and board liaison for Heartland Bank, Kate Watt.

"The most important thing to remember is that a lender can only recover costs through fees, not profit".

#### "It is now beyond doubt that fees under consumer credit contracts cannot be used to recover general business costs or to generate profits."

#### - Commerce Commission's draft consumer fees guidelines

fees guidelines document, "it is now beyond doubt that fees under consumer credit contracts cannot be used to recover general business costs or to generate profits."

The guidelines also state that credit fees and default fees charged under a consumer credit contract must be reasonable, and it is a criminal offence to provide for a fee that is unreasonable. "The concept of "reasonable"

and be prepared to justify these if the Commerce Commission requested them to do so."

In the instance where there is a set up fee and the finance company and the dealership splits the fee, "the fee received by the finance company should never be more than its own costs in establishing the loan - and it will have had to make sure of this by conducting a full 'cost accounting' analysis. The fee received by the dealer should also

#### **INTEREST RATES**

When it comes to charging interest rates, the rules are quite different and the draft guidelines state that although fees are restricted, interest rates can include added costs, as long as the interest rate is disclosed to the borrower and not set at an oppressively high level. "Again, what is 'oppressive' could be seen as being subjective but there is no such thing as an interest rate cap in New Zealand law," says McMorran.

According to Watt, the aim is to force lenders to generate profit through interest only, which makes it easier for consumers to compare the true cost of different credit offers. "Competition in the market will always temper interest rates".



McMorran is not so sure that the interest rates will remain at a manageable level and she states that the FSF has a fundamental problem with the fees provisions as they stand in the CCCFA and she believes that the interest rates could now rise because of the law changes.

"The Sportzone case was taken in part because the Commission believed that there needed to be a precedent set that provided transparency around fees to consumers. The FSF would argue that in fact the outcome of the Court cases has achieved the opposite result in that only those directly-related costs can be recovered through the fees and any indirect costs such as operating costs etc, must be recovered in the interest rate.

"The interest rate should reflect the cost of funds, the risk associated with the particular loan and the borrower's characteristics and allow for profit to be made. Before the CCCFA

came into force in 2003, lenders were required to disclose to borrowers the finance rate, which was the way to demonstrate to borrowers how much more than the principal amount they were being required to pay. This made comparison between one credit offering and another more clearly in our opinion".

As a money lender or a

dealership that handles finance, it is important to check that all fees are above board. If there is any concern that the fees do not

fit into the 'reasonable' category, it is important that the rates are re-evaluated and changed, in accordance with the law.

Dealer services and mediation manager for the MTA, Tony Everett, says that there are many ways to work out how much you can legally charge. "Finance companies will be well placed to see the range in dealer fees and perhaps provide some guidance on what might appear to be substantially different from the 'expected' given the size and scale of the respective dealer."

SUBMISSIONS TO COMMISSION Although the guidelines have

been printed and are available on the Commerce Commission website, they are not set in stone and the Commission

is currently welcoming feedback from interested parties.

McMorran says that the FSF will be providing feedback on behalf of its members and it is likely that individual members will also respond on their own behalf. "The submissions process

is not restricted, so anyone who feels strongly or who is affected by the guidelines, can provide a submission, remembering that the fees provisions in the Act are what they are and are not likely to be changed any time soon".

"Anyone can make a submission. We need to recall that the courts issued guidance as part of earlier decisions, so Commerce Commission guidelines will reflect those Court interpretations. It will therefore be surprising to see the Commerce Commission guidelines change in any substantive manner as a result of the consultation process," says Everett.

Submissions should be emailed to creditfeesubmissions@ comcom.govt.nz or posted to Credit fees submissions, Commerce Commission, PO Box 2351, Wellington 6012 by 5pm on 25 October 2016.

The Commission will review all feedback and finalise the quidelines early in 2017. 

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# Complaints about car retailers rise

ar sellers who misrepresent quality or fail to provide correct information have been rebuked by the Commerce Commission.

The commission's 2016 **Consumer Issues Report shows** official complaints about motor vehicle retailers have increased 70 per cent since 2013 and 20 per cent since 2014.

The annual report, released publicly for the second time, shows issues affecting New Zealand consumers, using data from 2015.

"Consumers complain to the commission most about price (26 per cent), goods (23 per cent) and services (22 per cent)," commission chairman Mark Berry says.

"One-quarter of our Fair Trading Act complaints relate to just 21 traders."

However, the Commerce Commission acknowledges

complaints do not necessarily indicate breaches of the law or consumer harm.

While complaints about motor vehicle sales have increased, the industry is not the most complained about sector. That wooden spoon goes to the telecommunications industry and domestic appliance retailers, who each represent nine per cent of complaints under the Fair Trading Act.

Motor vehicles retailers represent six per cent, or 304, of the 5,073 Fair Trading Act complaints.

The increase in complaints about the car industry was driven by complaints of misrepresentations about the quality of vehicles sold, and the coverage of warranties and guarantees, the report says.

**Consumer Information Notices** (CINs) were mentioned in 97 complaints. Failure to supply a CIN

Fair Trading Act complaints The three most complained about industries were

was often included as a matter additional to the main issue.

The Consumer Issues Report names 2 Cheap Cars as the most complained about trader, with 13 complaints.

About 85 per cent of the motor vehicle complaints related to non-Motor Trade Association members.

Thirty-five complaints to the Commerce Commission alleged the seller was "in-trade" when selling online, but had not disclosed their trade status. Those who sell more than six vehicles a year are required to be licensed.

Some sellers may be tempted to stay as a "private" dealer because of financial advantages of being outside consumer law, the report says.

However, there are consequences: the Ministry of Business, Innovation and Employment's National Enforcement Unit, which polices the Motor Vehicle Sales Act, obtained 11 convictions for unregistered motor vehicle trading in 2015.

The Motor Vehicle Disputes Tribunal received 258 applications and ruled on 154 complaints in the 2014/15 year. Of the complaints heard, 130 were decided under the Consumer Guarantees Act and 20 under the Fair Trading Act.

Twelve per cent of applications to the tribunal were for vehicle purchases made sight unseen or inspected over the internet.

Overall, the Consumer Issues Report shows an issue with buying online: online trading generates

about twice the level of complaints as purchases made in physical stores, and represents about a third of Fair Trading complaints.

The Commerce Commission also considers credit-related complaints and says vehicle lending continues to be perceived as a "significant problem".

Finance companies generated the most complaints (43 per cent) under the Credit Contract and Consumer Finance Act.

However, motor vehicle finance providers generated nine per cent, or 14, of the 164 credit complaints.

The report names Aqua Cars as the most complained about lender, with four complaints.

The vehicle finance complaints were generally specific to each lender's practices, with the exception of six complaints about advertising perceived to be in conflict with the responsible lending provisions, the report says.

The most complained about issue is the loan-to-value ratio of older, second-hand vehicles bought on credit, with the value often being much less than the credit amount.

"The most common scenario is when the borrower falls behind in payment and is unable to rectify the default; the vehicle gets sold for its true value, and the borrower is left with no vehicle and, in many instances, owing a significant sum," the report says.

The report favours alternatives to motor vehicle finance providers, such as micro-finance offers from budget advisors to qualifying clients.

The Consumer Issues Report was produced by the Commerce Commission primarily as a planning tool, Dr Berry says.

"However, we choose to share the report publicly as we believe the information is of wider interest and benefit to consumers, traders, advocates and community groups."

The commission gets almost 10,000 phone calls and emails each year. It received almost 5,500 complaints in 2015, up by 8.7 per cent on 2014. 🕣

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There's a revolutionary new multimedia system that's taking Kiwi car dealers by storm —The new OEM Lumina Audio Series.

For those in the industry, Lumina is a saving grace. It not only ticks all the boxes for technology loving customers, it offers a level of quality and reliability that has been missing in the local market.

Designed specifically for New Zealanders, and four years in the making, the OEM Lumina Series is loaded with all the latest features available internationally, but tailored for our way of driving and crucially – made to last. It's hard to tell who's happier, customers or dealers.

The OEM Lumina Series offers a wide range of units, from universal to modelspecific. Each unit combines an extraordinary range of features in one simple crystal clear system.

Kiwi drivers are thrilled with the New Zealand GPS mapping, seamless Apple and Android device compatibility, full colour reversing camera and superbly easy-to-use touch screen.

The system takes entertainment to another level, offering a DVD and CD player, MP3/MP4 Music and Video Compatibility and Bluetooth media streaming.

The Mirror Link feature has also been a hit with smartphone-savvy customers, and the universal units with mapping are being snapped up at \$400 + GST.

# "RELIABILITY & GOOD OLD-FASHIONED SERVICE IS REALLY THE BACKBONE OF OUR SUCCESS."

The man behind the OEM Lumina Audio Series, Paul O'Connor, is a long-time professional in the Kiwi car industry. After years of battling with not-quite-right audio systems, he decided to stop looking to other countries to create the perfect audio system for Kiwis and instead, do it himself.

The result has been remarkable. In the short time since launching the Lumina Audio Series, word has spread and O'Connor has been amazed by the positive response. He believes the secret to the unit's popularity is simple, "You can have all the features in the world, but if the quality's not there, it's moot. To me, reliability and good old-fashioned service is the backbone of our success. Kiwis love the bells and whistles but they really appreciate a good quality product from a local business they can trust."

O'Connor and his team employ quality control checks at every point of the design and manufacturing process, even personally 'bench testing' each unit before it goes to the end user. "It's a labour of love," says O'Connor. "I feel responsible for each and every unit we sell and I want it to exceed expectations. That's my goal." True to his commitment to quality and service, O'Connor provides a 2-year warranty on the system, a unique information folder and a helpline customers can call at any time.

Judging by the buzz on social media, Lumina users are feeling the love. As OEM continues to win over the hearts of drivers around the country, there's no doubt we'll be hearing more from this little Kiwi company that could.

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# Toyota most valuable brand

ranking of the world's most valuable car brands shows a big advertising spend is good, but an emission scandal and labour unrest is bad.

Toyota once again topped the 2016 list, while Volkswagen and Hyundai suffered significant falls.

The list was produced by brand valuation consultancy firm Brand Finance in time for the Paris Motor Show.

Toyota reinforced its position as the world's most valuable car brand, increasing its value 23 per cent in the last year to NZ\$59 billion, extending its lead over secondplaced BMW to NZ\$11 billion.

The secret of Toyota's success could be due to its advertising spend: it is in the top 10 of advertising spenders in the US



The emission scandal and departure of CEO Martin Winterkorn. resulted in a massive loss for Volkswagen

from any industry, investing 1.6 per cent of revenue on marketing, advertising and sales promotion in 2015. This investment is clearly paying off, with revenues increasing 50 per cent since 2010 according to Brand Finance.

The popularity of services such as Uber is also aiding Toyota for now, with Prius the model of

choice for many drivers with the ride-sharing service.

Volkswagen has gone into reverse thanks to its emissions scandal. The VW brand is down 39 per cent to NZ\$26 billion.

Fortunately, other group brands have been unaffected. Audi increased 3 per cent, Bentley 16 per cent and Lamborghini 22 per cent.

Hyundai is the worstperforming of any major car brand this year, with its brand value falling 56 per cent.

Hyundai is plaqued by labour unrest, with 50,000 union members downing tools in September. This disruption and sluggish sales are hitting the bottom line: Hyundai posted its 10th consecutive profit drop for the April to June 2016 period, 

#### The top 10 most valuable auto brands in the world

**Toyota** NZ\$59b (**1**23%)

NZ\$48b (16%)

**Mercedes-Benz** NZ\$44b (17%)

**Ford** NZ\$27b (**₹**3%)

Honda Nz\$26.5b (**₹**14%)

Volkswagen NZ\$26b (**₹**39%)

Nissan NZ\$24b (₹2%)

**Audi** NZ\$13.5b (**1**3%)

Chevrolet NZ\$12b (125%)

Hyundai NZ\$11.7b (\$56%)

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# Dixon to headline Legends of S

or those with a need for speed and a passion for the sport of motor-racing, the Legends of Speed is a black-tie event not to be missed.

Presented by the Giltrap Group, the event will provide an opportunity for corporate New Zealanders and motorsport luminaries to meet each other and network.

The event will include fourtime IndyCar champion and Indianapolis 500 race winner, Scott Dixon and top international motorsports stars including Hyundai World Rally Championship crew and Argentinian Rally winners Hayden Paddon and co-driver John Kennard, as well as World Endurance champion and factory Porsche driver Brendon Hartley and Le Mans 24 Hour winner and Porsche factory driver Earl Bamber.

V8 Supercar fans won't miss

out either, with representation from a range of stars including Scott McLaughlin, Fabian Coulthard and Shane van Gisbergen. Fourtime Bathurst winner Greg Murphy will also be in attendance.

Other drivers will include GT and Porsche racing icon Craig Baird, Asia Porsche Carrera Cup champion

Chris van der Drift and Japanese Lexus Super GT driver and current Japanese Formula 3 champion Nick Cassidy.

"For the size of our population, NZ is extremely well represented in



global motorsport by an outstanding group of talented young drivers and also engineers who all strive to make a success of their careers and leave their mark in motorsport history," says event organiser Peter Johnston.

"The Giltrap **Group Legends** of Speed event will bring most of these drivers home

for a spectacular one-off night of celebration. There has never been a time that so many of the current stars have had an opportunity to be together for an event like this."

Alongside some the NZ's top

drivers, the event will include a display of some of the world's most exclusive supercars, as well as a motorsport memorabilia auction. which will feature a range of racing experiences and treasures.

Proceeds raised from the event will be donated to assist with funding of the New Zealand Elite Motorsport Academy and to support the current Bring Back World Rally Championship (WRC) New Zealand campaign.

For decades the NZ round was one of the key rallies in the world championship and was hugely popular with the drivers, teams and spectators. The campaign has been effective but still needs further funding to secure the rally.

Tickets for the event, which will take place on November 25, at the Vector Arena in Auckland, are available at the event's website, www.legendsofspeed.co.nz 🕤

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# Colonial Motor Company profit up

olonial Motor Company has posted a record profit but is set to part company with its BMW franchise.

The Wellington-based business has announced a profit of \$19.2 million after tax for the 2016 financial year, with its main brands, Ford and Mazda, both increasing market share.

The company, which owns 15 car dealerships throughout the country, primarily sells Ford and Mazda, as well as Nissan, Hyundai, Isuzu, Kia and Peugeot/ Citroen.

Sales have continued to do well partly thanks to the popularity of the Ford Ranger, which is the number one selling vehicle in the market, and the Mazda2 and Mazda3, which fit the light vehicle market.

Colonial Motor's annual report states that the continuing





#### "It is very sad to see the dealership go. Even though we no longer have the dealership, we will continue to develop new facilities." -Jim Gibbons, Colonial Motor Company

strong NZ dollar has driven bestever prices and value for the new vehicle market, with SUVs and light commercials making up a lot of the growth segments.

