Fees for imported car tyres unveiled

charge of \$5.50 will be imposed on every passenger vehicle tyre crossing the border if the government approves a scheme to divert old rubber from landfill sites.

The fees – also called "advanced disposal deposits" – have been flagged up in a report for the Ministry for the Environment (MfE) and Waste Advisory Board from the Tyrewise working group. It details an industry-led stewardship programme for end-of-life tyres

(ELTs) and recommendations on the way ahead.

It's hoped the initiative will become self-funding, but in the meantime the charges will be used for incentives to increase ELT recycling levels.

The proposed fee of \$5.50 per equivalent passenger unit (EPU) is based on the average weight of 9.5kg for one new tyre on a passenger vehicle.

Other EPU values are 0.3 for offroad ATV tyres, 0.5 for motorbikes, 1.9 for aircraft, 2.0 for light commercials and 4.2 for trucks and buses, with off-road earthmovers topping the scale at 63.3.

The fees would be collected by the NZTA when vehicles are first registered and by Customs when loose tyres cross the border.

The \$5.50 EPU is based on the cost of capturing ELTs, keeping track of them through the supply chain and would be payable on most tyres imported.

More tyres will be identified because the scheme will cover the 20

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Joint action gets results

he government has listened to the vehicle inspection industry by postponing changes to the warrant of fitness (WOF) regime.

The Ministry of Transport (MoT) was aiming to start the new system from October 1 this year.

But four automotive organisations have scored a partial

victory after lobbying for the date to be put back.

The Motor Trade Association (MTA), VINZ, VTNZ and AA wanted the phase-in delayed until April 1.

The government – after considering their concerns – has opted for the first stage of the new testing regime to start on January 1.

It says this gives three extra

months for WOF providers to adapt and for the NZTA to get its systems up and running.

The revised timetable means:

Light vehicles first registered between 2004 and 2008 will move from six-monthly to annual inspections on new year's day.

[continued on page 6]



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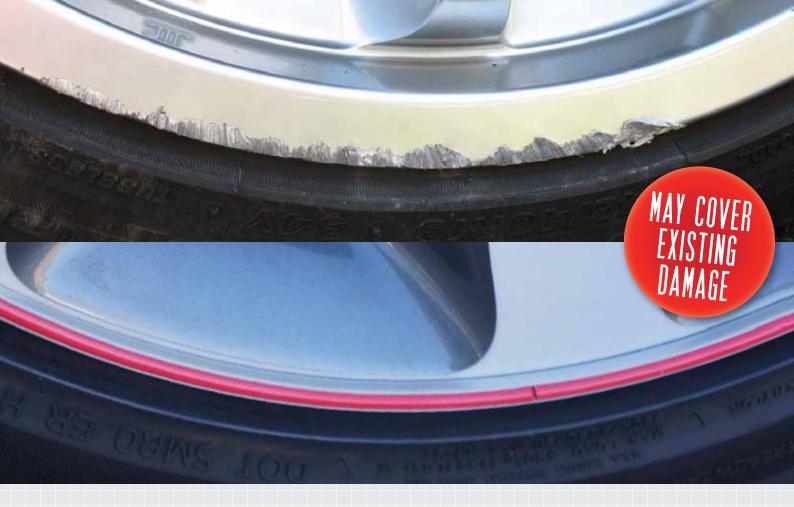


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Finding some ears at Beehive

any vehicle inspection experts are relieved the Ministry of Transport (MoT) and NZTA are listening to them, even if it's come pretty late in the game.

Four industry organisations singing off the same hymn sheet that everything was being rushed has been heard in the carpeted corridors of power.

October 1, 2013, for the first phase of the new warrant of fitness (WOF) regime was eight months earlier than the initial date, but common sense has prevailed with January 1 set for kick-off.

Some might say the inspection sector has vested interests, that a drop in WOFs will affect business.

There's an element of truth in this, but for those in the industry vehicles are their passion, they know them inside out and they're motivated to bolster the fleet's safety.

Transport officials need to continue taking the inspectors' views on-board before, during and after the roll-out of the new regime.

The January phase-in brings certainty to the whole of the motor industry, not just the inspection side.

After all, to suggest bringing that date forward to the last quarter of this year was unworkable, but there will be more challenges in the months ahead.

Many in the industry may be relieved to find out - according to the analysis of submissions on the relevant land transport rule – that the new WOF start date "can be accommodated by the NZTA", so hopefully there will be no issues on that front.

Arguments have been raging since the Vehicle Licensing Reform (VLR) was announced about having so many used cars on annual instead of six-monthly WOFs and the affect this may have on our fleet's safety.

However, much is being made of the government's three-year information campaign to explain the changes to motorists.

Geoff Dangerfield, the NZTA's chief executive, says it will remind people of their responsibilities to ensure vehicles remain roadworthy at all times, not just when due for inspections.

The campaign will start later in 2013. It's likely to use advertising, a website and brochures.

But for something due to "get under way later this year", details on exactly how \$2 million of taxpayers' money will be spent are scant unless they're deliberately being kept under wraps.

One would have thought this campaign would have been finetuned months ago - and there's

only four months of 2013 left.

Another aspect of the campaign is that it will be supported by "focused police enforcement activities", according to Gerry Brownlee, Minister of Transport.

It's not just the motor vehicle industry that's keen to see how this one will play out.

Where are the officers going to appear from? Do they need special training? What will they be enforcing? What's the cost going to be?

In a previous VLR cabinet paper, located by Autofile in the annals of the MoT's records, Brownlee said: "New Zealand Police have expressed concerns that reducing the frequency of inspections could create negative road-safety outcomes.

"Transport officials will work

closely with them in regards to this and the measures being explored to counter potential increases in crash risk, including impacts and costs.

"Some counter measures proposed under the WOF options will have costs associated to them, for example increased enforcement by the police."

As the VLR has been dragging on for so long, many of these finer details should be sorted out by now and the public informed about them.

That said, the NZTA "will continue to work with the inspection industry on plans to introduce the new system", so let's not dwell too much on negatives.

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[continued from page 1]

larges to drop over decade

per cent coming in fitted to vehicles, as well as non-passenger tyres and casings imported for retreading.

The fees will be passed from importers to consumers through higher tyre prices and included in vehicles' registration costs.

"Payment would be to the product stewardship organisation [PSO], which would have overall responsibilities for the ELT programme," states the Tyrewise report.

The project needs Waste Minimisation Act [WMA] powers to set fees, decide who must pay, and for Customs and the NZTA to collect them.

To ensure full participation and regulatory support a "priority product" approach is preferred, so the working group is calling for such a declaration for tyres from Amy Adams, Minister for the Environment. COUNTING THE DOLLARS

The cost of the preferred ELTs scheme with mandatory stewardship and fees are estimated at \$3.2m to the government and \$47m to business over 10 years.

The alternative of importers of loose tyres and vehicles declaring them would cost the government \$4.8m and business \$69m.

Benefit assumptions for new industry and employment are estimated at \$207m for the preferred scheme and \$162m for the alternative one.

As for the bottom line, sticking with the status quo and doing nothing will cost the country \$89m.

The preferred scheme will return \$36m, with the alternative one having a deficit of \$18m.

"The fee is expected to reduce over the 10-year period as Final milestone completed

Tyrewise's seventh milestone was achieved on August 15, when its confidential ELTs business plan was given to the government. It's modelled on the NZ Trade and Enterprise's planning for success guide. It tackles financial and economic modelling on funding issues, and governance for the programme's ongoing _management.

markets for tyre-derived products develop and the need for incentives decreases," states the report.

"Over 10 years, it's estimated costs borne by households and businesses under the preferred scenario will be \$278m.

"This compares with current disposal costs of \$237m. But \$207m from the fees translates into benefits for society, including investment in recycling, increased employment and export opportunities.

"It's assumed costs to run the Tyrewise scheme will be covered by the fee."

In the short term - and after priority product is declared options for funding include:

- \$5m from the Waste Minimisation Fund over two years, with \$1.3m covered by industry.
- ▶ The government providing funds and being reimbursed by the scheme.
- ▶ An initial fee of \$1 per loose EPU paid by importers of more than 500 EPUs a year, excluding off-road tyres.

AIMS OF THE PROJECT

The purpose of the Tyrewise scheme is to recover and safely



 dispose of ELTs by developing new markets, and to support research and development.

About 5.1 million tyres are imported annually. But only 30 per cent are recycled, with the rest going to landfill.

In 2011, the split was new tyres -74 per cent, used tyres – six per cent, and tyres on vehicles - 20 per cent. This amounted to 62,000 tonnes.

A network of collectors. processors and end users has established over the years supported by tyre companies, but they address only a small amount of ELTs.

Most retailers charge disposal fees of \$2.50-\$16 depending on tyre size, with passenger vehicle fees in the range of \$2.50-\$7. Transfer stations also charge.

Many waste companies supply bins to retailers, which can hold a large number of tyres and cost as low as \$40 per bin to be collected for landfill.

This is often the cheapest option for retailers, while some allow farmers and other people to take them away for free or a small fee.

A survey of 58 members of the Motor Trade Association showed 41 per cent of tyres were informally disposed of for reuse through the likes of farms.

Tyrewise aims to encourage higher recycling levels

with incentives paid to registered collection points - such as retailers, garages, vehicle

dismantlers and landfills - transporters, processors and manufacturers.

buffings. For this to happen, legislation will be required to declare ELTs as priority products.

Labelling requirements will be needed for incentivised products and amendments to government procurement policies for tyrederived products.

HOW IT WILL BE RUN

Auto Stewardship New Zealand (ASNZ) will run the ELTs project.





Mark Gilbert, chairman of Auto Stewardship NZ, and David Vinsen, one of its trustees

A motor industry PSO is seen as the best to work on solutions for other issues as well, such as old batteries and end-of-life vehicles.

Mark Gilbert – former managing director of BMW NZ and expresident of the Motor Industry Association – has been appointed as its chairman.

Gilbert, who became Tyrewise's chairman last year, told Autofile: "In doing this role, I've been exposed to the market failure the working group was addressing and all of the stakeholders involved.

"To carry the project forward and see it fully implemented requires knowledge of this business and where it might go.

"The initial challenge will be to get the programme operating, and all elements of collection,

At a glance

The ELTs initiative aims to

for tyre-derived products.

and reporting obligations for parties

eligible for incentives.

off-road, casings for retread and aircraft

tyres, are included. Those on non-

motorised equipment are

excluded, as are tyre

Pneumatic and solid-fill tyres, including

It aims to implement a tracking system

transportation and processing effectively codevelop solutions and local markets ordinated."

> David Vinsen, chief executive of the Imported Motor Vehicle

Industry Association, is one of the trustees. "I'm very pleased

to be appointed and am the only person to be on the working group all the way through," he says.

Vinsen is keen to see the project through to fruition and stresses ELTs are only the start.

"My motor trade experience - and skills, expertise and governance in not-for-profit organisations - means this is a position I accept with great pride."

Other trustees are Kim Campbell, chief executive of the Employers' and Manufacturers' Association, and Kerryn Downey, managing partner of McGrathNicol, an independent advisory firm in corporate advisory, forensic, transaction services and corporate recovery.

There will be up to seven trustees, with probably four from automotive organisations. Three other nominees will be appointed with consideration given to the

skillset already around the table.

The ASNZ will liaise with other programmes outside its remit, and will have an advisory group with the new and used vehicle industries represented on it.

It will have contracts with tyre and vehicle importers. Sales declarations and fees will be lodged with an independent audit committee or fund, with income coming back to the PSO.

