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September 2016

## Water damage rules don't go far enough - MTA

Newly introduced legislations surrounding water-damaged vehicles are not strict enough, according to the MTA.

Associate Transport Minister Craig Foss has announced that more stringent requirements for water damaged vehicles will provide additional safety assurances for vehicle owners and all road users.

He stated that light vehicles that have been damaged by floods will require a full replacement of all electronic and pyrotechnic safety components, including airbags, sensors, seatbelts and seatbelt pre-tensioners and wiring. The rule applies to all vehicles whether they have been imported or are part of the domestic fleet, and was effective as of September 7. Prior to this rule being implemented, only items below the water line were required to be replaced.

A spokesperson for the NZTA, says "The new process will only apply to vehicles that undergo repair certification, which includes newly imported vehicles and those



Light vehicles that have been damaged by floods now require all electronic and pyrotechnic safety components to be replaced

that have been written-off in New Zealand and are going through the re-registration process. "It does not cover vehicles that have been damaged in NZ but not de-registered. The Repair Certifier is responsible for correctly identifying the type of damage the vehicle has been subjected to and certifying the repair accordingly".

The MTA believes that it is very difficult to ascertain, in some cases, whether a vehicle is a write-off or not and if it will cause trouble for the consumer later on down

the track and MTA chief executive, Craig Pomare questions whether written-off vehicles of any type (including water-damaged vehicles from Australia) should be sold in NZ at all.

Tribunal Adjudicator, barrister Christopher Cornwell said, during a dispute hearing which related to a water-damaged vehicle, that he considered that damage flags should not be removed for vehicles that have been previously written off, "otherwise the New Zealand used vehicle-buying public will be perpetually 'in the dark' over the history of such vehicles and New Zealand will continue to be a dumping ground for Australian written off vehicles which are subsequently resold to unsuspecting buyers".

The MTA says that customers should be given clear information about the history of the vehicle they are about to buy including a full review of the sale, repair and

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## GUEST EDITORIAL

# Change: the eternal constant

David Vinsen is the chief executive of the IMVIA.

Legendary business leader Jack Welch once said, "Change before you have to." It's a tradition that Kiwis are famous for, as enthusiastic early adopters of innovation. Whether it's



David Vinsen

Japan's domestic fleet. The impact of ITS on the international vehicle trade is therefore growing in importance. The International Standards Organisation (ISO) has formed a

dedicated technical committee to understand the systems that already exist, and work towards standardising new and current systems for safety and security.

This committee, ISO/TC204, is holding its next meeting in Auckland in October. Naturally, the IMVIA will be attending, and collaborating at a global level to ensure that New Zealand remains a desirable trading partner.

blazing a trail with women's suffrage, taking to EFTPOS en masse or testing out the latest Facebook features, you'll generally find New Zealanders leading the way.

While we currently enjoy fairly benign conditions for importing motor vehicles, there is still plenty of change afoot for our industry. Fortunately, for the most part, it is change that we at the IMVIA are already embracing.

### OUTLOOK FOR 2025

Along with IMVIA Policy Analyst Kit Wilkerson, it was my privilege to attend the Ministry of Transport's 'Regulation 2025' briefing in Wellington in late August.

This far-ranging research project looked at the various ways New Zealanders might respond to a major change in transport technology over the next decade, and how the Government can start laying the groundwork now for effective, efficient regulation. This foresight, and the findings that the Ministry can now take forward, bode well for our ability to harness developments as they happen. The IMVIA looks forward to consulting further on this process, especially in our advisory role to the MoT's Electric Vehicle Programme Leadership Group.

### ITS – A SMALL WORLD AFTER ALL

The increasing presence of connectivity in transport is already being felt, with vehicles equipped with transmitting systems now live in

### DAMAGED VEHICLE SAFETY

The recent NZTA ruling that all electrical and pyrotechnic safety features must be replaced on water-damaged vehicles is a welcome step for consumers in our market. I have noted in the past that New Zealand's compliance and certification processes are robust overall; this added layer of protection is a sensible measure to minimise risk while keeping options open for traders and customers.

The key question is still that if a vehicle has been written off by an Australian insurer, how should it be dealt with in New Zealand? It's an ongoing conversation, and one where the importer, consumer and potential New Zealand insurer must weigh the risks alongside any cost savings on offer.

The IMVIA was born out of a significant shift in New Zealand's trading history. Transformation is in our DNA, and we are proud to lead our industry into a new age of opportunity. ☺

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re-registration of all damaged vehicles in the country. "Ideally, there should be full disclosure about the history of all cars made freely available on one well publicised, easily accessible database so customers can quickly find out its damage history – whether or not it was an import or a statutory write-off," said Pomare when interviewed for MTA publication, Radiator Magazine.

At present the information regarding whether a vehicle is a write-off is not included on the vehicle Consumer Information Notice (CIN), however the MTA is fighting for it to become mandatory. "Commerce Minister Paul Goldsmith indicated in May that a review of the CIN card might be a good idea. If that review proceeds that will be the ideal time to consider the inclusion of safety information, along with other worthy information items," says Pomare.

The MTA believes that while a reputable trader may be open with a customer at the first sale, there is little guarantee that this



Flood damaged vehicles in Thailand

transparency will continue with any subsequent sale. "There is no clear tracking on the motor vehicle register of this damage and so information for consumers is limited".

Chief executive of the Imported Motor Vehicle Industry Association (IMVIA), David Vinsen agrees that information should be added to the CIN, however he says that he doesn't feel it will happen any time soon. "We've been down this track so many times in the past and nothing has changed. We strongly believe in making consumers aware of as much information about the vehicle as possible".

Vinsen welcomes the NZTA's recent decision, but questions whether the write-offs will be

**"We've been down this track so many times in the past and nothing has changed. We strongly believe in making consumers aware of as much information about the vehicle as possible."**

**- David Vinsen, IMVIA**

properly identified in terms of how damaged they are.

He would also like to see more information provided to consumers regarding flood-damaged vehicles. "That is our official position, but also we, as a country should be asking ourselves, if they're not good enough for Australia, why would we want them here?"

For now, all vehicles purchased on or before September 7 will be certified under the previous requirements, as long as they are checked at the border before October 7.

The Transport Agency will amend the Vehicle Inspection Requirements Manual (VIRM): light vehicle repair certification, used by repair certifiers, to reflect the change.

This means that importers who bring water damaged or written off vehicles into NZ have one month to get vehicles border checked under the previous requirements, provided they can provide evidence that the vehicle was purchased before the date. ☺

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# Look Mum, no hands!



In August's edition of Autofile, we discussed the emergence of Intelligent Transport Systems (ITS) on New Zealand roads and how they are being developed to improve road safety and accommodate future technological requirements. As part of the Intelligent Transport Systems Technology Action Plan, the Government is also working on developing ITS systems that will work well with autonomous vehicles, in conjunction with the technology that is already being used overseas.

According to IMVIA policy analyst and advisor, Kit Wilkerson, ITS will affect "most if not all aspects of the industry in different ways, most likely in stages."

Senior Advisor of Communications for the Energy Efficiency and Conservation Authority (EECA), Rachel Dahlberg, says the transition to electric and autonomous vehicles will also help reduce emissions from transport and therefore reduce environmental impact.

According to the Government's ITS Technology Action Plan, the country is an excellent testing-ground for autonomous vehicles. With one of the advantages being that NZ does not explicitly require a vehicle to have a driver present for it to be used on the road. "So long as any testing is carried out safely, a truly driverless vehicle may be tested on public roads today," it states in a document relating to autonomous vehicles, on the Ministry of Transport's website.

A driverless trial is due to take place in November with Volvo and Trafanz planning to demonstrate the technology in Tauranga as part of Trafanz's National Transport Conference. Transport Minister Simon

Bridges says "This will be the first trial of its kind in New Zealand and reflects our world-leading regulation around autonomous vehicles, which encourages new technology, while protecting public safety".

In March of this year, Electric Vehicle (EV) Advisor for the Greater Wellington Regional Council, Sigurd Magnusson showcased what can be legally executed on NZ roads, when he videoed a Tesla Model S cruising on autopilot across the Auckland Harbour Bridge while the 'driver' kept his hands off the steering wheel. "I wanted Kiwis to see that the technology is here and it's very exciting," says Magnusson.

Although the video was a surprise for New Zealanders, the concept is popular overseas. As early as 2006, Tesla's Elon Musk had begun discussing the idea of harnessing the power of the sun to power EVs and developing the idea of building self-driving vehicles.

In July 2013, Vislab demonstrated BRAiVE, a vehicle which moved autonomously on a mixed-traffic route, which was open to public vehicles. In mid-October 2015, Tesla rolled out version 7 of its software in the U.S - This included autopilot capability. Version 7.1 followed closely and involves a 'summon' feature, which allows cars to self-park without the driver in the car. In January of this year, Ford tested its autonomous cars on snow-covered roads. A step further than other companies who had mainly tested their vehicles in dry conditions.

With existing maps which cover the globe, thanks to Google Maps, Google Earth and the ability to download a variety of applications on the Android system, via Google Play, the multinational technology company, Google, also has a huge

impact on self-driving cars.

If Google is involved, Apple is sure to have a stake in the technology. Recently, the business invested one billion dollars in Chinese ride-sharing company Didi Chuxing Technology Co. The investment will reinvigorate sales in China, where Apple has come under increasing pressure from regulators.

In fact, a large range of software companies and manufacturers have partnered together in order to become a part of the autonomous vehicle revolution.

Multinational electronics company, Samsung has announced

that it will invest in BYD, a Chinese electric car maker. Samsung is expected to secure approximately two per cent of BYD's shares, however it also has existing ties with the car manufacturer. BYD supplies metal cases and low-priced batteries for Samsung Smartphone's and Samsung supplies sensors and semiconductors to BYD.

Samsung SDI has plans to invest just under \$360 million to build a plant to produce EV batteries in Hungary. The company produces batteries for BMW's i3 in South Korea and is expanding to meet the demands of the European market.

In August last year, Audi

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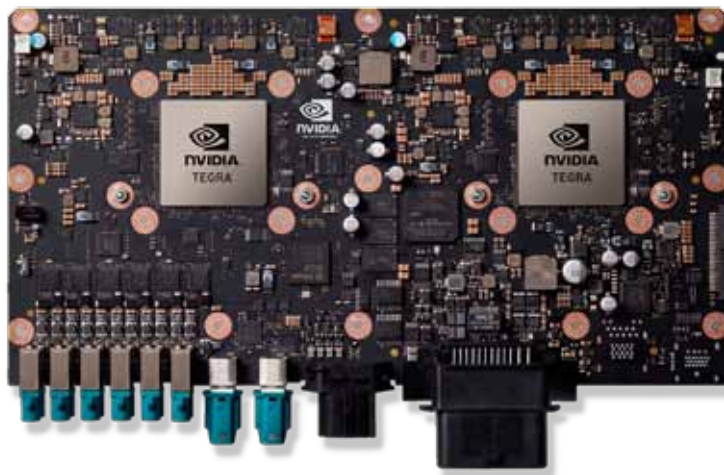


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announced that they were also partnering with Samsung SDI and LG Chem in order to process their lithium-ion battery technology. LG Chem has also been signed up to provide General Motors with the cells needed to make a high energy-density lithium ion battery.

Volvo plans to recruit around 400 engineers, primarily in the area of software development, investing heavily in autonomous driving. The company has also announced a \$411 million partnership with ride-sharing company Uber, to jointly develop the next generation of autonomous cars.

Nvidia, a California-based chipmaker, continues to invest in car-based technology. At present, more than four-million cars already have Nvidia Tegra chips, with another 25 million projected to be using them in the future. The chips run the vehicle's navigation functions and instrumentation and because they are upgradeable, many of the driver-facing functions can be updated without forking



NVIDIA's DRIVE PX2 is the world's most advanced autonomous car platform and is used by a number of manufacturers. It can fuse data from 12 cameras, as well as lidar, radar, and ultrasonic sensors and allows algorithms to accurately understand the full 360 degree environment around the car.

out for a whole new model.

Nokia is also involved, via its map-based software HERE which proclaims to be the "the largest and most highly trained team of mapmakers on the planet, with over 6,000 people in 55 countries."

The Berlin-based mapping company, owned by BMW, Audi and Daimler, builds high-definition maps which can accumulate 100 gigabytes or more of data.

Tesla manufactures battery packs at the Tesla Gigafactory and works

with strategic partner, Panasonic.

The software company is in charge of the cell production inside the facility and has invested \$64 million dollars in the Gigafactory, almost as much as Tesla.

Revamped German car maker, Borgward Group AG has formed a partnership with SAP, LG Electronics and Robert Bosch GmbH in order to launch plug-in hybrids and electric vehicles around Europe. Borgward and LG is also planning to develop EV components such as air

conditioning compressors, together.

Each manufacturer has developed a variety of vehicles with an array of capabilities, however at present Tesla's Model S (version 7) can be classified as one of the highest levels of automations on the National Highway Traffic Safety Administration (NHTSA) scaling system.

The grading system moves up from level zero, where the car is completely controlled by a human driver, to level four which is classified as a fully automated vehicle which performs all safety-critical functions for the entire journey. The Model S is currently at a level two.

Wilkerson says that stage three and four autonomous vehicles will likely lead to a different model of ownership such as "mobility as a service", which describes a new form of ownership, where people do not personally own transportation, and it becomes publicly owned and leased out.

Magnusson explains that it

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won't be long before you could have your own car but lease it out when you are asleep or at work. "If you needed a bigger vehicle, to take the family for a trip to Mt. Ruapehu, you could lease a seven-seater with plenty of room for the skis, or even book a bus. It completely flips the idea of vehicle ownership on its head".

At present, Uber and Lyft offer a similar service, with plans to include automated vehicles into their fleet in the long term.

"Studies in the US have suggested that the needs of urban areas could be met with a fleet of 10 per cent of current size, assuming a fleet of autonomous vehicles is always on the move. Of course, this change is unlikely to occur overnight, but considering the fact that most experts say it will happen, it is important that the industry will be involved," says Wilkerson.

In order to fast-track the future of autonomous vehicles, plans are already underway to include additional electric vehicle providers

Levels of automation				
LEVEL 0	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
No automation	Driver assistance	Partial automation	Conditional automation	Full self-driving automation
Driver in complete control	One or two automated controls such as self-park and braking	At least two functions are automated - such as cruise control and lane-centering	Driver takes control in an emergency	Vehicle does all the driving. Passenger only needs to input the destination



Transport Minister, Simon Bridges, is promoting New Zealand as a country for trailing alternative transport - such as Domino's' unmanned delivery drone

in the All-of-Government (AoG) Vehicles contract. This is part of the government-industry programme to accelerate the uptake of electric vehicles in New Zealand to reach 64,000 vehicles by 2021.

"This approach demonstrates the Government's commitment to transitioning to a low carbon economy by enhancing the availability of electric vehicles, both

in the public and private sector. I'm confident it will mean more electric vehicles on New Zealand's roads, sooner," says Bridges.

NZ will also host the world's first trial of pizza delivery using an Unmanned Aerial Vehicle (UAV or drone).

"As Transport Minister I have been actively promoting New Zealand as a test bed for new transport technology trials. Our enabling laws and regulation means we have the ideal environment to trial all forms of technology," says Bridges.

The Government is also working with Domino's on the possibility of testing a driverless pizza delivery unit on land.

Domino's Group CEO and managing director, Don Meij

said in a company media release that autonomous vehicles would open up new opportunities and create an impetus for innovation for Domino's globally and in New Zealand.

"This highlights what can happen when disruptive thinking is fostered - it turns into a commercially viable and revolutionary product," he says.

In terms of NZ's future, when it comes to autonomous vehicles and EVs, Bridges says the future is bright. "Autonomous vehicles will be a big part of the future of transport and offer potential safety, efficiency and environmental benefits. It is exciting to see international recognition that New Zealand is at the forefront of enabling this technology".



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# Used cars' safety rated

According to data from the recent Used Car Safety Ratings (UCSR) report for 2016, 115 vehicles received an excellent or good rating, with 28 vehicles earning the safe pick standard.

The UCSR guide is based on real-world crash data from across New Zealand and Australia and provides information on the performance of more than 266 models made since 1996 and onwards.

The ratings are based on reports from more than 7.5 million road crashes, reported to the police, and over 1.7 million injured road users in NZ and Australia from 1987 to 2014 and were analysed by Monash University's Accident Research Centre.

Calculations were made using an internationally reviewed method and are influenced by the vehicle's mass, the structural design of the body, and the safety features fitted to the vehicle, such as airbags and types of seat belts.

According to AA Motoring Services General Manager, Stella Stocks, you are, on average, 50 per cent more likely to be killed or seriously injured crashing a car built in 1996 than you are in a car built in 2014.

"With so much choice in the second hand market, being



Ford had a number of vehicles that earned the Safe Pick standard, including the Territory SZ and the Focus LV models

**"With so much choice in the second hand market, being aware of the safety rating of the car you want to buy could make all the difference." – Stella Stocks, AA**

aware of the safety rating of the car you want to buy could make all the difference," she says.

Chief executive of the MTA, Craig Pomare says that the UCSR guide shows "If a consumer recognises safety as a priority, there are plenty of vehicles to choose from across a wide spectrum of prices and ages".

The MTA recommends consumers purchase the newest, lowest mileage vehicle that they can afford. "Generally speaking, newer cars are more technically advanced and will likely include the latest safety features, along with the accident avoidance technologies such as electronic stability control," he says.

IMVIA chief executive David Vinsen agrees that newer cars are definitely safer "but you need to look at how you define safety. Are you looking at the safety of the occupants of the car or the safety of those out on the street or the environmental impact that your vehicle has?"

This year, the guide includes 49 more vehicles than last year, thanks to the inclusion of hospital records from New South Wales, alongside real world crash data from both New Zealand and Australia.

The Used Car Safety Ratings are different from ANCAP safety ratings, which are assessed by

a combination of data obtained from the simulation of common crash scenarios undertaken on new vehicles in a controlled laboratory setting.