Profit was up 18 per cent on last year's \$16.3 million.

The directors have declared

a fully-imputed dividend of 27 cents per share to be paid on October 17, 2016, with a record date of October 7. The value of the distributions for this year will be \$13.1 million, which represents 68 per cent of the trading profit after tax.

#### FRANCHISE DEAL OVER

The profit announcement comes on top of news that Colonial and BMW have decided not to renew their franchise agreement.

Colonial has held the franchise since 2014, when it purchased it from Jeff Gray after he retired.

According to reports, Jeff Gray BMW was founded in Hawke's Bay in the 1970s, before expanding to Palmerston North in 2000, Wellington in 2007 and Christchurch in 2009.

"The contract was not renewed with Colonial Motor Company, following discussions between both parties and a mutual agreement," says corporate communications manager for BMW, Paul Sherley.

"It is very sad to see the dealership go," says chief executive officer of Colonial Motors, Jim Gibbons. "Even though we no longer have the dealership, we will continue to develop new facilities."

In regards to staff-members who currently work at the Colonial Motor Company BMW dealership, Gibbons says "we will certainly be making sure that staff have jobs to walk into. This is simply an announcement and there is a lot more work to be done to ensure that everything is completed."

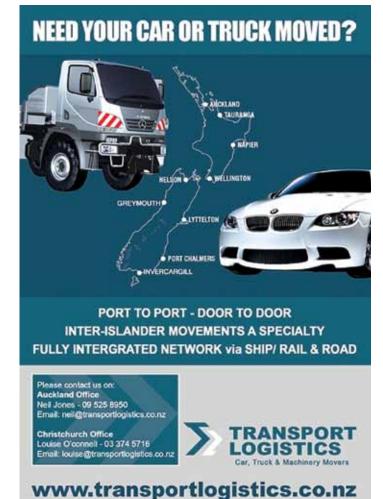
Although the decision has been made for the franchise to change hands, Sherley says that the details of the new arrangements with Winger Group and Mathew Barr cannot be disclosed due to commercial reasons.

"Matthew Barr is highly experienced in the Canterbury region and benefits not just from current local knowledge and presence, but brings extensive business experience and a strong focus on customer satisfaction," says Sherley.

"Winger Motor Group is also a very experienced group with a number of marques in their portfolio, and the addition of BMW provides them a new and desired opportunity within their portfolio."

Winger Motor Group will take on the Hastings, Manawatu and Wellington area, with dealer principal for Christchurch Mitsubishi, Mathew Barr appointed to take over BMW and Mini in Christchurch.

An unconditional agreement to sell the dealership to Winger Motor Group and Mathew Barr will take place as of November 30, this year. ⊕







new era of electric vehicles (EVs) were the focus of the biennial Paris Motor Show, which has traditionally focused on diesel engines — the dominant car type in Europe.

The show, officially known as the Mondial de l'Automobile, has been held since 1898. But diesel was almost a dirty word at the show, thanks to the Volkswagen emissions cheating scandal and revelations of lax European emissions regulations.

Highlights of the energyefficiency focus included a powerful electric SUV coupé by Mercedes-Benz, Generation EQ. With two electric motors, output can be increased to 300kW thanks to scalable battery components. The Generation EQ has a range of up to 500km, maximum torque of up to 700Nm and accelerates to 100kph in under five seconds.

Mitsubishi also introduced a range of petrol-electric hybrids and all-electric vehicles, including the world premiere of the GT-PHEV Concept, a next-generation crossover SUV. Powered by Mitsubishi's plug-in hybrid electric vehicle (PHEV) system, with three high-output motors, the model has an electric-only range of 120km and a combined hybrid cruising range of over 1,200km.

Toyota, which boasts as being the first to introduce plug-in hybrids, unveiled a fourth-generation Prius. Improvements include a dual motor EV drive system, battery warming system, EV range-extending solar Mitsubishi's GT-PHEV Concept

Toyota's fourth-generation Prius

The Volkswagen I D

roof and gas injection heatpump auto air-conditioning. The EV range doubled to over 50km and maximum EV speed increased from 85 to 135kph.

However, the new Prius was almost outshone by Toyota's FCV Plus, a fuel cell vehicle that can generate power, using its own hydrogen tank and hydrogen stored outside the vehicle. The FCV Plus can provide electricity to other cars and local power grids when

parked, while its fuel cell stack can be removed and reused as an electricity generating device.

BMW also showcased a revised i3 electric car, which has an upgraded battery that can be retrofitted to existing vehicles. Thanks to higher-energy-density lithium-ion cells, the 94Ah battery increases the driving range from 190km to 300km, or 200km under real-world conditions.

Even Volkswagen introduced

new electric vehicle technologies at the show – unveiling the I.D. car concept. The I.D., set to go into production in 2020, is powered by a 125kW electric motor, with a range of up to 600km. VW hopes to make the I.D. car fully autonomous by 2025. The "I.D. Pilot" will be activated by touching the VW logo on the steering wheel, which then disappears into the instrument panel.

However, the Paris Motor Show was not just about electric cars

– it was also the stage for world premiere of a number of luxury, and traditional petrol and diesel vehicles.

The Lexus UX Concept was debuted at the show, Lexus' vision for a compact crossover SUV of the future. This includes a dashboard with innovative 3-D, Human Machine Interface (HMI) technology, breakthrough seat technology to enhance the driver experience and design features, such as slim e-mirrors.

Italian performance carmaker
Abarth dropped its top at the show
by unveiling the 124 Spider, an
open-topped sports car set to arrive
in New Zealand in time for summer.
With a 1.4-litre four-cylinder
turbo-charged engine, it has a top
speed of 232kph and goes from 0
to 100kph in 6.8 seconds, paired
with a six-speed manual gearbox.
The seatbelts fit Constant-Force
Retractors to control the degree of
force applied by the belt and the
Visibility Plus pack includes selflevelling, adaptive headlights.

# Getting prospects across the line

was asked recently by a dealer principal, what I felt would be the most important factors for him to focus on, when trying to increase the chances of a customer doing business with him, once they came in contact with the dealership.

My response, "focus on simplicity, transparency and the efficiency of doing business with you". Let me breakdown what I mean by that.

We are all so time poor these days and your prospective customers are no different. You need to take up as little of their time as possible, but still present them with as much information as you have available for them to make their decision quickly. Additionally, if you can also make the car buying process extremely easy and very transparent, your customers will ultimately appreciate your professionalism and have an appreciation of you really wanting to help them find a solution to their need.

This experience not only contributes to increased conversion of leads, but also increases referral opportunities from your new customer. You want them to share their positive experience with family, friends or those they come into contact with that could be in the market to buy a new car.

If you make it hard to do business with you, obviously you will decrease your chance of conversion and referral. Surprisingly this is where many dealerships today have not evolved to where their customers are, and the way they want to do business. It's all very well turning up the customer service around the sales process once they visit your dealership, but if that is all you do, then you are working with a much smaller number

of leads than another dealership that is more aware and focused on the experience that must be delivered before they arrive on the yard. That prospective customer has made contact with your dealership for a reason, and that is they are in the market to buy a car and you have what they are looking for.

Some quick, easy questions to think about for your customer's off-yard experience:

- How quickly do you answer the phones or respond to email enquiries?
- ► How well do you respect the way in which the customer has chosen to communicate?



MARK GREENFIELD Motorcentral

answer every question the customer has asked?

How well do you convey the process and the ease of test driving a vehicle, trading in a customer's vehicle, or utilising the finance and insurance options you

▶ How well do you

have available?

If they want to stay behind the keyboard, then let them. The more you respect their process, the more confidence and trust they will place in you.

Automotive professionals should be just that, professional. It sounds simple and easy but is often overlooked as old school sales tricks come out to play, which frankly with today's consumer, get you nowhere.

Dealers are always keen to increase enquiries but as I say to them, you need to ensure you have your processes and the way in which you engage your

customer mastered first. At that point you will increase enquires, and you will convert more of them than ever before. Why spend thousands of dollars attracting customers to then push them away through poor experience and lack of procedures.

Once a customer has decided to visit the dealership the chances are you are just one of two dealerships they have chosen to purchase their next car from. So, well done getting to this point, but the next phase is very much yours to win or lose.

It still shocks me that there are vehicles on some dealerships that are poorly presented with flat batteries, fuel lights on, fogged up windows, mud and stones on the floor mats, or in need of a wash. The car might as well have STAY AWAY, DON'T BUY ME caution tape around it. This is a sure way to either turn away that interested customer, or provide them with reasons to ask for a discount. So much money gets spent generating enquiries from prospective customers but is then is wasted away across these very simple and easy areas that could be improved.

So it's quite simple really, step back and look at your dealership, your vehicles and your process of engaging with customers whichever way or form you come in contact with them. Look at it from their perspective and see what areas you could improve upon. The chances are that if you can improve, make those changes, for no extra expense it could be the easiest way to sell more cars.



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# Port of Sakai-Semboku event coming to Auckland

he opportunity to network and meet industry insiders involved with importing vehicles from Japan, will be offered during the Port of Sakai-Semboku promotion, which will take place in November at the Hotel Mercure in Auckland.

The promotion will include

an opportunity for vehicle importers, dealers and government officials to discuss the

discuss the varied benefits of importing vehicles from the

Osaka-based port.

The port of Sakai-Semboku

The port of Sakai-Semboku is bordered by the Yamato River and extends across three cities, including Sakai, Izumiotsu and Takaishi. The port encompasses a harbour district of almost

9,000 hectares, extending 14 km north to south (the Yamato River in the north and the Osaka-Wakayama prefectural border in the south), and stretches roughly 10 km out to sea.

Sakai-Semboku is known as a base for shipping a wide range of products due to its multipurpose international

> terminal, which has been developed to accommodate large vessels and handle an increasing volume of

container cargo.

The port specialises as an base for used vehicle exports.

The event will take place on the November 11, from 4pm - 5:30pm and registrations can be received by emailing HigashinoK@mbox. pref.osaka.lg.jp. ⊕

## **NEWS** in brief

#### Singapore car exemption changes

NZTA has been reviewing the exemption process and has identified areas that need change.

At compliance, used vehicles imported from Singapore have a technical letter provided that has been issued by the Singapore Land Transport Authority that records vehicle exhaust emissions.

From a border-check date of December 1 this year onwards, NZTA will no longer grant exemptions for cars that show the emissions test method of 96/69/EC.

NZTA will still process exemption applications for cars border-checked before 1 December 2016 that have been certified to 96/69/EC, with emissions gaseous values better than Euro 4 requirements (CO: 1.0, HC: 0.10 and NOx 0.08).

#### Businesses sparking over EV package

The Government has delivered a promising electric vehicle package thanks to collaboration with business.

The new Electric Vehicles Partnership Programme outlines a range of measures to encourage EV uptake, including an EV target



of two per cent of the vehicle fleet by 2021.

Measures include extending the Road User Charges exemption until two percent of the light vehicle fleet is electric, and creating a contestable fund of up to \$6 million per year to encourage low-emission innovation.

The Sustainable Business Council is pleased with the Government's commitment, says executive director Abbie Reynolds.

The council is particularly pleased to see bulk purchase, across the public and private sector, included in the programme and has high hopes for the Inland Revenue review of depreciation rates and Fringe Benefit Tax calculations, she says.

Other measures in the programme include: an information and promotion campaign; clarifying the regulations for charging infrastructure; addressing barriers to owning electric vehicles; empowering road controlling authorities to allow EVs to use bus and high occupancy vehicle lanes; investigating bulk purchase of EV by public sector and commercial fleets; and a leadership group comprising representatives from Government, industry and local government.

#### Bently trials concierge fuel service

Luxury carmaker Bentley is trialling a mobile fuel-delivery service, so owners never have to stop at a fuel station again.

Noted as the "ultimate time-saving luxury", the appbased service is being offered to Californian customers, thanks to a partnership with US start-up Filld.



All owners need do is open the Filld for Bentley app and choose a delivery time. Their fuel will be delivered wherever and whenever they require – customers don't even need to unlock the fuel cap or identify the car's exact location, as this is done for them through the secure service.

Bentley and Filld foresee additional benefits in the future, including predictive fuel ordering – where the car places an order for itself based on fuel level, location and customer preferences.  $\oplus$ 

# New Outlander rises to occasion

he new Mitsubishi
Outlander was launched in
October, with even more
features and benefits added.

The seven-seater SUV includes three rows of seats, with the back rows folding down flat for extra cargo capacity. For more legroom, the second row can also be pushed forward.

The vehicle comes in a variety of models including the 2.0L (2WD) and 2.4L (4WD) MIVEC petrol engines.
The 2.0L delivers 112kW and 193Nm of torque with fuel economy of 6.8L/100km and emissions of 158g/km of CO<sub>2</sub>, whereas the 2.4L generates 126kW and 224Nm and has fuel stats of 7.2L/100km and emits 167g/km of CO<sub>2</sub>.

The diesel engine has been upgraded from 2.2L to 2.3L – delivering 112kW and 366Nm of torque and fuel use numbers of 6.2L/100km and 162g/km of C02.



A rear-view camera assists the driver to reverse with confidence and Mitsubishi's RISE body construction, ABS, active stability control, active traction control and hill start assist features all amount to an SUV which rates 5-stars in ANCAP safety tests.

As well as being equipped with an auto high-beam function, which automatically turns on if no vehicles are in front or approaching, the 2WD XLS includes Lane

Departure Warning technology. Its safety package also includes Forward Collision Mitigation and Adaptive Cruise Control systems, with radar and a camera in the top of the windscreen for improved safety and pedestrian recognition.

The 4WD XLS and VRX models include rear-cross traffic alert, which can sense vehicles approaching from either side. 4WD models further benefit from blind spot warning technology, to assist

lane changing in busy traffic.

Keeping up with the need for constant communication, the seven-seater SUV includes smartphone display audio. Voice command also allows the driver to keep focused on the road, with the opportunity to play music and make calls via Bluetooth.

Driver comfort is ensured with a wrap-around dash, power steering, intuitive instrument clustering and a telescopic wheel. Passengers are catered for with dual zone air conditioning on all models, and can enjoy music with the smartphone link display audio system via a high power six-speaker sound system. VRX models also feature a sunroof.

The Outlander 2WD LS is available now at an introductory price of \$32,990 plus ORC of up to \$500, which includes WoF, registration and a full tank of fuel. ⊕

## Safety first for new Mazda6

here safety is concerned, the Mazda6 is well catered for, with i-ACTIVESENSE safety features and advanced smart city brake support.

The Mazda6 utilises a forwardsensing camera, rather than an infrared laser. This means that the vehicle is able to sense pedestrians as well as vehicles and can operate at increased speeds (from 4-80kmh for vehicles and 10-80kmh for pedestrians).

The camera can also recognise a range of street signs and the traffic sign recognition software will display visual warnings on the active driving display.