After priority product status for tyres is announced, a programme manager will be recruited. The current Tyrewise working group will continue in an advisory group capacity until the project starts.

The ASNZ has been discussing other stewardship initiatives including vehicles, the challenge of "gross polluters" within the Kiwi fleet and how to speed up their exit.

The trustees' mission is to be responsible "for ensuring vehicles and their components are recycled in cost-effective and

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Partial victory for industry

- From July 1, annual WOFs will include those registered on or after January 1, 2000.
- Light vehicles registered before January 1, 2000, will stay on sixmonthly inspections.

The MoT, which is carrying out the Vehicle Licensing Reform (VLR) with the NZTA, is bringing in the changes through the Land Transport Rule: Vehicle Standards Compliance Amendment (No 2) 2013.

The latest round of consultation drew 179 submissions - 121 were on the WOF changes with half opposed to them and 71 tackling the October start date.

"Submitters not in support of this date felt it will not allow enough time for adjustments and restructuring," states an overview document released by the government.

"They had been making

business and employment plans based on the original implementation date, meaning iob and revenue losses could be brought forward six to eight months earlier than expected.

"The MTA, VTNZ, AA and VINZ proposed a start date of April 1, with remaining changes phased in on October 1, 2014."

Transport officials investigated other dates because April 1 and October 1, 2014, weren't in line with the cabinet wanting the changes to be in place by July.

"An alternative would be to start the phase-in from January 1, with other vehicles registered after January 1, 2000, moving to new inspection frequencies on July 1," they say.

"This would keep implementation within the bounds of cabinet's decisions.

"It would delay impact on businesses by three months giving them more time to adjust, prepare and communicate changes to customers. This can be accommodated by the NZTA.

acceptable compromise."

The MTA is now drawing up a simplified voluntary inspection process with a 25-point checklist and will encourage motorists to avoid the pitfalls of 12-month inspections.

One example is cars should be sold with a WOF issued within a month of change of ownership.

Although a legal requirement, it's mainly unenforced in the private sector and WOF issues could potentially mount up with annual instead of six-monthly checks.

While still meaning fewer

"The decision has come some way to meeting concerns."

- Frank Willett, general manager of VINZ



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"It would also align implementation between WOF and certificate of fitness [COF] changes, and still see early benefits for customers albeit later than under the [original] amendment rule proposal."

REACTION FROM INDUSTRY

The new start dates have been broadly welcomed by the MTA, VTNZ, VINZ and AA after their joint letter asked the government to reassess the introduction of annual WOFs for 2000-08 vehicles.

"The new proposed date of October 1, 2013, was eight months earlier than the initial date of July 1, 2014," Dougal Morrison, the MTA's general manager of advocacy and training, told Autofile.

"This wouldn't give enough time for the industry to prepare and would likely result in greater employment loss.

"We advised the NZTA the short lead-in time would likely result in confusion by the public, so a longer lead-in would allow more time for communication to consumers.

"From the MTA's perspective, we've ended up with an

inspections, the new phase-in period provides for a smoother transition within a realistic timeframe.

There were also concerns bringing the date forward would put pressure on officials responsible for delivering the changes.

"While there was a desire to introduce changes as soon as possible, a closer review has seen a more considered outcome," says Morrison.

"This will benefit all parties, making it easier for industry and motorists to digest."

Frank Willett, VINZ's general manager, is pleased the government has met the industry halfway after listening to the issues.

"The decision has come some way to meeting concerns by delaying the implementation and phase-in of changes to the WOF system," he says.

VINZ has reviewed the potential impact of the changes on its business model and will now be assessing the likely impact on its locations.

Mike Walsh, chief executive of VTNZ, told Autofile the vehicle inspection industry needs the extra time to prepare for the changes.

"It gives us more time to get on with business and we're now working to the bottom line on how this will impact us."

Walsh believes the new regime's effects will reach a "stage of equilibrium" after about 12 months and expects it to result in a 30 per cent drop in inspections.

"Every business will feel the effects of this decline, but the effects will depend on how we respond and do other things," he says.

"The government wanted a direct impact on the economy from these changes from April. Now January is when some customers will realise they will next need a WOF in 12 months' time.

"This is a pragmatic solution and a compromise. My view is the government was going to make the changes and we couldn't stop that."

The AA supports the new timeline with Stella Stocks, general manager of motoring services, saying this will allow the industry to adjust and for motorists to fully understand the changes.

Staff at its testing stations and auto centres will explain the new system when customers are issued with their next WOF.

Mark Stockdale, the AA's principal adviser for motoring policy, describes the annual inspection "as a minimum requirement". Items such as brakes, tyres and lights should be monitored by owners and repaired or replaced.

"Having a current WOF isn't proof a vehicle is safe," he says. "Motorists are required to maintain roadworthy vehicles. If there's any doubt, they should take them in for an inspection every six months or more often."

CONCERNS OVER FREOUENCIES Submissions on WOF requirements for new cars have remained unchanged, with inspections based on the date of first registration.

After an initial check, the next inspection for light vehicles will be at three years. Then they must have annual WOFs.

Some submitters felt the period was too short and should be five years, with others saying 36 months was too long.

View from the Beehive

Transport Minister Gerry Brownlee, pictured, says dates for phasing in the new WOF regime "will provide the sector time to prepare while ensuring New Zealanders begin receiving the benefits of changes as soon as possible".

He says a \$2 million public awareness campaign will remind people they are responsible for the safety of their vehicles.

"This three-year campaign will reach motorists through a range of mediums, which could include advertising at vehiclerelated locations and on radio, a website and brochures. It will also be supported by focused police enforcement activities.

"The changes will save New Zealanders \$1.8 billion [in today's money] over 30 years without compromising road safety."

Motorists should take their vehicle in at their next due date as usual. Inspectors will then assign appropriate dates for future WOFs.

The NZTA will continue to work with vehicle inspection stakeholders on introducing the new system.

VTNZ said new car checks are no substitutes for WOFs because they aren't compulsory.

The AA felt new cars should have annual WOFs, while VINZ believed the time between the first two inspections should be two years to reflect higher annual distances travelled.

The MTA noted new vehicles are covered by three-year warranties, which don't include servicing, and some servicing periods are up to two years or 40,000km.

It said 70 per cent of new vehicles were lease or corporate, with lease companies putting pressure on agents doing servicing to minimise costs.

Some submitters didn't support the WOF proposals because it would mean too much of the fleet having annual inspections.

VTNZ felt six-monthly WOFs should start after eight years when accidents with fatalities greatly increase.

There were concerns about the effectiveness of an education campaign, and the police having inadequate expertise and resources for roadside inspections.

Transport officials, however, remain confident the government's decisions will keep vehicles safe while saving motorists time and money.

Six-monthly inspections were chosen for vehicles registered after January 1, 2000, because research shows for vehicles over 12 years

the percentage involved in crashes with WOF defects increases.

But the age at which the increase starts is becoming later with better vehicles entering the fleet.

Under a decreased inspection frequency, vehicle defects - such as worn tyres and brakes - could

affect safety. To avoid these risks, education and advice programmes and increased police enforcement will "enhance awareness and support the changes".

The government's transport officials also state:

- Safety measures are designed to promote and enforce responsible maintenance.
- ▶ Impacts on inspection businesses were taken into account before decisions were made to change WOFs.
- Reduced inspection frequencies better reflect the safety risk from car defects, while offering benefits to motorists.

Talks are continuing with the industry on rolling out the changes to the COF regime.

From July 1, the variable frequency of inspections on "wellmaintained" heavy vehicles will be expanded to three to 12 months from the current three-to-ninemonth regime. 🕣



Stability feature needs flagging

Email your letters, news and views to editor@autofile.co.nz - please include your full name and daytime contact information.

The lead story in issue 14 of Autofile mentioned electronic stability control (ESC) as improving the fleet's safety, but the new cars section on pages 15-17 only listed one of the five vehicles as equipped with it.

The media releases probably included this information and informed readers of Autofile would expect these cars to have ESC, although not all new vehicles do.

This illustrates a wider problem with motoring journals and the trade often failing to promote this life-saving technology.

I recently visited a dealer in Wellington to view a five-year-old luxury car. Nowhere on the window card was ESC listed, even though it's standard across the range.

I then checked some premium marque late models for sale by dealers on Trade Me. Not a single listing mentioned ESC even though it was standard on those models and the marque's entire range worldwide for several years prior.

They mentioned ABS, even though that's been standard for decades, but why not ESC?

As part of Safer Journeys, the AA believes – in addition to mandatory ESC for new cars and used imports from an agreed date – public education about this technology is critical to drive demand.

Government agencies clearly have more work to do to educate the trade about what these technologies are, which cars have it and why the trade should be promoting them on listings.

If you were an uninformed buyer with safety as a purchase consideration, how likely would you be to choose one car over another if it was promoted as "fitted with ESC - this will reduce your likelihood of being in a single-vehicle crash by 35 per cent", or 50 per cent for SUVs.

Don't wait for the government to mandate ESC, let's start promoting it at every opportunity.

Mark Stockdale, principal adviser - regulations, AA

Isetta was the first BMW sold here

I would like to comment on a news-in-brief item in Autofile on July 19 The 1967 silver 1600-2 wasn't the first BMW sold in New Zealand because a number of Isettas were sold in Christchurch in the late 1950s. In pointing this out, I don't want to take anything away from John Leggett's legacy because he was a hell of a nice guy.

Isettas were funny cars with single-cylinder motorcycle engines mounted at the rear. These Italian-designed microcars were built under licence in different countries, including Spain, France, Brazil, Germany and the UK.

"Because of its egg shape and bubblelike windows, it became known as a bubble car, a name later given to other similar vehicles," states Wikipedia.



"The Isetta was in 1955 the world's first mass production 3l/100km car. It was the top-selling single-cylinder car in the world, with 161,728 units sold." Malcolm Yorston, membership and technical services manager, IMVIA



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Beehive talks on safety

♦ he Associate Transport Minister has held talks with two industry organisations about making electronic stability control (ESC) mandatory on imported vehicles.

Michael Woodhouse has met with the Motor Industry Association (MIA) and Imported Motor Vehicle Industry Association (IMVIA) in recent weeks.

Chief executive officer David Crawford says the MIA provided the minister with analysis around the volume of cars by year in Japan fitted with ESC.

"It should be mandatory for new and used imports, and the minister agrees," he told Autofile. "On the best time for used vehicles, we've said 2018."

There were about one million cars sold in Japan with ESC in 2010 with similar numbers in 2011 - and more in 2012 after it became mandatory for the equivalent of MA and MB vehicles last year.

"By 2018, the 2010/11 pool of vehicles in Japan will be seven to eight years old, so supply will not be a stretch," adds Crawford.

"We understand the minister may be waiting from advice from officials and ESC isn't on the rules programme yet.

"It can take up to 18 months for this process to happen, so it may be 2015 before ESC is mandatory on new vehicles.

"It needs to be mandatory on new and used, otherwise unsafe vehicles could come into the fleet by the back door.

"The government needs to take its time and analyse the information, but we're hoping this will be done sooner than later."

David Vinsen, chief executive of the IMVIA, says: "We met with the minister and it was very positive.

"We discussed issues around the timing and implementation of ESC, and other issues likely to



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vive months in the hot seat of the country's biggest auction house may seem a long time waiting to find out your future, but for Todd Hunter it was a case of business as usual with plenty of good, old-fashioned hard work.

As interim chief executive officer (CEO) of Turners, his feet hardly touched the ground at times until he was permanently appointed to the position last month after a robust recruitment process that featured overseas candidates.