When it comes to buying a new or used vehicle, the MTA recommends that consumers make themselves aware of the latest safety ratings. This research should not be limited to ANCAP ratings, but also include both the ACC and AA safety rating information.

Although the information is helpful, Pomare says that variances in safety ratings on the same vehicles from one monitoring system to another may confuse consumers. "Our advice is to make sure they take advice from MTA Assured member. They are trusted professionals and have the knowledge to help consumers interpret the safety results".

To view the full 2016 Used Car Safety Ratings guide visit [www.aa.co.nz/UCSR2016](http://www.aa.co.nz/UCSR2016). ▶

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SMALL CARS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists various car models like Ford Focus, Audi A1, and others.

LIGHT CARS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists models like Volkswagen Polo, Ford Fiesta, and others.

COMMERCIAL VEHICLES - VANS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists commercial van models like Hyundai iLoad, Mercedes-Benz Sprinter, etc.

COMMERCIAL VEHICLES - UTES

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists ute models like Isuzu D-Max, Holden Colorado, etc.

MEDIUM CARS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists medium car models like Audi A4, Ford Mondeo, and others.

COMPACT SUVs

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists compact SUV models like Hyundai ix35, Mitsubishi Outlander, etc.

MEDIUM SUVs

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists medium SUV models like Ford Territory, Mazda CX-7, etc.

LARGE CARS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists large car models like Ford Falcon FGFG-X, Holden Statesman, etc.

LARGE SUVs

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists large SUV models like BMW X5, BMW X3, etc.

PEOPLE MOVERS

Table with columns: Make, Model, Year, Driver Protection Rating, and a 'Safe Pick' indicator. Lists people mover models like Honda Odyssey, Kia Carnival, etc.



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The AA and the NZ Transport Agency are members of the Vehicle Safety Research Group, which commissioned the analysis of the crash data by the Monash University Accident Research Centre.

# Auto tech association to be formed

The New Zealand auto industry may be about to enjoy a more standardised way of accessing data from the Motor Vehicle Register, with the introduction of a new organisation called The National Auto Industry Technology Association (NAITA).

Initiators of the proposed organisation are currently in the process of completing an application to the NZTA to be recognised, and approved as a representative body. Three large players in the sector are involved in NAITA, these include Limelight Software (Motorcentral), TSI Group and Auto Play. Collectively these three companies represent more than 1,000 dealerships of both new and used vehicles and more than 2,500 aftermarket clients.

The catalyst behind the formation of NAITA is the proposed changes to class authorisation for access to the Motor Vehicle Register (MVR).

Currently, registered motor vehicle traders (RMVTs) gain access through a blanket class authorisation which covers them under their registration.

Access via this authorisation was planned to run out on April 30, this year, however NZTA has extended it for a further six

months, with authorisation due to expire in October. There is an application process for individuals to gain access to the MVR but the application appears complex and the NZTA has warned that it will take a number of weeks

to complete any approvals. They have indicated that RMVTs who belong to industry associations, should be able to access the MVR via that association, if an application has been completed and access has been granted.

Founders of NAITA believe it would be beneficial to work together

total industry representation from a technology and data perspective across all business types."

Once the organisation is approved, Greenfield, says that NAITA members will no longer need to seek independent approval from the NZTA for access to the MVR when handling a transaction.



**"With the rapidly increasing use of technology and data, a need has arisen for someone to provide total industry representation from a technology and data perspective across all business types." – Mark Greenfield**

and form such an association which assists with this process.

Another reason behind joining forces between three similar companies, was to give NZ businesses the opportunity to access a useable format with excellent point of sales tools which can be standardised, making it easier for a wide range of dealers and franchise owners to access the data they need, in order to run their businesses effectively.

"The three of us all have some cross-over where we are in competition with each other", says Darren Crothall, group general manager at TSI Group,

"But we are ignoring this and collaborating as we see a bigger picture. Working together to standardise our technology the entire industry can enjoy reduced costs, better access to data, and other real business benefits".

General manager of Limelight Software (Motorcentral), Mark Greenfield says that while other associations in the industry do an outstanding job for their members and the sectors they represent, the rapidly increasing use of technology and data means there is now a need for an association to provide total industry representation from a technology and data perspective.

"With the rapidly increasing use of technology and data, a need has arisen for someone to provide

General manager of Autoplay, David Boshier says the organisation will not be about holding a huge amount of data on behalf of other companies, but rather "standardising the current databases which are available and getting the data opened up to everyone".

"We also have the ability to take away the access to the data, if there is an example of misuse. Which means that we can enforce compliance, which other bodies might not be able to do as well," says Boshier.

NAITA's initial plan is to advise members and the industry on how to standardise and improve the consistency of the data available. The organisation will also assist with legislative requirements including transactional data at the point of sale as well as assisting the government and NZTA in understanding the needs of the industry.

"This will allow us to identify the best possible outcome that dealerships can comply with as part of the real world process that takes place within their businesses. NAITA welcomes any agency of the government to seek our input for ways in which compliance can be practically achieved," says Greenfield.

Membership information will be available to interested parties once the application has been accepted from the NZTA, for now, Greenfield says "there is certainly more to come in the future".

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# A win – in a no-win situation

Auckland-based vehicle logistics company, Jacanna Customs & Freight appeared on Fair Go in early September when they became involved in a case where household effects were shipped from Auckland to Brisbane on behalf of LL Global, a freight forwarding broker, who in turn had been paid in advance for the shipment by the Lopez family.

Jacanna shipped the container to Brisbane in early May but had not been their services by LL Global owner, Lita Lee. The Lopez's had paid six thousand dollars in cash to Lee to have their effects transported.

After unsuccessful attempts to contact Lee, Blair Cosford, national operations manager for Jacanna, tried locating the Lopez family himself. He used his private Facebook account to send multiple messages to any Lopez's he could

find that lived in the Philippines, as he understood that was where they originated from. Cosford received a reply from the Lopez's grandson, who provided the contact details of where to reach his grandparents in Brisbane. At this stage freight and storage costs had escalated to many thousands of dollars, which the Lopez's could not pay.

While Jacanna was trying to negotiate a solution with the Lopez couple, Fair Go was contacted by the Lopez's daughter, who asked if they could help in the matter.

Fair Go started to investigate and came across a Facebook page which was dedicated to people who believed they had been scammed by LL Global. Most were from the Philippines and had paid LL Global to send packages from New Zealand to the families and friends they had left behind. Most of the goods had still not arrived in



Blair Cosford, national operations manager for Jacanna Customs & Freight

the Philippines, although they had been paid for.

According to the Fair Go Journalist who researched the case, Anna Burns-Francis. "It was a good opportunity for us to show that they didn't need to go through a third-party agent."

"What Jacanna did was fantastic. Quite a lot of the companies, when you approach them and it's not their

fault, yet they are tied up in it, don't want to be involved. For them to come to the party and write off that money was brilliant".

"This was a no-win situation for all involved and the right thing to do was to allow the Lopez's to get their belongings," said Cosford, "people need to be really careful when they engage freight forwarders to move goods, especially if the freight forwarder insists on cash and doesn't furnish a bill of lading. It's the same old story, use reputable companies and you're much less likely to be ripped off".

At present, Lee is in the middle of a police investigation which involves a large number of customers, mainly from the Philippines. Since the programme aired, Burns-Francis says that more people have been in touch and this information has also been handed on to the police. ☺

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- Lisa and Brendan Sharland,  
AA Auto Centre Palmerston North



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# Business interruption planning

**W**hilst business interruption planning is not the most exciting topic to talk about, in many ways it could possibly be classed as one of the most important topics for your business.

Dealerships need to consider potential threats regarding any inherent risks that may present themselves for whatever reason. Once the risks have been identified it is then a matter of working through how they can be mitigated in the event that an unfortunate circumstance was to occur.

The majority of small to medium businesses have no plans or provisions in these areas, because they have no requirements to from external parties, like banks or funders. However, if something did happen it would likely place the daily running of the business in a difficult situation. The reality is though unless you are proactive in this area, nothing will happen until a crisis occurs, which is not what anyone wants to be dealing with, and at this stage it's too late to plan.

I will focus on the two most important areas to first consider as you review your business risk, and these are "Key staff" and "Dealer management system"

## KEY STAFF

The most at risk point of the business in relation to key staff traditionally sits in the administration department, where one person is responsible for multiple tasks. Departments that have more than one person are slightly less at risk as roles are

normally shared and the functioning of the business does not rely on one person. All too often we come across dealerships where the individuals in these roles are stretched beyond capacity and have little or no opportunity for any time off, or much needed annual leave. That tells me the business heavily relies on the responsibilities and function of that role, and more critically, that person in that role.

What are some of the steps you can take to limit the impact of being so reliant on key staff?

Transfer of knowledge to other staff members. This transfer of knowledge needs to be exercised regularly as planned backup, otherwise tasks will be forgotten.



MARK GREENFIELD  
Motorcentral

If used regularly, downtime would be limited in the hand over and the person regularly in that position would feel there is someone to take over if required.

Document processes, this will assist the backup, or the new person required to fill the role.

Refinement of process and utilisation of all the efficiencies that are available. Review everything that you do currently and challenge as to why you do it that way, and is that the smartest way to do it in the future. Doing this will likely enhance productivity, realise some efficiency's, and most of all de-risk the business around an individual.

**DEALER MANAGEMENT SYSTEM**  
This area is one which like key

staff, over time and without you realising it, becomes a critical component that your business heavily relies upon. This area is often overlooked as to what should happen if something unplanned was to happen. It's not easy to plan for every scenario, but here are some questions for consideration and planning that may limit any negative impact:

System/data backup, along with service & support – What is currently in place with your system provider? How do you access it? Who do you contact? What are the timeframes in being back up in running if you were to lose, say, your computers to theft or fire?

Is your plan documented somewhere so all staff know what the process is for getting operational again? Is this accessible in hard copy somewhere (not just saved in the computer that was just stolen, or smouldering in the corner)?

There are examples at varying degrees of extremity, where dealerships have been caught out with no planning or provision for when an unplanned event occurs. Being proactive now and dedicating a little time to plan for some business continuity, is very likely to be the difference that could save a world of stress and pressure down the track. The time involved to get back on track could potentially be months when reacting to a crisis, therefore take a few hours now and invest in the future planning of your business to reduce any risks that may materialise. ☺





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## Banned trader fined \$50k

An Auckland-based man acting as a motor vehicle trader has received the maximum penalty for continuing to trade motor vehicles while banned, his sixth fine for unlawful motor vehicle trading.

Brett Collins was found guilty of selling eight vehicles whilst banned from participating in the business of motor vehicle trading.

Noting his repeated recidivism, Judge Russell Collins imposed the maximum fine of \$50,000.

Collins appealed the fine, and the High Court dismissed the appeal earlier this month.

"Mr Collins knowingly broke the law on numerous occasions by continuing to sell cars while banned from registering on the Motor Vehicle Traders register," said the Registrar of Motor Vehicle Traders Stephen O'Brien.

Between 2001 and 2014 Collins received five convictions and fines for selling motor vehicles when not registered as a trader

and for trading while banned, and according to O'Brien, his repeated and intentional flouting of the law for commercial gain was a compelling factor for the judge to impose the maximum penalty.

David Vinsen chief executive of the Imported Motor Vehicle Industry Association expressed his support for the sentence.

"We're pleased with the decision and we're also pleased with the penalty, which is much more realistic.

"In order to be a registered motor vehicle trader, which is intended to protect the public, there are certain costs. Apart from the initial cost of setting up there are also ongoing compliance costs, and everybody in the trade has to bear that. Unregistered traders take advantage by not meeting those compliance costs and not meeting the standards required, and then undercut legitimate business people who are adhering to the laws." ⊕

## NEWS in brief

### Lamborghini joins the SUV revolution

The designers at Lamborghini are planning to join the droves and build an SUV, with sales scheduled to begin in 2018.

The vehicle, which will be built in Lamborghini's plant in Sant'Agata

Bolognese and will be an extension of the Urus concept car which was presented at the 2012 Beijing Motor Show.

According to Lamborghini, the Urus will be renowned for its lightweight design and the lowest CO<sub>2</sub> figure of comparable vehicles. It will also include a permanent all-wheel drive system and carbon fibre technology, in place of steel and aluminium sections.

Although this is not Lamborghini's first SUV (with the manufacturer building the 'Rambo Lambo', in the 80s, in order to secure a military contract), it could be one of the most affordable models in the Lamborghini line-up, with predictions of as many as 3,000 sold per year.



### Ford moves from cars to mobility

Ford has plans to redefine itself from a traditional carmaker to a mobility service, with its focus not just on producing cars but providing services.

Ford chief executive Mark Fields says that Ford will initially release a high-volume fully-autonomous car for commercial operation in 2021 as part of a ride-sharing service. The marque will then start selling self-driving cars to the public around the mid-2020s.

Ford recently announced plans to acquire an on-demand shuttle service. It is also working with a San Francisco company to expand bike-sharing in the city.

### Peugeot unveils new Dakar race machine

After returning to the gruelling Dakar race after a 25 year layoff, Team Peugeot Total took out the title earlier this year with Stéphane Peterhansel driving the 2008DKR16. They approach next year with the same team but a very different vehicle.



In January 2017, Peugeot will take on the daunting Dakar terrain in new 3008DKR. The new model improves on its predecessor in four main areas, with better reliability, suspension and air conditioning allied with greater torque at lower revs.

The new 3008DKR, which will be unveiled at the Paris Motor Show in October, remains loyal to Peugeot's two-wheel drive philosophy. Peterhansel's victory was the first two-wheel SUV to take victory in 15 years.

### Autonomous Volvo on show

Volvo plan to conduct the first autonomous vehicle trial for New Zealand.

Volvo and Trafz aim to demonstrate the technology in Tauranga in November as part of the national Trafz transport conference.

"This will be the first trial of its kind in New Zealand and reflects our world-leading regulation around autonomous vehicles, which encourages new technology while protecting public safety," Transport Minister Simon Bridges says.

"Autonomous vehicles will be a big part of the future of transport and offer potential safety, efficiency and environmental benefits. It is exciting to see international recognition that New Zealand is at the forefront of enabling this technology." ⊕

# Kodiaq has bear size and strength

**W**ith huge consumer interest in SUVs, it's no surprise that Škoda's newest model is a seven-seater SUV.

The Škoda Kodiaq is named after the Alaskan Kodiak bear, with a slight differentiation in spelling to honour the indigenous Alutiiq people.

With the option of five power trains, two turbo diesel (TDI) and three turbo straight injection (TSI) engines, with capacities of 1.4 and 2.0 litre and power output ranging from 92 kW to 140 kW, there are

ample options to choose from. The diesel and petrol engines will also feature turbocharged direct injection, fulfilling Euro 6 emission standards.

The all-wheel-drive system with electronic control is available for most engine variants, with an electronically controlled multi-plate clutch. The control unit constantly calculates the ideal driving torque for the rear axle, with loss of traction almost eliminated. When in overrun or at low load, drive is via

the front axle, which saves fuel.

Depending on the engine, there is a six-speed manual gearbox or direct shift gearbox (DSG) transmission with six or seven speeds. The 7-speed DSG is available on the TDI models.

An additional innovation is the Tow Assist function which takes over the steering when reversing a trailer. The new manoeuvre assist function also allows the car

to brake as soon as an obstacle is detected behind the vehicle.

The all-wheel drive version offers a snow mode, which adapts the operation of the ABS, ASR and ACC systems, along with engine management and electronically controlled clutch to assist when driving on slippery and snow-covered roads.

The model arrives in New Zealand in April next year. 📍



## Fourth-gen Kia Rio teaser

**K**ia has released a series of images and some information about the fourth-generation Kia Rio, before it's official debut at the 2016 Paris Motor Show.

According to a teaser sketch by the manufacturer, the new version of the Rio is slimmer, with a Tiger Nose grille. It is also larger than it's predecessor, measuring 15 mm longer (4,065 mm), 5 mm wider (1,725 mm) and riding on a wheelbase which is 10 mm wider (2,580 mm). The body is marginally shorter which gives it a sportier look but also increases the overall interior space of the vehicle.

Kia says that Rio's new shape was thanks to a joint effort between design studios in California and Germany as well as work from the

manufacturer's design hub in their South Korean headquarters.

The interior of the new Rio includes a floating multi-media system in the centre of the dash and controls angled towards the driver. Kia also promises better connectivity features such as the smartphone-driven Uvo infotainment system as well as an increase in safety technology.

Details relating to the engine and mechanical details, will be unveiled at the Paris Motor Show which will take place on 29 September.

The new Rio will enter production late this year for European markets, with a 2017 production likely for the US. 📍



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# Kiwi driver off to Indy shootout

After ten years of living and breathing the motorsport, Michael Scott is within reach of achieving the next step towards his dream - to become an IndyCar driver.

**B**orn and bred in Te Puke, the 21 year old became the first driver, out of a possible 20 from around the world, to be presented with an invitation to the end-of-season Mazda Road to Indy \$200K Scholarship Shootout.

The Scholarship Shootout, which is set to take place at the Mazda Raceway Laguna Seca in December, will be the next step up in the ladder towards Scott's dream to become an IndyCar racer, with the winner earning \$200,000 to compete in the 2017 Cooper Tires USF2000 Championship powered by Mazda.

The invitation was awarded to him when he won the New Zealand Formula Ford Championship in late April at Pukekohe Park Raceway and the engineering student says he will have more reasons than ever to succeed in the US, dedicating his bright future to his father Neil, who was a huge support throughout his motor-sporting career, but passed away three months ago.

Winning the Formula Ford Championship as a 'Father/Son' team, was the culmination of a decade of hard work and a special bond between the Scott family racing team. "It was a pretty amazing experience to win alongside my dad when we were racing against other teams," he says.

Beginning his career at the age of 11 in a "cheap, old go-kart on the local Te Puke track," Scott competed for four seasons before moving on to race Formula Ford, at the age of 15. In his rookie season he finished second, so the talent was already beginning to shine through.