Further evolution of the SKYACTIV-D 2.2L diesel engine

also gives the Mazda6 a quieter and smoother drive, with high-precision diesel boost technology sharpening the engine's responsiveness and reducing lag. A 2.0 litre or 2.5 litre SKYACTIVE-G petrol engine is also available, with a multi-hole direct injection system that minimises fuel use. A unique piston design allows more effective fuel combustion – boosting power and lowering emissions.

The Mazda6 includes a unique energy regeneration system called, i -ELOOP, which harvest braking energy to a capacitor and reuses it to power on-board electrical systems and reduce fuel consumption.

The Mazda6 is priced at \$43,795 plus on road costs. ⊕







hen you come from a family of motor-sport champions, it's probably not a surprise that you will find yourself immersed in the sport, but for Palmerston North born Jono Lester, the passion wasn't always there. "I couldn't escape it growing up, it was everywhere around me."

Lester descends from a strong racing family, with his grandfather Rob initiating the trend when he joined the Manawatu Car Club, after emigrating from Fiji. "He obviously caught the bug from that, and when the Levin circuit was to be shut down, he led the charge to ensure there was a replacement."

After being instrumental in building the now famed Manfeild Circuit, Rob and his wife went on to operate it, until they retired in 2003. "Manfeild was as much a part of our family as the people in it."

Lester's grandfather would pass the baton down to his son and daughter, Richard and Debbie, who would also go on to win national titles in the sport.

Growing up, Lester got more pleasure out of football, playing on the computer "and even school". It wasn't until he was given the opportunity to take a Formula Vee around the race track, for his 13th birthday, that he was well and truly bitten by the racing bug. "The sensation hooked me and I still get



the same great feeling every time I drive."

Once he was old enough to drive on the road, Lester drove around Palmerston North in his first car, a DC2 Honda Integra, "I used to race around with all of the other bogans until I put it in a ditch. I've been a nana on the road ever since", he laughs.

On the racing track, however, the 26-year-old racing sensation, known as "The Octopus", has gone on to succeed at international level, with Super GT stardom always being at the forefront of his mind. "The hardest part is getting in there, but now that I am with a full season ride for next year, the goal is to progress up the ranks and be champion."

Having won the Porsche Factory Junior Scholarship in 2010 and the Steel Trophy which recognises NZ's top junior drivers, Lester became the world's youngest winner of a Porsche Cup race, at the tender age of 17 years and two months.

Fast-forward almost a decade later and Lester is currently competing in the Asian Le Mans series alongside Malaysia's Fairuz Gauzy and Chinese driver Zhang Da Sheng in a McLaren 650S GT3 over four rounds, each comprising three hour endurance races. "The McLaren will be a new challenge for me and one I can't wait to sink my teeth into. I know I will adapt quickly and have a top quality,



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r passed 27 cars in the final six laps to place 5th at the Australian GT Championship at the Clipsal 500

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competitive team", he says. Lester has already been promoted to Super GT just weeks after the season began and is now juggling five programmes, four teams and three different cars this year. "It's been crazy but I'm loving every minute of it." He is also competing in 24 events in just eight months and spends most of his time in Asia.

With a wide range of vehicles to choose from, Lester says nothing comes close to driving the Ferrari 458 GT3. "It fits me like a glove and every time I drive that car it's pure driving pleasure."

For the next year, Lester has confirmed programmes in a Porsche and a McLaren, with the rest being announced in the coming weeks. "The new AMG Mercedes stands out to me and that's been my recommendation to the team for China GT but we'll see how it goes."

Throughout 2016, Lester has been competing in the Super GT as well as the Asian Le Mans Series, GT Asia Series, China GT Championships and the Lamborghini Super Trofeo Asia Series.

When he's not speeding around the track, Lester can be found spending time with his friends. "I'm not home much these days, so I prefer to just relax when I am."

He is also very close with his family. "Any time my family are there with me is pretty special. My father and grandparents have sacrificed far more than they should have for me, but that's what good families do."

Round One of the Asian Le Mans Series will take place at the end of October, at the Zhuhai circuit in China. "This is a significant step enroute to my dream of racing at the Le Mans 24 hour, so I'll be giving it everything I've got." ⊕



# Rally champion offers scholarship to NZ hopefuls

orld Rally star Hayden
Paddon has joined
forces with Hyundai
New Zealand to give a Kiwi rally
driver the opportunity to take a
major step up the rungs in their
rally career.

The Hyundai NZ Young Driver Shootout and Scholarship includes an opportunity to drive the Hyundai NZ AP4 i20 rally car in two rounds of the 2017 NZ Rally Championships. The opportunity also includes testing and training with Paddon, plus the potential for an expanded programme in 2018.

"The Hyundai NZ Young Driver Shootout and Scholarship is the first step of a plan created earlier this year. We want to help grow the sport and help develop the career of a talented young driver - to give a leg up to the next potential Kiwi international rally star," Paddon says.

General manager for Hyundai NZ, Andy Sinclair, says it is incredibly hard for Kiwi drivers to work their way up to the highest levels. "This scholarship will give one lucky Kiwi driver a huge step forward in their rallying career."

In order to apply for the scholarship, drivers need to be aged between 16 and 25 years of age and will need to have contested a minimum of 10 rallies, including four pace-noted rallies.

Judges, including Paddon, will nominate five finalists who, with their co-drivers, will attend a twoday shootout course in Auckland in December.

The course will give finalists and their co-drivers the chance to learn from Paddon, with advice on car set-up, pace notes, driving tips, fitness, sponsorship, and media.

On the second day, finalists will drive the Hyundai NZi20 AP4 rally car through the forest and Paddon and the judging panel of five will assess each driver/co-driver on all aspects of their performance throughout the shootout.

"We're looking for the whole package – personality, motivation and ability to learn and improve, as well as outright performance during the shootout. The winner may not necessarily be competing in the New Zealand Rally Championship at this stage – we are looking for someone that stands out and has the X factor", says Paddon.

Later this year will see the official launch of the Paddon Foundation, which is a separate scholarship that will help more people to enter the sport. 

•

#### SPEED DIARY

**22-23 O**CTOBER

Supercars - Surfers Paradise, Australia

23 OCTOBER

Formula 1 - United States GP, USA NASCAR Sprint Cup - Talladega, USA MotoGP - Australian GP, Australia

26-27 October

World Rallycross - Argentina

**28-30 О**стове

WRC - Rally Great Britain, UK
Asia Pacific Rally Championship
Malaysia

**Australian GT** Endurance - Hampton Downs, NZ

30 Остовы

Formula 1 - Mexican GP, Mexico-NASCAR Sprint Cup - Martinsville, USA MotoGP - Malaysian GP, Malaysia World Superbike - Losail, Qatar

4-6 **N**OVEMBER

Supercars - Auckland, NZ-

**б N**ovember

NASCAR Sprint Cup\_ Texas, USA\_ WTCC - Buriram, Thailand

11-12 **N**OVEMBER

- Australian GT - Highlands Park, NZ-

**13 N**OVEMBE

NASCAR Sprint Cup - Phoenix, USA — MotoGP - Valencia GP, Spain — Australian GT Endurance - Highlands Park, NZ

Formula 1 - Brazilian GP, Brazil

Super GT - Motegi, Japan

8-20 NOVEMBER

GT - 2016 FIA GT World Cup, Macau WRC - Rally of Australia, Australia

0 November

NASCAR Sprint Cup - Homestead, USA

223-5November

WTCC - Losail, Qatar

25-27 NOVEMBER

Supercars - Homebush, Australia

27 NOVEMBER

Formula 1 - Abu Dhabi GP, U.A.E

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# Industry stalwart excited by future

Faced with a choice of following a musical path or putting his car industry career into gear, a long-serving Auckland car dealer struck the right note by choosing the latter

n his younger days, Auckland car industry stalwart Rod Milner fancied himself as a bit of a singer/guitarist.

Making more money doing that as a young man in his spare time than he was working for British Leyland, it would have been tempting to follow that path.

Thankfully, he decided against it, and a landmark legal achievement, along with being one of the first in New Zealand to see the potential that disability vehicles and self-drive technology offered the elderly and the disabled, will mean his vision and hard work will not be forgotten.

Always a car enthusiast, Milner hated his first car, a 1952 Prefect, which he shared with his twin brother. Thankfully it didn't last too long.

"My brother drove it into a drain on the Hauraki Plains so that was the end of that. After it was repaired, my mother would not let us drive it again. It was just too dangerous."

Leaving school at the age of 16, Milner had his first taste of the motor industry alongside his brother, a mechanic, at Hauraki Plains Motors in Ngatea. It was about then that they had saved up enough to buy themselves a 1955 Hillman. "I was doing very well, as one of the youngest car salesmen in the country."

For Milner's 20th birthday gift he received a letter conscripting

him into the NZ Territorial Army, to train to fight in Vietnam if called upon. He then later travelled to Australia for two years, before he came back to New Zealand and worked for British Leyland as a shipping clerk, earning \$40 a week.

In order to subsidise his income, he sang and played the guitar at cabarets and weddings. "I could do up to three shows a night, performing 20-minute floor shows, at \$40 a time. I was making more in a day than I was making in a week.

"I decided that I could be an old pop singer or an old business man, I went down the business route."

By 1973, he had met and married Lee and they lived in Wellington. In order to get back to Auckland he become an area representative there with NZ Motor Corp but after a few years, he was made redundant. "That peeved me off highly. I had done a great job and didn't feel it was fair. But I would not go back to Wellington."

When one door closes, another one opens and Milner was quickly asked by his former boss to work in Manukau Road, selling brand new Hondas. "I topped the sales every month and got myself a job as the original marketing manager for Subaru NZ." He later became manager of Subaru NZ.

It was in 1982 when Milner founded Rod Milner Motors in Greenlane. He decided to make the most of his name, which was



similar to motorsport legend Rod Millen. "I'm a marketing person at heart and I instantly had someone who was recognised. In fact to this day, people still think I'm Rod Millen and ask me if I'm still racing."

Sadly, in 1995, Milner's wife passed away due to breast cancer. The couple had a six-year-old daughter and an 11-year-old son. "I looked at my navel and thought, 'I have to raise two children on my own'. I'm a fairly positive person and my wife had been sick for

three-and-a-half years. When she was so sick and begging to die, I had a long time to think about how I would be on my own, so I knew it was time to make a change for my family."

A few months later, he invited Shanlee, a family friend who was living in Australia, to come to a function in NZ that he was putting on. Once she arrived, Milner took her aside and said "Right, here's the deal. I've decided I don't like being on my









The Japanese and New Zealand management for Daihatsu with Rod, when he owned the franchise in 1990

own. I have two young kiddies and they don't like being alone either. I want someone to spend my life with and, in case you haven't noticed, you're it!"

Although he admits it wasn't the most romantic proposal, it must have worked because four days later, the couple were engaged and

three months after that, they were married at Sydney's Taronga Zoo. They have now been married for 20 years, with two more children added to the family.

"At the age of 70, I have a 12-year-old daughter and a 16-year-old son, with my eldest being 32."

Shortly after getting married, Milner was also struck down with ill health and had to go through a triple bypass. "I had to take a year off in 2000 because I was dying. The only thing I could do was get a heart transplant. I took a year off and went on alternative medication, called chelation therapy."

The alternative therapy helped but it wasn't long before the heart problems came back and, by then, the opportunity to get heart stents was available.

"Since then, I have had 12 stents and they have been a life saver," he says. "I just go in every now and again and if I don't feel well, I get a new stent implanted."

Thanks to his experience nursing his first wife and transporting her in a wheelchair, he realised there was a niche that needed to be looked into when it

came to selling vehicles. "I went to Japan and looked into disability vehicles and once I got them back to NZ, they sold like hot-cakes."

The first chairman of the Licensed Motor Vehicle Dealers Importers Association (now the Imported Motor Vehicle Industry Association), Milner is now working

> on building his already successful business and training his oldest son, Darren, to take over the reins when the time comes. Milner's 28-year-old daughter is currently studying psychology and sociology, with plans to become a doctor of

psychology. "She may come into the company as well, if she chooses to".

His 16-year-old son is planning to become a computer scientist and his 12-year-old daughter loves horses and would like to train to become a veterinarian. "I'm proud of everything my children have achieved," he smiles.

But one of his biggest achievements is the fact that he was the only person to successfully sue the Attorney General, and win. "It has become case law, with every country in the Western world studying it," he says.

The argument began over an import license that Milner paid \$283,000 for, just before the government changed the rules negating the need for it. "It was meant to last me for six months, but a week after, they changed the rules and it was worthless."

Frustrated by the waste of

money, Milner sued. After a 14-year legal battle, he won the case.

Partly due to his success and his experience in the business, Milner recently got involved in another case, this time relating to the Skoda Yeti, which Roger Phillips from U Drive Mobility invented. The self-driving Yeti with Patented Modifications belonging to Phillips is now being built in France, however it has not yet received authorisation to be allowed on the roads here in New Zealand.

After long discussions with NZTA and the LVVTA, Milner and Phillips are now in the middle of

**Auckland Branch** 0800 695 546

cutting through red tape. "Our plan is to have the vehicle back on the road being manufactured in NZ and exported to every right-hand-drive country in the world."

With so many years devoted to the industry, Milner is very excited about the future of vehicle technology. "Self-drive technology will be amazing for disabled and elderly people. Electric vehicles are here to stay, but it will take time. In 50 years time I believe everything will be electric and self-drive - like the Jetsons, but on the ground. I just wish I could be alive to see it."



Shanlee and Rod at a nephew's wedding



email: nz\_vehicleimports@oc.nykline.com

Christchurch Branch 0800 695 2424

# The month that was.... October

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

13 October 1997

#### **IMVDA** grabs initiative

The used import market suffered heavy losses, with fewer cars being sold during September 1997, than any other month in that year. With 18 per cent fewer cars sold, than in the previous year.

This was as a result of continued skirmishes in relation to the resulting media war which related to odometer tampering, which broke out in May of 1997.

An Officials Working Party into odometer readings was set up, which lead to the adoption of a code of practice

by the IMVDA, which will ensure that the 470-plus members maintain minimum business standards. The code will ensure that vehicles sold are accurately described and comply with all safety requirements.

According to the IMVDA, those who fail to adhere to the code will receive disciplinary action which could include a fine, suspension or expulsion from the association.

The IMVDA had hoped to have a code of practice implemented well before now, but its adoption had been put on hold pending changes, firstly, to the Motor Vehicle Dealers Act and then to the Customs Entries Rules.