During that time, he ensured the company secured major contracts with LeasePlan NZ and Transfield Services, with the latest good news being the announcement of half-year net profits after tax of \$2.1 million.

All of this has come on the back of former CEO Graham Roberts' departure and the loss of a major contract with IAG. "We had a few wobbles around February," he concedes.

However, since then it's been onwards and upwards, and Hunter's relishing the task ahead and getting "really excited about the opportunity to be CEO because this is a great business".

Good progress has been made

around the next phase of Turners' evolution and "it feels like we have some momentum", and from his perspective, the way forward looks positive.

"To be honest, the time I was interim CEO didn't feel like five months because it was a very busy period," recalls Hunter.

"There were priorities from the board's and my perspective, but I always felt confident about the plan and having the ability to execute it."

He certainly knows his way around the business having been chief operating officer for three years, and was also previously general manager of sales and marketing.

"I've got a financial background being a chartered accountant, and have spent most of my career in sales and marketing. The experience I've gained here has served me well.

"Spending a lot of time at Turners, working in different parts of the business and with our customers has provided me with a sense of what they need and how we need to evolve to meet those needs.

"This has given me clarity around the strategic direction required to keep this business

"To win the LeasePlan contract was a hugely symbolic moment for our people and

customers."-Todd Hunter

Crunching the numbers

Turners' recovery in the Kiwi used car market was up four per cent to 478,000 changes of ownership transactions over the past six months.

Recovery in registrations of imported vehicles increased 21 per cent to 45,640 transactions.

There was a significant increase in the number of Japanese imports – up 45 per cent to 48,224 vehicles.

The market for Kiwi vehicles deregistered as "written off by insurers" rose by one per cent to 12,607 units.

The number of units deregistered as "destroyed or permanently <u>useless" was down</u> 17 per cent to 19,695 vehicles.

relevant to our customers."

Before joining Turners, Hunter worked at NZ Post. Microsoft and Ernst & Young in senior sales, marketing and finance roles.

"You carry experiences through your life and they shape who you are. I value my training and work experience in finance enormously.

"Microsoft was a fantastic place to learn the discipline around running a business with constant reviews, targets and goal-setting.

"In the mid-1990s, it was an awesome place to work with strong growth, a big emphasis on innovation and a share price that went up every day. My time there shaped me to a large degree."

NETTING BIG CONTRACTS

Last month, Turners signed a two-year contract with LeasePlan, which manages more than 17,000 vehicles as one of the country's largest leasing companies.

The auction house worked hard to integrate its processes and provide solutions to meet LeasePlan's needs, and to ensure the long-standing association

between the two businesses continues to prosper.

"We have a great, honest relationship with them and this win came at a critical time," says Hunter. "LeasePlan ran a highly competitive process and it was important for us to come out on top.

"It was the first big challenge I had to deal with. We got the right result and it meant we could take a moment to breathe, celebrate a success and focus on our customers again.

"To win that contract was very, very satisfying, and a hugely symbolic moment for our people and customers. You will always have wins and losses, but all the time we were mindful it was critical to retain this customer."

Transfield Services – an operations, maintenance and construction services company has signed a three-year contract with Turners, its second substantial commercial deal of July.

It operates in the resources, energy, industrial, infrastructure, property and defence sectors, and employs about 24,000 people across 11 countries.

"Transfield is also a big customer and it was an exclusive contract that was essential to win. It was our ability to understand and deliver to their requirements that was key to this partnership."

THE BALANCE SHEET

Hunter describes Turners' halfyear profits of \$2.1m – 10 per cent ahead of the same period last year - as "really pleasing".

But he cautions there's more hard work ahead because the reduction in damaged vehicle units due to losing the IAG contract will be felt more in the second-half results.

That said, the company has strategies in place and Hunter's impressed with the high energy levels in the business at the moment. "Our people are very focused and have done a great job in the past six months."

At the AGM in April, the board advised the loss of the IAG contract was equivalent to a 15 per cent reduction in net profit for the full year.

"But based on first-half trading and early results from

Man behind headlines

When it comes to cars, there's no rivalry between the blue oval and the lion and stone in the Hunter household.

"We joke about being a two seven-seater family," says the married father of three young children. "We have a Ford Territory and a Holden Commodore station wagon."

As for other passions, Hunter's a keen golfer, avid runner and supports English Premier League outfit Tottenham Hotspur.

"Outside work, life is about family but my other passion is sailing. I've loved it since it was a kid growing up with boats.

"Living in Auckland and growing up in the Bay of Islands, you can't beat being out on the water."

mitigating strategies, we expect our full-year 2013 net profit to be closer to the 2012's \$4.2m."

There have been "great results" in fleet and finance, while other parts of the auction business have been going well and the cars side is showing signs of recovering.

"We have good initiatives coming up with Cash Now. We believe we have the right strategies lined up to deliver some results closer to last year's.

"If we work hard and execute our plans well, we will be wellpositioned heading into 2014.

"Our Japanese market – selling our imports and vehicles on behalf of importers - is having a good year, but we'll now be focusing more on how we sell them by doing more through Buy Now for better margins.

"We have also been working hard on the supply chain, enjoying better trading conditions and the exchange rate with the yen helps but then again, that helps everyone."

Hunter puts the good results with finance down to selling more vehicles through Buy Now, which creates more opportunities for finance.

"We're focusing hard on converting as many opportunities as we can and results can be

achieved by the sales effort more than anything else."

As well as the half-year profit, total revenue in the reporting period came to \$41.8m - up by 13 per cent.

Auctions' operating profits dropped by 22 per cent to \$1.1m due to a large number of one-off costs. Fleet's operating profits improved by 63 per cent to \$981,000 and revenues increased by 24 per cent to \$21.2m.

Finance operating profit increased by 28 per cent to \$907,000.

LOOKING TO THE FUTURE

One of Turners' challenges going forward is to ensure growth continues. Retaining existing customers and "continuing to evolve the business, particularly from a sales and service ethic, is really important".

Hunter says: "We believe there's opportunity to harness more customers by delivering on convenience, certainty and speed of transaction for the

dealers and the public.

"This is where Cash Now has been so successful. There are plans to extend this service in September to vehicles that are uneconomic to repair.

"We're doing a good job, but have plenty of room to grow. We need to settle in our multi-sales channels, Buy Now, Trade Me, brokered sales and tenders.

"We need new ways to reach the buyer community for whatever we're selling - not just cars, but trucks, machinery and general property. It can be almost anything.

"For example, we have just won a sale at some studios in Wellington where The Hobbit was made.

"The inventory of about \$1m includes vehicles, snow makers, practice weapons, horse saddles and carpentry tools.

"We deal with a lot of different products. Our challenge is to create the processes and channels to take anything customers want to sell



Marque reviewing ad processes

car manufacturer is looking into how terms and conditions for its offers appear on television after a complaint was made to the Advertising Standards Agency (ASA).

The complaint related to a commercial that promoted Nissans could be bought with no deposit and one per cent finance.

The terms and conditions were briefly on-screen but the complainant said there was insufficient time, "estimated to be less than one second", to read them.

Nissan NZ said it wasn't trying to deceive consumers, misrepresent information or create ambiguity around the small print.

The company said it worked hard with advertising agencies to be as transparent as possible when communicating retail activity.

"We do, however, acknowledge the on-screen graphic was shown for a short time," Nissan stated. "It was deemed at the time of approval to be satisfactory by parties involved.

"The nature of the offer being a finance rate meant the terms and conditions needing to be communicated were significant. The challenge to display all relevant terms becomes difficult through TV."

To overcome this, Nissan encouraged consumers to visit its website where all terms and conditions could be viewed "in an effort to be transparent".

The marque added: "The outcome of this complaint will be a review of our processes around finance offers.

"There may be a better way for us to communicate finance terms within a television commercial or where to find these terms."

Advertising company whybin \ tbwa, which made the commercial, said the graphic could have been on-screen longer so viewers could have had longer to read the terms.

It stated the Commercial Approvals Bureau (CAB) approved the advert, but it would take this



"The challenge to display all relevant terms becomes difficult through TV."-Nissan NZ



feedback into account to ensure conditions were on-screen longer in future

The CAB said: "This commercial for one per cent finance with zero deposit across the Nissan range was for March only."

It felt the "small print" reminded viewers conditions applied and those wanting to find out more could log-on or contact a dealership.

"No consumer would consider purchasing such an expensive item without doing further due diligence," added the CAB.

"Finance deals always contain terms and conditions. In this instance, those would probably be discussed before the consumer was offered a test drive prior to purchase.

"There was nothing untruthful in this commercial and the CAB believes the complaint shouldn't be upheld."

The chairman directed the complaints board to consider the advert with reference to basic principle four and rule two of the code of ethics.

This required it to consider if the advert contained anything that was likely to deceive or mislead

consumers, and if it had been prepared with a due sense of social responsibility.

The board noted the complaint that the terms and conditions weren't on-screen for long enough.

It also noted Nissan's acknowledgement the offer meant a large amount of information needed to be communicated and it noted the short period of time terms and conditions were shown.

"To get over the challenge of presenting the information through the commercial, consumers were directed to Nissan's website for the terms and conditions," stated the board.

It noted the marque intended to review its processes around offers to improve the communication of financial terms.

After noting Nissan's explanation, acknowledgement and self-regulatory measures, the board ruled the matter was settled and no further action was taken.

SILENT ADVERT ON SKY

A complaint was lodged with the ASA after a silent advertisement for Nissan was seen between other commercials.

The fragment of the Australian television advert stated "Nissan grand summer sale on now".

The complainant, J McArtney, said: "I paused my PVR during a break and found a silent Nissan ad hidden between others. It lasted five seconds."

McArtney claimed because it was almost "impossible to know you had read it indicated the purpose of the ad was to sell to viewers subliminally".

The complaints board's chairman noted the response from Sky Network Television.

In part, this stated: "This was actually an Australian ad that had been a flash from the overseas provider of National Geographic."

The chairman noted Sky saying the cause of the fragment of the advert being seen - on a paused video recorder – was the result of a technical error between countries and wasn't intended to be viewed in New Zealand.

As the advert wasn't shown in full and wasn't intended for a Kiwi audience, the chairman was unable to consider the matter and ruled there were no grounds for the

Concept springs fun surprise

ia Motors has unveiled a four-door coupe called the Cub. which is less than four metres long, has back doors that open

to the rear and an "access all areas" interior concept without traditional B-pillars.

The nose has a broad wraparound "mouth" and there's a dip in the top of the windshield, which is a motif featured on the Optima, Sportage and Cadenza.

This latest interpretation of the Kia grille is a shallower design incorporating the turbocharger's air intake and highlighted in body colour.

The headlamps feature twopoint LED lights, 19-inch alloys

aerodynamic drag and is finished with a white racing stripe on a yellow paint job.

> The leathertrimmed cabin features an instrument cluster design inspired by a wild animal's eyes,

The centre stack's design is minimalist with an air vent controlled by touch sensor. For extra safety, the steering wheel rim can monitor the driver's biorhythms.

There's also a driving information system controller

This provides easier steering and allows drivers to set up each menu on the central display.

The powertrain features the latest version of Kia's 1.6-litre gasoline direct injection engine, recently confirmed as the power unit for the new Cerato Koup GT.

Fitted with a twin-scroll turbocharger and strengthened internal components, the new engine generates 51 per cent more power at 201hp and 60 per cent more torque - at 265Nm - than the regular 1.6-litre unit. ⊕



fill the wheel arches and the front doors have aerodynamic "turning vanes" at sill level to streamline the flanks

There are LED tail-lights and the nose treatment derived from Kia's Kee concept is replicated at the tail to accentuate the car's width.