From there he would go on to race in the 2013 and 2014 Toyota Race series. During his time in motor-sports, he has also won the BOP Junior Point series for 2010 and 2011, the Formula First Grand Prix, as well as the Jock Flavell Memorial Trophy, George Hettterscheid Trophy and Paraparaumu Shield. He was also Formula Ford Rookie of the year in

2012 and North Island and National Formula Ford Champion for 2015.

Scott also garnered a huge amount of experience competing in the Toyota TR 86 sedan series as a CareVets scholarship recipient, where he raced both the Toyota 86 and the Formula Ford, at times at the same race meeting. "Some of the meetings actually clashed and I had to jump out of one car and run to the other. With Formula Ford being an open-wheeler and the 86 being a Saloon with the gear shift on the other side and ABS brakes, I had to get very good at adapting to the difference in the vehicles".

Despite the added pressure of having to switch vehicles, Scott

still managed to win the Formula Ford championships - where he won 15 out of the 18 races and three 86 races during the season. "The events at Ruapuna were amazing. We would have wet and dry weekends and adapting to the conditions with no breaks between the two cars, without even changing my helmet, was a real challenge."

Apart from the huge support from his family, Scott has also been backed by local Te Puke businesses such as EastPack, a Kiwifruit packing business based in the area. "I have been incredibly fortunate to get so much support from Te Puke locals."

When he isn't competing, ▶



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# Evans in top 10 at Audi Sport TT Cup

Simon Evans, a 25-year-old sales executive at Giltrap Audi, placed seventh and eighth at the Audi Sport TT Cup in Nurburgring, Germany.

Evans is the first ever New Zealander to represent the country at the event. Out of the 125 drivers who applied to race the event, he was one of 16 permanent drivers and eight guest drivers selected for the race.

He follows in his father Owen's footsteps as one of the country's top young drivers, and began his career in Kartsport. Evans then moved on to Formula Ford racing, then competed in the Porsche GT3 Cup as well as the current NZV8 series.

Speaking ahead of the race, he said: "It's such an honour to be selected to race in the Audi TT Cup. I can't wait to get over to Germany and compete at the Nürburgring. It feels pretty special to be picked out as the first New Zealander to compete in the race and represent the country and Audi NZ on the world stage."

Dean Sheed, general manager of Audi New Zealand, added: "Our country has a proud and rich motorsport history and Simon will continue that legacy of Kiwis racing at a globally significant level, something all

Kiwis can be proud of."

Evans posted on his official Facebook page, ahead of the race, that his Audi TT S was a "fun, nimble car to drive."

He said later that it was "awesome to drive on the Nurburgring for the first time" and that he was "getting the hang of a [front-wheel-drive] car again". Evans placed fifth in both practices on September 10 and September 11. However, a slight set-up



Simon Evans placed in the top 10 at Nurburgring

change for the qualification race saw him end up 13th.

At his first race on September 11, he started at 13th, but placed seventh

overall with a time of 27:30.771. His second race saw Evans start at 14th before moving up to finish the shortened race in eighth place, at 31:21.608. He was the first-placed guest driver in both races.

Joonas Lappalainen of Finland took first place in both races, crossing the finish line at 27:23.544 in the first race and 31:09.221 in the second.

The Audi TT Cup runs across Europe and consists of seven races, beginning at the Nurburgring circuit in Germany. The series is designed to provide opportunities for young drivers interested in entering Audi Motorsport, and is the first step towards the DTM German Championship and the World Endurance Championship.

◀ Scott can be found studying for his Mechanical Engineering degree in Christchurch, which will not take a back-burner to his IndyCar aspirations. "I will continue studying in Christchurch between races," he says. Scott is also competing in this year's Cooper Tires USF2000, where he will be piloting the No. 33 car as part of the John Cummiskey Racing team, for the last two races of the year which will take place in September and October at Laguna Seca.

With his experience to date and a passion to become an IndyCar champion, Scott has a bright future planned ahead of him. "The goal, with racing in the States, is to win the shoot-out. That is the road to Indy. If we can win, they have a very good stepping-stone system towards driving in a pro-Mazda IndyCar. My dream has always been to make it to Indy and I hope to get there within the next four or five years." ☺



## SPEED DIARY

### 23-25 SEPTEMBER

- NASCAR Sprint Cup - Loudon, USA
- European Le Mans - Spa, Belgium
- MotoGP - Aragon GP, Spain
- DTM - Budapest, Hungary
- WTCC - Shanghai, China

### 23-27 SEPTEMBER

- Asia Pacific Rally Championship - Japan

### 30 SEPT - 2 OCT

- Formula 1 - Malaysian GP, Malaysia
- NASCAR Sprint Cup - Dover, USA
- WRC - Rally France
- World Superbike - Magny-Cours, France

### 2 OCTOBER

- World Rallycross - Latvia

### 8 OCTOBER

- NASCAR Sprint Cup - Charlotte, USA
- Formula Drift - Irwindale, USA

### 8-9 OCTOBER

- Supercars - Bathurst 1000
- Global Rallycross - Los Angeles, USA

### 9 OCTOBER

- Super GT - Buriram, Thailand
- Formula 1 - Japanese GP, Japan

### 14-16 OCTOBER

- WRC - Rally Spain

### 15-16 OCTOBER

- World Rallycross - Germany

### 16 OCTOBER

- NASCAR Sprint Cup - Kansas, USA
- MotoGP - Japanese GP, Japan
- DTM - Hockenheim, Germany
- World Superbike - Jerez, Spain

### 22-23 OCTOBER

- 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, Argentina

### 28-30 OCTOBER

- WRC - Rally Great Britain, UK
- Asia Pacific Rally Championship - Malaysia
- Australian GT Endurance - Hampton Downs, NZ



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# Bracing for the invasion

Home to just over 380,000 people, Hamilton is fourth biggest city in terms of population. According to research by Motu consulting group and the Auckland University, Hamilton was the fourth fastest growing town in the country in 2014, thanks to its proximity to Auckland, the rural opportunities available and the various learning institutions that are situated in the area.

As one of New Zealand's university cities, Hamilton can also thank Waikato University for part of its population, with 12,500 students living in the region, making up close to 2,000 international students from more than 70 countries.

At last count, 1,000 Ph.D. qualified scientists were living in the area, which is partly thanks to the variety of research centres

which are situated in the region, including Ruakura's Plant and Food as well as the AgResearch centre, which is the leading agriculture and life sciences research centre in New Zealand.

## THIS IS MOOLOO COUNTRY

The dairy industry makes up a large proportion of the income for people in Hamilton's urban area, which is made up by four sub-

cities including Ngaruawahia, Te Awamutu and Cambridge as well as Hamilton's central business district.

Home to NZ's National Fielddays, it was not a surprise that the mood amongst many of the farmers who attended the event, which took place in June this year at Mystery Creek, was sombre after learning that there would be a further drop in the whole-milk powder price of 4.5 per cent to \$US2118 dollars a tonne.

This took its toll on the region, with Hamilton's vehicle sales dropping when compared to the rest of the country. Although the city makes up 8.14 per cent of New Zealand's population, it only accounts for 6.4 per cent of national car sales.

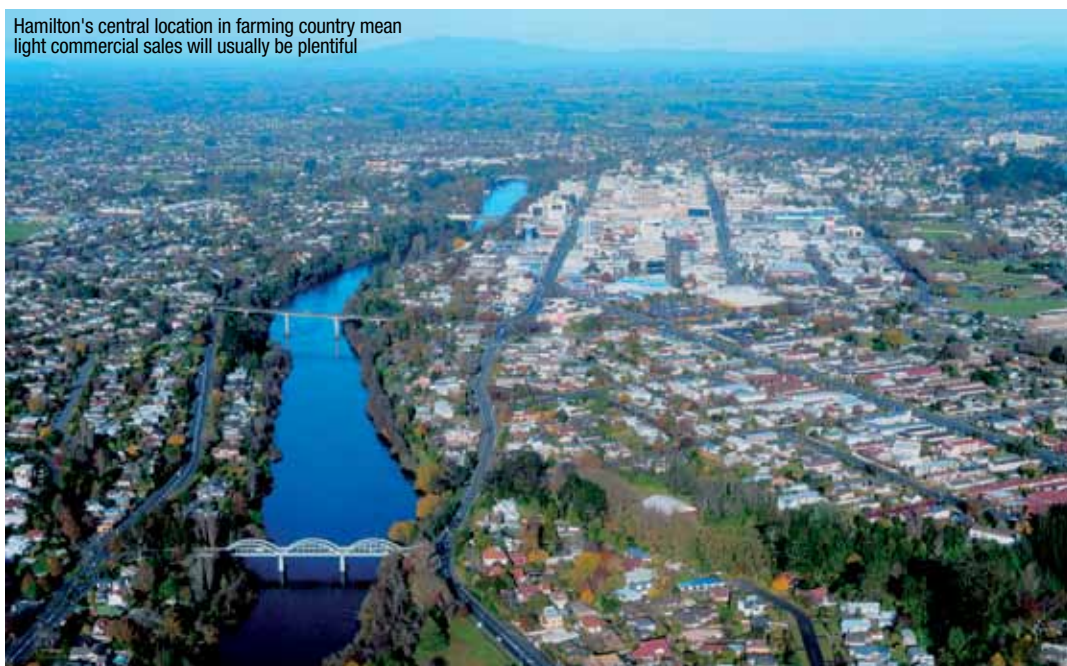
Dealer principal for Budget Motor Cars in Hamilton, Tim Elliott says this has not always been the case and sales were quite regular prior to the decrease in dairy prices. "Lately you either seem to have a busy start or a busy end to the month, but you don't seem to get the consistency that we used to enjoy".

He believes that although there are a number of reasons behind the changes in buyer activity, some of it might have to do with the lower dairy payouts. "At the end of the day, it can have a flow-on effect for the whole region. The more people start to tighten their belts, the more that flows through to the rest of the economy".

From past experience in dealing with lower sales interest, it is not an overnight change but more of a slow progressive decrease. "There are varying factors however, including the fact that we are just coming out of the winter season. Multiple factors can make a huge difference to sales figures".

**NEW COMMERCIAL SALES UP**  
On the flip side, demand for new commercials is continuing to increase, with Hamilton making up 8.89 per cent of the national sales. Over the last 12 months there have been 3,365 new commercial vehicles sold in this area.

Hamilton's central location in farming country mean light commercial sales will usually be plentiful



## Hamilton vehicle sales - September 2015 to August 2016

	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS	PUBLIC TO TRADER	PUBLIC TO PUBLIC	TRADER TO PUBLIC
Aug '15	836	388	52	284	1,159	3,203	1,499
Sep '15	753	502	45	292	1,129	3,223	1,487
Oct '15	676	479	47	268	1,152	3,269	1,469
Nov '15	656	356	31	257	1,053	3,150	1,376
Dec '15	739	395	45	238	1,207	3,241	1,467
Jan '16	764	600	40	312	1,121	3,146	1,312
Feb '16	789	510	40	269	1,115	3,226	1,411
Mar '16	802	548	62	407	1,341	3,344	1,429
Apr '16	823	524	46	295	1,357	3,166	1,517
May '16	862	511	51	336	1,503	3,422	1,575
Jun '16	724	739	51	413	1,226	3,266	1,458
Jul '16	888	525	55	361	1,334	3,579	1,578
Aug '16	826	605	43	317	1,211	3,549	1,553
<b>Total 12 months</b>	<b>9,302</b>	<b>6,294</b>	<b>556</b>	<b>3,765</b>	<b>14,749</b>	<b>39,581</b>	<b>17,632</b>
Increase/Decrease on August 2015	-1.2%	55.9%	-17.3%	11.6%	4.5%	10.8%	3.6%
NZ sales - last 12 months	145,456	98,048	9,857	42,361	157,234	512,188	213,181
Hamilton's % of national sales	6.4%	6.4%	5.6%	8.9%	9.4%	7.7%	8.3%
Population	New Zealand	4,693,000	Hamilton	382,000	8.1%		



Waikato Stadium, the botanic gardens, and Waikato University are just some of the drawcards for people moving to Hamilton

◀ Dealer Principal for Ebbett Group Dealership, Walter van den Engel says that there has been a marked increase in sales for new commercials for a few months now and he believes this has a lot to do with the fact that utes are no longer made just for tradies.

"They are generally more car-like these days with people using them as the family car. Vehicles like the Colorado or Hilux used to drive like a ute, however they now have increased safety features and are more comfortable to drive".

Van den Engel has noticed that the population is definitely growing and he believes that has a lot to do with the fact that Auckland is now busting at the seams. "People are moving south to find more affordable living conditions". He has also noticed that local people

who lived in the city centre are now moving out to more rural areas such as Morrinsville and Te Awamutu. "There seems to be a reshuffle going on and with that, there is an increased need for bigger vehicles".

According to the 2013 census, families with children made up 40.7 per cent of all families in Hamilton city, with this figure increasing due to the influx of families from Auckland since the housing crisis.

Elliott says that thanks to a large percentage of families living in the region, there has been a shift in focus from the type of customers

who would stereotypically buy a commercial vehicle. "A lot of people that used to buy a station wagon, or a large sedan will now buy a ute and deck it out to the nines. It still has the same purpose that it had before, but it's also still classified as a commercial vehicle".

#### PROPERTY VALUES INCREASING

Thanks to its close proximity to Auckland, the region has recently hit a record median house price, with property sales beginning to boom recently thanks to Aucklanders who

can't afford homes in the big city, looking further afield.

According to the most recent QV report, home values across Hamilton city continue to show massive growth, up 29.3 per cent year on year and 8.4 per cent across the past three months. The average value of a

home in the city is now \$518,387.

Although the numbers are high, QV homevalue Hamilton Valuer, Stephen Hare said, "It appears demand for residential property throughout Hamilton has been easing back over the past month".

Hare believes that this might have a lot to do with the latest LVR restrictions which require a 40 per cent deposit for those purchasing investment properties. "It appears that the new measures are already resulting in reduced competition for properties in the market despite not formally coming into effect until October 1".

**"A lot of people that used to buy a station wagon, or a large sedan will now buy a ute and deck it out to the nines."**

**-Tim Elliott, Budget Motor Cars**

#### OUT-OF-TOWN BUYERS

Sales manager for Vehicle Direct, Amar Kahlon says he is noticing better numbers than the previous months thanks to a recent influx in customers from Auckland who travel down to purchase vehicles because "they realise that they are better quality than some of the bigger chains in Auckland which just sell cheaper vehicles".

In relation to dairy figures, things are also looking up with prices of milk powder increasing

to US\$2,695 a tonne, the highest since October last year. This could spell a good future for rural regions for Hamilton.

For Elliott, the key to a successful future in vehicle sales, is to run a smaller dealership. "You don't have as much stress as the bigger dealerships do, with high rent going out every week. For us, the numbers are continuing to stack up well and we continue to manage the peaks and troughs". ☺



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# The month that was.... August

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

September 7, 2007

## MAF Consults industry on new standards

MAF BNZ is revising the import health standards (IHS) for used vehicles and machinery and has hosted the first imported vehicle biosecurity advisory group meeting, in order to discuss the future of biosecurity risks relating to imported vehicles.

The initial risk analysis report suggested that either heat treatment or fumigation with methyl bromide will be used for mandatory vehicle treatment.

Chief executive of the IMVDIA, David Vinsen states that heat treatment is better for the environment. MTA development manager, Nick Hill says heat treatment has not yet been tested for vehicle safety and cosmetic damage.

MAF assured the group that there have been trials with two alternative gases and they are looking at options for treatment in-transit with residual sprays. The decision was made to have another meeting within a month, to discuss the issue.



September 14, 2007

## Finance companies reigned in

In the wake of the collapse of eight high-profile finance companies (including Nelson-based First Finance and Investments, as well as Bridgecorp), Finance minister Michael Cullen announced strict new regulations for the finance industry this week.

The framework will stipulate that all deposit takers have to be registered with the Reserve Bank and comply with minimum prudential requirements. This will apply to non-bank deposit takers, including finance companies, building societies and credit unions.

The minister said that this was a result of a major review of regulations, which spanned nearly two years. "This is not intended to be a 'quick fix' solution and it will not solve all the problems that some finance companies are currently facing," said Cullen.



September 13, 1999

## MTA excited by purchase

The Motor Trade Association purchased Vehicle Testing New Zealand Ltd (VTNZ) from the government this month for a cool \$19.2 million.

MTA president, Trish Campbell, says "this purchase is the most significant transaction for the MTA in its 82 year history."

The association held a special general meeting on August 31 where 87 per cent of the members voted in favour of the MTA proceeding to bid.

"Our goal is to grow this company. Basically the better the company performs, the more dividends can be generated and diverted back to our members in services, such as training, which will improve their own business success," says Campbell.



September 14, 1998

## Age of used imports drops dramatically

In the past two years, the age of the used imported passenger vehicles being first registered has decreased.

In 1996, 22 per cent of all registrations were seven years old, however this accounted for only 16 per cent of the vehicles registered so far this year.

At the same time, nearly 20 per cent were eight years old, 18 per cent were nine years old and just 11 per cent were five years old. This year almost two per cent of all used imports were one year old or less, while four per cent were two years old.

The split between vehicles that are four years old and those that are up to eight years old ranges from 12 per cent to 16 per cent of the market. Together they make up 70 per cent of all used import sales.