October 25, 1999 Car cleaning status quo The issue of where imports should be cleaned led to a bitter dispute in 1999 and is still being discussed 17 years later. Discussion back then surrounded whether used imports should be cleaned in Japan or on arrival in New Zealand. According to the Ministry of Agriculture

and Forestry (MAF) it was a 50/50 call, ALLIED FINANCE whereas the IMVDA took a strong stance in favour of offshore cleaning. MAF's revised Import Health Standard (IHS), as it applies to the cleaning

of used import vehicles, is not likely to mandate offshore cleaning in favour of onshore cleaning. A chief technical officer and director of forest bio security, Dr Ruth

Frampton, said that MAF has found that the risk of Gypsy Moth infestation is no better managed offshore or onshore. "Uncleaned cars arriving in NZ may in the rare instance be at risk of eggs hatching before inspection. Cars inspected and cleaned offshore may

become infested during the one to 12 day period prior to shipping. Dr Frampton added that audits were carried out on both offshore and onshore inspection procedures and the only changes to the IHS would relate to processes that have been implemented but not clarified in the standard.

"For example, the standard will now require that hubcaps are removed and inspected - a procedure not specified in the current standard."

Fast forward almost two decades later and the issue still appears to be on the radar for the government agency responsible for bio security, the Ministry for Primary Industries. The cleaning of vehicles and where this happens is still a work in progress, as recently reported in Autofile.

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For more information... Contact: Malcolm Yorston on 0800 046 842 or DDI 09 <u>573 3243</u> Email: malc@imvia.co.nz



October 7, 2005

#### Title security warning

Wholesalers, dealers and finance companies scrambled to protect their interests following the multi-million dollar collapse of high-profile vehicle dealerships.

Venture 4 x 4 Motor Company Limited was placed in receivership on September 23 by UDC Finance and an advertisement was published in a previous edition of Autofile, at the time, warning registered



motor vehicle traders not to deal with almost 64 vehicles which had been sourced from the company.

The advertisement stated that all of these vehicles have personal security interests listed on the Personal Property Securities Register.

According to one finance company executive "The waters become murky even if such vehicles have been listed individually on the PPSR, where vehicles have been traded or on-sold the public.

This will be the first real test of the PPSR in this regard - there is now no fidelity fund to protect buyers."

While industry observers expected a shake-out following the new Motor Vehicle Sales Act coming into force in December 2003, IMVDA chief executive, David Vinsen, said importers and wholesalers should keep a close eye on the market to make sure they are not at risk.

# Subtitles

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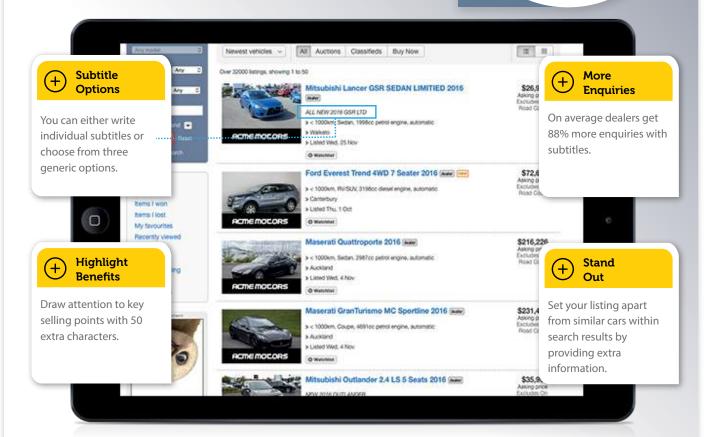
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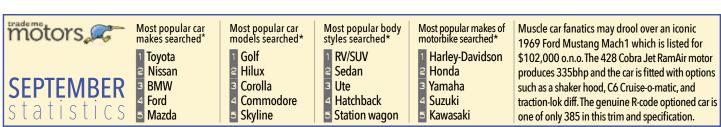
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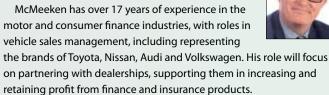


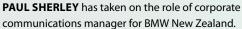
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STEPHEN MCMEEKEN has joined the Mainstream Insurance team as business development manager for the Lower North Island and Nelson/Marlborough areas.





Sherley has long experience in the automotive industry in various product-oriented roles with major brands. He joined BMW Group New Zealand



in 2013, and while currently holding the role of product and pricing manager welcomes the opportunity to join the international product communications team. Sherley replaces recently appointed manager Garry Ferris, who has left the company for personal reasons.

**ALAN INNES** has been appointed as sales manager of Eastwood Motor Group, Masterton and Wairarapa, responsible for sales of Isuzu, Hyundai, Kia and Suzuki.

Innes has over 20 years involvement in the motor



industry from early import days, to sales and business management, and also held the role of operations manager of an auction house.

**VANESSA STODDART** was recently appointed as an independent director for Heartland Bank Ltd. Stoddart also serves on the boards of New Zealand Refining Company Ltd, The Warehouse Group Ltd, Alliance Group Ltd, Tertiary Education Commission and the Financial Markets Authority.



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# Industry movers NZ labour market report

#### IF FIGURES ARE ANYTHING TO

go by, employment opportunities are continuing to increase, however industry insiders warn that salaries do not seem to be improving along with the demand.

According to the latest Ministry of Business, Innovation and Employment (MBIE) Jobs Online report, the occupation groups with the largest monthly increases in job advertisements were machinery drivers and sales, which were up 2.7 per cent and 1.8 per cent respectively.

As a whole, the number of online

"Waikato,

Northland,

and Bay of

Plenty are

massive

growth in

job listings

and show

of slowing

- Jeremy Wade,

Trade Me Jobs

no signs

down"

experiencing

job advertisements grew by 1.4 per cent in August, 2016 and by 14.8 per cent over the year to August, with gains in every industry.

"The strong growth across all industries and occupations points to strengthening labour demand," says MBIE's labour market trends manager, David Paterson.

With the continued focus on housing around the country, trades and services listings jumped 28.2 per cent, while legal enjoying increases of 29.1 per cent and the automotive

industry increasing by 27 per cent.

In the three months to September, the number of new roles listed on Trade Me Jobs rose by 12.4 per cent when compared to the same period last year.

"While the number of applications completed on the site have increased marginally, we've seen the number of applications per listing dip because there's been such strong growth in the number of listings, " says head of Trade Me Jobs, Jeremy Wade.

Statistics NZ reports that the median weekly earnings from paid employment rose \$44, to reach \$924, between the June 2015 and June 2016 quarters. This increase of 5.0 per cent was the largest annual increase since the June 2007 quarter.

"A rise in the proportion of fulltime wage and salary earners, and the number of hours being worked, together pushed up median earnings for workers," labour and income statistics manager Mark Gordon said.

Workers living in Auckland, Waikato, Gisborne/Hawke's Bay and

> Canterbury received significantly higher median weekly earnings from paid employment than a year ago. In the North Island as a whole, earnings increased 7.0 per cent (up to \$944 a week), compared with 2.0 per cent (to \$880 a week) in the South Island

With the cost of living increasing in Auckland, Wade said that New Zealanders outside Auckland don't seem to be put off by the high cost of living in the City of Sails. In the last quarter 12.1 per cent of applications for Auckland roles came from outside the region, up from 11.4

per cent on this time last year.

"The halo regions around Auckland - Waikato (up 28.3 per cent), Northland (up 25.9 per cent) and Bay of Plenty (up 36.5 per cent) - are experiencing massive growth in job listings and show no signs of slowing down," says Wade.

Salaries were strong this quarter in the regions, particularly in Gisborne and Nelson/Tasman, which both saw a jump in average salary of 5.6 per cent and 4.5 per 

# Never judge a book by its cover

hroughout my travels around the country in the last month I am pleased to hear from sales managers and dealer principals alike that they are investing a lot of time and energy into recruiting the right people and training them the right way for the dealership to succeed.

I can remember as a youngster, many years ago, heading out with my parents to upgrade the family wagon. Then hearing them comment on overzealous salespeople hounding them as soon as they walked onto a yard or pressuring them into buying something that they didn't really want. Times have changed since then of course and dealerships and their trainers have adopted a more open friendlier approach. One instance of this is the café style showrooms as opposed to the old 'closing rooms' of the '80s and '90s.

Although I wonder at times whether some are far too relaxed and slipped back into falling for the old mistake of judging a book by its cover?

We have all heard

similar stories and I

myself have had two examples brought to my attention in as many weeks through close family connections. The first case is where a close family friend did his research online initially before heading to a prominent franchise with the money ready to purchase a particular vehicle for his wife. It was a Saturday mid-morning, he had finished mowing the lawns jumped in his car and arrived at the dealership. There was very little foot traffic on the yard, he spotted the vehicle he was there to see and test drive. He spent 15



SIMON MOORE Motor-trader development manager Protecta Insurance

to 20 minutes walking around it, opening every door and even the bonnet. Not one salesperson approached him, perhaps it was too windy, too cold or perhaps because he was dressed so casually they figured he couldn't afford the vehicle. So frustrated by this, he

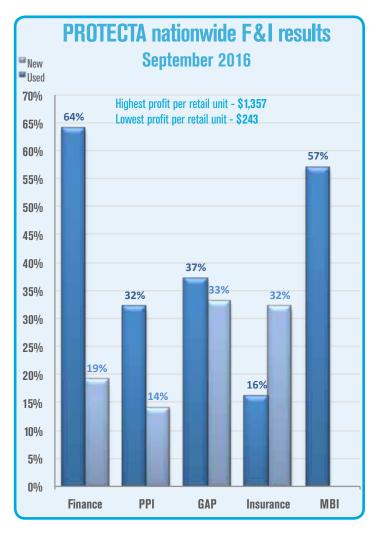
gave up and went next door, and purchased a brand new version of the competitor's equivalent model with cash.

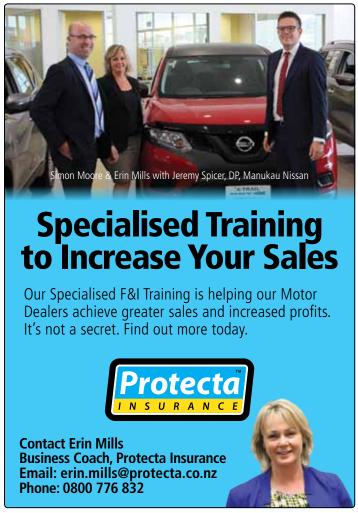
The second scenario was only last week where a relative had purchased the same brand through the same dealership for over 20 years, upgrading every two years. He took my two children to brunch in the school holidays and had planned to go in and order his new vehicle, even telling my daughter

she could choose the colour. After walking around for 10 to 15 minutes and, unable to coax someone out of their office or away from their desks, they left the premises. He was looking at a pre-reg vehicle at that site before heading across town to sign up on a brand new \$76,000 vehicle 24 hours later. A repeat customer lost for good because someone didn't get up off their backside and simply say "Hello how may I help you?"

Two of the easiest sales transactions walking out the door. In both cases they were genuine cash buyers who didn't require finance but took additional addons like comprehensive insurance and paint & fab, additional revenue a competing business manager happily banked.

Please don't let your sales team make the same mistake of judging a book by its cover! ⊕





# Buyer rejects convertible after water leaks through window seals

#### **Background**

Steven Lloyd bought a 2008 BMW M3 convertible for \$53,995 from Industry Motors Limited on April 9, 2016. The vehicle had travelled 74,755kms according to the vehicle offer and sale agreement signed by the parties.

Lloyd said the vehicle's roof leaked and was not of acceptable quality. He said the failure was of substantial character and wanted to reject the car. The purchaser asked the tribunal to rule in favour of his rejection of the car and a refund of its purchase price.

The trader said it was willing to rectify the fault which had caused the vehicle's roof to leak but the purchaser had not given it a reasonable period in which to do so. The trader wanted its repairer, BM Workshop, to replace the seals in the vehicle. The dealer said the fault was not of substantial character and the buyer was not entitled to reject the vehicle.

#### The case

The purchaser said that during the week after he had bought the vehicle, he washed it and after doing so noticed a puddle of water on the floor of the car. He said he returned the vehicle to the trader on April 19.

He said the trader had possession of the vehicle for a day or two, and an employee confirmed the vehicle was leaking.

Lloyd took the vehicle back to the trader on April 26 and it

arranged for the BMW to be seen by Jerry Clayton BMW. Jerry Clayton BMW gave the trader a service estimate dated April 28 of \$8,447 to replace the front, middle and rear roof seals, side windows and fastenings. Lloyd said he recovered the vehicle from Jerry Clayton BMW on April 30 and on May 1 he sent the trader a letter rejecting the vehicle due to the water leak.

The buyer said he has since found a water leak from the front windscreen of the vehicle. He was concerned that water entering the vehicle may have damaged the electrical systems and considered the failure to be of substantial character.

Lloyd also produced an email from Jerry Clayton BMW which stated the centre roof seal and the front and rear seals must be replaced to ensure it sealed properly. The email said: "BMW NZ have strongly advised that all seals need to be replaced together to prevent any further water entry."

The trader said when he took the vehicle to Jerry Clayton BMW, it was unable to get it to leak; a claim denied by Lloyd. The trader said it wanted to have the vehicle seen by its repairer, BM

It said Jerry Clayton BMW had a "franchise mentality" toward imported BMW vehicles and it was not unreasonable to want a second opinion.

The purchaser said he did not want substandard repairs

which could result in the vehicle leaking within a year and would prefer to have Jerry Clayton BMW replace the seals.

#### The finding

In determining whether the vehicle supplied by the trader complied with the guarantee of acceptable quality, the tribunal considered the age, mileage and sale price of the imported M3 convertible.

The tribunal preferred Lloyd's evidence he had seen the vehicle leaking water to that of the trader which sought to claim, without any evidence, that the BMW did not leak. The tribunal ruled no reasonable consumer would regard a \$53,995 convertible BMW with a water leak as acceptable.

Therefore, the tribunal found the BMW was not of acceptable quality under the act because it was neither free from a minor defect at the time of sale, nor as durable as a reasonable consumer would regard as acceptable for a vehicle of this type, age and price.

The tribunal found the fault could be fixed and it was the purchaser's obligation under the act to require the trader to remedy the failure within a reasonable time.

Lloyd only gave the trader five days after receiving Jerry Clayton BMW's estimate before he sent the dealer a letter of rejection. The tribunal found this did not give the trader a The case: The buyer wanted to reject his 2008 BMW convertible under the Consumer Guarantees Act because water was leaking into the car. The trader said it was willing to rectify the fault, which had caused the vehicle's roof to leak, but the purchaser did not give it a reasonable period in which to do so.

The decision: The tribunal dismissed the buyer's application to reject the vehicle but ordered the trader to replace the car's front, middle and rear roof seals and side window using genuine BMW parts.

At: The Motor Vehicle Disputes Tribunal, Auckland

reasonable opportunity to get another price for the repair work.

The authority found that the trader was willing to repair the vehicle's leak, which was not a failure of substantial character within the meaning of section 21 of the act, but the purchaser did not give the trader a reasonable time within which to get an alternative estimate to that provided by Jerry Clayton BMW.

The tribunal said it could understand that the buyer did not want a substandard job done on the repairs but the trader knew (or should know) if the replacement of the seals was not done in a professional manner using genuine BMW parts and the vehicle continued to leak, the purchaser had remedy under the act.