The exterior - with its flush glazing, minimum-drag wing mirrors and automatic touch-type door handles - promises ultra-low

enault and Red Bull Racing are celebrating their third Formula 1 constructors' world title with a limited-edition Mégane RS Red Bull Racing RB8.

The blue finish is inspired by the race team's colours, with Red Bull Racing graphics at the rear and on the side.

A monochrome laurel on the rear side windows celebrates the team's 2012 constructors' world title.

The RB8 has 19-inch black wheels with grey striping and the same Bridgestone Potenza tyres that helped the Mégane Trophy set a new lap record for the Nürburgring.

Inside, there's Red Bull Racing branding on the numbered

aluminium sill quards, carpet mats and on the headrests of the Recaro seats.

The limited-edition version sees the debut of the in-dash connected R-Link multimedia tablet for all RS models.

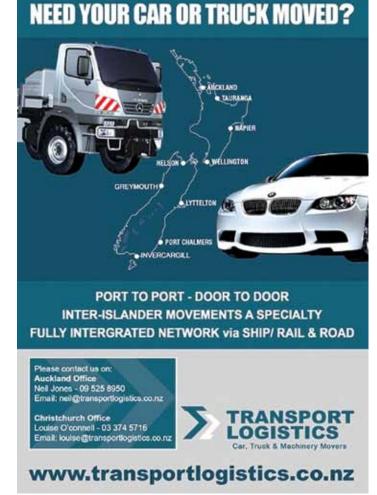
The system's six functions navigation, telephony, multimedia, vehicle, systems and R-Link Store applications catalogue - are controlled using the touch-screen display, voice-command function or the joystick on the centre console.

The RS packs the Cup chassis, a limited-slip differential and the two-litre 16V 261bhp engine as standard in the RS265.

With the stop-and-start function,

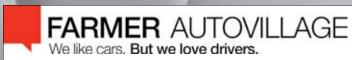
fuel consumption is 7.5I/100km and CO₂ emissions are 174g/km.

Sales in New Zealand will get under way in November, with pricing to be confirmed nearer to the launch. 🕣





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NEWS in brief

Rich list unveils who's top of automotive industry

The motor industry section of the National Business Review's Rich List has again been topped by Sir Colin Giltrap. His estimated personal wealth is \$320 million and unchanged from last year.

Sir Colin has a history of more than 40 years with the Giltrap Group, which imports several brands and owns and operates retail dealerships.

John Copson, who founded finance and insurance company Autosure, is worth \$300m. He lives in Sydney but maintains ties to the industry here through vehicle importing company the Ateco Group and his stake in Fiat Chrysler NZ.

Sir Neville Crichton's wealth is estimated at \$175m, the Alpe family of Jucy rental company comes in with \$85m, the Gibbons family of the Colonial Motor Company has \$80m, and Richard Balcombe-Langridge, of Metropolitan Rentals, is worth \$75m.

Other rich listers with automotive connections include the Todd family, which originally owned Mitsubishi distribution rights and is worth about \$2.9 billion, Alan Gibbs with \$450m and Trevor Farmer with \$430m.

Racing legend's car sets new European auction record

The car that five-time champion Juan Manuel Fangio drove for his second Formula 1 world title has been sold in England by Bonhams for £19,601,500, or about NZ\$38.040.060.



It's the most valuable vehicle ever sold at auction in Europe, beating the previous record of £10,086,400 set for a Ferrari in 2011.

Fangio won the 1954 German and Swiss Grand Prix in the 2.5-litre straight-eight W196, pictured, the first open-wheeled slipper-bodied postwar Beemer to take the F1 chequered flag.

It saw new technologies introduced, including its fuel-injected engine, all-independent suspension and multi-tubular lightweight chassis.

The car also boasted all-round inboard-mounted brakes and power takeoff from the centre of the eight-cylinder crankshaft to minimise vibration.

Vehicle manufacturers go green to prove credentials

Toyota has been named the best global green brand for the third year in a row by the Interbrand consultancy. It was recognised for developing hybrids, and cutting greenhouse gas emissions and water and energy consumption.

More than 5.22 million Toyota and Lexus hybrids are driven worldwide, meaning CO₂ emissions released into the atmosphere are 35 million tonnes less than the equivalent number of similar-sized gasoline vehicles.

Toyota NZ was the first marque in this country to gain the externally verified carbon emissions measurement, known as CEMARS certification. It has also consolidated shipping and transport routes to reduce fuel use and emissions.

Fifth-placed Nissan was the top climber in the report, rising 16 places from last year. It was noted for its leadership in zero-emissions mobility with its pure electric vehicle (EV), the Leaf.

The report cited the model's positive effect on brand perceptions and eco-friendly actions. These include plans to cut vehicle weight by 15 per cent starting in 2017, and working with Daimler and Ford to launch fuelcell vehicles in the same year.

The Leaf is the best-selling EV in history, with more than 65,000 units sold globally up to May. \oplus

Supercar tuned for efficiency

aserati is supplementing the 3.8-litre V8 bi-turbo Quattroporte with its new three-litre 330hp V6 variant.

With 500Nm of torque by 1,750rpm, it accelerates to 100kph in less than six seconds and delivers combined fuel consumption of 9.8I/100km to make it the most efficient Quattroporte.

The lighter V6 engine and rear-wheel-drive configuration helps it reach 263kph. Based on the architecture of the Ghibli's V6 twin turbo, it generates 243kW of power from 1,750-4,500rpm.

The V6 shares the V8's bore dimensions, variable-valve and engine-block technology and almost the same manifold technology, but it has its own turbo-charging and engine control unit tuning.

It's attached to an eight-speed automatic transmission with faster



gear shifting and reduced noise, vibration and harshness compared to the previous model.

By delivering two overdriven gears, the transmission delivers a six per cent fuel economy benefit and weighs 6kg less than the outgoing six-speed one.

This helps to post efficient fuel consumption, although the rear-wheel-drive car claims 228g of CO2/km in the combined cycle.

The V6 has five shift modes -

auto normal, auto sport, manual normal, manual sport and one for increased control and efficiency.

The latter activates functions to cut consumption, emissions and noise by damping the car's response on low-grip surfaces.

All Quattroportes have a limited-slip differential as standard, with 35 per cent of torque in traction and 45 per cent in release.

The new architecture boasts 50-50 weight distribution, a double-

wishbone front suspension and a five-link rear suspension.

With the longest wheelbase in the class, the Ouattroporte lends itself to interior comfort and handling performance.

When the V6 goes on sale in September, it will replace the V8. It will cost more than Quattroporte Sport GT SMC Sport Line, which has a price-tag of \$295,000. This takes the new V6 into the market sector

ore muscles way

hrysler has launched the 300 SRT8 Core in New Zealand, which the marque says focuses on the "core values" of American muscle-car motoring.

It describes the driving experience from its 347kW 6.4-litre V8 Hemi engine as "intoxicating" and the performance as value for money.

The 300 SRT8 makes 0-100kph in less than five seconds, has a top speed of 280kph and torque of 637Nm.

It's recognisable by its 20-inch black-lined alloys, and the rear and side Core badging, while inside the sports seats are lined with sports cloth upholstery. SRT badging on the seats

heritage, it's complimented by the use of black trim and carbon-fibre inserts, and the 276-watt sound system has six speakers.

indicates the marque's muscle-car

At the centre of the dashboard is an 8.4-inch full-colour touch screen that operates the communications systems and displays SRT information technology.

Rounding off the high-tech package is a performance suspension system, 245/42ZR20 Goodyear Eagle RS-A tyres and launch control to ensure fast standing starts.

The 300 SRT8 Core comes with a recommended retail price-tag of \$74,990 plus dealer costs.







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from the trade and for the trade

Dispelling the twenty-y

ith the recent change to the Land Transport Vehicle Emissions Rule giving a rolling 20-year provision for standards compliance, many in the trade and members of the public have assumed there's now a blanket 20-year rule in place.

This couldn't be further from the truth because the only rules to have 20-year provisions are those covering vehicle emissions, steering systems for left-hand-drive vehicles and frontal impact.

All other rules have implementation dates set in stone.

The following are the effective dates for standards implementation for class MA vehicles, or passenger cars.

For seatbelts and seatbelt anchorages, standards compliance has the effective date of first registration in any country from November 1, 1979.

Vehicle glazing is required to meet safety standards from the manufacture date of January 1, 1991, onwards.

For vehicles made before January 1, 1991, there are varying compliance requirements. For glazing, these are as follows:

- Manufactured before January 1, 1960 - general safety requirements.
- Made on or after January 1, 1960, and before July 1, 1986 general safety requirements, approved trade name or approved vehicle standard.
- ▶ Made on or after July 1, 1986, and before January 1991 - the

front windscreen must be laminated and meet general safety requirements, approved trade name or vehicle standard, all other glazing may be toughened and meet general safety requirements, approved trade name or the

vehicle standard.

Door retention systems on all cars manufactured from January 1, 1991, onwards must have been manufactured and certified to approved standards.



MALCOLM YORSTON IMVIA Membership and Technical Services Manager

requirements, while those manufactured on or after January 1, 1992, must meet approved standards and general safety requirements.

meet general safety

Rear-vision mirrors, direction indicators, reversing lamps and rear

number-plate lamps are all required to meet approved standards from the manufacture date of January 1, 1996.

If vehicles manufactured from this date are also equipped with front or rear fog lamps, these must also comply.

External projections on all MA

systems, seatbelt anchorages and so on aren't able to be individually identified as many components make up these systems.

Some vehicles made in Europe or the US and sold new into Japan under the preferential handling system registration system with no type designation numbers could be problematic to prove compliance with the required standards.

With the differing effective

dates, there's a possibility that some

people may become confused and

think the 20-year rule covers all

components - such as seatbelts,

lights, tyre and glazing - are

approval markings on them. However, when it comes to

such as brakes, door retention

standards when clearly it doesn't.

For some rules when individual

concerned, there isn't an issue if these

rules don't change as the individual components all have standards

systems it's a different story. Systems

The same could apply to early 1990s European vehicles manufactured prior to the wholeof-vehicle approval scheme.

The IMVIA has written to the Ministry of Transport and NZTA recommending they look at changing the other rules to reflect the 20-year provisions in the three rules that already include this provision.

Vehicles in class MB - passenger vans – and class MC, which covers 4x4 SUVs, have different effective

For more information, contact the IMVIA on (09) 573-3058







Land Transport Rules with 20-year provisions cover emissions, steering systems for left-hand-drive vehicles and frontal impact

High-mounted stop lights are required for all class MA vehicles first registered in New Zealand from January 1, 1990.

MA vehicles registered from January 1, 1991, must have a centremounted lamp that was made and certified to approved standards.

Rear reflectors on all MA class vehicles manufactured from January 1, 1991, must meet approved standards.

Steering systems, brakes, tyres, interior impact and most lighting components on MA class vehicles made before January 1992 must

class vehicles made on or after March 1, 1998, must meet an approved standard.

Standards compliance on head restraints is mandatory on all MA vehicles manufactured on or after March 1, 1999.

Seats and seat anchorages' standards compliance is mandatory on all MA vehicles made on or after October 1, 2002.

Daytime running lamps are optional, but if they are fitted to vehicles manufactured on or after January 1, 2006, they must meet approved standards.



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Striving to make quality turnover

usiness managers perform a range of duties. These include helping customers, interacting with the sales team and lenders, keeping abreast of changing laws and maintaining the desired level of dealership profitability.