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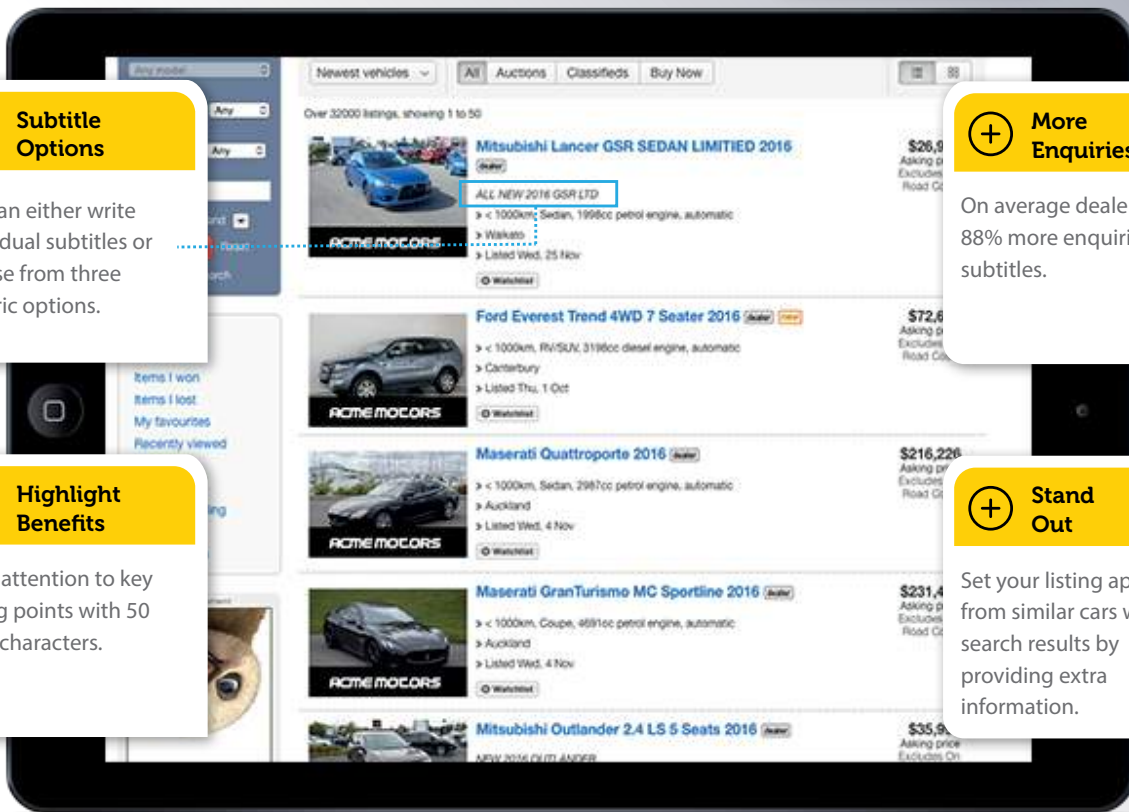
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# Industry movers

**KERRY SMITH** has joined Mainstream Insurance as business development manager - South Island. Based in Christchurch, Smith will provide support to motor vehicle dealers within the lower South Island, assisting them to increase and retain profit from finance and insurance products.



Smith has been involved with the motor Industry for over 20 years, in advertising, marketing and motor vehicle sales in Christchurch.

**BRENT JEWELL** has been appointed as Maserati national sales manager for Australia and New Zealand



Jewell's most recent role at Ateco Automotive Ltd was as national sales and marketing manager for SsangYong, a dual role that he began in 2013

In this new role he will be based at Maserati Australia and New Zealand's Sydney headquarters.

Land Rover has announced former New Zealand star **DAN CARTER** as their latest addition to its list of Global Ambassadors.



The former All Black first five-eighth and three times winner of the World Rugby Player of the Year award, now plays his rugby in France with Racing Metro 92.

Carter will be working with Land Rover on a number of projects, including supporting its position within rugby.

**JOANNE (JO) BUCKNER** has been appointed to the Motorcycle Safety Advisory Council (MSAC).

The council represents the motorcycling community and advises ACC on safety initiatives that will make motorcycling safer on New Zealand roads

Buckner is a former captain of the New Zealand Division of the Women's International Motorcycling Association and a Life Member of the BMW Owners Register."

**TO FEATURE IN INDUSTRY MOVERS**  
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# NZ labour market report

According to figures obtained from the Ministry of Business Innovation and Employment (MBIE), strong employment growth is expected in the construction industry. This will coincide with growth in hospitality, wholesale and retail trade as well as the business service industries over the next three years.

Demand for highly skilled occupations, which include management level roles, will also be a factor, with opportunities available to 57 per cent of the overall employment growth over the next three years. In 2015, highly skilled occupations made up 42 per cent of the overall employment share and this is forecast to rise to 43.2 per cent by 2019.

Opportunities for lower-skilled workers are expected to account to almost 30 per cent of the employment growth. The food processing, retailing, accommodation, business services and construction industries are expected to create most of these opportunities.

Lower-skilled occupations accounted for 46 per cent of the overall employment share in 2015, which is forecast to fall to 45 per cent in 2019.

Regionally, the average annual rate of employment growth will be strongest in Marlborough, which will increase by 3.6 per cent, the West Coast and Otago (both up by 3.2 per cent) regions in the South Island and in Auckland (up 2.4 per cent), Waikato and

Taranaki (both up by 2.3 per cent) in the North Island.

The largest increase in employment numbers will occur in Canterbury (up 19,900 workers) and Auckland (58,800 workers). These two regions will provide more than half of the overall growth during the next three years.

The likelihood of further slowing of economic growth amongst some trading partners, uncertainty in the Eurozone and weaker dairy prices could impact adversely on the demand and returns for New Zealand exports.

The main downside risks for the export sector are weaker export prices, and a decreased demand from continued economic slowdown in China, lower economic growth in New Zealand's other main trading partners and risks related to geopolitical tensions.

While employment could rise by 48,200 in 2017, MBIE estimates that another 30,000 people may

be required to replace those retiring from the labour force. High levels of net migration in the near term are also likely to meet some of this demand.

In order to forecast the future employment levels, The Ministry uses a short-term forecasting model that draws on the latest macroeconomic forecasts by the Treasury and the Reserve Bank of New Zealand, covering overall GDP growth as well as detailed forecasts of terms of trade, exchange rates and interest rates. ☺

**In 2015, highly skilled occupations made up 42 per cent of the overall employment share and this is forecast to rise to 43.2 per cent by 2019**

# Wraps have a place but be aware

**H**ere at Protecta we believe in continually striving to add value to your business, and with changing technology on vehicles, thought it might be timely to talk about vehicle wraps. Wraps to brand commercial vehicles have been around for a few years but are now starting to become more popular with private vehicle owners to change the colour or look of their vehicle. It can also preserve the original paint increasing the resale value once removed.

You get what you pay for when it comes to vehicle wraps, there are a number of products out there that may seem reasonably priced but people need to do their homework to find a reputable product and applicator.

Most products are warranted for 3 to 5 years so we must accept this is not a permanent solution

for a change of colour or look. Exposure to sunlight and adverse weather conditions will have a big impact on longevity, colour will change and fading will occur very early into the warranty period.

Wraps remaining on a vehicle for periods over three years can lead to the product adhering strongly to the paint surface making its removal difficult and more costly.

Some wraps are licenced to one particular applicator and cannot be fitted by anyone else, meaning that if it does need repair or replacement there is only one company that can provide this service, creating a non-competitive situation.

So why are we at Protecta highlighting the vagaries of



**SIMON MOORE**  
Motor-trader development manager  
Protecta Insurance

vehicle wraps?

Applying a wrap to your vehicle would be considered by most insurance companies as a modification and will have an impact when setting a premium and terms. Modifications must be declared as such or insurance may be void.

For dealers trading a vehicle that has been wrapped it is important to consider the potential additional cost for the buyer when they come to insure it, as a modified vehicle, making it potentially harder to sell.

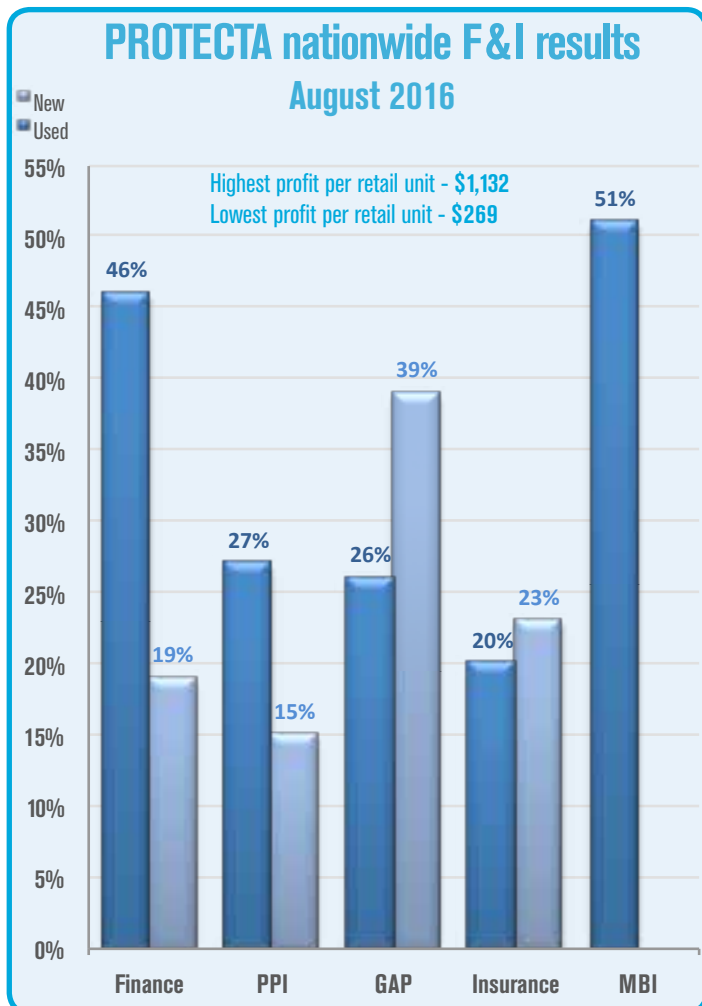
Dealerships selling new vehicles may choose to wrap a vehicle for promotional purposes. If this vehicle incurs slight damage, the cost to remedy the damage would be covered by your insurer,

however repairs or replacement of the entire wrap is unlikely to be covered. An example being; a car (with full wrap) receives minor damage to a guard. If the entire wrap has to be replaced due to problems with matching this may cost many thousands of dollars. Most insurers policies have clauses that say they will only repair or replace the part of the vehicle that was damaged; others are more specific around paint, saying if this cannot be matched they will not paint any area not damaged.

So in parting, if you trade cars with a wrap beware the buyer may incur increased premiums.

If you wrap vehicles in your dealership, be aware that costs to repair or replace wraps may need to be covered by the dealership.

And don't forget to advise the NZTA if you change the colour of a vehicle. ☺



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# Tribunal rules vehicle's engine issues due to lack of servicing

## Background

On December 19, 2014, Lynne Armstrong bought a 2008 Volkswagen Touran GT for \$18,500 from Kazbar Holdings trading as Car City Autos.

Almost eight months later, the buyer rejected the vehicle because she said it failed to comply with the guarantee of acceptable quality under the Consumer Guarantees Act, and the trader had failed to remedy the vehicle's faults within a reasonable timeframe.

The trader said Armstrong damaged the vehicle's engine by failing to monitor oil consumption and service the Touran over a distance of more than 19,400km.

## The case

Armstrong bought the Japanese import, with 51,000 km on its odometer, from the trader on a verbal promise to provide her with a three-month warranty in addition to her rights under the act, which the trader told her amounted to a 12-month warranty.

Armstrong did not ask if the vehicle had been serviced by the trader. The dealer told the tribunal the Touran had not been serviced before it was sold. Armstrong bought the vehicle without knowing or inquiring as to the correct service interval for a turbo-charged Touran. She said the vehicle did not have a service record booklet nor a service sticker.

About April 2015, the vehicle's engine warning lamp lit up and Calray Motors diagnosed a fault with the vehicle's oxygen sensor. Armstrong returned the vehicle to

the trader and was told the sensor would be supplied and fitted by Tristram Motors. The trader was unable to provide any evidence it had been replaced.

The vehicle broke down on May 5. The trader collected the vehicle and sent it to Auto Trans which serviced the transmission.

In July, Armstrong said she noticed the vehicle lacked power and the engine check light came on. On July 31, asked John Wood Auto Services (JWAS) to service the vehicle. Its odometer reading was 70,401 km.

Four days later, the vehicle was returned to the trader because water had leaked into the boot. North Shore Autocentre repaired the leak for the trader.

By November, the vehicle's engine was running rough. Armstrong took the vehicle to JWAS after she said the trader had failed to rectify the lack-of-power issue. JWAS found the turbocharger's performance was low, a cylinder was misfiring, and the transmission control module was malfunctioning. JWAS's invoice noted oil leaks from the breather vent, severe fuming in the crankcase, the intercooler was full of oil and a suspected cracked piston or worn rings. Armstrong said she returned the vehicle to the trader with a copy of the JWAS report.

The dealer produced an invoice which showed Craft Automotive replaced the vehicle's coolant temperature sensor in November when the vehicle's odometer read 78,686km. The invoice noted there were oil leaks from the turbo intercooler hose and a broken O-ring

at the front of the hose had been replaced. The trader also produced an invoice from North Shore Autocentre which recorded it had replaced four ignition coils and spark plugs in November. The vehicle's had clocked 79,484km.

On November 18, Armstrong said she returned the vehicle to the trader, who agreed to refund her \$15,000 of the purchase price by the end of that week. On December 3, the trader sent the purchaser an email which read: "Will take car to Turners tomorrow, and try to sell to them or auction the vehicle early next week. The shortfall of the amount agreed of \$15,000 to be paid to you asap."

The trader sent Armstrong a text on December 14 saying the vehicle had been passed in for \$9,200 and it had requested a "buy now" price from Turners. A subsequent text message sent by the trader said Turners were not interested in buying the vehicle.

The dealer failed to make payment to Armstrong and on January 21, 2016, her solicitor McVeagh Fleming sent a letter rejecting the vehicle. Armstrong filed an application with the tribunal on April 18.

The dealer said the engine damage was caused by Armstrong failing to ensure there was adequate oil in the vehicle. It offered no explanation for renegeing on its promise to pay the purchaser \$15,000 for the vehicle.

## The finding

The tribunal, in deciding whether the vehicle was of acceptable quality

**The case:** The buyer rejected her 2008 imported Touran under the Consumer Guarantees Act because she said the trader had failed to remedy the vehicle's faults within a reasonable timeframe. The dealer said the buyer's failure to service the Touran resulted in damage to the engine.

**The decision:** The purchaser's application to reject the vehicle was dismissed because the tribunal found the Touran would have complied with the act's guarantee of acceptable quality if it had been frequently serviced.

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

at the time of sale, considered the Touran's age, mileage and sale price, and ruled the vehicle was free of minor faults at the time of sale.

The vehicle's first mechanical issue occurred about April 2015 and required the replacement of the oxygen sensor. The tribunal found that apart from the transmission service in May and the leak in the boot-well, the vehicle's engine issues were a consequence of the lack of servicing.

The authority said the turbocharged vehicle should have been serviced at 15,000km intervals at a minimum. The tribunal found Armstrong was negligent in buying an imported vehicle with an unknown service history, failing to service it immediately after purchase and continuing to drive it for 19,400km. By the time the vehicle was serviced by JWAS in July, its engine was damaged due to a lack of servicing.

The tribunal ruled the vehicle's engine failed because it was not serviced as frequently as a reasonable purchaser would have serviced the vehicle.

## Order

Armstrong's application to reject the vehicle was dismissed. ⊕

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# Buyer rejects 2005 Ford Explorer after three engine failures

## Background

Cassandra Boon bought a 2005 Ford Explorer XLT 4.0 SOHC with 132,645 kilometers on the odometer for \$16,500 from Hobbs Trustee Limited, trading as Seaview Wholesale Limited, on August 29, 2014.

The buyer rejected the vehicle 15 months following purchase because the Ford's engine had failed three times during this period.

The trader had paid for most of the costs to repair the vehicle following the first and second engine failures but said the third failure, about eight months after the second repair, was due to wear and tear.

## The case

About four months and 6,000km post-purchase, the Ford's engine made a loud noise and stopped. Boon had the Explorer inspected by CR Motors in Cromwell. It was noted that the end of the spark plug for the number-five cylinder was closed, probably due to big-end bearing damage. Boon incurred costs of \$524.

On the trader's instruction, Stoke Mechanical and Tyre Services removed the engine covers and checked the timing chain. It found a collapsed timing chain and fitted a new chain. After doing so, the vehicle was started and the technicians heard a "knocking noise".

A representative from Stoke Mechanical said the timing chain, tensioners and pulleys and the pulley bolts were replaced. They said good quality parts were used and "all bolts were torqued to FORD specs". According to the representative, the knocking noise

was caused by "a piston/ring issue which had damaged a piston and one head." They described it as "separate to the timing chain issue".

The engine was rebuilt by Precision Regrinds at the trader's expense apart from a \$1,000 contribution by Boon who collected the vehicle on February 19.

About three weeks later while Boon was driving the vehicle there was another loud noise and the Ford's engine stopped. Boon contacted the trader and the vehicle was repaired again, at the trader's expense.

Stoke Mechanical said the new timing chain had snapped and the bolt holding the timing pulley had stretched and failed, damaging three exhaust valves in a head.

Stoke Mechanical obtained new parts free of charge from the manufacturer. The valves were replaced by Precision Regrinds.

The tribunal's assessor said it appeared the three replaced exhaust valves had contacted the pistons due to the failed timing chain.

Overall, the tribunal found evidence relating to the second engine repair was limited.

The assessor said the work quality of the first and second rebuilds was probably unsatisfactory.

The vehicle was returned to the purchaser mid-April.

In June, Boon agreed to pay the trader \$1,000 towards the repair costs. Boon's husband told the tribunal this sum reflected "betterment" from the engine repairs, though it was unclear how any "betterment" was obtained.

The engine's characteristics, performance or longevity were not improved and the second repair was only necessary because the first repair had failed. The first engine repair was a durability issue for which responsibility was rightly accepted by the trader. The purchaser was not given the receipts for the work done by Stoke Mechanical, in relation to the second engine failure, though they were made available for the hearing.