#### **Order**

The purchaser's application to reject the vehicle was dismissed.

The trader was ordered to have its repairer, at the trader's cost, replace the front, middle and rear roof seals and side windows on the vehicle using genuine BMW parts. 

①



# Ongoing issues with faulty headlights causes buyer to reject 2005 Touareg

#### **Background**

Tracey Reed bought a 2005 Volkswagen Touareg for \$19,500 from C&R Motors Limited trading as JP Autos on January 5, 2016. The purchaser paid a deposit of \$1,000 and financed the balance of the purchase price and other charges through a collateral finance agreement with Heartland Bank.

Reed said the trader had failed within a reasonable timeframe to fix faults with the vehicle's headlights. She rejected the vehicle on May 23 and wanted the tribunal to uphold her rejection and vest the collateral finance agreement in the trader and for return of all monies to which she was entitled.

The trader asked for another opportunity to fix the Touareg's headlights at its cost.

#### The case

The purchaser test drove the vehicle and had an AA prepurchase inspection done on it before she agreed to buy it. The trader agreed to repair a number of minor faults, some of which Reed contributed towards.

In early February, Reed found three more faults with the vehicle; the headlights were weak, the boot stays failed, and there was a strong smell of petrol. The dealer suggested Reed have her mechanic at Victoria Park Auto Services provide a quote to rectify the faults. This cost Reed \$149 and a copy of the report sent to the trader.

The dealer took the vehicle to R-T Auto Electronics Limited which invoiced the trader \$310 on

February 16 for checking the leftside headlight control system. It reported the headlight control unit was faulty and replaced it.

Two days later, the trader told Reed it had repaired the headlight fault and when the struts arrived it would take the vehicle to Giltrap Motor Group to have the petrol smell rectified.

On March 15, the trader told Reed to bring the vehicle back for repairs. Two days later, the initial fault with the headlights lacking power had returned and a warning light "please check lights" had appeared on the vehicle's instrument panel. Reed returned the vehicle to the dealer which took it to iCool Limited. It diagnosed the headlight fault as a ballast fault and replaced the right-side HID ballast and a HID light bulb on the right-hand side and charged the trader \$230.

The trader took the Touareg to Brodie European Limited which diagnosed the petrol smell as being caused by a leaking left-hand fuel flange unit and replaced it using Reed's Autosure mechanical breakdown insurance policy. It also replaced the right-hand brake light bulb, the right-front park light bulb and charged the dealer \$510.

On April 7, the trader advised Reed the vehicle's faults had been fixed and she collected the Touareg. However, the headlight fault was not fixed and on May 22 the headlights failed again. The next day, Reed sent the trader an email rejecting the vehicle for the ongoing issues with its

headlights. The trader had failed to supply Reed with copies of the repair invoices.

At the tribunal's request,
Reed obtained a report on the
vehicle's headlights from Giltrap
Motor Group Limited. Giltrap
Motor Group confirmed the
headlights flickered, particularly
on the left side if left on for a few
minutes. It scanned the vehicle's
ECU which showed an intermittent
fault with the rain/light sensor
which controls the intensity of the
headlights.

Giltrap Motor Group said the rain/light sensor needed to be replaced. It found one of the xenon bulbs was dated 2002 and the other was 2009 and recommended replacing both bulbs and the ignitors. It also found the right headlight cover for the bulb clip was missing and cable tied and the left headlight holder mechanism was broken. There was water in the right-rear tail light. Repairs were estimated to cost \$4,384 for parts, labour and GST.

The trader asked the tribunal to give it a further opportunity to rectify the vehicle's headlight faults.

#### The finding

In determining whether the vehicle supplied by the trader complied with the act's guarantee of acceptable quality, the tribunal considered the age, mileage and sale price of the vehicle.

The Touareg exhibited faults soon after it was supplied by the trader and the tribunal found it was not as durable as a reasonable The case: The buyer wanted to reject her Japanese imported 11-year-old Volkswagen Touareg under the Consumer Guarantees Act because the trader had failed to fix its faulty headlights after two repair attempts using two different repairers within a reasonable timeframe following purchase of the vehicle. The trader asked for another opportunity to fix the Touareg's headlights at its cost.

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

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

consumer would regard as acceptable for a vehicle of its age, mileage and price.

The dealer took the vehicle to two different repairers to have the headlights fixed. The tribunal ruled neither repairer appeared, from the invoices submitted by the trader, to have done a careful diagnosis to determine the cause of the fault. It was only when Reed had Giltrap Motor Group scan the vehicle that it found a fault code with the rain/ light recognition sensor and after removing both headlights and examining the bulbs found one was made in 2002 and the other was 2009. The trader had promised Reed it would send the vehicle to Giltrap Motor Group and had it done so, the Touareg would probably have been repaired and Reed satisfied.

#### **Orders**

The tribunal upheld Reed's rejection of the vehicle. It also vested the collateral finance agreement in the trader and ordered it to refund payments made by Reed. The trader was ordered to refund the deposit the purchaser paid of \$1,000 and the report costs totalling \$379.

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# Influencing international standards

often hear it quipped that "New Zealand is a standards taker, not a standards maker." I can understand the logic. New Zealand is a small country, with relatively little to no domestic manufacturing, especially in the motor vehicle industry. The majority of our fleet is comprised of imported motor vehicles manufactured to the standards of other jurisdictions. As such, we are required to accept the standards set by those foreign jurisdictions.

Is there a way we can help shape those standards?

Instead of taking a reactive approach to solving the problem, and either following or fighting the standards after they are implemented, we could consider a more strategic recourse. New Zealand (and our industry) should be participating in standards-setting bodies such as ISO and UNECE.

The goal of this effort would be to shape standards from the top, before implementation – and shape these standards to suit New Zealand better. Once those standards trickle down into manufactured goods, we will be able to accept them more readily.

For example, I attended the meeting of the ISO committee TC 204 earlier this month, which convened in Auckland. This committee is the international standards-setting body for Intelligent Transport Systems (ITS).

In the past, we would have reacted as necessary to technology built into vehicles:

modifying it to meet New Zealand standards, or simply avoiding those vehicles that we knew would not suit our regulations. By participating in TC 204, we get the chance to shape the standards to which manufacturers will build and certify their

products. We can ensure that they understand the possible lifecycles of their products, including ending up as exports in foreign markets like New Zealand. We could influence them to build for that entire lifecycle. Imagine, motor vehicle technology that recognises when it has moved from Japan to New Zealand – and adjusts as appropriate.

This is likely to be the only way New Zealand will be able to utilise much of the ITS technology that will be built into vehicles in the future.

Of course, we should also be encouraging entrepreneurs in New Zealand to develop aftermarket ITS solutions. Ideally, these could allow us to replace technology and functionality that is not compatible between source jurisdictions and New Zealand.

In participating in ISO/TC 204 last session, I discovered a lack of knowledge about the New Zealand situation. Each jurisdiction seems satisfied



when their own
manufacturing needs
are met, without
regard to more
complex notions such
as fleet dynamics.
For instance, Japan
exports a million
used vehicles each
year, creating a
vacuum that gets
filled by the sale of
new cars. Further

developments in ITS could very easily reduce the compatibility of Japanese-specified vehicles in other jurisdictions, essentially "geo-locking" those vehicles. If Japanese car owners cannot get rid of their old vehicles, they cannot afford new ones.

motor vehicle
technology that
recognises when it
has moved from Japan
to New Zealand –
and adjusts as
appropriate."

Arguments like this can be used to influence foreign governments and manufacturers to consider the needs of other jurisdictions when setting their domestic standards – especially where it would not create any conflict with their domestic goals.

Assuming we are successful and are able to help shape standards used by manufacturers, there are many potential benefits to the industry. The most obvious is savings to importers; imagine if radios did not require retrofit of band expanders or replacement due to incorrect maps. New Zealand consumers could enjoy quality vehicles that, perhaps with the exception of some signage, convert to the local language and regional settings.

Other benefits could include an increased range of compliant vehicles and source markets. This last point is especially important when we consider the potential for emerging technology to conflict. It also means that we can increase the likelihood of new technology being compliant with systems in

New Zealand.

As a final point, I do not suggest preventing foreign manufacturers from catering for their primary domestic markets, or even that the effort to consider secondary markets would have quick or transparent results. We cannot change our relatively small size or small population, and hence, our relatively low level of influence.

New Zealand should, however, feel confident enough in our market position to pull a chair up to the table and be part of the discussion.



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	Moji	-	15 Oct	-	14 Nov	-
JAPAN	Osaka	3 Oct	17 Oct	2 Nov	15 Nov	2 Dec
A A	Nagoya	4 Oct	18 Oct	3 Nov	16 Nov	3 Dec
	Yokohama	5 Oct	19 Oct	4 Nov	17 Nov	4 Dec
	Auckland	21 Oct	6 Nov	20 Nov	6 Dec	21 Dec
N	Wellington	31 Oct	10 Nov	28 Nov	10 Dec	27 Dec
Z	Lyttelton	29 Oct 9 Nov		26 Nov	9 Dec	24 Dec
	Nelson	31 Oct	11 Nov	28 Nov	11 Dec	27 Dec

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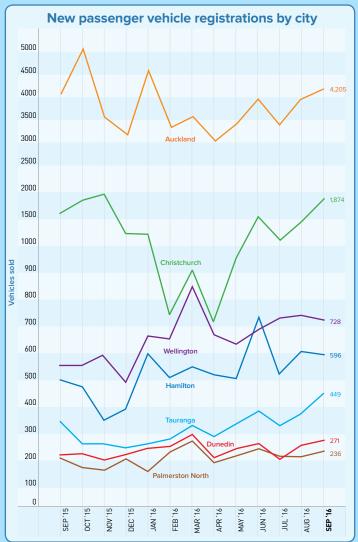
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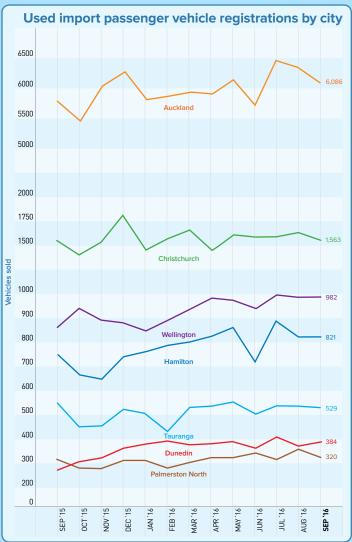
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New an	New and used cars registered in September 2016 by region																						
	WHA	AUC	нам	THA	TAU	ROT	GIS	NAP	NEW	WAN	PAL	MAS	WEL	NEL	BLE	GRE	WES	CHR	TIM	OAM	DUN	INV	TOTAL
New cars	200	4,205	596	61	449	80	35	244	128	66	236	82	728	126	65	15	6	1,874	73	24	271	140	9,704
Used cars	281	6,086	821	98	529	140	62	250	201	106	320	74	982	266	64	49	16	1,563	100	19	384	153	12,564
Total cars	481	10,291	1,417	159	978	220	97	494	329	172	556	156	1,710	392	129	64	22	3,437	173	43	655	293	22,268

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Imported Po	ssenger	Vehicle S	Sales by	Make -	Septembe	er 2016
MAKE	SEP'16	SEP'15	+/-%	SEP'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Toyota	3,261	2,745	18.8	26.0%	27,340	24.7%
Nissan	2,288	2,057	11.2	18.2%	20,732	18.7%
Mazda	1,902	1,876	1.4	15.1%	16,831	15.2%
Honda	1,267	1,261	0.5	10.1%	11,635	10.5%
Suzuki	624	651	-4.1	5.0%	5,856	5.3%
Subaru	609	650	-6.3	4.8%	5,294	4.8%
BMW	528	526	0.4	4.2%	4,583	4.1%
Volkswagen	457	445	2.7	3.6%	4,311	3.9%
Mitsubishi	426	388	9.8	3.4%	3,918	3.5%
Mercedes-Benz	261	199	31.2	2.1%	2,144	1.9%
Audi	259	217	19.4	2.1%	2,075	1.9%
Ford	130	116	12.1	1.0%	1,192	1.1%
Volvo	87	90	-3.3	0.7%	763	0.7%
Lexus	59	50	18.0	0.5%	487	0.4%
Holden	58	43	34.9	0.5%	373	0.3%
Chevrolet	42	46	-8.7	0.3%	398	0.4%
Jaguar	33	40	-17.5	0.3%	340	0.3%
Porsche	31	12	158.3	0.2%	139	0.1%
Land Rover	29	29	0.0	0.2%	272	0.2%
Mini	28	49	-42.9	0.2%	359	0.3%
Jeep	22	12	83.3	0.2%	180	0.2%
Dodge	21	18	16.7	0.2%	186	0.2%
Hyundai	21	41	-48.8	0.2%	368	0.3%
Daihatsu	15	11	36.4	0.1%	108	0.1%
Kia	8	5	60.0	0.1%	69	0.1%
Peugeot	8	22	-63.6	0.1%	154	0.1%
Bentley	7	2	250.0	0.1%	21	0.0%
Chrysler	7	4	75.0	0.1%	96	0.1%
Renault	6	3	100.0	0.0%	106	0.1%
Cadillac	5	6	-16.7	0.0%	31	0.0%
Citroen	5	4	25.0	0.0%	36	0.0%
Maserati	4	2	100.0	0.0%	20	0.0%
Pontiac	4	4	0.0	0.0%	27	0.0%
Rover	4	3	33.3	0.0%	42	0.0%
Skoda	4	0	400.0	0.0%	23	0.0%
Others	44	40	10.0	0.4%	365	0.3%
Total	12,564	11,667	7.7	100.0%	110,874	100.0%

Imported	Passenger	Vehide	Sales	ЬγМ	odel - S	eptemb	er 2016
MAKE	MODEL	SEP'16	SEP'15	+/- %	SEP'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Nissan	Tiida	529	555	-4.7	4.2%	5,352	4.8%
Mazda	Axela	527	542	-2.8	4.2%	4,981	4.5%
Suzuki	Swift	524	530	-1.1	4.2%	4,867	4.4%
Mazda	Demio	479	465	3.0	3.8%	4,030	3.6%
Honda	Fit	439	472	-7.0	3.5%	3,998	3.6%
Toyota	Wish	322	290	11.0	2.6%	2,766	2.5%
Volkswagen	Golf	289	286	1.0	2.3%	2,628	2.4%
Toyota	Vitz	284	196	44.9	2.3%	2,319	2.1%
Subaru	Legacy	276	356	-22.5	2.2%	2,559	2.3%
Mazda	Atenza	248	236	5.1	2.0%	2,257	2.0%
Toyota	Corolla	235	213	10.3	1.9%	1,963	1.8%
Mazda	MPV	225	224	0.4	1.8%	1,968	1.8%
Mitsubishi	Outlander	219	209	4.8	1.7%	2,050	1.8%
Mazda	Premacy	212	171	24.0	1.7%	1,615	1.5%
Toyota	MarkX	198	125	58.4	1.6%	1,586	1.4%
Toyota	Estima	196	196	0.0	1.6%	1,321	1.2%
Nissan	Note	189	161	17.4	1.5%	1,630	1.5%
Toyota	Prius	188	127	48.0	1.5%	1,646	1.5%
Nissan	Dualis	177	150	18.0	1.4%	1,425	1.3%
Toyota	Blade	172	92	87.0	1.4%	1,264	1.1%
Toyota	Auris	169	121	39.7	1.3%	1,540	1.4%
Honda	Odyssey	166	151	9.9	1.3%	1,472	1.3%
Nissan	Murano	160	132	21.2	1.3%	1,408	1.3%
Subaru	Impreza	132	102	29.4	1.1%	1,039	0.9%
Nissan	Bluebird	131	136	-3.7	1.0%	1,074	1.0%
Toyota	Ractis	120	84	42.9	1.0%	762	0.7%
Honda	Stream	120	123	-2.4	1.0%	1,096	1.0%
Nissan	Skyline	115	102	12.7	0.9%	1,028	0.9%
Honda	CRV	112	109	2.8	0.9%	1,154	1.0%
Toyota	RAV4	108	90	20.0	0.9%	883	0.8%
Nissan	Teana	106	113	-6.2	0.8%	1,119	1.0%
Honda	Accord	104	124	-16.1	0.8%	1,000	0.9%
Nissan	Elgrand	104	77	35.1	0.8%	826	0.7%
Subaru	Outback	104	124	-16.1	0.8%	845	0.8%
Toyota	Avensis	103	114	-9.6	0.8%	869	0.8%
Others		4,782	4,369	9.5	38.1%	42,534	38.4%
Total		12,564	11,667	7.7	100.0%	110,874	100.0%





# Tiida, Axela and Swift popular imports

ales of imported passenger vehicles are well up on last year, with 12,564 registered last month, 7.7 per cent more than the 11,667 in September 2015.