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Business managers should exemplify the ideals of professionals, acting with integrity and conducting themselves to the highest ethical standards.

They should treat customers with courtesy and respect, answer their questions completely, directly and honestly, and comply with relevant legislation.

They ensure customers have finance, leasing and riskmanagement options reviewed and explained so they can make informed buying decisions.

Finally, business managers fully disclose the costs, terms and contractual obligations of finance and lease transactions, and products or services offered.

A major component of an effective finance and insurance (F&I) department is to strive for 100 per cent quality turnover at the point of sale but before defining quality turnover, let's identify some non-quality methods.

Business managers are far too familiar with dump turnover, which is when the salesperson walks the customer in unannounced halfway through their lunch.

Then there's the flying turnover, when the sales consultant stops them in the showroom to introduce them to customers as they walk out the door.

The best try turnover is along the lines of "come meet the finance chick" or "this is the finance whiz".

Nothing will make their work harder than inappropriate

introductions that denigrate their role and make it harder to sell the dealership's most difficult products.

Quality turnover needs basic elements, including always introducing the business manager as

"the business manager", not as "the finance guy", "the F&I person" or other non-professional terms.

Before taking the customer into the business manager's office, advise the client you will check to see if he or she's available, then go through and give the business manager a verbal overview of the deal with the write-up sheet. Then introduce them.

When taking the buyer through to the business manager, always have a summary of the deal ready to streamline the handover process - for example, on a write-up sheet with all relevant details.

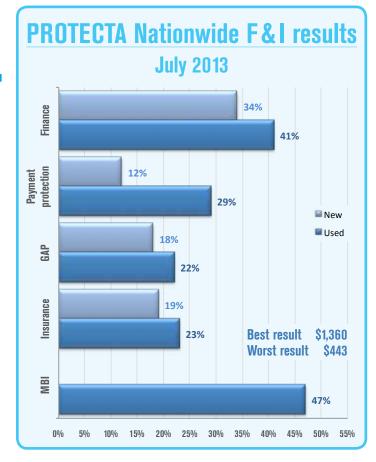
These should include the negotiated sale price, trade-in price and its appraisal sheet with the chassis or VIN reference, and any extras, including prices for tow bars, bull bars, paint and fabric protection, alarms and so on.

The approximate delivery date and time needs to be provided, along with a copy of the amended CIN card with the current mileage, corrected sale price and a photocopy with amendments.

Also needed is a copy of the buyer's driver's licence, any promises made and the sales manager's authorisation.

On completion of the documents, the business manager will always return the customer to the salesperson with a summary of the deal.

The business manager is there to help sell more vehicles. Acting as a team and helping each other will produce better results. 🕣





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Rejection claim dismissed as trader had repaired faults highlighted by buyer

Background

LLavkyn Hall bought a 2004 Holden Barina on August 16, 2012, and rejected it on September 4.

Mr N Spencer, director of U-Sell East Ltd, insisted she had no grounds to do this. He said the trader had ceased trading and Park It Sell It Ltd, a registered motor vehicle trader, accepted liability for its obligations.

The case

Hall test drove the car on August 15 and agreed to buy it for \$5,995 subject to a VTNZ mechanical prepurchase inspection, which was completed the same day when the odometer was on 137,927km.

The report stated the car was in good condition for its age and was mechanically sound. It said the brakes needed investigating, the transmission fluid required a flush and there was some tyre wear.

The engine warning light came on when Hall took delivery of the car on August 23. Two days later, Absolute Automotive replaced an exhaust gas recirculation (EGR) valve for \$879, paid by U-Sell.

Hall collected the car on August 27, but on September 1 it broke down and was towed to Panmure Auto Electrical.

The catalytic converter was unblocked for \$155, paid for by the trader. The car was returned the next day and Hall emailed U-Sell on September 5.

"You have paid for repairs, but I'm not satisfied this car is durable and mechanically sound," she wrote. "I tried to return it twice, but felt forced to repair the car instead."

The trader declined rejection and asked Hall to wait until the end of September. If she had more problems, it would discuss the car's return.

Hall emailed the trader on September 19 because she was having trouble starting it and it seemed to be losing power in first gear.

She bought a new car on September 26 after listing the Barina on Trade Me for \$6,500 and describing it as "tidy car, runs well". Hall offered the balance of her mechanical warranty to would-be purchasers.

On December 15, a prospective buyer had the AA complete a pre-purchase inspection when the odometer was on 139,359km. It rated the car as "grade four extreme risk of requiring unplanned maintenance and repair".

The inspector noted the timing belt was due for replacement every four years or 60,000km, the wiper blade required adjustment, a grommet was missing from the right-hand B-pillar, coolant was rusty and there was bearing noise.

Other defects were a cracked front fog-lamp lens, the left-hand tail lamp was insecure and the lens broken, and oil was leaking on the engine.

The air conditioning was broken, cooler transmission hoses were leaking oil and the windscreen nozzles weren't working.

Hall filed her application on March 20 listing the faults. She stated: "I'm not satisfied the car is durable, reliable or mechanically sound."

The tribunal had insufficient information on costs to rectify faults found by the AA and asked Hall take the car to a garage to have the issues assessed.

The Workshop (Penrose) Ltd prepared six quotes. The largest was one for \$4,345 for transmission repairs. Others included:

- ▶ \$614 for cleaning and repairing the radiator and replacing the thermostat.
- > \$429 for replacing a lower
- \$694 for a front wheel bearing.
- ▶ \$548 for a new battery, lube and a grommet.

No evidence was produced to establish if the car would fail a warrant of fitness (WOF).

The tribunal needed a specialist's report on the transmission and oil leaks, and for VTNZ to determine if other faults found by the AA made the car unsafe.

It directed Hall to get a WOF report and a transmission specialist's report. The trader was asked for a copy of the invoice and warranty for the battery fitted to the car.

VTNZ inspected the car on April 27 when its odometer was on 139,384km. It only failed the WOF because the wipers weren't working.

A report from Kaspa Transmissions noted oil was discoloured, dashboard lights flicked when the car was driven and the transmission worked correctly.

Leaks from oil lines seemed to send fluid onto the transmission case, which required cleaning to verify if the cases were leaking, which wasn't suspected to be the case.

"If the transmission case was leaking and the transmission required removal and repair, cost about \$1,500 plus GST," stated the report. "Estimate to repair oil lines, \$350 plus GST."

Spencer submitted an invoice for the car's battery, but didn't provide the supplier's guarantee. The case: The buyer rejected her second-hand Holden Barina under the Consumer Guarantees Act (CGA). She claimed it wasn't mechanically sound or durable, but the dealer said there was no basis for that.

The decision: The tribunal ruled the two faults found were unsubstantial and the buyer had no right to demand a refund because the trader had fixed them.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The finding

The tribunal ruled the car wasn't free of minor defects as a reasonable consumer would regard as acceptable, even for a Barina that had travelled 138,000km.

Because of the faulty EGR valve and blocked converter, it didn't comply with the CGA's guarantee of acceptable quality when sold.

With regard to subsequent problems, the tribunal wasn't satisfied the transmission was faulty and the car was unsafe to drive after the wipers were repaired.

The faults found by the AA made the car neither unreliable nor mechanically unsound.

Hall asked the seller to repair it when it broke down soon after purchase. It remedied the valve and converter at its cost when asked to do so.

The tribunal didn't consider either fault was substantial because each was repaired quickly and cheaply.

Hall had no right to reject because the trader had fixed these faults. A buyer didn't have the right to reject because the car may prove not to be as durable as expected in the future.

Orders

The application to reject was dismissed. Hall was ordered to return the car to Park It Sell It Ltd for the oil lines to be repaired at its cost. ⊕



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Buyer awarded refund when dealer took too long to remedy problems

Background

Campbell McLaren bought a new Aprillia RS125 from Red Baron NZ Ltd for \$8,445 on April 27, 2012, with a two-year manufacturer's warranty.

The engine seized on December 28. He returned it on January 11. The trader hadn't repaired the bike by March 27, so the buyer rejected it.

Mr N Pollard, director of Red Baron, didn't dispute the engine failed nor that it breached the Consumer Guarantees Act (CGA), so the only issue was if it repaired the vehicle in a reasonable time.

Pollard said Aprillia's factory couldn't supply parts as fast as major manufacturers and he didn't consider Red Baron failed to repair the vehicle within a reasonable time.

The case

On December 28 and after about 2,678km, McLaren started the bike and allowed the engine to warm up. It stalled at about 70kph. He restarted it and rode back to Cooks Beach, Coromandel.

McLaren's brother drove from Auckland to collect it and McLaren returned it for repairs on January 11. The trader said it had a seized piston.

The bike was assessed for Aprillia's distributor, a warranty claim was approved on January 29 and parts were ordered.

The next day, McLaren was told the parts were unavailable. On February 7, he was told they were on back order.

McLaren emailed the trader on February 18 to reject the bike because it didn't "meet the standards of acceptable quality" and "the parts aren't in stock and no one's able to advise when

repairs will be completed".

Pollard emailed McLaren on February 19 saying all parts had arrived, except the piston kit was on back order and would arrive within two to three weeks.

McLaren spoke to Red Baron's service receptionist on March 6, who said all parts had arrived except the gudgeon pin and the bike should be ready on March 12.

Pollard left a message two days later saving it wouldn't be fixed until March 23.

McLaren emailed the trader on March 18 saying he would accept the repaired bike but he sought damages.

He wanted compensation for the loss of use of his warrant of fitness (WOF) and licensing fees, \$176 for salvaging the bike and \$170 for using his car instead of the bike to get to work.

The bike wasn't repaired by March 23. Four days later McLaren emailed another rejection letter saying repairs hadn't been performed in a reasonable time.

McLaren filed his application on March 28. The bike was repaired around April 8 and the parties discussed the refund claim but were unable to reach agreement.

The cause of the failure was a cold seize which resulted, Pollard said, from the engine not being warmed up for two or three minutes.

The procedure wasn't detailed in the owner's manual but he said buyers were told about it when making purchases.

Pollard said Aprillia had agreed to repair McLaren's bike, but he hadn't informed McLaren of this before the hearing.

Approval to repair was given on January 29 and parts were

ordered through the distributor, Triumph NZ.

Pollard said the piston kit arrived on March 18 and the gudgeon pin on April 5. The bike wasn't assembled until April 8 and the repairs cost about \$2,100.

Pollard said the distributor didn't keep stocks or demonstration models, so it was impossible to cannibalise parts.

In October, McLaren approached Red Baron to get greater performance from the bike, so the trader removed the catalytic converter and re-jetted the engine.

This cost McLaren \$175, but he said he wasn't told the converter was removed. He took the bike in because of lack of power at 8,000rpm, which he said didn't occur until October.

The finding

The tribunal said it was reasonable for the distributor to inspect the bike before obtaining its principal's approval to pay for repairs.

But it thought that allowing for the fact instant transmission of information and photos is commonplace – the approval shouldn't have taken 10 working days.

The tribunal recognised the parts were obtained from Italy and Aprillia was a small manufacturer, and these facts might cause delay.

It considered the rejection on February 18 was premature because McLaren hadn't given Red Baron reasonable time to fix the fault.

Pollard said the piston kit and some parts arrived on March 18, but McLaren was told they arrived on March 6.

The gudgeon pin didn't arrive until April 5, so Red Baron couldn't The case: The buyer of an Aprillia RS125 rejected it because the trader took a long time to repair it. But the dealer said it had to wait for parts from Italy.