Several months passed and the vehicle travelled about 8,000 km before being serviced at Houston Motor Group on November 20.

Just over a week later, there was another loud noise and the engine stopped again while idling in Boon's driveway. The dealer told Boon further disputes relating to the vehicle were now between the buyer and Stoke Mechanical. The trader refused to accept any further liability.

After inspecting the engine, the buyer's mechanic concluded the third engine malfunction was the result of poor workmanship during the previous repairs.

However, the trader said the problem was caused by a failed bolt on the timing chain which broke and was satisfactorily repaired. The dealer considered the problem was attributable to wear and tear.

The assessor said it was difficult to determine what had caused the third engine failure. The Ford had travelled about 8,000km between the second and third failures, therefore it was a long shot to conclude all three failures were linked.

**The case:** The buyer rejected her vehicle under the Consumer Guarantees Act (CGA) after its engine failed three times during the 15 months following supply. She wanted damages for her foreseeable resulting losses. The trader had met most of the costs of repairing the first two engine failures but refused to pay for repairs to the third failure saying it was due to wear and tear.

**The decision:** The tribunal dismissed the buyer's application to reject the vehicle.

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

## The finding

The Tribunal ruled the first and second engine failures showed the Ford lacked durability and was not of acceptable quality, in regards to its age, mileage and sale price. The trader was obliged to remedy the failures and it attempted to do so.

However, the tribunal found the assessment of the third engine failure more difficult. It occurred about 8,000km and more than eight months after the second repair. Boon had now owned the vehicle for 15 months and had travelled about 17,500km in it. The tribunal did not consider a reasonable consumer would expect the guarantee of acceptable quality to extend to that period and mileage in respect to a high-mileage vehicle. The tribunal ruled the third engine failure did not fail to comply with the act's guarantee of acceptable quality.

## Orders

Boon's rejection of the vehicle was dismissed. The trader was ordered to refund Boon and her husband \$1,000 in respect of the part-payment to Seaview Wholesale Limited for repairs and \$524 in respect of her costs incurred to CR Motors. ☺

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# Rethinking safety, but for whom?

I have recently been covering for Malcolm, our technical manager, in meetings discussing ACC bandings and vehicle safety ratings. The discussions primarily revolved around exploring ways to integrate different data sources for vehicle safety to insure they are using the best and most complete data. The discussion, however, got me thinking about first principles and whether the system in place incentivises consumers to behave in the manner that is best for New Zealand.

I want to start by acknowledging that we all want safe vehicles and the work currently being done is succeeding in getting safer vehicles on the road. In fact, for some demographics, vehicle safety is the primary concern when buying. Who, after all, does not want to keep their kids, their family, and themselves safe?

Manufacturers have an incentive to build ever safer cars. This incentive comes from both the demand from consumers for safer cars and government requiring specific safety features.

Safer vehicles are also a benefit to society; traffic accidents cost NZ an estimated \$3.47 billion in 2014<sup>11</sup>, money that we would all have preferred go to schools or other programmes.

So, acknowledging all this, what is safety? When referring to motor vehicles, we commonly think of safety as the vehicle's ability to prevent harm to its occupants. This is the primary way ACC is rating safety. It is equally valid, however, to think of safety in the reverse, as the condition of being less likely to cause damage or harm.

Due to the number of variables and features that have to be taken into account, there are real challenges in developing a rating of how well a vehicle will protect the occupants from harm. Because of this, NCAP, the most well-known rating system, should only

be used to compare new cars and is only relevant between cars of similar mass and structure. In fact, Euro NCAP advises that only cars within 150 kg of one another are considered comparable.

One must wonder if this is hiding the nature of reality. There is no way to insure an accident will involve a vehicle with similar mass (I note that I say this without being able to offer a better solution for rating a vehicles ability to protect passengers).

Shifting gears, looking at safety from the other perspective allows us to make several quick generalisations. Larger mass vehicles cause more harm to light vehicles in multivehicle accidents.<sup>12</sup> In fact, it has been estimated that a 450 kg difference results in a 47 per cent increased probability of a fatality in the lighter vehicle.<sup>13</sup>

The evidence above relates to multi-vehicle collisions, so what effect does mass have on single car accidents? Contrary to popular opinion, the mass of a vehicle has been found to have no effect on the safety of vehicles involved in single car crashes.

So how do we make lighter



**KIT WILKERSON**  
 Policy adviser and analyst  
 kit@imvia.co.nz

**imvia**



cars safer? We make the fleet safer for everyone by decreasing the average mass of the fleet.

Unfortunately, the opposite appears to be happening. Cars are getting heavier. The push for increased passenger protection is creating an arms race. The average mass of passenger vehicles registered in New Zealand has been increasing at an average rate of 50kg per year for the 15 years for which I have data.

Assume for a moment we continue on the current path, vehicles increasing in mass. They are more likely to protect their occupants because they exceed the average mass of the fleet. The corollary of this is that it increases the average mass of the fleet, making vehicles currently in the fleet less safe.

Back to the questions this raised in my mind:

First, one must wonder how sustainable this practice is; how long can vehicles continue to increase in mass...and what is that doing to the safety of the existing fleet. What effect does this have on pedestrians and infrastructure,

where the likelihood of injury or damage is directly proportional to the mass of the vehicles?

Second, the efficiency of vehicles decreases by 0.58 L/100km on average for every increase of 100 kg in mass<sup>14</sup>. With recognition of the effects of carbon in the atmosphere and pollutants in our environment, it seems as if it is worth exploring the solution that addresses both concerns.

Finally, the future of roadway safety is not in mitigating damage to the occupant, but in features which will assist us in avoiding accidents. Will this provide the justification to start making less massive vehicles?

Perhaps there is a role for government in creating an incentive for consumers to buy into high-level approach to safety, increasing the safety of the fleet by incentivising smaller more efficient vehicles. The end result might very well be a fleet of vehicles that are less harmful to each other, infrastructure, and the environment.

<sup>14</sup>Access to reference notes listed in this article can be obtained by contacting kit@imvia.co.nz



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	Port Calls	Tokyo Car v1617	Carrera v1618	Morning Miracle v1619	Tokyo Car v1620	Carrera v1621
JAPAN	Moji	-	14 Sep	-	15 Oct	-
	Osaka	2 Sep	15 Sep	2 Oct	16 Oct	2 Nov
	Nagoya	3 Sep	16 Sep	3 Oct	17 Oct	3 Nov
	Yokohama	5 Sep	17 Sep	4 Oct	18 Oct	4 Nov
NZ	Auckland	20 Sep	6 Oct	20 Oct	6 Nov	20 Nov
	Wellington	3 Oct	9 Oct	31 Oct	10 Nov	28 Nov
	Lyttelton	1 Oct	8 Oct	29 Oct	9 Nov	26 Nov
	Nelson	3 Oct	31 Oct	31 Oct	11 Nov	28 Nov

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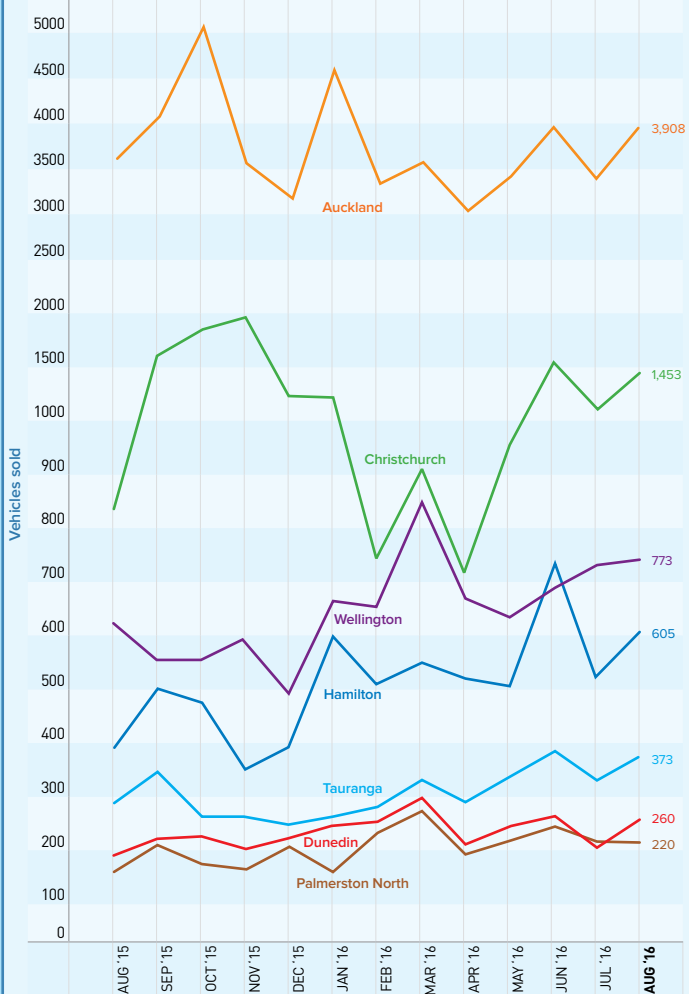
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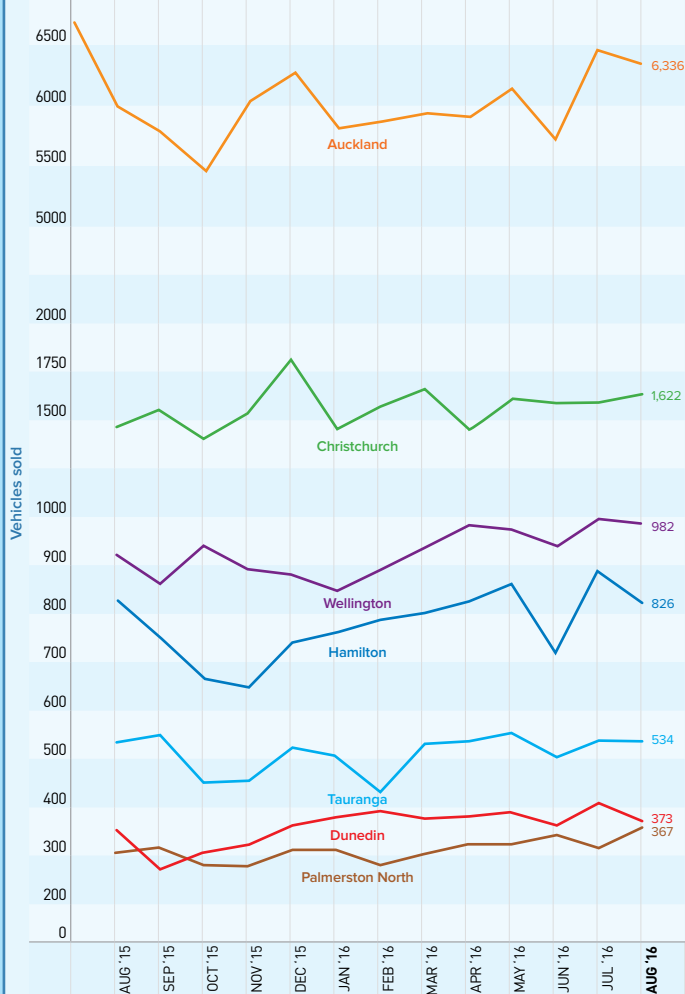
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**New passenger vehicle registrations by city**



**Used import passenger vehicle registrations by city**



**New and used cars registered in August 2016 by region**

	WHA	AUC	HAM	THA	TAU	ROT	GIS	NAP	NEW	WAN	PAL	MAS	WEL	NEL	BLE	GRE	WES	CHR	TIM	OAM	DUN	INV	TOTAL
New cars	232	3,908	605	96	373	96	30	202	141	67	220	55	773	121	51	12	3	1,453	76	13	260	107	<b>8,894</b>
Used cars	301	6,336	826	108	534	147	44	344	185	91	367	86	982	258	59	31	10	1,622	99	36	373	154	<b>12,993</b>
<b>Total cars</b>	<b>533</b>	<b>10,244</b>	<b>1,431</b>	<b>204</b>	<b>907</b>	<b>243</b>	<b>74</b>	<b>546</b>	<b>326</b>	<b>158</b>	<b>587</b>	<b>141</b>	<b>1,755</b>	<b>379</b>	<b>110</b>	<b>43</b>	<b>13</b>	<b>3,075</b>	<b>175</b>	<b>49</b>	<b>633</b>	<b>261</b>	<b>21,887</b>

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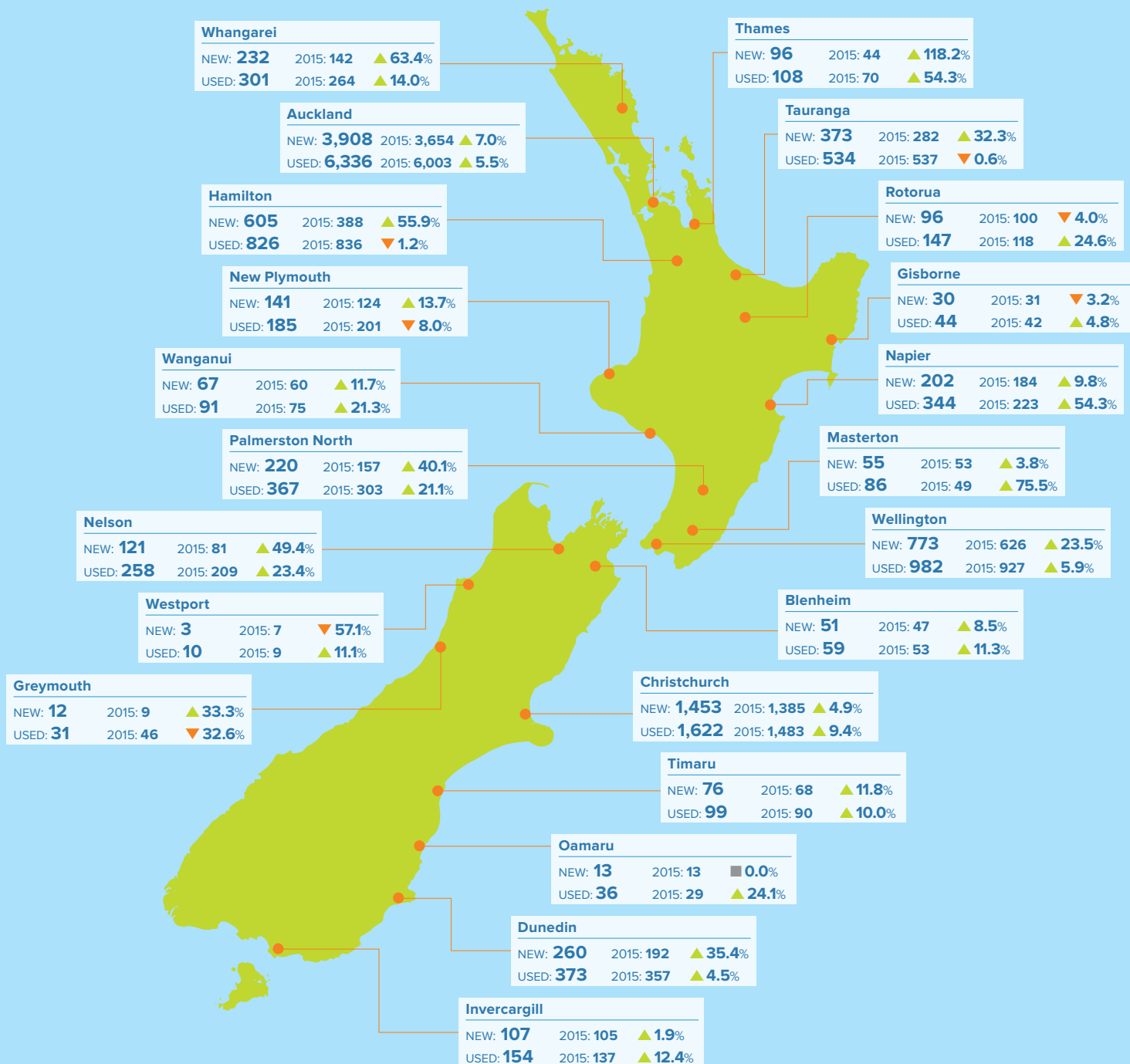


Total new cars  
**8,894**

2015: **7,752** ▲ **14.7%**

Total imported used cars  
**12,993**

2015: **12,061** ▲ **7.7%**



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### Imported Passenger Vehicle Sales by Make - August 2016

MAKE	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	3,267	2,725	19.9	25.1%	24,079	24.5%
Nissan	2,408	2,136	12.7	18.5%	18,444	18.8%
Mazda	1,974	1,962	0.6	15.2%	14,929	15.2%
Honda	1,327	1,198	10.8	10.2%	10,368	10.5%
Suzuki	674	746	-9.7	5.2%	5,232	5.3%
Subaru	592	694	-14.7	4.6%	4,685	4.8%
BMW	561	588	-4.6	4.3%	4,055	4.1%
Volkswagen	508	446	13.9	3.9%	3,854	3.9%
Mitsubishi	461	446	3.4	3.5%	3,492	3.6%
Mercedes-Benz	272	213	27.7	2.1%	1,883	1.9%
Audi	237	255	-7.1	1.8%	1,816	1.8%
Ford	116	121	-4.1	0.9%	1,062	1.1%
Volvo	106	67	58.2	0.8%	676	0.7%
Lexus	62	62	0.0	0.5%	428	0.4%
Jaguar	58	34	70.6	0.4%	307	0.3%
Chevrolet	44	51	-13.7	0.3%	356	0.4%
Mini	40	52	-23.1	0.3%	331	0.3%
Holden	38	41	-7.3	0.3%	315	0.3%
Hyundai	33	30	10.0	0.3%	347	0.4%
Land Rover	29	36	-19.4	0.2%	243	0.2%
Dodge	24	14	71.4	0.2%	165	0.2%
Jeep	22	17	29.4	0.2%	158	0.2%
Peugeot	22	14	57.1	0.2%	146	0.1%
Daihatsu	18	26	-30.8	0.1%	93	0.1%
Renault	11	4	175.0	0.1%	100	0.1%
Chrysler	10	9	11.1	0.1%	89	0.1%
Kia	9	7	28.6	0.1%	61	0.1%
Porsche	8	13	-38.5	0.1%	108	0.1%
Alfa Romeo	5	5	0.0	0.0%	26	0.0%
Rover	5	5	0.0	0.0%	38	0.0%
Aston Martin	4	1	300.0	0.0%	18	0.0%
Maserati	4	1	300.0	0.0%	16	0.0%
Bentley	3	1	200.0	0.0%	14	0.0%
Buick	3	2	50.0	0.0%	13	0.0%
Pontiac	3	3	0.0	0.0%	23	0.0%
Others	35	36	-2.8	0.3%	340	0.3%
<b>Total</b>	<b>12,993</b>	<b>12,061</b>	<b>7.7</b>	<b>100.0%</b>	<b>98,310</b>	<b>100.0%</b>