But the battle for top model was decided by just three sales, with the Mazda Axela losing its top spot to the Nissan Tiida.

There were 529 registrations of imported used Tiidas in September, 4.7 per cent down on the same month last year. However, year-to-date sales are strong with 5,352 registrations, or 4.8 per cent of the market.

The Axela, which took the top spot in August for the first time in four years, was not able to retain its performance. There were 527 registrations in September, also slightly down with 2.8 per cent less than last year.

In year-to-date sales the Axela cannot match the Tiida – the Axela takes 4.5 per cent of sales with 4,981 registrations.

The Suzuki Swift retains third place with 524 sales, just a fraction – 1.1 per cent – below the 530 sales last year. In year-to-date sales, it has 4.4 per cent of the market, with 4,867 registrations.

But while these top three models are slightly down on September 2015 sales, overall figures are healthy.

In year-to-date sales, there were 110,874 imported cars registered, up 2.5 per cent up on the 108,163 from the same time last year.

The most popular makes of used imported cars are the same

as the used commercial vehicles.

Toyota tops the list with 3,261 registrations, up a sizeable 18.8 per cent on last year. It won 26 per cent market share for the month and 24.7 per cent of the year-to-date sales.

Nissan is the next most popular brand with 2,288 registrations. Nissan's sales in September increased by 11.2 per cent on same month last year: it took 18.2 per cent of the market share for the month and 18.7 per cent for the year.

Mazda rounds out the top marques with 1,902 – a modest 1.4 per cent up on last year. It took 15.1 per cent of September sales and 15.2 per cent year-to-date.

The Nissan Tiida, Mazda Axela and Suzuki Swift are some of the best-selling vehicles at Auto Imports & Wholesale in Masterton, principal Lawson Hoggard says.

The dealer has sold out of Suzuki Swifts, while both the

Tiida and Axela are strong sellers. The Subaru Legacy is also a model that is moving well, Hoggard says.

For used imported cars to sell, they must be in good condition and represent good value for money for the end user, he says.

"Selling well are good-looking cars under \$15,000, with the odd one in the \$20,000s," he says.

Sales have been so strong at Auto Imports & Wholesale, the company has added another yard, also in Masterton, Hoggard says.

Alan Cushion, from AC Auto Imports in Hamilton, agrees the condition of a used import is key to its saleability.

"They have to be clean and tidy. Everybody wants a car that hasn't been smoked in – they want a car that has been well looked after."

In Hamilton, the Nissan Tiida will sell to older people, but their image makes them hard to sell to younger people, Cushion says.

"The Axelas are easier to sell to a wider range of people, but you have to pay more for them too," he says.

Other used imports that sell well include the Mazda2 and Mazda3, Mazda Demio and Atenza, plus the Toyota Corolla, Cushion says.

AC Auto Imports sells a few Suzuki Swifts but these are hard to make any margin on, due to competition of similar sales, with some selling for 25 per cent less.

"There's a few in Auckland for sale online at the same price that we've just paid for them [from Japan]. Quite a few backyard sellers are selling stuff like that in Auckland for very small profit," he says.

While these vehicles may not be in a good condition, the advertised price prompts customers to look for a discount in the yard, Cushion explains.

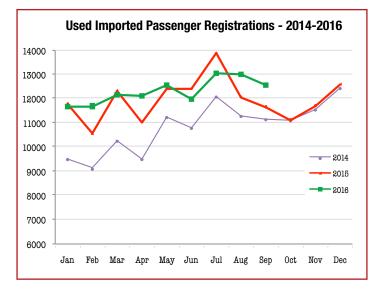
"People come into our yard and say 'you're selling this for \$7,995 but there's one for \$6,000'. They don't want to go to Auckland and buy it – they want to buy here – but they don't want to pay what you've got on it," he says.

"You either have to meet the market or you don't sell."

While most customers are looking for a car in good condition, Cushion says he is amazed by the number of people who buy online, sight unseen.

"Sometimes people just buy them off Trade Me, and they haven't even seen it, and they just drive it away," he says.

"It surprises me." ⊕







# UK buying attractive thanks to Brexit

emand for imports of used cars is up on last year, as imported vehicles continue to sell well.

A total of 11,942 used passenger vehicles arrived in September, a sizeable 37.5 per cent increase from September 2015.

Year-to-date import numbers now exceed last year: there have been 115,051 used cars imported year-to-date, up 3.3 per cent on the 111,393 for the same time last year.

Brexit is now making its mark on vehicle imports in this country.

There was a massive 135 per cent increase in vehicles from Great Britain last month, when compared

with August, to 221 units. The September figure was also up a whopping 240 per cent on the 65 units imported in September 2015.

UK imports have gradually increased since it voted to break away from Europe, with some marques anxious about potential tariffs for UK-made cars imported into the huge European market.

However, in New Zealand, the majority of imported cars continue to come from Japan.

There were 11,026 used cars imported from Japan last month, the source for 92.3 per cent of imports.

Australia continues to be the second-most favoured source,

with 450 units coming across the border, a 3.8 per cent market share.

Alan Cushion from AC Auto Imports in Hamilton says he would be wary of importing from the UK, due to concerns about quality.

However, he admits sometimes it can be difficult to get an import from Japan that is in a good condition inside and out.

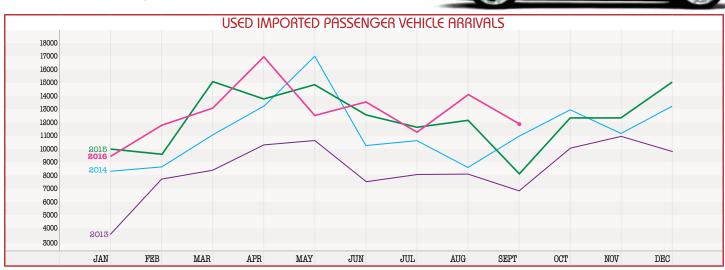
Cushion used to go over to Japan to personally pick his imports but found, due to the thousands of vehicles for sale, he only ever got 10

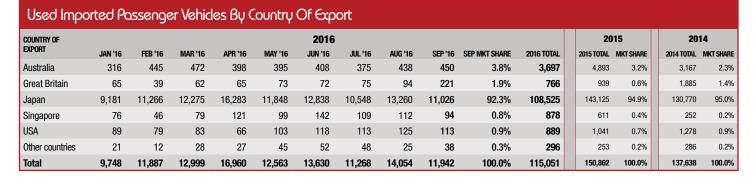
Import yourself a cheap Aston and be like Bond or 20 seconds to look at each one.

"You might just pop your head inside. You would never get a chance to start one up or listen to the engine, although the auction site should provide the information that they're okay.

"It can be very dark and you can miss a lot of stuff."

The key to importing good vehicles is to have an agent you can trust, he says. ⊕







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# Provincial areas still struggling

econdhand car sales continue to increase, with 18,217 dealer-to-public sales in September, a 3.4 per cent increase on the same month in 2015.

But the statistics seem to belie a struggling market in smaller provincial areas.

In Westport, dealer sales increased 100 per cent on last year, from 15 to 30.

But the increased interest in vehicles is likely to be short-lived, according to Paul Kelly from Value Vehicles, based in both Westport and Nelson. The jump reflects the fact there have been redundancy payouts in the area, with Holcim's

Cape Foulwind cement works closing in June to the loss of more than 100 jobs.

People used redundancy payouts to change and update their vehicle, Kelly says.

"It was a reasonably short and brief up-turn. The coast is suffering and has been for a long, long time – hopefully there's some light at the end of the tunnel."

Unfortunately, there continues to be uncertainty in the area, with Solid Energy cutting more than 40 jobs at its Stockton mine, north of Westport, and Bathurst Mine still having an uncertain future.

Dealer-to-pubic sales in

Timaru increased 19.8 per cent on September last year to 278. But the increase is likely due to a couple of new dealers and franchises popping up in the area, says Craig Gilbert from Craig Gilbert Motors.

"I'm not seeing it," he says.

The area has been affected by the downturn in the diary payout as well as drought, Gilbert says.

As a result, Timaru customers are less likely to upgrade their family car, he says.

Customers are very pricefocused and would rather pay less than have good quality.

"You could have the best vehicle ever seen against a taxi and folks

don't seem to know the difference," he says.

Gilbert says he ensures the vehicles he buys from Japan are some of the best, such as those graded four at auction.

Across New Zealand, dealer-topublic sales represented 24.7 per cent of the 74,041 September sales.

Public-to-public sales continue to dominate, with 42,402 sales, an increase of 2.9 per cent on last year and a market share of 57.3 per cent.

There were 13,368 public-to-dealer sales in September, 18 per cent of the market and an increase of 4.8 per cent on last year, showing how trade-ins have increased.

SECONDHAN	D CAR SAL	ES - Septemb	er 2016							
		DEALER-TO-P	UBLIC			PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER	
	SEP '16	SEP '15	+/- %	MARKET SHARE	SEP '16	SEP '15	+/- %	SEP '16	SEP '15	+/- %
Whangarei	594	558	6.5	3.26	2,000	1,830	9.3	241	235	2.6
Auckland	6,105	6,091	0.2	33.51	14,695	14,432	1.8	4,824	4,815	0.2
Hamilton	1,509	1,487	1.5	8.28	3,362	3,223	4.3	1,128	1,129	-0.1
Thames	268	235	14.0	1.47	642	584	9.9	127	85	49.4
Tauranga	937	924	1.4	5.14	2,124	1,964	8.1	601	674	-10.8
Rotorua	344	299	15.1	1.89	906	869	4.3	107	75	42.7
Gisborne	170	170	0.0	0.93	329	358	-8.1	80	99	-19.2
Napier	571	557	2.5	3.13	1,497	1,389	7.8	451	407	10.8
New Plymouth	400	391	2.3	2.20	951	993	-4.2	247	201	22.9
Wanganui	167	180	-7.2	0.92	574	577	-0.5	93	109	-14.7
Palmerston North	862	753	14.5	4.73	1,653	1,621	2.0	826	566	45.9
Masterton	182	178	2.2	1.00	416	390	6.7	129	96	34.4
Wellington	1,669	1,604	4.1	9.16	3,007	2,738	9.8	1,263	1,121	12.7
Nelson	345	309	11.7	1.89	1,068	942	13.4	226	231	-2.2
Blenheim	179	197	-9.1	0.98	415	430	-3.5	143	113	26.5
Greymouth	90	56	60.7	0.49	199	175	13.7	34	44	-22.7
Westport	30	15	100.0	0.16	49	59	-16.9	0	0	0.0
Christchurch	2,335	2,266	3.0	12.82	5,018	5,182	-3.2	1,941	1,862	4.2
Timaru	278	232	19.8	1.53	510	498	2.4	185	161	14.9
0amaru	56	54	3.7	0.31	160	156	2.6	11	11	0.0
Dunedin	722	629	14.8	3.96	1,848	1,793	3.1	450	425	5.9
Invercargill	404	430	-6.0	2.22	979	1,001	-2.2	261	297	-12.1
NZ total	18,217	17,615	3.4	100.00	42,402	41,204	2.9	13,368	12,756	4.8



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New Passen	ger Vehic	le Sales	by Mal	<b>ке -</b> Sept	ember 20°	16
MAKE	SEP'16	SEP'15	+/-%	SEP'16 MKT SHARE	2016 YEAR To date	2016 MKT SHARE
Toyota	1,692	1,471	15.0	17.4%	11,525	15.6%
Holden	1,197	1,068	12.1	12.3%	6,953	9.4%
Mazda	883	891	-0.9	9.1%	6,959	9.4%
Hyundai	716	700	2.3	7.4%	5,650	7.6%
Ford	619	618	0.2	6.4%	5,646	7.6%
Mitsubishi	565	604	-6.5	5.8%	4,385	5.9%
Nissan	534	425	25.6	5.5%	4,034	5.4%
Kia	503	265	89.8	5.2%	4,088	5.5%
Suzuki	502	314	59.9	5.2%	4,053	5.5%
Honda	395	353	11.9	4.1%	3,014	4.1%
Volkswagen	391	314	24.5	4.0%	2,923	3.9%
Subaru	214	258	-17.1	2.2%	2,049	2.8%
Mercedes-Benz	193	194	-0.5	2.0%	1,832	2.5%
BMW	161	182	-11.5	1.7%	1,397	1.9%
SsangYong	158	111	42.3	1.6%	927	1.3%
Audi	155	187	-17.1	1.6%	1,360	1.8%
Jeep	155	131	18.3	1.6%	973	1.3%
Land Rover	100	71	40.8	1.0%	908	1.2%
Peugeot	72	50	44.0	0.7%	586	0.8%
Lexus	68	57	19.3	0.7%	526	0.7%
Skoda	66	81	-18.5	0.7%	933	1.3%
Mini	61	63	-3.2	0.6%	444	0.6%
Dodge	52	102	-49.0	0.5%	358	0.5%
Volvo	51	56	-8.9	0.5%	464	0.6%
Jaguar	36	15	140.0	0.4%	289	0.4%
Porsche	33	31	6.5	0.3%	366	0.5%
Renault	33	7	371.4	0.3%	122	0.2%
Isuzu	20	23	-13.0	0.2%	198	0.3%
Citroen	15	16	-6.3	0.2%	195	0.3%
Chery	9	12	-25.0	0.1%	116	0.2%
Fiat	9	114	-92.1	0.1%	247	0.3%
Lamborghini	7	1	600.0	0.1%	19	0.0%
Mahindra	7	0	700.0	0.1%	44	0.1%
Can-Am	5	5	0.0	0.1%	48	0.1%
Yamaha	5	8	-37.5	0.1%	68	0.1%
Others	22	37	-40.5	0.2%	359	0.5%
Total	9,704	8,835	9.8	100.0%	74,058	100.0%