The decision: It took 56 working days to get the parts. This was almost three months after the buyer asked for the fault to be fixed. The delay was ruled too long and the rejection of the motorcycle by the buyer was upheld.

At: The Motor Vehicle Disputes Tribunal, Auckland.

have repaired the bike beforehand.

It took 56 working days to get the parts, more than two months after the distributor had accepted the claim and almost three months after McLaren asked for the fault to be remedied.

The tribunal considered that delay was unacceptably and unreasonably long.

McLaren complied with the CGA by emailing Red Baron on March 27 and stating he was rejecting the vehicle and why.

The tribunal thought McLaren rejected the bike within a reasonable time considering it was new when supplied, had only been ridden 2,678km and was first returned to Red Baron on January 11.

McLaren couldn't produce evidence on the cost of salvaging the bike from Cooks Beach to Auckland, nor did he prove any loss through using a car instead of the bike to get to work.

The loss claimed for being unable to use the WOF of \$40 and for the annual licence fee of \$407 didn't result from the bike's failure in terms of the CGA, so the tribunal didn't believe it could apportion that sum as damages.

Orders

The buyer's rejection was upheld. The trader was ordered to pay him \$8,445. ⊕

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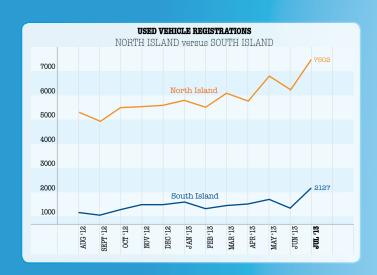
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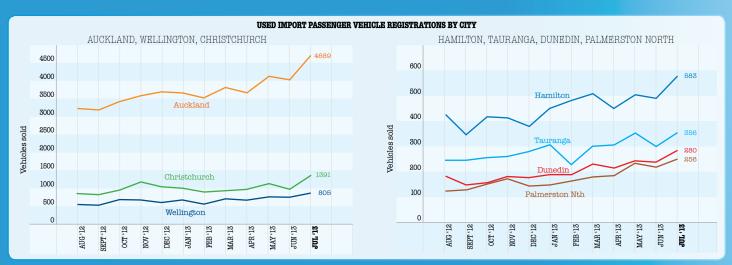






BIGGEST INCREASES/DECREASES BY TOWN YEAR-ON-YEAR (JULY 2013 vs JULY 2012) **BIGGEST INCREASES** NEW TERED Oamaru ▲ 300.0% Blenheim ▲ 122.2% Whangarei **▲** 62.0% Whangarei **▲** 69 1% ▲ 33.3% Christchurch Gisborne ▲ 88.5% BIGGEST DECREASES NEW USED Greymouth Thames ▼6.3% **▼**22.2% Thames Wanganui **▼**21.7%







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Yokohama	17 Aug	1 Sep	17 Sep	2 Oct						
Auckland	4 Sep	19 Sep	5 Oct	18 Oct						
Wellington	9 Sep	23 Sep	10 Oct	22 Oct						
Lyttelton	21 Sep	21 Sep	19 Oct	25 Oct						

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he number of used passenger vehicles imported during July increased after a strong showing in June to make it the third highest total of the year.

Last month 8,626 vehicles crossed the border to bring the year-to-date total to almost 60,000.

July saw 8,051 imports from Japan, amounting to 56,275 so far this year, while 240 units came into New Zealand from the UK.

It was the best month of the year for used imports from Australia with 196 vehicles crossing the ditch.

The used import figure for the year to July stands at 59,826 units.

Matt Rainbow, of Regent Car and Commercial in Invercargill, says the dealership sources stock from Japan and July's sales were on a par with last year's figures.

"It wasn't too bad, but it was a pretty average month as far as the market goes," he told Autofile.

"No set make or model is doing well. It's usually the well-presented good-looking stock that's selling, not the plain and run-of-the-mill stuff."

Rainbow has been working in the industry for 18 months and with a background in retail he's still getting used to the fluctuating nature of the market.

"We'll have a blinder week and sell 10 cars, then see nobody for the next two weeks."

Pat Baker, who owns El Cheapo Cars in Porirua, says business has

"Japanese stock is harder to source due to the emissions scheme," he says. "The problem is late-model cars cost more and it's hard finding vehicles to fit people's budgets."

El Cheapo Cars stocks more than 200 vehicles and price points vary between \$5,000 and \$25,000, with the most popular costing around \$12,000.

"We're selling lots of seven to eight-seater stock, such as the Toyota Estima and Honda's Odyssey, and smaller cars like the Wish."

Currency fluctuations aren't a huge concern for Baker, who says the yen has fluctuated a lot over the past 20 years.

"I've seen it as high as 93 and as low as 42. It doesn't have a big effect on the price of cars because when the yen's higher more people are buying and pushing up the price.

"When it's lower, fewer people are buying, bringing the price of vehicles down."

The dealership sold at least one car a day in July and this month's figures are stacking up well.

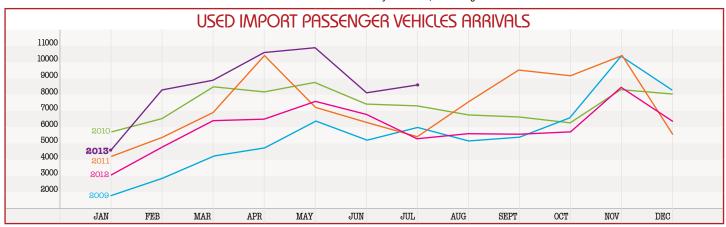
Baker adds: "The other day I had seven cars come off a loader and within half an hour I had sold two cars"

> Richard Murrell, of Southland Vehicle Sales, Invercargill, says it's hard to find stock.

"It's getting harder to source from Japan. We go for the stuff that's hard to get and I'm searching through hundreds of cars just to buy one." 🕤



Seven and eight-seaters, such as the Toyota Estima, are selling well



Used Impo	rt Passe	nger Ve	ehicles B	By Coun	try Of E	xport											
COUNTRY OF EXPORT	JAN '13	FEB '13	MAR '13	APR '13	2013 MAY '13	JUN '13	JUL '13	2013 TOTAL	MONTHLY MRKT SHARE	Q1	Q 2	2 9 03	012 Q4	2012 TOTAL	MARKET SHARE	2011 TOTAL	D11 % TOTAL
Australia	113	126	157	176	171	118	196	1058	2.3%	276	302	275	346	1199	1.6%	1015	1.2%
Great Britain	293	195	194	221	297	206	240	1646	2.8%	601	704	618	807	2730	3.7%	1573	1.8%
Japan	3940	7821	8401	10006	10402	7654	8051	56275	93.3%	13441	19841	15152	19008	67442	92.6%	83534	95.2%
Singapore	11	14	6	8	9	9	17	74	0.2%	31	48	45	30	154	0.2%	327	0.4%
USA	94	90	83	106	63	81	96	613	1.1%	222	235	227	292	976	1.3%	976	1.1%
Other countries	33	22	11	22	25	21	26	160	0.3%	44	123	64	105	336	0.5%	287	0.3%
Total	4484	8268	8852	10539	10967	8089	8626	59826	100.0%	14615	21253	16381	20588	72837	100.0%	87712	100.0%



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Variances between region

he second-hand car market returned some strong sales increases in July.

There were 17,709 dealer-topublic transactions last month, a rise of 2,462 units on June's figure

The figures also showed a 10 per cent increase in the number of vehicles sold compared to July last year.

Public-to-public sales tracked upwards again after falling last month - they were up by 4.4 per cent on 40,241 transactions compared to 38,554 during the same month last year.

Wellington showed steady increases last month, with 1,511 dealer-to-public sales up by 6.1 per cent on July 2012.

In Porirua, north of the capital, El Cheapo Cars owner Pat Baker says

business has increased by 20 per cent compared to last year.

"We shifted from the Hutt during Easter last year," he explains. "Our premises are so much better, we have an indoor showroom and all the cars are under one roof, which is a huge advantage.

"You can come and look at 200 cars and you can have a choice range is the key to good business."

Since starting in the industry 1982, Baker has seen it transform.

"You have to be a lot more upfront. The dodgy car dealer has gone now and the time you've been in the industry says a lot."

Baker was brought up in Porirua and knows the community.

"It all comes down to trust when



'You have to be a lot more upfront. The dodgy car dealer has gone now. Pat Baker, El Cheapo Cars

> Blenheim saw a 4.8 per cent decrease in dealer-to-public transactions, with 160 units sold, compared to 168 the same month last vear.

you're buying a car

and I know what I'm

selling, plus all of my

cars are AA tested."

He says the

price of new cars

is coming down,

but believes this is

more aligned to the

cheaper brands.

Maurice Johnston, used sales manager of Mayfield Motors in the town, reports that the local market is slow.

"The dealers I have spoken too aren't smiling that much, it's a cyclical thing," he says.

"This month we've had a lot

more inquiry on some of our used stock, but it's still quite hard to get people to spend their money."

Johnston also says discounted new cars are putting a lot of pressure on late-model used vehicles.

Phil Brown, of Phil Brown Motors, also in Blenheim, says July was a steady month and better than the same month last year, with vehicles between \$5,000 and \$12,000 selling well.

He believes the biggest change in the industry since he started is communication

"What the internet's done is made New Zealand one market."

Brown believes Blenheim has been boosted by a strong wine industry and an increasing population, helped by many former Christchurch residents relocating to the Marlborough region. 🕣

SECONDHAND CAR SALES - July 2013 DEALER-TO-PUBLIC PUBLIC-TO-PUBLIC PUBLIC-TO-DEALER MARKET SHARE JUL '13 +/- % JUL '13 +/- % JUL '12 +/- % JUL '13 JUL '12 **JUL '12** Whangarei 602 500 20.4 3.40 1724 1634 5.5 300 256 17.2 Auckland 5757 5289 8.8 32.51 13823 13389 3.2 4722 4119 14.6 Hamilton 1602 1430 12.0 9.05 3347 3093 8.2 1356 1160 16.9 Thames 210 196 7.1 1.19 495 456 8.6 102 94 8.5 Tauranga 939 785 19.6 5.30 1998 1857 7.6 679 550 23.5 282 Rotorua 281 -0.4 1.59 688 726 -5.2 128 20.3 Gisborne 173 163 6.1 0.98 374 349 7.2 120 96 25.0 516 523 1311 10.7 400 390 2.6 Napier -13 2 91 1451 **New Plymouth** 480 442 8.6 2.71 1072 945 13.4 298 278 7.2 Wanganui 189 190 -0.5 1.07 433 444 -2.5 141 161 -12.4Palmerston North 861 810 6.3 4.86 1568 1693 -7.4 1066 648 64.5 Masterton 159 165 -3.6 0.90 337 4.7 101 99 2.0 353 Wellington 1511 1424 6.1 8.53 2838 2681 5.9 1184 1167 1.5 Nelson 21.3 316 310 1.9 1.78 937 8.1 262 216 Blenheim 160 168 -4.8 0.90 417 346 20.5 118 144 -18.1 Greymouth 77 71 8.5 0.43 214 208 2.9 48 33 45.5 27 30 Westport -10.0 0.15 93 86 8.1 3 -66.7 Christchurch 2354 2011 5102 4970 1879 1694 10.9 17.1 13.29 2.7 Timaru 282 220 28.2 1.59 491 479 2.5 185 149 24.2 0amaru 84 73 0.47 214 25.9 22 100.0 15.1 170 44 631 Dunedin 605 3.56 1642 1575 4.3 470 488 -3.7 4.3 Invercargill 498 405 23.0 2.81 967 938 3.1 391 306 27.8 NZ total 17709 16092 100.00 40241 38554 14021 12201 14.9