### Imported Passenger Vehicle Sales by Model - August 2016

MAKE	MODEL	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Mazda	Axela	610	559	9.1	4.7%	4,454	4.5%
Nissan	Tiida	609	551	10.5	4.7%	4,823	4.9%
Suzuki	Swift	570	623	-8.5	4.4%	4,343	4.4%
Mazda	Demio	458	528	-13.3	3.5%	3,551	3.6%
Honda	Fit	418	429	-2.6	3.2%	3,559	3.6%
Toyota	Wish	328	283	15.9	2.5%	2,444	2.5%
Volkswagen	Golf	301	265	13.6	2.3%	2,339	2.4%
Toyota	Vitz	278	214	29.9	2.1%	2,035	2.1%
Subaru	Legacy	277	375	-26.1	2.1%	2,283	2.3%
Mazda	Atenza	259	266	-2.6	2.0%	2,009	2.0%
Mitsubishi	Outlander	257	211	21.8	2.0%	1,831	1.9%
Toyota	Corolla	243	229	6.1	1.9%	1,728	1.8%
Mazda	MPV	234	203	15.3	1.8%	1,743	1.8%
Nissan	Note	206	179	15.1	1.6%	1,441	1.5%
Mazda	Premacy	203	158	28.5	1.6%	1,403	1.4%
Toyota	Prius	197	104	89.4	1.5%	1,458	1.5%
Nissan	Dualis	188	135	39.3	1.4%	1,248	1.3%
Toyota	MarkX	188	144	30.6	1.4%	1,388	1.4%
Toyota	Estima	183	150	22.0	1.4%	1,125	1.1%
Honda	Odyssey	181	156	16.0	1.4%	1,306	1.3%
Toyota	Auris	177	111	59.5	1.4%	1,371	1.4%
Nissan	Murano	165	161	2.5	1.3%	1,248	1.3%
Toyota	Blade	151	103	46.6	1.2%	1,092	1.1%
Honda	Stream	137	105	30.5	1.1%	976	1.0%
Nissan	Teana	131	130	0.8	1.0%	1,013	1.0%
Toyota	Ist	125	146	-14.4	1.0%	1,082	1.1%
Subaru	Impreza	124	137	-9.5	1.0%	907	0.9%
BMW	320i	118	108	9.3	0.9%	847	0.9%
Honda	CR-V	117	85	37.6	0.9%	1,042	1.1%
Nissan	Skyline	114	92	23.9	0.9%	913	0.9%
Toyota	Avensis	112	86	30.2	0.9%	766	0.8%
Nissan	Bluebird	112	160	-30.0	0.9%	943	1.0%
Nissan	Elgrand	109	60	81.7	0.8%	722	0.7%
Toyota	Ractis	106	92	15.2	0.8%	642	0.7%
Honda	Accord	100	136	-26.5	0.8%	896	0.9%
Others		4,907	4,587	7.0	37.8%	37,339	38.0%
<b>Total</b>		<b>12,993</b>	<b>12,061</b>	<b>7.7</b>	<b>100.0%</b>	<b>98,310</b>	<b>100.0%</b>

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# Axela so often the bridesmaid

For the first time since August 2012, the Mazda Axela has taken the top spot for used passenger vehicle sales. The Axela, which has appeared in the top three models for most months since then, finally made the number one position after 610 units were registered last month, which was a 9.1 per cent increase from the 559 units sold a year earlier in August 2015.

Nissan's Tiida was just one sale less with 609 registrations and the Suzuki Swift followed closely behind with 570 - this was an 8.5 per cent decrease on Swift sales in July when 623 units were sold. The Mazda Demio and Honda Fit followed with 458 and 418 sales respectively.

Toyota's Prius was the model with the largest percentage gain from August 2015 with an increase of 89.4 per cent, from 104 units in August 2015 to 197 last month.

The Mazda Axela now holds 4.7 per cent of the market share, for the last month, and a 4.5 per cent share year to date. The Nissan Tiida also holds 4.7 per cent share for the month's sales but retains the top market share for the 2016 year, with 4.9 per cent. Other year to date results included the Suzuki Swift, at 4.4 per cent and the Mazda Demio and Honda Fit, both on 3.6 per cent.

In August there was a drop of 633 units from the previous month's figure of 13,055 used imports, for a total of 12,993 cars registered for the month. 2016 sales were up 7.7 per cent from the same month in 2015 when 12,061 went to new homes.

Year to date, 98,310 used imported passenger vehicles



have been registered.

Toyota was the market leader, with 25.1 per cent of the August market share. There were 3,267 units registered, which was up 19.9 per cent from the 2,725 units sold in August 2015 and up by only seven units from the previous month. Nissan followed with a market share of 18.5 per cent and 2,408 sales - up 12.7 per cent from the same month last year. Mazda and Honda showed slight improvements with an increase in percentage from the previous year, with 1,974 units and 1,327 units registered respectively. Suzuki rounded out the top five, with 674 sales for August 2016.

Dealer Manager for Value Priced Cars in Palmerston North, Dave

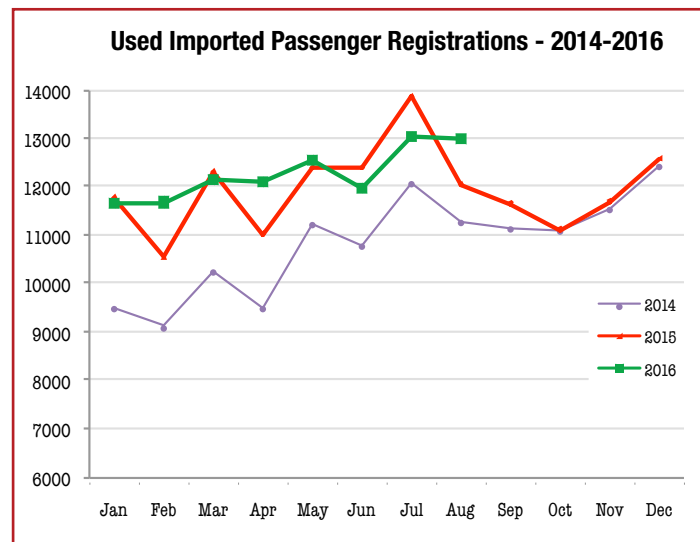
Watson says the Mazda Axela is always popular and he sells the two-litre version because it is more popular with his customers. He has also noticed a lot of interest with the Mazda Premacy, which ticks all the boxes for customers looking for seven-seater people movers. "The Premacy is a heck of a lot cheaper than the competition, which makes it very versatile. The Premacy also includes sliding doors, which are a lot easier to use than conventional rear doors, for when you are parking at a supermarket carpark and moving bags in and out". The Premacy has increased in popularity by 28.5 per cent from 158 units sold at the same time last year, with 203 vehicles sold in August.

Cars like the Axela and the Suzuki Swift remain popular because "reliability is not questionable. Many of our customers are not interested in buying a vehicle which has been used by a lot of people. They want a tidier car with low mileage".

Owner of Rockstar Cars and Devonport Cars in North Auckland, Jonno Leonard, believes the reason why small vehicles are so popular in the used car section, is because they are cheap to drive thanks to good fuel economy. "There is always buoyancy in affordable hatchbacks and hardy station-wagons. Everyone says SUVs are the biggest market sector and they can be but there is a price attached to it to and for people who believe that affordability is more important - they would tend to go for a wagon for space or a hatchback if they don't".

He says the Mazda Axela is always a popular model for his particular customer base and with Devonport being a family area, there are a lot of people looking for first cars, which are cheap and easy to drive. "We don't get a big V6 or sedan market like they do further south. If we do come by a vehicle like that, it's almost always someone travelling up to pick it up from the lower North Island".

Leonard says that a lot of people are spending more money on renting or paying a mortgage on their house and budgeting has to take place in other areas of their lives. "People are a bit more careful about where their money is going nowadays and we have a lot more questions about fuel efficiency and how to cut costs". ☺




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# Cross rate helps to access markets



14 Camaros arrived from North America in August

According to motor vehicle statistics published by the NZ Customs Service, 14,054 used passenger vehicles entered New Zealand in the month of August 2016. This was an increase of 24.7 per cent from 11,268 units in July this year. Year to date, used imports stand at 103,118 units.

Once again, Japan was the biggest exporter, with 13,260 units imported to NZ for the month, a market share of 94.4 per cent. Imports from Australia 438 units and 3.1 per cent of the market

followed by the United States with 125 cars for a .9 per cent market share for the month, making up the top three source countries.

Singapore continued to increase its export numbers to New Zealand with 112 units supplied.

Imports from Great Britain were the highest they have been so far this year but well down from the heady days of 2014, when 2,050 cars entered from the UK, an average of 233 units a month. The cross rate against the British Pound is more favourable than in recent times so

it will be good to keep a watch on vehicles coming in from there.

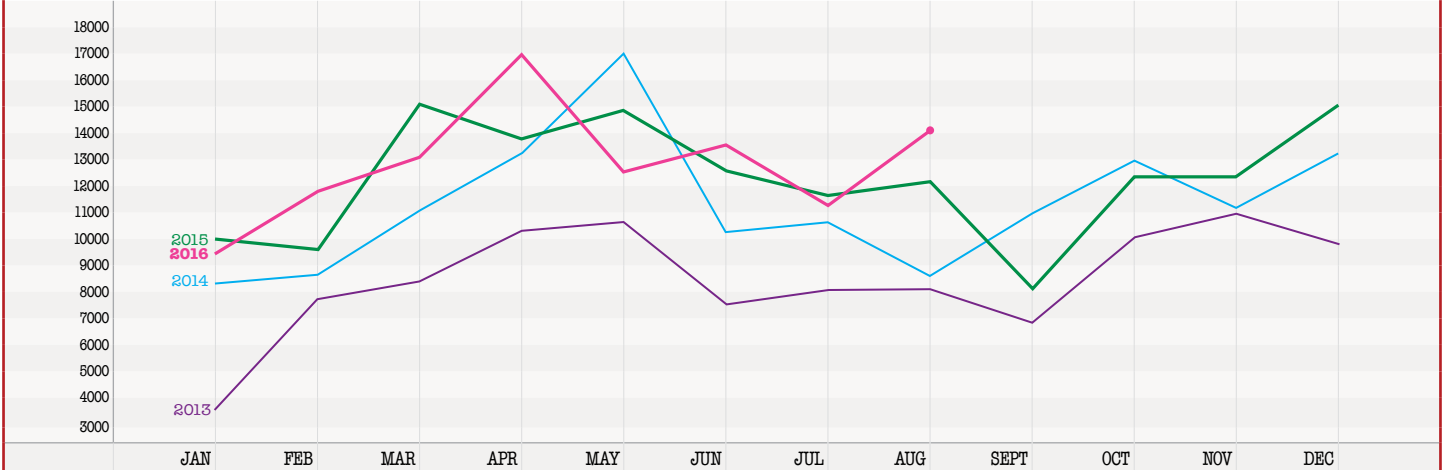
Ford sales manager for Pacific Motor Group in Whangarei, Chris Windust says that his team is often ordering stock from three to six months in advance. "We have a good demand for new and used vehicles and we have to have a reasonable stock level to carry on with business. It's not a simple process to just ring up and grab what you want, when it comes to buying the right vehicle. You can't have a pub with no beer, so we try

to stay ahead as much as possible."

Pacific Motor Group imports from countries all over the world including Thailand and Europe. "It all depends on the model we are looking for."

Sales consultant from 4 Guys Auto Barn in Hamilton, Simon Palfrey says a lot of their vehicles are sourced from America. "It's something a bit more special which we can offer our customers. If they like to drive a unique car and America has a good range of vehicles that stand out from the rest". ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2016										2015		2014	
	JAN '16	FEB '16	MAR '16	APR '16	MAY '16	JUN '16	JUL '16	AUG '16	AUG MKT SHARE	2016 TOTAL	2015 TOTAL	MKT SHARE	2014 TOTAL	MKT SHARE
Australia	316	445	472	398	395	416	375	438	3.1%	3,255	4,893	3.2%	3,167	2.3%
Great Britain	65	39	62	65	73	72	75	94	0.7%	545	939	0.6%	1,885	1.4%
Japan	9,181	11,266	12,275	16,283	11,848	12,838	10,548	13,260	94.4%	97,499	143,125	94.9%	130,770	95.0%
Singapore	76	46	79	121	99	143	109	112	0.8%	785	611	0.4%	252	0.2%
USA	89	79	83	66	103	118	113	125	0.9%	776	1,041	0.7%	1,278	0.9%
Other countries	21	12	28	27	45	52	48	25	0.2%	258	253	0.2%	286	0.2%
<b>Total</b>	<b>9,748</b>	<b>11,887</b>	<b>12,999</b>	<b>16,960</b>	<b>12,563</b>	<b>13,639</b>	<b>11,268</b>	<b>14,054</b>	<b>100.0%</b>	<b>103,118</b>	<b>150,862</b>	<b>100.0%</b>	<b>137,638</b>	<b>100.0%</b>



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# Secondhand sales continue to rise

**A**s a rule, dealer to public sales were generally strong in August 2016, with only three regions noticing a decrease in sales when compared to the same month last year.

A total of 18,841 units were sold last month, which was an increase of 6.5 per cent from the same month last year when 17,698 units were sold and a 3.5 per cent increase from July this year when sales were recorded at 18,200.

Trade-ins also remained steady, with an increase of nine per cent from August 2015 at 13,537 units traded in for August this year and an increase of 2.2 per cent from

July 2016 when 13,238 units were bought by dealers from members of the public.

Public-to-public transactions decreased from July this year when 45,227 cars changed hands. Sales last month totalled 44,263, a decrease of 2.1 per cent, however compared to the same month a year earlier August 2016 sales increased by 4.6 per cent for this sector.

In terms of dealer-to-public sales, Westport made the biggest percentage increase, year on year, with a 47.4 per cent increase in sales from 19 sales in August 2015, to 28 last month. Masterton made the second biggest percentage

increase, with unit sales of 224, an increase of 28 per cent from 175 sales at the same time last year. Napier increased sales by 18.6 per cent, taking third place in the country with 696 units sold.

The top sales figures unsurprisingly went to the biggest cities, with Auckland enjoying a 2.4 per cent increase from the same time last year at 6,255 units sold and a 33.2 per cent share of the market. Christchurch followed with a 12.7 per cent increase from the same time last year, with 2,395 sales for the month of August. Wellington and Hamilton completed the top four with 1,674

and 1553 units sold respectively.

Simon Palfrey, from 4 Guys Auto Barn in Hamilton, says a lot of his business includes trade-ins, with many customers purchasing their vehicles with the help of finance companies or bank loans. "The idea that cash-buyers can get a special discount has gone out the window, it just doesn't happen as much anymore".

Palfrey says a lot of the trade-ins come from repeat buyers who are upgrading their vehicles regularly.