New Pas	senger Ve	hicle Sa	les by	Model	- Septen	nber 20°	16
MAKE	MODEL	SEP'16	SEP'15	+/-%	SEP'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Corolla	481	687	-30.0	5.0%	3,581	4.8%
Hyundai	Tucson	345	73	372.6	3.6%	1,901	2.6%
Kia	Sportage	288	117	146.2	3.0%	2,331	3.1%
Toyota	RAV4	284	208	36.5	2.9%	2,515	3.4%
Holden	Captiva	271	241	12.4	2.8%	1,500	2.0%
Toyota	Camry	259	59	339.0	2.7%	890	1.2%
Holden	Commodore	254	362	-29.8	2.6%	1,835	2.5%
Toyota	Yaris	241	172	40.1	2.5%	1,474	2.0%
Mazda	CX-5	235	210	11.9	2.4%	2,132	2.9%
Suzuki	Swift	225	129	74.4	2.3%	1,949	2.6%
Nissan	X-Trail	215	144	49.3	2.2%	1,378	1.9%
Mitsubishi	Outlander	202	183	10.4	2.1%	1,270	1.7%
Mazda	Mazda3	192	244	-21.3	2.0%	1,832	2.5%
Holden	Spark	173	39	343.6	1.8%	516	0.7%
Volkswagen	Tiguan	172	64	168.8	1.8%	612	0.8%
Mazda	Mazda6	167	111	50.5	1.7%	661	0.9%
Nissan	Qashqai	156	151	3.3	1.6%	1,354	1.8%
Holden	Cruze	149	147	1.4	1.5%	924	1.2%
Hyundai	Santa Fe	146	191	-23.6	1.5%	1,596	2.2%
Mazda	CX-3	145	160	-9.4	1.5%	1,138	1.5%
Holden	Trax	136	100	36.0	1.4%	642	0.9%
Honda	HR-V	134	132	1.5	1.4%	967	1.3%
Honda	Jazz	132	147	-10.2	1.4%	1,262	1.7%
Ford	Kuga	132	85	55.3	1.4%	951	1.3%
Holden	Barina	131	70	87.1	1.3%	793	1.1%
Toyota	Fortuner	131	0	13100.0	1.3%	408	0.6%
Mitsubishi	Lancer	127	89	42.7	1.3%	806	1.1%
Suzuki	Vitara	119	105	13.3	1.2%	1,187	1.6%
Mitsubishi	ASX	117	167	-29.9	1.2%	1,139	1.5%
Toyota	Highlander	106	194	-45.4	1.1%	1,387	1.9%
Ford	Mustang	102	0	10200.0	1.1%	792	1.1%
Mazda	Mazda2	100	133	-24.8	1.0%	1,066	1.4%
Subaru	Outback	98	137	-28.5	1.0%	998	1.3%
Volkswagen	Golf	91	102	-10.8	0.9%	998	1.3%
Ford	Focus	86	55	56.4	0.9%	1,079	1.5%
Others		3,362	3,627	-7.3	34.6%	28,194	38.1%
Total		9,704	8,835	9.8	100.0%	74,058	100.0%

# Toyota leads new car sales

buoyant economy and buyers who know what they want are helping to push up new car sales.

There were 9,704 new passenger vehicles registered in September, up 9.8 per cent on the same month last year. Year-to-date sales are at 74,058.

Toyota is, once again, leading the charge for passenger car and SUV sales, with a 15 per cent increase on last year to 1,692, taking 17.4 per cent of the market.

The next most popular marque is Holden with 1,197 sales, a 12.1 per cent increase on last year and a 12.3 per cent market share. Mazda rounds out the top three with 883 new sales, a marginal 0.9 per cent decrease on last year, to take 9.1 per cent of sales.

Toyota is helped in its standing by its leading brand, the Toyota Corolla, which continues to be the most popular new car. There were 481 registered for the month which, while down 30 per cent on the same month last year, is still five per cent of the market. The Corolla is popular for one to two-people families because it ticks all of the boxes, according to Michael Meredith, new car sales manager for Albany Toyota in Auckland.

It has good fuel consumption, power, safety features and styling, while the Japanese-made model is also well-known for its reliability, he says.

"Most people who buy a Corolla

have probably owned one in the past."

How the car feels on the road when test driven is an important factor, as is its re-sale value, Meredith says.

The car is not only popular for private sales, it is also popular for corporate buyers and lease companies for the same reasons, he says

Toyota caters for a range of

markets with its most popular brands, which also include the Yaris and Highlander, Land Cruiser and RAV4 SUVs, Meredith says.

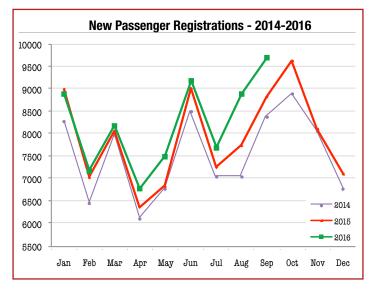
The popularity of SUVs is undeniable, with sales increasing for every SUV size, including a 230 per cent increase for those in the Upper-Large category. This is also evident in the most popular models, with the top five all being SUVs apart from the Corolla.

The Hyundai Tuscan had a whopping 373 per cent increase in sales on September last year to 345 for the month, taking a 3.6 per cent market share.

The Kia Sportage also boasted an impressive 146 per cent increase, with its 288 sales taking three per cent of the market.

The top five are rounded out with the Toyota RAV4 (284 sales, 2.9 per cent) and Holden Captiva (271 sales, 2.8 per cent).

September sales increased on last year to all buyer types except for the Government, where there was a 12.1 per cent decrease.  $\oplus$ 



NEW VEHICL	e sales 6	BY BUYE	R TYP€	- Septemb	er 2016	
	SEP '16	SEP '15	MTH%	2016 YTD	2015 YTD	% YTD
Passenger	4,601	4,505	2.1	35,768	36,127	-1.0
Private	1,678	1,397	20.1	14,603	14,110	3.5
Business	1,665	1,754	-5.1	15,341	16,038	-4.3
Gov't	127	212	-40.1	1,748	1,793	-2.5
Rental	1,131	1,142	-1.0	4,076	4,186	-2.6
SUV	5,069	4,263	18.9	37,883	33,607	12.7
Private	1,976	1,608	22.9	16,348	13,161	24.2
Business	1,968	1,911	3.0	16,848	15,556	8.3
Gov't	81	42	92.9	634	560	13.2
Rental	1,044	702	48.7	4,053	4,330	-6.4
Light Commercial	3,500	3,067	14.1	28,799	25,539	12.8
Private	826	713	15.8	7,163	6,360	12.6
Business	2,378	2,067	15.0	19,618	17,241	13.8
Gov't	113	111	1.8	956	1,031	-7.3
Rental	183	176	4.0	1,062	907	17.1
Sub Total	13,170	11,835	11.3	102,450	95,273	7.5
Private	4,480	3,718	20.5	38,114	33,631	13.3
Business	6,011	5,732	4.9	51,807	48,835	6.1
Gov't	321	365	-12.1	3,338	3,384	-1.4
Rental	2,358	2,020	16.7	9,191	9,423	-2.5
Heavy Commercial	539	495	8.9	3,676	3,591	2.4
Other	175	122	43.4	996	658	51.4
Total	13,884	12,452	11.5	107,122	99,522	7.6

NEW VEHICLE MARKET SEGMENTATION - September 2016											
	SEP '16	SEP '15	MTH% DIFF	2016 YTD	2015 YTD	% YTD					
Passenger	4,601	4,505	2.1	35,768	36,127	-1.0					
SUV	5,069	4,263	18.9	37,883	33,607	12.7					
Light Commercial	3,500	3,067	14.1	28,799	25,539	12.8					
Heavy Commercial	539	495	8.9	3,676	3,591	2.4					
Other	175	122	43.4	996	658	51.4					
TOTAL MARKET	13,884	12,452	11.5	107,122	99,522	7.6					
Micro	285	234	21.8	1,661	1,567	6.0					
Light	1,214	1,149	5.7	10,091	10,796	-6.5					
Small	1,635	1,702	-3.9	13,379	13,874	-3.6					
Medium	749	717	4.5	5,216	5,278	-1.2					
Large	360	546	-34.1	3,010	3,246	-7.3					
Upper Large	11	18	-38.9	162	184	-12.0					
People Movers	162	55	194.5	685	411	66.7					
Sports	185	84	120.2	1,564	771	102.9					
SUV Small	1,447	1,393	3.9	10,105	10,085	0.2					
SUV Medium	2,036	1,405	44.9	14,970	12,063	24.1					
SUV Large	1,530	1,448	5.7	12,324	11,149	10.5					
SUV Upper Large	56	17	229.4	484	310	56.1					
Light Buses	70	62	12.9	559	615	-9.1					
Vans	444	467	-4.9	4,258	3,852	10.5					
Pick Up/Chassis Cab 4x2	1,316	902	45.9	10,125	7,905	28.1					
Pick Up/Chassis Cab 4x4	1,670	1,636	2.1	13,857	13,167	5.2					
Heavy Commercial	539	495	8.9	3,676	3,591	2.4					
Other	175	122	43.4	996	658	51.4					
TOTAL MARKET	13,884	12,452	11.5	107,122	99,522	7.6					

# Style and comfort key for new utes

ales of new commercial vehicles continue to leave last year's figures for dust, as utes become increasingly popular with families.

There were 4,180 new commercials registered in September, up a substantial 14.9 per cent on the same month in 2015. Year-to-date sales are at 33,204, up 12.8 per cent on last year.

The top three models – which together made up 41.6 per cent of September sales – shows Kiwis' love-affair with the ute continues.

The most popular new commercial vehicle is once

again the Ford Ranger, with 761 September registrations, up 2.4 per cent on last year. This month, it held 18.2 per cent of the market. Year-to-date sales are 6,409, a 19.3 per cent market share.

Ever the bridesmaid, the Toyota Hilux took second place with 554 sales. This was down 5.9 per cent on September last year but is still 13.3 per cent of all September sales in this segment. A total of 4,790 Hiluxs have been sold year-to-date which is 14.4 per cent of commercial sales.

The tightly-fought third placing went to Holden Colorado

with 422 sales last month, up a massive 31.9 per cent on the same month last year, to take 10.1 per cent of the monthly market. There have been 2,770 Colorado sales year-to-date, 8.3 per cent of the market.

These popular models helped their respective brands score the same podium finish.

Ford, once again, took top spot with 835 new registrations. This was down 1.4 per cent on last year but is still 20 per cent of total monthly sales. Ford has sold 7,057 new commercial vehicles year-to-date, a sizeable 21.3 per cent of sales.

Toyota was the next most popular marque with 730 sales. These sales were also down on last September – 12.2 per cent less – but the brand took 17.5 per cent of the month's registrations. Year-to-date sales are at 6,789 units and 20.4 per cent of the market.

Holden was helped to third place with its Colorado sales making up 96 per cent of its total. Holden had an impressive 31.4 per cent increase on last year to take 10.5 per cent of the September market.

However, year-to-date sales are 2,934 for 8.8 per cent of the market.

The Ford Ranger is such a popular model because it combines both function and style, says Matt Carman from Capital City Motors.

Function includes performance and towing capability.

The style includes a more carlike trim inside and a smoother ride. This is important as more families move up from car to a ute, Carman says.

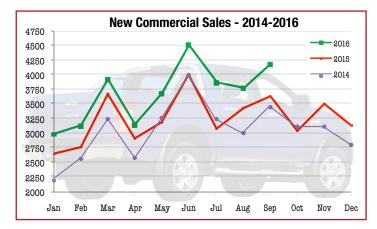
"People are coming out of cars into double-cab utes as a lifestyle choice," he says.

The move is similar to people moving into SUVs: the seats are higher and easier to get in and out of, or get a child's car-seat in and out, Carman says.

With a ute, the tray is practical for things like biking.

"It's a nicer truck to drive."

Sales are also helped along by a growing economy, boosted by strong tourism and construction, he says. ⊕



New Comme	rcial Sale	s by M	ake - Se	eptember	2016	
MAKE	SEP'16	SEP'15	+/- %	SEP '16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Ford	835	847	-1.4	20.0%	7,057	21.3%
Toyota	730	831	-12.2	17.5%	6,789	20.4%
Holden	439	334	31.4	10.5%	2,934	8.8%
Mitsubishi	354	225	57.3	8.5%	2,475	7.5%
Isuzu	326	273	19.4	7.8%	2,705	8.1%
Nissan	284	200	42.0	6.8%	2,320	7.0%
Mazda	192	90	113.3	4.6%	1,393	4.2%
Fiat	142	92	54.3	3.4%	597	1.8%
Mercedes-Benz	124	118	5.1	3.0%	630	1.9%
Volkswagen	108	113	-4.4	2.6%	940	2.8%
Hyundai	89	39	128.2	2.1%	738	2.2%
Foton	72	53	35.8	1.7%	430	1.3%
LDV	67	35	91.4	1.6%	661	2.0%
Hino	61	60	1.7	1.5%	513	1.5%
Mitsubishi Fuso	58	83	-30.1	1.4%	401	1.2%
SsangYong	49	54	-9.3	1.2%	691	2.1%
BCI	30	0	3000.0	0.7%	52	0.2%
MAN	29	6	383.3	0.7%	170	0.5%
Iveco	25	5	400.0	0.6%	140	0.4%
Scania	25	14	78.6	0.6%	128	0.4%
Others	141	166	-15.1	3.4%	1,440	4.3%
Total	4,180	3,638	14.9	100.0%	33,204	100.0%

New Commercial Sales by Model - September 2016												
MAKE	MODEL	SEP'16	SEP'15	+/- %	SEP'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE					
Ford	Ranger	761	743	2.4	18.2%	6,409	19.3%					
Toyota	Hilux	554	589	-5.9	13.3%	4,790	14.4%					
Holden	Colorado	422	320	31.9	10.1%	2,770	8.3%					
Mitsubishi	Triton	353	225	56.9	8.4%	2,472	7.4%					
Nissan	Navara	284	200	42.0	6.8%	2,320	7.0%					
Isuzu	D-Max	221	145	52.4	5.3%	1,807	5.4%					
Mazda	BT-50	192	90	113.3	4.6%	1,393	4.2%					
Toyota	Hiace	175	243	-28.0	4.2%	1,914	5.8%					
Fiat	Ducato	137	78	75.6	3.3%	576	1.7%					
Mercedes-Benz	Sprinter	100	106	-5.7	2.4%	525	1.6%					
Hyundai	iLoad	86	37	132.4	2.1%	704	2.1%					
Ford	Transit	73	79	-7.6	1.7%	597	1.8%					
Volkswagen	Amarok	61	67	-9.0	1.5%	511	1.5%					
Foton	Tunland	61	48	27.1	1.5%	356	1.1%					
Isuzu	F Series	50	54	-7.4	1.2%	332	1.0%					
SsangYong	Actyon Sport	49	54	-9.3	1.2%	691	2.1%					
LDV	V80	46	28	64.3	1.1%	395	1.2%					
Hino	500	39	31	25.8	0.9%	277	0.8%					
Isuzu	N Series	36	56	-35.7	0.9%	410	1.2%					
Volkswagen	T6	31	0	3100.0	0.7%	240	0.7%					
Others		449	445	0.9	10.7%	3,715	11.2%					
Total		4,180	3,638	14.9	100.0%	33,204	100.0%					

# **Used commercials drive ahead**

ales of used commercial vehicles continue to surpass last year's figures, with 964 units registered in September.