- **Consumer Guarantees Act 1993**
- **Motor Vehicle Sales Act 2003**
- Sale of Goods Act 1908
- Fair Trading Act 1986
- ✓ Energy Efficiency and Conservation Act 2000

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Passenger Car Sales by Private/Business split (INCLUDES SUVS) MAKE TOTAL PRIVATE % PRIVATE BUSINESS **% BUSINESS** 15 Alfa Romeo 9 60.0 6 40.0 Aston Martin 100.0 0 0.0 1 Audi 148 46 31.1 102 68.9 BMW 169 64 37.9 105 62.1 Chery 18 50.0 18 50.0 36 Chrysler 8 18 44.4 10 55.6 36 Citroen 8 22 2 28 77.8 Daihatsu 6 60.0 4 40.0 10 Dodae 35 70.0 15 30.0 50 Ferrari 2 3 66.7 33.3 Fiat 12 70.6 5 29.4 17 Ford 158 26.2 444 73.8 602 Great Wall 17 60.7 11 39.3 28 Holden 321 840 38.2 519 61.8 Honda 231 166 71.9 65 28.1 514 Hyundai 189 36.8 325 63.2 Jaguar 2 50.0 2 50.0 4 76 Jeep 32 42.1 44 57.9 35.1 150 64.9 231 Kia 81 Land Rover 12 37.5 20 32 62.5 Lamborghini 0 0.0 1 100.0 1 Lexus 39 54.9 32 45.1 71 Maserati 1 100.0 0 0.0 1 Mazda 216 38.0 353 62.0 569 Mercedes-Benz 93 35 37.6 58 62.4 42 Mini 29 69.0 13 31.0 Mitsuhishi 163 53.4 142 46.6 305 Nissan 125 42.5 169 294 57.5 115 Peugeot 49 42.6 66 57.4 Porsche 8 66.7 33.3 12 75.0 Renault 3 1 25.0 4 Skoda 13 24.1 41 75.9 54 SsangYong 28 45.2 34 54.8 62 Subaru 54 38.0 88 62.0 142 Suzuki 253 62.5 152 37.5 405 Toyota 348 30.0 811 1159 70.0 Volkswagen 141 46.7 161 53.3 302 Volvo 11 61.1 38.9 18 Total 4007 6710 2703 40.3 59.7

*Business sales include rental and government sales, and the totals include passenger cars **and** SUVs. SOURCE: MIA

Sales in private

emand for business vehicles reduced last month compared to June, but private sales increased.

Private transactions during July made up 40.3 per cent of the market on 2,703 - a 7.3 per cent rise on June's figure of 2,466.

However, the number of business sales dropped on June's figure by 7.3 per cent, with 4,007 units making up 59.7 per cent of the split.

Toyota was the top marque in July on 1,159 sales, which were dominated by 811 business transactions corresponding to 70 per cent of the manufacturer's market share.

Holden jumped to second spot on 840 sales, with 519 business transactions accounting for 61.8 per cent of its total.

Ford took out third place on 602 registrations, with 444 business purchases making up 73.8 per cent of sales.

July flowed well for Mazda, with the marque taking out fourth place on 569 sales, up by 99 on June's total. Business sales made up 62 per cent of its registrations.

Hyundai was fifth on the table, 55 sales behind Mazda, with 514 units sold and 63.2 per cent were business transactions.

Luxury marque Lexus saw significant growth last month, with July's total of 71 units up by 31 on June.

Meanwhile, Nissan sold 294 units in July with 125 private transactions, while 169 were business, showing the manufacturer is popular with a diverse range of buyers.

John Manley, managing director

of Nissan New Zealand, says last month was busy and he's excited about the marque's growth with many new models set to be released soon.

"The whole market is really good, but it's difficult to get a handle on the business-private split, although most people who buy a ute would be GST registered," he told Autofile.

Models that could help grow Nissan's market share include the Pathfinder, which will be released in October.

"The current model is a truckbased vehicle, while the new Pathfinder is built in North America and is platform-based," says Manley.

"It won't be so overtly off-road, and will be business and family orientated.

"The Pathfinder has a fantastic reputation as an off-road vehicle and the new model will retain that heritage and refine its appeal."

The new model has a 3.5-litre V6 engine and will be available as a hybrid in 2014.

Manley believes once the Pathfinder is released, it will be strong competition for the Ford Territory and Hyundai's Santa Fe.

The marque is also set to release the mini SUV Juke Turbo and the Altima - its medium-sized sedan in November.

Manley says Nissan is targeting buyers using a wide range of advertising mediums.

"Our media dollar is increasingly directed online - nowadays when people have a question they go to Google," he says.

"Our television spend is strong and we still spend quite a lot of money in the press." 🕣







New car pricing competitive

ast month was strong for new vehicles with 9,401 units sold, 12.6 per cent ahead of July 2012's figure of 8,347.

Passenger vehicle sales grew by 7.3 per cent last month with 4,210 units, however the year-to-date total fell by 1.4 per cent compared to the same time last year.

Meanwhile, year-to-July SUV sales pushed forward to 17,716, or 10.7 per cent ahead of the same month of 2012. This was leveraged on 2,500 units last month.

The small SUV segment saw the biggest sales increases, up by 58.6 per cent on the same month of 2012.

It was closely followed by the medium-sized segment, which saw a 47.2 per cent jump, while the market share of larger SUVs fell.

Heavy Commercial

Other

Total

326

55

9.401

James Henare, of Hawkes Bay Toyota in Gisborne, reports strong vehicle sales.

"Passenger vehicles are very solid, especially the new Corolla," he says.

"The Highlander has been a strong seller for us and we've seen an increase in Yaris sales because some buyers are downsizing their secondary vehicles for fuel economy."

Henare says Toyota buyers tend to remain loyal to the marque due to ongoing after-sales service.

"A lot of people understand we're not the cheapest brand, and we're also not the dearest, however we do provide things such as fiveyear servicing, five-year warranty and WOF for life."

The majority of his buyers are in an older demographic and have cash in the bank, affecting the take-up of finance.

"Many customers are in that cycle once again as their vehicles get older - it's usually a three to four-year turnaround," explains Henare.

"Their car warranties are running out and they're getting back into a new vehicle."

In Dunedin, Stephen Duff Mitsubishi owner, Stephen Duff, says the launch of the Mirage is helping boost sales and a wide range of age brackets have shown interest in the vehicle.

"It's a brand new car and offers a whole lot of safety and fuel economy," he says. "It also has a great warranty and an interest-free third-third pricing model."

Mirroring July's strong SUV sales

statistics, the diesel variants of the ASX and Outlander have both been popular with Duff's customers.

He's positive about the economy in Otago and says his business grows when the rural sector is strong.

"The rural communities are having a good season and it's projected to be both a good spring and summer," says Duff.

"The farmers are buying passenger cars, such as the ASX and Outlander, when they used to buy a big six-cylinder."

Laurie Gwoch, of Bay Ford Gisborne Motors, says last month was busy for new vehicle sales with 60 per cent of vehicles being purchased outright, with the remainder of

	JUL '13	JUL '12	MTH%	2013 YTD	2012 YTD	% YTD
Passenger	4,210	3,923	7.3	28,500	28,893	-1.4
Private	1,666	1,285	29.6	10,864	10,378	4.7
Business	1,809	2,093	-13.6	13,313	14,078	-5.4
Gov't	221	241	-8.3	1,622	1,802	-10.0
Rental	514	304	69.1	2,701	2,635	2.5
SUV	2,500	2,258	10.7	17,716	15,031	17.9
Private	1,037	779	33.1	6,613	5,241	26.2
Business	1,369	1,260	8.7	9,633	8,197	17.5
Gov't	63	49	28.6	388	372	4.3
Rental	31	170	-81.8	1,082	1,221	-11.4
Light Commercial	2,310	1,891	22.2	15,382	12,200	26.1
Private	502	393	27.7	3,175	2,463	28.9
Business	1,638	1,313	24.8	10,982	8,501	29.2
Gov't	137	136	0.7	813	869	-6.4
Rental	33	49	-32.7	412	367	12.3
Sub Total	9,020	8,072	11.7	61,598	56,124	9.8
Private	3,205	2,457	30.4	20,652	18,082	14.2
Business	4,816	4,666	3.2	33,928	30,776	10.2
Gov't	421	426	-1.2	2,823	3,043	-7.2
Rental	578	523	10.5	4,195	4,223	-0.7

NEW VEHICLE SALES BY BUYER TYPE - July 2013

NEW VEHICLE I	MARKE	T S E G	MENTA	TION - Ju	ıly 2013	
	JUL '13	JUL '12	MTH% DIFF	2013 YTD	2012 YTD	% YTD
Passenger	4,210	3,923	7.3	28,500	28,893	-1.4
SUV	2,500	2,258	10.7	17,716	15,031	17.9
Light Commercial	2,310	1,891	22.2	15,382	12,200	26.1
Heavy Commercial	326	232	40.5	1,981	1,632	21.4
Other	55	43	27.9	285	278	2.5
Total market	9,401	8,347	12.6	63,864	58,034	10.0
Light	1,261	1,158	8.9	8,676	8,243	5.3
Small	1,779	1,386	28.4	11,475	11,737	-2.2
Medium	586	715	-18.0	4,386	4,581	-4.3
Large	362	448	-19.2	2,617	2,994	-12.6
Upper Large	27	38	-28.9	150	132	13.6
People Movers	95	81	17.3	435	464	-6.3
Sports	100	97	3.1	761	742	2.6
SUV Small	590	372	58.6	3,777	3,110	21.4
SUV Medium	1,116	758	47.2	7,092	5,238	35.4
SUV Large	746	1,066	-30.0	6,599	6,454	2.2
SUV Upper Large	48	62	-22.6	248	229	8.3
Light Buses	39	39	0.0	254	255	-0.4
Vans	430	400	7.5	3,043	2,883	5.5
Pick Up/Chassis Cab 4x2	773	475	62.7	4,572	2,984	53.2
Pick Up/Chassis Cab 4x4	1,068	977	9.3	7,513	6,078	23.6
Heavy Commercial	326	232	40.5	1,981	1,632	21.4
Other	55	43	27.9	285	278	2.5
Total market	9,401	8,347	12.6	63,864	58,034	10.0

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40.5

27.9

12.6

1,981

63.864

285

1,632

278

58.034

21.4

2.5

10.0

232

43

8.347





Battle of the marques tightens

'ew commercial sales dropped off last month compared to June, but the market was stronger than July 2012.

There were 2,632 new commercial registrations in July, down by 561 vehicles compared to last month.

However, that was still a 22.2 per cent increase on July 2012's sales of 2,153.

The Ford Ranger took out top position on the models table with 380 vehicles sold.

It is second for market share so far this year with 14.8 per cent.

The Toyota Hilux came a close second on 374 units, bringing its yearto-date market share to 16.2 per cent.

Nissan's Navara was a strong performer in July on 304 units, up by 53.5 per cent compared to last year's sales of 198.

The Toyota Hiace was the topselling van on 158 units, however sales were down by 17.7 per cent compared to the same month of last year.

The Hyundai iLoad showed strong gains with 80 sales, up by 105.1 per cent on July last year.

Dealer principal of Southland Vehicle Sales, Richard Murrell, says the ute market in Invercargill can be testing at times.

"Isuzu is starting to get a bit of traction," he reports. "Down here it has traditionally been Toyota and Ford that dominate the ute market and we are working really hard to bring Isuzu up."