The Hamilton region made up 1,211 trade-ins for the month of August, an increase of 4.5 per cent from the same month in 2015. ☺

## SECONDHAND CAR SALES - August 2016

	DEALER-TO-PUBLIC				PUBLIC-TO-PUBLIC				PUBLIC-TO-DEALER			
	AUG '16	AUG '15	+/- %	MARKET SHARE	AUG '16	AUG '15	+/- %		AUG '16	AUG '15	+/- %	
Whangarei	631	563	12.1	3.35	1,970	1,859	6.0		272	209	30.1	
Auckland	6,255	6,107	2.4	33.20	15,387	14,621	5.2		5,035	4,755	5.9	
Hamilton	1,553	1,499	3.6	8.24	3,549	3,203	10.8		1,211	1,159	4.5	
Thames	254	258	-1.6	1.35	635	561	13.2		100	64	56.3	
Tauranga	1,091	982	11.1	5.79	2,192	2,047	7.1		610	557	9.5	
Rotorua	309	302	2.3	1.64	1,028	923	11.4		114	93	22.6	
Gisborne	185	176	5.1	0.98	418	362	15.5		95	107	-11.2	
Napier	696	587	18.6	3.69	1,505	1,525	-1.3		454	366	24.0	
New Plymouth	433	403	7.4	2.30	1,016	1,006	1.0		232	249	-6.8	
Wanganui	221	199	11.1	1.17	630	544	15.8		143	140	2.1	
Palmerston North	780	819	-4.8	4.14	1,681	1,680	0.1		635	590	7.6	
Masterton	224	175	28.0	1.19	436	446	-2.2		124	87	42.5	
Wellington	1,674	1,564	7.0	8.88	3,175	2,926	8.5		1,189	1,100	8.1	
Nelson	338	314	7.6	1.79	1,035	886	16.8		211	232	-9.1	
Blenheim	194	172	12.8	1.03	479	445	7.6		122	112	8.9	
Greymouth	70	84	-16.7	0.37	216	207	4.3		38	40	-5.0	
Westport	28	19	47.4	0.15	81	78	3.8		0	0	0.0	
Christchurch	2,395	2,125	12.7	12.71	5,137	5,456	-5.8		2,029	1,670	21.5	
Timaru	285	241	18.3	1.51	526	562	-6.4		163	127	28.3	
Oamaru	67	67	0.0	0.36	175	160	9.4		27	24	12.5	
Dunedin	723	624	15.9	3.84	1,916	1,815	5.6		443	424	4.5	
Invercargill	435	418	4.1	2.31	1,076	992	8.5		290	311	-6.8	
<b>NZ total</b>	<b>18,841</b>	<b>17,698</b>	<b>6.5</b>	<b>100.00</b>	<b>44,263</b>	<b>42,304</b>	<b>4.6</b>		<b>13,537</b>	<b>12,416</b>	<b>9.0</b>	

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New Passenger Vehicle Sales by Make - August 2016

MAKE	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	1,542	1,512	2.0	17.3%	9,833	15.3%
Mazda	813	743	9.4	9.1%	6,076	9.4%
Holden	767	721	6.4	8.6%	5,756	8.9%
Hyundai	655	664	-1.4	7.4%	4,934	7.7%
Ford	602	413	45.8	6.8%	5,027	7.8%
Mitsubishi	564	407	38.6	6.3%	3,820	5.9%
Kia	502	306	64.1	5.6%	3,585	5.6%
Suzuki	484	332	45.8	5.4%	3,551	5.5%
Nissan	454	444	2.3	5.1%	3,500	5.4%
Honda	423	331	27.8	4.8%	2,619	4.1%
Volkswagen	421	291	44.7	4.7%	2,532	3.9%
Subaru	255	210	21.4	2.9%	1,835	2.9%
Mercedes-Benz	221	153	44.4	2.5%	1,639	2.5%
Audi	166	166	0.0	1.9%	1,205	1.9%
BMW	141	128	10.2	1.6%	1,236	1.9%
Jeep	140	147	-4.8	1.6%	867	818
Skoda	89	93	-4.3	1.0%	867	1.3%
Land Rover	85	77	10.4	1.0%	808	1.3%
Lexus	77	45	71.1	0.9%	458	0.7%
Ssangyong	73	172	-57.6	0.8%	769	1.2%
Peugeot	64	62	3.2	0.7%	514	0.8%
Mini	50	41	22.0	0.6%	383	0.6%
Volvo	47	48	-2.1	0.5%	413	0.6%
Jaguar	42	23	82.6	0.5%	253	0.4%
Dodge	39	62	-37.1	0.4%	306	0.5%
Porsche	35	33	6.1	0.4%	333	0.5%
Renault	29	8	262.5	0.3%	89	0.1%
Citroen	21	17	23.5	0.2%	180	0.3%
Isuzu	16	17	-5.9	0.2%	178	0.3%
Yamaha	10	8	25.0	0.1%	63	0.1%
Fiat	8	38	-78.9	0.1%	238	0.4%
Maserati	8	3	166.7	0.1%	54	0.1%
Alfa Romeo	6	10	-40.0	0.1%	94	0.1%
Bentley	6	1	500.0	0.1%	28	0.0%
Mahindra	6	2	200.0	0.1%	37	0.1%
Others	33	24	37.5	0.4%	274	0.4%
<b>Total</b>	<b>8,894</b>	<b>7,752</b>	<b>14.7</b>	<b>100.0%</b>	<b>64,354</b>	<b>100.0%</b>

New Passenger Vehicle Sales by Model - August 2016

MAKE	MODEL	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Corolla	535	621	-13.8	6.0%	3,100	4.8%
Kia	Sportage	295	98	201.0	3.3%	2,043	3.2%
Toyota	Yaris	289	237	21.9	3.2%	1,233	1.9%
Mazda	Mazda3	270	240	12.5	3.0%	1,640	2.5%
Toyota	RAV4	268	269	-0.4	3.0%	2,231	3.5%
Mazda	CX-5	255	239	6.7	2.9%	1,897	2.9%
Hyundai	Tucson	237	0	23700.0	2.7%	1,556	2.4%
Suzuki	Swift	222	185	20.0	2.5%	1,724	2.7%
Volkswagen	Tiguan	180	43	318.6	2.0%	440	0.7%
Holden	Captiva	179	196	-8.7	2.0%	1,229	1.9%
Holden	Commodore	172	150	14.7	1.9%	1,581	2.5%
Mitsubishi	ASX	170	120	41.7	1.9%	1,022	1.6%
Hyundai	Santa Fe	170	190	-10.5	1.9%	1,450	2.3%
Mitsubishi	Outlander	163	123	32.5	1.8%	1,068	1.7%
Honda	HR-V	155	0	15500.0	1.7%	833	1.3%
Nissan	Qashqai	153	157	-2.5	1.7%	1,198	1.9%
Nissan	X-Trail	151	132	14.4	1.7%	1,163	1.8%
Suzuki	Vitara	142	0	14200.0	1.6%	1,068	1.7%
Volkswagen	Golf	141	117	20.5	1.6%	907	1.4%
Mazda	Mazda2	134	113	18.6	1.5%	966	1.5%
Honda	Jazz	120	142	-15.5	1.3%	1,130	1.8%
Ford	Territory	118	64	84.4	1.3%	582	0.9%
Mitsubishi	Pajero Sport	115	0	11500.0	1.3%	445	0.7%
Holden	Cruze	112	104	7.7	1.3%	775	1.2%
Holden	Trax	111	80	38.8	1.2%	506	0.8%
Toyota	Highlander	110	201	-45.3	1.2%	1,281	2.0%
Ford	Focus	109	77	41.6	1.2%	993	1.5%
Subaru	Outback	108	123	-12.2	1.2%	900	1.4%
Mazda	CX-3	102	62	64.5	1.1%	993	1.5%
Honda	Civic	96	17	464.7	1.1%	217	0.3%
Nissan	Pulsar	93	108	-13.9	1.0%	630	1.0%
Hyundai	i30	87	99	-12.1	1.0%	548	0.9%
Hyundai	Imax	84	12	600.0	0.9%	151	0.2%
Toyota	Camry	82	41	100.0	0.9%	631	1.0%
Ford	Mondeo	82	52	57.7	0.9%	746	1.2%
Others		3,084	3,340	-7.7	34.7%	25,477	39.6%
<b>Total</b>		<b>8,894</b>	<b>7,752</b>	<b>14.7</b>	<b>100.0%</b>	<b>64,354</b>	<b>100.0%</b>

# Healthy economy behind boom

Toyota remains the passenger car and SUV market leader for the month of August with a 17.3 per cent market share, at 1,542 units sold. This was a two per cent increase on the same month last year.

Mazda took second place with 813 registrations, a 9.4 per cent increase from the previous August with a 9.1 per cent market share and Holden sold 767 units, an increase of 6.4 per cent with an 8.6 per cent market share for the month.

The Toyota Corolla was the top selling passenger model for the month with a six per cent market share and 535 units sold

This was followed by the Kia Sportage which sold 295 units and enjoyed an incredible 201 per cent increase in sales from the same month last year when only 98 units were registered. The Sportage now holds a 3.3 per cent market share for the month and year to date 3.2 per cent.

Toyota's Yaris also enjoyed an increase on sales in terms of

year-on-year comparisons, with 289 units sold, an increase of 21.9 per cent in August 2015. The Mazda 3 and Toyota RAV4 completed the top five with 270 and 268 sales respectively.

"Economic indicators remain the same as for recent months, with the strongest net immigration on record, healthy tourism sector and a generally robust economy,

all of which continues to drive sales of new vehicles year to date beyond that expected for 2016," said chief executive of the MIA, David Crawford.

Dealer manager for Far North Honda Kaitaia, Greg Hodgson, says that although this time of year is usually very slow, the dealership met target for the month, with the most popular vehicle, in terms of sales for

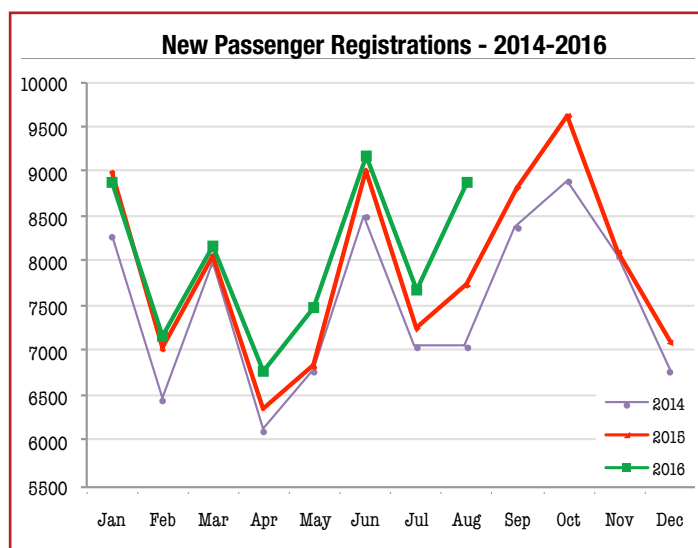
the Northland dealership, being the Honda Civic. Country-wide, the Civic has increased in popularity year-on-year with a 464.7 per cent increase in sales from 17 units in August 2015 to 96 last month.

Hodgson also noticed an increase in interest relating to the SUV market, with a distinct shift away from the sedan. He notes the Honda CR-V is very popular with his customers who are mainly locally based.

"With the sports utility taking the top sales, people don't particularly want a truck but they just want to get a more height-driven vehicle with better visibility," he says.

"Most people buy their vehicles on finance and at this time of year it was a case of a 'needs-must' buying pattern".

The SUV segments accounted for 36.8 per cent of vehicle registrations for the month of August followed by passenger segments with 33 per cent and the light commercial segments with a 25.2 per cent share. ☺



NEW VEHICLE SALES BY BUYER TYPE - August 2016						
	AUG '16	AUG '15	MTH%	2016 YTD	2015 YTD	% YTD
<b>Passenger</b>	<b>4,185</b>	<b>3,869</b>	<b>8.2</b>	<b>31,178</b>	<b>31,622</b>	<b>-1.4</b>
Private	1,606	1,409	14.0	12,929	12,713	1.7
Business	1,701	1,450	17.3	13,683	14,284	-4.2
Gov't	174	201	-13.4	1,621	1,581	2.5
Rental	704	809	-13.0	2,945	3,044	-3.3
<b>SUV</b>	<b>4,668</b>	<b>3,830</b>	<b>21.9</b>	<b>32,821</b>	<b>29,344</b>	<b>11.8</b>
Private	2,002	1,490	34.4	14,374	11,553	24.4
Business	2,095	1,757	19.2	14,885	13,645	9.1
Gov't	73	53	37.7	553	518	6.8
Rental	498	530	-6.0	3,009	3,628	-17.1
<b>Light Commercial</b>	<b>3,195</b>	<b>2,943</b>	<b>8.6</b>	<b>25,308</b>	<b>22,472</b>	<b>12.6</b>
Private	752	700	7.4	6,340	5,647	12.3
Business	2,112	1,975	6.9	17,246	15,174	13.7
Gov't	106	135	-21.5	843	920	-8.4
Rental	225	133	69.2	879	731	20.2
<b>Sub Total</b>	<b>12,048</b>	<b>10,642</b>	<b>13.2</b>	<b>89,307</b>	<b>83,438</b>	<b>7.0</b>
Private	4,360	3,599	21.1	33,643	29,913	12.5
Business	5,908	5,182	14.0	45,814	43,103	6.3
Gov't	353	389	-9.3	3,017	3,019	-0.1
Rental	1,427	1,472	-3.1	6,833	7,403	-7.7
<b>Heavy Commercial</b>	<b>498</b>	<b>455</b>	<b>9.5</b>	<b>3,138</b>	<b>3,096</b>	<b>1.4</b>
<b>Other</b>	<b>131</b>	<b>70</b>	<b>87.1</b>	<b>821</b>	<b>536</b>	<b>53.2</b>
<b>Total</b>	<b>12,677</b>	<b>11,167</b>	<b>13.5</b>	<b>93,266</b>	<b>87,070</b>	<b>7.1</b>

NEW VEHICLE MARKET SEGMENTATION - August 2016						
	AUG '16	AUG '15	MTH% DIFF	2016 YTD	2015 YTD	% YTD
Passenger	4,185	3,869	8.2	31,178	31,622	-1.4
SUV	4,668	3,830	21.9	32,821	29,344	11.8
Light Commercial	3,195	2,943	8.6	25,308	22,472	12.6
Heavy Commercial	498	455	9.5	3,138	3,096	1.4
Other	131	70	87.1	821	536	53.2
<b>TOTAL MARKET</b>	<b>12,677</b>	<b>11,167</b>	<b>13.5</b>	<b>93,266</b>	<b>87,070</b>	<b>7.1</b>
Micro	141	136	3.7	1,376	1,333	3.2
Light	1,191	1,142	4.3	8,880	9,647	-8.0
Small	1,784	1,698	5.1	11,749	12,172	-3.5
Medium	490	483	1.4	4,469	4,561	-2.0
Large	275	272	1.1	2,650	2,700	-1.9
Upper Large	10	10	0.0	151	166	-9.0
People Movers	157	66	137.9	523	356	46.9
Sports	137	62	121.0	1,380	687	100.9
SUV Small	1,374	1,260	9.0	8,657	8,692	-0.4
SUV Medium	1,731	1,248	38.7	12,935	10,658	21.4
SUV Large	1,462	1,291	13.2	10,801	9,701	11.3
SUV Upper Large	101	31	225.8	428	293	46.1
Light Buses	93	117	-20.5	489	553	-11.6
Vans	588	425	38.4	3,816	3,385	12.7
Pick Up/Chassis Cab 4x2	1,079	861	25.3	8,811	7,003	25.8
Pick Up/Chassis Cab 4x4	1,435	1,540	-6.8	12,192	11,531	5.7
Heavy Commercial	498	455	9.5	3,138	3,096	1.4
Other	131	70	87.1	821	536	53.2
<b>TOTAL MARKET</b>	<b>12,677</b>	<b>11,167</b>	<b>13.5</b>	<b>93,266</b>	<b>87,070</b>	<b>7.1</b>

# Record highs for new commercial sales

Sales of new commercial vehicles have reached record highs, with 3,780 vehicles sold for the month of August. This was an increase of 9.9 per cent from the same time last year, when 3,441 units were sold.

Ford retained the commercial vehicle market number one spot with a 22.8 per cent share at 861 units. This was followed closely by Toyota, with a 19.6 per cent market share and 739 registrations. Year to date, Ford has 21.4 per cent of the market share and Toyota holds 20.9 per cent of the commercial market, only 163 units separate the top

two places in this sector, Ford on 6,222 and Toyota has year to date sales of 6,055 units.

The Ford Ranger is again the month's top selling commercial model with 19.1 per cent market share, selling 721 units. In terms of year-to-date figures, the Ranger also retained its lead as the top selling commercial model, with 19.5 per cent market share and 5,648 units sold.

The Toyota Hilux was number two with 486 units sold and a 12.9 per cent market share and 4.6 per cent market share for the year to date, with 4,236 units sold. The



Fiat's Ducato had a huge leap up the charts compared to last month's sales

the economy, people were afraid to spend money but now they are feeling a lot more confident to do so."

Windust says that although he deals with a lot of local buyers, many of the vehicles are also being shipped down to Auckland and further south. "A lot of people from Auckland prefer to spend their money provincially and many of them have family up this way or business interests that they need to deal with.

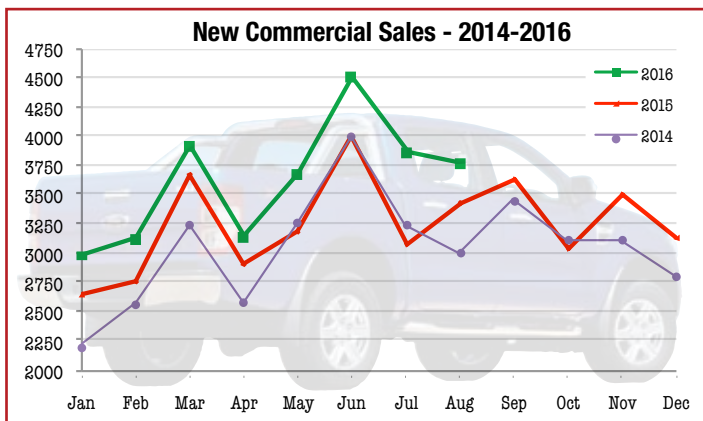
While they are in the region, they often come to us to sort out their vehicles. The Auckland economy is extremely buoyant right now and it is, no doubt, affecting our overall economy".

At present, the Ford Ranger is exceeding sales in both the commercial and personal market, with a range of customers showing interest. "It fits a lot of people and we find that we are selling it as a family vehicle quite regularly through to the heavy-duty forestry contractors who use it as an absolute work-horse," says Windust. ☺

Nissan Navara sold 47.6 per cent more than the same month last year, with 273 units.

The Fiat Ducato enjoyed a huge 126.2 per cent increase in terms of sales from the same time last year, with 95 sold last month and 42 sold in August 2015. This was also an increase of 31.9 per cent from the previous month when 72 registrations were recorded.