This is 27 per cent up on September 2015, despite the figures taking a slight downturn from August this year, when 1002 units were registered.

A total of 7,803 used commercial vehicles have been sold year-to-date, compared with 6,579 in 2015 – an increase of 18.6 per cent.

The Toyota Hiace continues to be the most popular used commercial vehicle, with 334 sales in September, up 33.6 per cent on last year. It accounted for 34.6 per cent of the total sales last month.

The next most popular model continues to be the Nissan Caravan, with 92 sales (9.5 per cent of the market), followed by the Mazda Bongo, with 55 sales (5.7 per cent).

Consequently, these three models helped their respective brands achieve the same top status.

Toyota continues to dominate, with a total of 435 used commercial vehicle sales in September, up 26.5 per cent on last year. It took 45.1 per cent of the market share for the month.

Nissan is the next most popular marque with 218 sales, up 27.5 per cent on last September. It took a respectable 22.6 per cent of monthly sales.

Mazda continues to be in third place with 67 sales for the month, up 71.8 per cent on last year. It took a seven per cent market share for the month.

The Toyota Hiace is such a popular model because it is reliable and holds its value in the secondhand market, according to Edrik van Tonder, from Manukau Toyota Commercial Centre.

"We cannot get enough used Hiaces on the yard. Nothing competes."

The versatile van, which offers a good overall package, is popular with plumbers, electricians, telecommunications workers, taxis and even schools, he says.

"There are so many uses for them. Once people have had a Hiace it's unlikely they'll buy anything else."

Other popular Toyotas include the Hilux ute and Land Cruisers, which also retain their value and return on

investment, van Tonder says.

Toyota is a well-respected brand, and the only car manufacturer to be in the top 10 of the Reader's Digest most trusted brands in New Zealand, he says.

Meanwhile, a relative newcomer to the market – Great Wall – is also starting to get a name for itself. The Chinese marque placed 14th of the top makes for used commercial vehicles, with five sales in September.

While the numbers are not big, this is a 400 per cent increase on the same month last year.

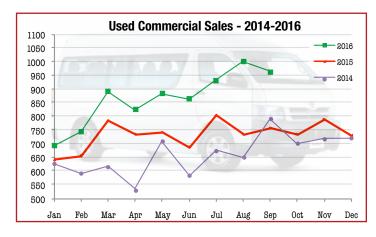
Great Walls appeal to customers

because they represent "great value for money", says Elliot Shaw, from GMC Great Wall in Christchurch.

"We trade them as often as we can and we sell them straight away," he says.

People can buy a two-year-old Great Wall with less than 50,000km on the clock for the same price as a 10-year-old Toyota Hilux or Isuzu, Shaw says.

He hopes sales of new Great Walls will start again shortly, with a new distributor set to ensure the new vehicles are up to New Zealand standards, with all including electronic stability control.



Used Commercial Sales by Make - September 2016												
MAKE	SEP'16	SEP'15	+/- %	SEP'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE						
Toyota	435	344	26.5	45.1%	3,699	47.4%						
Nissan	218	171	27.5	22.6%	1,745	22.4%						
Mazda	67	39	71.8	7.0%	520	6.7%						
Isuzu	46	40	15.0	4.8%	388	5.0%						
Mitsubishi	45	21	114.3	4.7%	282	3.6%						
Ford	32	26	23.1	3.3%	262	3.4%						
Holden	24	17	41.2	2.5%	148	1.9%						
Hino	19	15	26.7	2.0%	161	2.1%						
Chevrolet	13	22	-40.9	1.3%	138	1.8%						
Fiat	8	7	14.3	0.8%	51	0.7%						
Volkswagen	7	9	-22.2	0.7%	58	0.7%						
Dodge	6	6	0.0	0.6%	46	0.6%						
Mitsubishi Fuso	6	2	200.0	0.6%	13	0.2%						
Great Wall	5	1	400.0	0.5%	15	0.2%						
GMC	4	3	33.3	0.4%	28	0.4%						
Mercedes-Benz	4	3	33.3	0.4%	24	0.3%						
Volvo	4	2	100.0	0.4%	15	0.2%						
Suzuki	3	2	50.0	0.3%	33	0.4%						
Citroen	2	0	200.0	0.2%	4	0.1%						
Subaru	2	0	200.0	0.2%	4	0.1%						
Others	14	29	-51.7	1.5%	169	2.2%						
Total	964	759	27.0	100.0%	7,803	100.0%						

Used Commercial Sales by Model - September 2016							
MAKE	MODEL	SEP'16	SEP'15	+/- %	SEP'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Hiace	334	250	33.6	34.6%	2,786	35.7%
Nissan	Caravan	92	72	27.8	9.5%	714	9.2%
Mazda	Bongo	55	26	111.5	5.7%	411	5.3%
Nissan	NV200	40	23	73.9	4.1%	283	3.6%
Nissan	Vanette	37	28	32.1	3.8%	319	4.1%
Isuzu	Elf	29	23	26.1	3.0%	248	3.2%
Toyota	Dyna	24	24	0.0	2.5%	271	3.5%
Toyota	Regius	23	23	0.0	2.4%	250	3.2%
Toyota	Toyoace	21	11	90.9	2.2%	157	2.0%
Toyota	Hilux	19	13	46.2	2.0%	116	1.5%
Nissan	Navara	16	12	33.3	1.7%	119	1.5%
Mitsubishi	Canter	12	12	0.0	1.2%	104	1.3%
Ford	Ranger	12	10	20.0	1.2%	109	1.4%
Nissan	Atlas	11	20	-45.0	1.1%	155	2.0%
Isuzu	Forward	11	7	57.1	1.1%	85	1.1%
Mitsubishi	Fuso	11	4	175.0	1.1%	37	0.5%
Holden	Colorado	10	4	150.0	1.0%	66	0.8%
Toyota	Delica	10	2	400.0	1.0%	63	0.8%
Hino	Dutro	10	8	25.0	1.0%	89	1.1%
Mazda	Titan	10	6	66.7	1.0%	73	0.9%
Others		177	181	-2.2	18.4%	1,348	17.3%
Total		964	759	27.0	100.0%	7,803	100.0%

# Good stock still in demand

ew car stock could be at record high levels but dealers say they can't get enough of top models and SUVs.

A total of 10,291 new cars were imported last month, a massive 24.7 per cent increase on the same month last year.

There were 9,704 new cars registered in September, a sizeable 9.8 per cent increase on 2015.

This leaves 587 units unsold, 12.9 per cent up on the same time

Year-to-date, 79,812 new cars have been imported and 74,058 registered, leaving 5,754 - or 7.2 per cent - unsold.

New Zealand stock of new cars now sits at 63,379, by far the highest number in the last three years. Stock has steadily increased from 34,208 in September 2013 and is now 85 per cent more.

On average, stock is on hand for 234 days – almost two-thirds of a year.



But daily sales over the last 12 months are also up and now sit at 271 car sales a day. This is also the highest number since September 2013.

Michael Meyer, from Autohaus Rotorua, says it is up to the individual manufacturers and distributors to decide on stock holdings.

The dealer sells new Ford, Mazda, BMW and Mini vehicles, and has no problems with high levels of stock.

"The problems are more that we can't get enough... we're selling whatever we can get our hands on,"

Mazda New Zealand was able to supply the dealership with more of

its top-model SUVs: the CX-3 and CX-9. This extra allocation helped Autohaus Rotorua to its best month ever in September.

The Ford Ranger, while being a light commercial vehicle, is also in high demand with the dealership unable to get enough stock.

"On the whole, we're very happy with the stock levels. We've got no concerns about having too much."

Meyer says the dealership had a "fantastic" quarter finishing in September, which was a big increase over previous years.

"One of the things that is helping is that Rotorua has finally caught on with the real estate

market: prices have gone up drastically," says Meyer.

This boosts vehicle sales because people not only feel a little bit richer, they technically are a little bit richer, he explains.

"It helps vehicle sales because, if they have more equity in the house, people are comfortable to borrow more," Meyer says.

Steve Corkery, from Honda Cars Newmarket, is also unconcerned about stock levels.

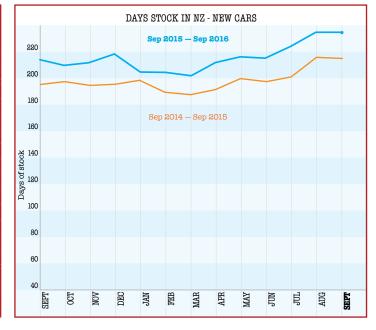
Only a few demonstration new cars are kept in Honda Cars Newmarket's Auckland showroom.

"All our cars are kept in a national distribution centre. As they come in, we generally sell them – we don't have issues with stock," says Corkery.

All Honda SUVs are selling well, as is new turbo-charged Civic for those looking for a sedan.

However, he admits sales could always be a bit better.  $\odot$ 

Dealer stock of new cars in New Zealand								
	CAR SALES IMPORTED REGISTERED		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND		
Sep '15	8,254	8,835	-581	56,131	258	218		
Oct '15	8,619	9,634	-1,015	55,116	260	212		
Nov '15	8,753	8,115	638	55,754	260	215		
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	13,081	8,894	4,187	62,792	269	234		
Sep '16	10,291	9,704	587	63,379	271	234		
Year to date	79,812	74,058	5,754					
Change on Sep 2015	24.7%	9.8%		12.9%				
	MORE IMPORTED	MORE SOLD		MORE STOCK				



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# MARAC More than 400 imports sold daily Dially sales of used imported cars have now surpassed the 400 milester. The care his the care his the care his high of 401 This in the care high of 401 This in the high of 401 This in the care high of 401 Th

the 400 milestone but stock numbers are still high.

There were 11,942 passenger vehicles imported in September, a huge 37.7 per cent more than the same month last year.

A total of 12,564 used import cars were registered last month, a healthy 7.7 per cent increase on 2015's sales.

Year-to-date used imports are at 115,051 and sales are 110,874, leaving 4,177 cars unsold.

Overall stock levels are now at 29,740 units – 622 cars less than August 2016. However, stock is a considerable 37.3 per cent higher than the same time last year.

On average, stock is staying on hand for 74 days. This is 34.5 per cent longer than the 55 days in September 2015.

The good news is that daily sales, averaged over the last 12 number over the last three years and an impressive 57.9 per cent higher than the 254 daily sales in September 2013.

Imports in good condition are selling well, according to Andrew Peck, from Universal Imports in Auckland's Grey Lynn.

Speaking from Japan, where he is looking for his next lot of imports, Peck says there are no particular makes or models favoured - just vehicles that have been well looked after.

But the high stock numbers are concerning, especially as certain dealers are importing large numbers of accident-grade and rust-damaged vehicles, he says.

These cars are then fixed in New Zealand, given engineer certificates and sold cheaply off the yard in large volumes, Peck says.

Buyers are often not told about

should disclose that it has been in an accident."

This sort of cheap import and onsell mentality has two impacts on the used import industry, Peck says.

Firstly, buyers are looking for a cheaper deal because they see the cheap advertised price of the accident-grade imports, he says.

Secondly, those who have bought inferior-quality vehicles become wary about used Japanese imports. Buyers are now asking questions about how the car was looked after in Japan, he says.

Peck says sales at Universal Imports are going well but the margin on cars is very tight.

Sales are also going well at Wholesale Autos Takanini, according to manager Jasmit Singh.

Stock levels of used import cars are managed by head office, but Singh says the more stock on hand,

cars, while head office stocks up to

"The more choice that you can give to the customers, the better, because they have more options to look at," he says.

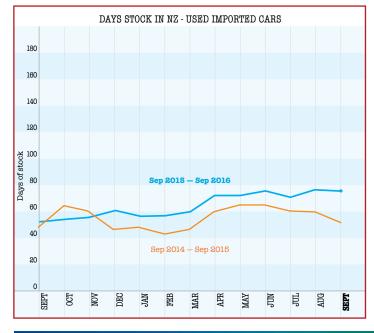
"If you have more variety, they feel comfortable that you have good quality and good options."

Wholesale Autos Takanini does well with special promotions on select vehicles, such as last month's promotion on Suzuki Swifts, Singh says.

A whole lot of similar vehicles tend to sell at once - such as sedans or hatchbacks, he says.

This could be because of the dealer's promotions but also because of the way the stock sits on the yard with a row of similar cars all lined up in different colours, Singh explains.

"If you have attractive colours, it starts attracting people," he says.  $\oplus$ 



	CAR SALES IMPORTED REGISTERED		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
Sep '15	8,673	11,667	-2,994	21,662	392	55
Oct '15	12,381	11,149	1,232	22,894	393	58
Nov '15	12,379	11,732	647	23,541	393	60
Dec '15	14,620	12,598	2,022	25,563	394	6
Jan '16	9,748	11,675	-1,927	23,636	393	6
Feb '16	11,887	11,736	151	23,787	396	6
Mar '16	12,999	12,153	846	24,633	396	6
Apr '16	16,960	12,140	4,820	29,453	399	7
May '16	12,563	12,567	-4	29,449	399	7
Jun '16	13,630	11,991	1,639	31,088	398	7
Jul '16	11,268	13,055	-1,787	29,301	396	7
Aug '16	14,054	12,993	1,061	30,362	399	7
Sep '16	11,942	12,564	-622	29,740	401	7
Year to date	115,051	110,874	4,177			
Change on Sep 2015	37.7%	7.7%		37.3%		
	MORE IMPORTED	MORE SOLD		MORE STOCK		

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