The dealership is running a radio advertising campaign to promote the D-Max ute.

"Say whatever you like, Isuzu is an amazing company and it's the biggest heavy truck manufacturer in the world," he says. "All of that technology is flying back into the light commercials."

Murrell is positive about commercial growth in Southland, with the government injecting \$30 million to ensure that the Tiwai Point aluminium smelter

will stay operational until 2017.

The closure could have impacted on about 3,000 jobs in the region, but Murrell says Southlanders are confident again.

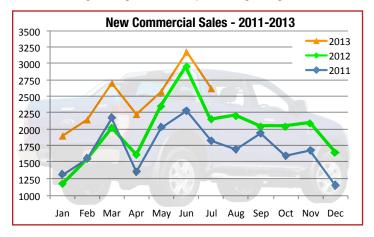
"Dairy is going from strength to strength," he adds. "We had a big cloud hanging over us with Tiwai. At least there's certainty for a while yet."

James Henare, who is the Gisborne branch manager of Hawkes Bay Toyota, says the Hilux continues to reign strong.

"We have had a reasonable start to August with new Hilux sales making up the majority of sales," he told Autofile.

Even though the local market has been steady, Henare says buyers are still cautious following the summer drought and they're forward planning their vehicle purchases.

Finance take-up in the new commercial segment has been low due to big companies purchasing outright. 🕣



New Commer	cial Sale	s by Mo	ake - Ju	Ιγ 2013		
MAKE	JUL '13	JUL '12	+/-%	JUL '13 MKT SHARE	2013 Full year	2013 MKT SHARE
Toyota	544	531	2.4	20.7%	4269	24.6%
Ford	447	376	18.9	17.0%	3075	17.7%
Nissan	310	218	42.2	11.8%	1776	10.2%
Holden	231	177	30.5	8.8%	1446	8.3%
Mitsubishi	204	193	5.7	7.8%	1311	7.5%
Mazda	113	113	0.0	4.3%	796	4.6%
Isuzu	99	87	13.8	3.8%	859	4.9%
Volkswagen	94	51	84.3	3.6%	724	4.2%
Hyundai	86	40	115.0	3.3%	319	1.8%
Great Wall	74	71	4.2	2.8%	453	2.6%
Hino	50	27	85.2	1.9%	257	1.5%
Mitsubishi Fuso	47	42	11.9	1.8%	251	1.4%
SsangYong	40	27	48.1	1.5%	262	1.5%
Mercedes-Benz	39	36	8.3	1.5%	232	1.3%
Fiat	27	22	22.7	1.0%	136	0.8%
Volvo	26	4	550.0	1.0%	153	0.9%
DAF	25	24	4.2	0.9%	134	0.8%
Scania	25	12	108.3	0.9%	128	0.7%
Foton	18	0	1800.0	0.7%	74	0.4%
UD Trucks	17	3	466.7	0.6%	81	0.5%
Alexander Dennis	16	10	60.0	0.6%	74	0.4%
Western Star	12	2	500.0	0.5%	79	0.5%
Suzuki	11	18	-38.9	0.4%	61	0.4%
Others	77	69	11.6	2.9%	436	2.5%
Total	2632	2153	22.2	100.0%	17386	100.0%

New Com	mercial Sa	les by	Mod	e l - Jul	y 2013		
MAKE	MODEL	JUL '13	JUL '12	+/- %	JUL '13 MKT SHARE	2013 Full year	2013 MKT SHARE
Ford	Ranger	380	330	15.2	14.4%	2578	14.8%
Toyota	Hilux	374	328	14.0	14.2%	2825	16.2%
Nissan	Navara	304	198	53.5	11.6%	1703	9.8%
Holden	Colorado	208	161	29.2	7.9%	1352	7.8%
Toyota	Hiace	158	192	-17.7	6.0%	1299	7.5%
Mitsubishi	Triton	139	135	3.0	5.3%	797	4.6%
Mazda	BT-50	113	113	0.0	4.3%	796	4.6%
Hyundai	iLoad	80	39	105.1	3.0%	295	1.7%
Mitsubishi	L300	64	58	10.3	2.4%	511	2.9%
Volkswagen	Amarok	62	26	138.5	2.4%	476	2.7%
Ford	Transit	57	41	39.0	2.2%	438	2.5%
Great Wall	V240	57	35	62.9	2.2%	282	1.6%
Isuzu	D-Max	55	35	57.1	2.1%	441	2.5%
SsangYong	Actyon Sport	40	27	48.1	1.5%	262	1.5%
Mitsubishi Fuso	Canter	32	22	45.5	1.2%	119	0.7%
Mercedes-Benz	Sprinter	29	22	31.8	1.1%	164	0.9%
Fiat	Ducato	27	22	22.7	1.0%	134	0.8%
Hino	500	24	12	100.0	0.9%	140	0.8%
DAF	CF	21	12	75.0	0.8%	105	0.6%
Isuzu	F Series	20	12	66.7	0.8%	156	0.9%
Scania	R	20	5	300.0	0.8%	97	0.6%
Volvo	FM	20	3	566.7	0.8%	113	0.6%
Holden	Commodore	19	16	18.8	0.7%	76	0.4%
Others		329	309	6.5	12.5%	2227	12.8%
Total		2632	2153	22.2	100.0%	17386	100.0%

Demand still high for vehicles

healthy commercial sector is fuelling demand for used stock.

Last month, used commercial vehicle sales jumped to 527 from 276 last year – a 90.9 per cent increase.

This year overall used commercial sales have been incredibly strong, with the year-to-July total coming to 3,237 units.

Toyota was the top marque last month with 284 units sold, up by 120.2 per cent on July 2012's figures of 129 to round off the manufacturer's year-to-date figure at 1.481.

This was leveraged on sales of the Hiace with 222 units, the Dyna on 23 and the Regius on 19.

Nissan took out second place on the table with 122 vehicles sold, a 117.9 per cent increase compared to last year.

The Caravan was the manufacturer's top-selling model on 50 units, followed by the

Vanette on 45, while the marque's total number of used commercials sold this year comes in at 771.

Mazda was third on the ladder with 26 sales in July, which increased the marque's 2013 market share to 4.9 per cent.

The sentiment from dealers in the used commercial market is much the same as previous months – and that's buyer demand for commercial vehicles is out there, but the stock is not.

Matt Rainbow, of Regent Car and Commercial in Invercargill, says the business sources commercial stock from the New Zealand market.

"When we can find them they go very well, but it's hard to get stock such as double-cab utes and commercials in the \$15,000 to \$20,000 price range," he told Autofile.

Rainbow says Invercargill's commercial sector is showing signs of improvement.

"The market has been a bit stagnant due to the Tiwai smelter

issue, but that's sorted now so hopefully we'll see some growth."

Dealer principal of Southland Vehicle Sales, Richard Murrell, can't get enough of good quality brands.

Murrell doesn't travel to Japan as often as he used to, but instead searches for used commercials on the web.

"I spend a lot of time trawling the auctions online and buy the higher grade stock because the vehicles are less of a headache."

Murrell says those who succeed in the used vehicle trade keep at it.

"The country is going from strength to strength," he says. "The used market has good months and bad months. Those who work hard and work to a plan are the ones who succeed."

Pat Baker, owner of El Cheapo Cars in Porirua, doesn't stock many used commercials.

"When a utility does come in we'll sell it, but utes are very hard to find," he says. ⊕

500	Used Commercial Sales - 2011-2013
600 - 575 -	2013
550 -	→2012 —
525 -	2011
500 - 475 -	
450	
425	
400 - 375 -	
350 -	X
325	
300 - 275 -	
250 -	
225 -	
200 -	
	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Used Comme	rcial Sal	les by N	Nake - J	υΙγ 2013		
MAKE	JUL '13	JUL '12	+/- %	JUL '13 MKT SHARE	2013 Full year	2013 MKT SHARE
Toyota	284	129	120.2	53.9%	1481	45.8%
Nissan	122	56	117.9	23.1%	771	23.8%
Mazda	26	10	160.0	4.9%	153	4.7%
Ford	21	15	40.0	4.0%	193	6.0%
Isuzu	15	16	-6.3	2.8%	106	3.3%
Hino	10	5	100.0	1.9%	79	2.4%
Holden	9	2	350.0	1.7%	53	1.6%
Chevrolet	7	8	-12.5	1.3%	67	2.1%
Mitsubishi	5	7	-28.6	0.9%	62	1.9%
Dodge	3	0	300.0	0.6%	17	0.5%
GMC	3	2	50.0	0.6%	13	0.4%
Iveco	3	0	300.0	0.6%	12	0.4%
Mercedes-Benz	3	5	-40.0	0.6%	35	1.1%
Volkswagen	3	3	0.0	0.6%	30	0.9%
Fiat	2	3	-33.3	0.4%	20	0.6%
Land Rover	2	0	200.0	0.4%	10	0.3%
Citroen	1	0	100.0	0.2%	1	0.0%
Custombuilt	1	0	100.0	0.2%	6	0.2%
DAF	1	1	0.0	0.2%	12	0.4%
Daihatsu	1	0	100.0	0.2%	6	0.2%
Datsun	1	0	100.0	0.2%	1	0.0%
Hummer	1	0	100.0	0.2%	1	0.0%
Mitsubishi Fuso	1	0	100.0	0.2%	7	0.2%
Others	2	14	-85.7	0.4%	101	3.1%
Total	527	276	90.9	100.0%	3237	100.0%

Used Con	nmercial :	Sales b	ү Мос	d <mark>el -</mark> Ju	Jly 2013		
MAKE	MODEL	JUL '13	JUL '12	+/-%	JUL '13 MKT SHARE	2013 FULL YEAR	2013 MKT SHARE
Toyota	Hiace	222	99	124.2	42.1%	1114	34.4%
Nissan	Caravan	50	20	150.0	9.5%	369	11.4%
Nissan	Vanette	45	20	125.0	8.5%	257	7.9%
Toyota	Dyna	23	7	228.6	4.4%	135	4.2%
Mazda	Bongo	22	9	144.4	4.2%	119	3.7%
Toyota	Regius	19	8	137.5	3.6%	114	3.5%
Toyota	Toyoace	13	5	160.0	2.5%	54	1.7%
Ford	Transit	12	5	140.0	2.3%	108	3.3%
Nissan	Atlas	11	4	175.0	2.1%	63	1.9%
Nissan	Navara	10	11	-9.1	1.9%	62	1.9%
Isuzu	Elf	8	8	0.0	1.5%	75	2.3%
Holden	Colorado	7	1	600.0	1.3%	43	1.3%
Isuzu	Forward	6	5	20.0	1.1%	19	0.6%
Hino	Dutro	4	5	-20.0	0.8%	31	1.0%
Chevrolet	Silverado	3	2	50.0	0.6%	16	0.5%
Dodge	Ram	3	0	300.0	0.6%	15	0.5%
Ford	Ranger	3	1	200.0	0.6%	23	0.7%
Hino	Ranger	3	0	300.0	0.6%	21	0.6%
Mazda	Titan	3	1	200.0	0.6%	26	0.8%
Toyota	Townace	3	5	-40.0	0.6%	15	0.5%
Volkswagen	Crafter	3	2	50.0	0.6%	22	0.7%
Fiat	Ducato	2	3	-33.3	0.4%	19	0.6%
GMC	Sierra	2	2	0.0	0.4%	10	0.3%
Others		50	53	-5.7	9.5%	507	15.7%
Total		527	276	90.9	100.0%	3237	100.0%