Ford sales manager for Pacific Motor Group in Whangarei, Chris Windust has noticed that a lot of the customers coming through the door are more confident in their business and therefore happier to spend money on new company vehicles. "During the down-turn of



MAKE	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Ford	861	813	5.9	22.8%	6,222	21.4%
Toyota	739	791	-6.6	19.6%	6,059	20.9%
Isuzu	338	269	25.7	8.9%	2,379	8.2%
Holden	283	295	-4.1	7.5%	2,495	8.6%
Nissan	273	185	47.6	7.2%	2,036	7.0%
Mitsubishi	231	177	30.5	6.1%	2,121	7.3%
Mercedes-Benz	139	100	39.0	3.7%	506	1.7%
Mazda	129	95	35.8	3.4%	1,201	4.1%
Fiat	97	60	61.7	2.6%	455	1.6%
SsangYong	86	52	65.4	2.3%	642	2.2%
Hyundai	80	60	33.3	2.1%	649	2.2%
Mitsubishi Fuso	75	60	25.0	2.0%	343	1.2%
Volkswagen	73	108	-32.4	1.9%	832	2.9%
LDV	70	39	79.5	1.9%	594	2.0%
Hino	58	67	-13.4	1.5%	452	1.6%
Foton	42	34	23.5	1.1%	358	1.2%
MAN	24	14	71.4	0.6%	141	0.5%
UD Trucks	22	21	4.8	0.6%	157	0.5%
BCI	21	0	2100.0	0.6%	22	0.1%
DAF	18	23	-21.7	0.5%	138	0.5%
Others	121	178	-32.0	3.2%	1,222	4.2%
<b>Total</b>	<b>3,780</b>	<b>3,441</b>	<b>9.9</b>	<b>100.0%</b>	<b>29,024</b>	<b>100.0%</b>

MAKE	MODEL	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Ford	Ranger	721	735	-1.9	19.1%	5,648	19.5%
Toyota	Hilux	486	544	-10.7	12.9%	4,236	14.6%
Nissan	Navara	273	185	47.6	7.2%	2,036	7.0%
Holden	Colorado	266	285	-6.7	7.0%	2,348	8.1%
Toyota	Hiace	252	230	9.6	6.7%	1,739	6.0%
Isuzu	D-Max	234	150	56.0	6.2%	1,586	5.5%
Mitsubishi	Triton	231	177	30.5	6.1%	2,119	7.3%
Ford	Transit	140	71	97.2	3.7%	524	1.8%
Mazda	BT-50	129	95	35.8	3.4%	1,201	4.1%
Mercedes-Benz	Sprinter	128	82	56.1	3.4%	425	1.5%
Fiat	Ducato	95	42	126.2	2.5%	439	1.5%
SsangYong	Actyon Sport	86	52	65.4	2.3%	642	2.2%
Hyundai	iLoad	75	60	25.0	2.0%	618	2.1%
Isuzu	N Series	61	48	27.1	1.6%	374	1.3%
LDV	V80	41	29	41.4	1.1%	349	1.2%
Volkswagen	Amarok	31	59	-47.5	0.8%	450	1.6%
Isuzu	F Series	31	57	-45.6	0.8%	282	1.0%
Foton	Tunland	31	32	-3.1	0.8%	295	1.0%
Mitsubishi	Canter	29	22	31.8	0.8%	149	0.5%
LDV	G10	29	10	190.0	0.8%	243	0.8%
Others		411	476	-13.7	10.9%	3,321	11.4%
<b>Total</b>		<b>3,780</b>	<b>3,441</b>	<b>9.9</b>	<b>100.0%</b>	<b>29,024</b>	<b>100.0%</b>

# Toyota 47 per cent of market

With 1,002 units registered last month, sales of used imported commercials are up 36.3 per cent from August last year when 735 vehicles were sold.

Year to date, 6,839 commercial vehicles have been sold. This is an increase of 17.5 per cent on 5,820 units sold for the same period in 2015.

Toyota took almost half of the market share for the month at 48.1 per cent, with 482 registrations, up 40.9 per cent from August 2015, when 342 units were sold.

Nissan held 21.3 per cent of the market share, with 213 units registered, up 47.9 per cent from last year. Mazda and Isuzu followed, with 76 and 44 units registered respectively, while Ford slipped into the top five with 39 units sold, up 62.5 per cent from the same time last year when 24 units were sold.

Toyota's Hiace was again the top used commercial model, with 351 registrations, up 35.5 per cent from the 259 units registered in August last year. Nissan's Caravan sold 92 units in August, an increase



of 55.9 per cent from 59 units sold at the same time last year. The Mazda Bongo again completed the top three with 68 registrations, an increase of 106.1 per cent from the same time last year when 33 vehicles were registered.

The Nissan NV200 followed for fourth with 38 vehicles sold, an increase of 100 percent, from the 19 units which were sold for the same month last year. Toyota's Regius made a huge increase in sales from the same time last year with 37 vehicles registered, an increase 208.3 per cent from August 2015 when 12 units were sold.

The Mitsubishi Canter has also made huge in-roads in terms of sales, with an increase in 466.7 per

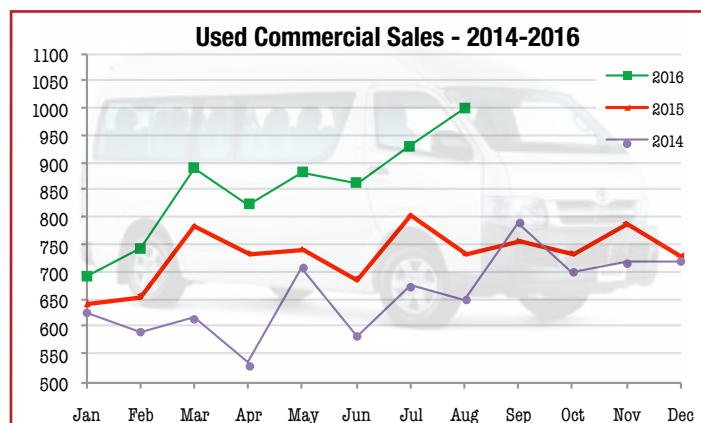
cent of sales from the same time last year, with 17 vehicles sold in August and only three sold this time last year.

General manager for sales at Carz and Vanz in Tauranga, Paul Nicholson says his most popular used commercial vehicles have been the 10 and 12 seater 2010 to 2012 Toyota Hiace models, which he often sells to both small business owners and large families. "The newer used vehicles seem to be getting more popular, I think a lot of the customers might be slapping extra money on their mortgages".

Nicholson says the Nissan

Caravan is also very popular, with a noticeable lift in sales for commercial vehicles at the Tauranga Branch, as opposed to the smaller regions. He has noticed that sales have gone "a bit mad at the end of the month," and he believes this might have a lot to do with the change of weather and increased work available for tradies.

"Tauranga is definitely booming as far as new home builds are concerned, at the moment. The smaller business owners can now afford to buy better work vehicles, because they have more work available".



## Used Commercial Sales by Make - August 2016

MAKE	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	482	342	40.9	48.1%	3,264	47.7%
Nissan	213	144	47.9	21.3%	1,527	22.3%
Mazda	76	48	58.3	7.6%	453	6.6%
Isuzu	44	32	37.5	4.4%	342	5.0%
Ford	39	24	62.5	3.9%	230	3.4%
Mitsubishi	32	23	39.1	3.2%	237	3.5%
Hino	30	18	66.7	3.0%	142	2.1%
Chevrolet	21	27	-22.2	2.1%	125	1.8%
Holden	17	15	13.3	1.7%	124	1.8%
Suzuki	9	4	125.0	0.9%	30	0.4%
GMC	5	4	25.0	0.5%	24	0.4%
Fiat	4	3	33.3	0.4%	43	0.6%
Dodge	3	4	-25.0	0.3%	40	0.6%
Volkswagen	3	7	-57.1	0.3%	51	0.7%
DAF	2	1	100.0	0.2%	7	0.1%
Factory Built	2	1	100.0	0.2%	10	0.1%
Kenworth	2	4	-50.0	0.2%	13	0.2%
Mercedes-Benz	2	5	-60.0	0.2%	20	0.3%
Peugeot	2	1	100.0	0.2%	6	0.1%
Renault	2	0	200.0	0.2%	10	0.1%
Others	12	28	-57.1	1.2%	141	2.1%
<b>Total</b>	<b>1,002</b>	<b>735</b>	<b>36.3</b>	<b>100.0%</b>	<b>6,839</b>	<b>100.0%</b>

## Used Commercial Sales by Model - August 2016

MAKE	MODEL	AUG'16	AUG'15	+/- %	AUG'16 MKT SHARE	2016 YEAR TO DATE	2016 MKT SHARE
Toyota	Hiace	351	259	35.5	35.0%	2,452	35.9%
Nissan	Caravan	92	59	55.9	9.2%	622	9.1%
Mazda	Bongo	68	33	106.1	6.8%	356	5.2%
Nissan	NV200	38	19	100.0	3.8%	243	3.6%
Toyota	Regius	37	12	208.3	3.7%	227	3.3%
Nissan	Vanette	36	25	44.0	3.6%	282	4.1%
Toyota	Dyna	34	29	17.2	3.4%	247	3.6%
Isuzu	Elf	32	22	45.5	3.2%	219	3.2%
Toyota	Toyoace	22	14	57.1	2.2%	136	2.0%
Nissan	Atlas	18	13	38.5	1.8%	144	2.1%
Mitsubishi	Canter	17	3	466.7	1.7%	92	1.3%
Ford	Ranger	17	5	240.0	1.7%	97	1.4%
Hino	Dutro	15	12	25.0	1.5%	79	1.2%
Hino	Ranger	14	5	180.0	1.4%	52	0.8%
Nissan	Navara	13	17	-23.5	1.3%	103	1.5%
Toyota	Estima	11	0	1100.0	1.1%	11	0.2%
Toyota	Hilux	10	20	-50.0	1.0%	97	1.4%
Suzuki	Carry	9	4	125.0	0.9%	29	0.4%
Chevrolet	Silverado	9	13	-30.8	0.9%	42	0.6%
Holden	Colorado	8	6	33.3	0.8%	56	0.8%
Others		151	165	-8.5	15.1%	1,253	18.3%
<b>Total</b>		<b>1,002</b>	<b>735</b>	<b>36.3</b>	<b>100.0%</b>	<b>6,839</b>	<b>100.0%</b>

# New stock at all time high

New car stock continues to increase in terms of new passenger vehicles waiting to be sold, with particularly high import numbers in the month of August. 13,081 new cars were imported for the month, this is a 12 per cent increase on August last year, when 11,675 units came in, and a 41 per cent increase from July, when 9,279 new cars, station wagons and SUVs entered the country.

Conversely, registrations didn't keep up with imports, with 8,894 new cars being sold for the month. This meant that the variance of 4,187 were added to last month's new stock tally of 58,597, bringing the new total to 62,784 units. This is an increase, year to date, of 5,159 new cars, with a nine per cent increase.

Average daily sales for the last 12 months have increase by four units a day and now sit at 269.

The numbers of day's stock at



hand has jumped to 234, a 5.9 per cent increase from 221 units in the previous month. Theoretically this means that if no more cars were imported and sales continued at their current rate, the existing stock that is already in the country would last for over seven months.

General sales manager for Manawatu Toyota, Fraser Hart says his business replenishes its stock levels regularly.

"We always try to have a good supply on hand for our customers so that they don't have to wait.

We also like to have a variety of models and different colours on the ground so that our customers can purchase what they want straight away".

He says that during the March through to June period, sales are usually particularly high and he believes this probably is the case throughout the country.

In terms of sales, Hart says that things are "ticking along pretty well".

"Definitely, year on year, the market is up in our area and I think it probably is remaining that way

throughout the country," he says.

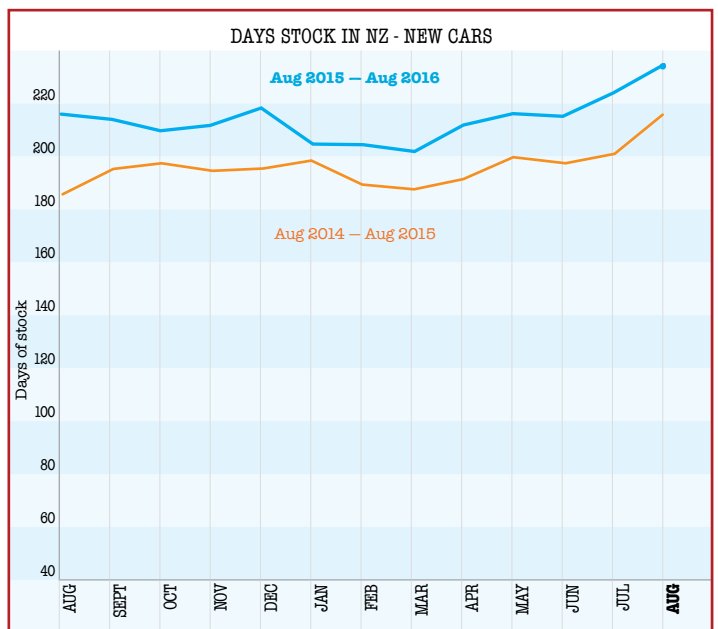
Although Toyota controls most of the purchasing, it is obvious that there will be times when stock levels increase, in order to make up for the high sales turnover. "We are replenishing all of our stock about now, so there is probably a bit more stock sitting around than normal".

Dealer principal from Piako Mitsubishi in Rotorua says his two top vehicles, that seem to be selling particularly well, would have to be the Mitsubishi Triton and the Mitsubishi ASX, both for commercial sales and families.

As he runs a large business, he only sticks to the industry standards of holding stock up to 45 days and keeps to that level pretty regularly. "We like to keep as much stock as possible, to make it easier for our customers to buy what they want on the day, rather than waiting around for too long".

## Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Aug '15	11,675	7,752	3,923	56,712	256	221
Sept '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	8,916	9,186	-270	57,019	264	216
Jul '16	9,279	7,701	1,578	58,597	265	221
<b>Aug '16</b>	<b>13,081</b>	<b>8,894</b>	<b>4,187</b>	<b>62,784</b>	<b>269</b>	<b>234</b>
<b>Year to date</b>	<b>69,513</b>	<b>64,354</b>	<b>5,159</b>			
<b>Change on Aug 2015</b>	<b>12.0%</b> <small>MORE IMPORTED</small>	<b>14.7%</b> <small>MORE SOLD</small>		<b>10.7%</b> <small>MORE STOCK</small>		



# Imports push used car levels up

A total of 14,054 used passenger vehicles were imported for the month of August - up by 24.7 per cent from July 2016 when it was 11,268 and a 15.9 per cent increase on the same month last year when 12,129 units crossed the border.

Overall, stock levels for used cars has grown by three per cent, with 29,310 vehicles available in July, increasing to 30,371 in August.

For the last 12 months stock of used cars has grown by 23.2 per cent or 5,715 units, from 24,656 in August 2015.

So far this year 103,118 units have been imported and 98,310 registered, creating a total increase in stock numbers of 4,808 year to date. Like new cars, sales continue to increase and they now sit at 399 per day, when averaged over the previous 12 months. The increase in imports over sales, has meant an increase in numbers of days stock



at hand, this has jumped to 76 - from 74 in the previous month.

Dealer manager of Value Priced Cars in Palmerston North, Dave Watson believes a lot of the imported stock could include lower grade vehicles that have been imported, in order to capture the cheaper car market.

"People are starting to get savvy about what a cheaper car entails. Although customers are price conscious, they don't want to buy a vehicle that isn't up to scratch".

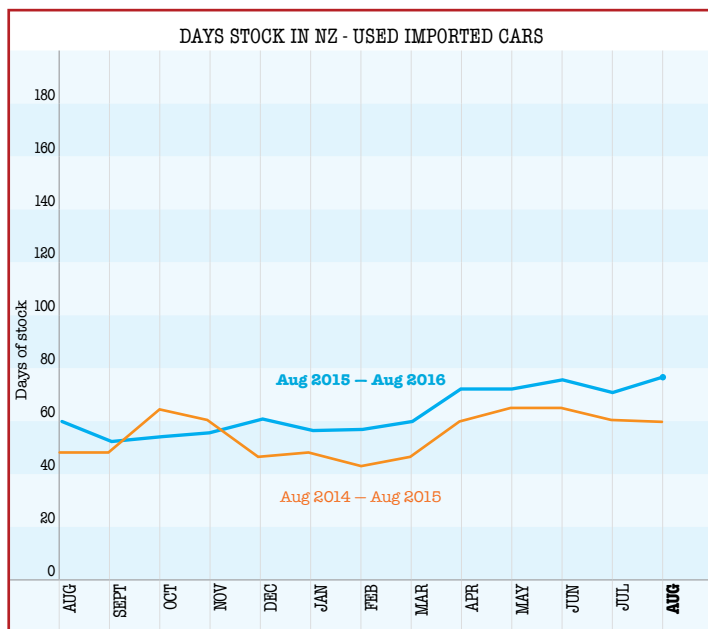
"A lot of these cheaper cars have been channelled in through the bigger cities and can have panel

damage or smell of tobacco, they look good online, however the customers find that once they see them close up, they aren't what they expected".

Although he understands why the cheaper cars are so popular, Watson sticks to buying used cars in good condition. "In the provinces, we still have customers who are price conscious but I have found that we are still doing business as our clients are doing their research and realising that sometimes they need to pay a bit more to get a car that will suit their needs".

Owner of Rockstar Cars in Devonport, Jonno Leonard says that he believes part of the reason behind the high levels of stock might be related to the slow winter which he has noticed across the board.

"We found that August really slowed up in terms of what we were able to purchase - meaning that a lot of the freight just wasn't being done and in terms of the import stock that came in, we've actually got a bit sitting in compliance waiting for us to bring it into the yard. If that's us, I'm sure that's replicated elsewhere".



	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Aug '15	12,129	12,061	68	24,656	391	63
Sept '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	65
Jan '16	9,748	11,675	-1,927	23,636	393	60
Feb '16	11,887	11,736	151	23,787	396	60
Mar '16	12,999	12,153	846	24,633	396	62
Apr '16	16,960	12,140	4,820	29,453	399	74
May '16	12,563	12,567	-4	29,449	399	74
Jun '16	13,639	11,991	1,648	31,097	398	78
Jul '16	11,268	13,055	-1,787	29,310	396	74
<b>Aug '16</b>	<b>14,054</b>	<b>12,993</b>	<b>1,061</b>	<b>30,371</b>	<b>399</b>	<b>76</b>
<b>Year to date</b>	<b>103,118</b>	<b>98,310</b>	<b>4,808</b>			
<b>Change on Aug 2015</b>	<b>15.9%</b>	<b>7.7%</b>		<b>23.2%</b>		
	<small>MORE IMPORTED</small>	<small>MORE SOLD</small>		<small>MORE STOCK</small>		

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