

Association aims to secure future

Possible levies on used imports one option to boost funds as board calls for feedback from members on how it moves forward

An industry organisation is considering all options at boosting its funds, and is asking members about its relevance and future.

VIA (the Imported Motor Vehicle Industry Association) is looking into new ways of generating income after recording a revenue deficit of about \$264,000 in the past financial year.

Options being considered include charging levies on used imports and increases in subscriptions.

The association's shortfall has been largely attributed to a tumble in revenue from the technical work it does on behalf of members.

This income stream fell by \$136,430 to \$253,827 – or by 65 per cent – during the 2018 financial year compared to the previous reporting period.

As for the future, VIA is

asking its membership about its relevance to the industry, whether it's still needed and if it should continue to operate in the same way.

The bottom line is that if the funding issue remains unresolved, the association's future may be in doubt.

"We have dealt with big issues before, but never so many that are so serious at the same time," David Vinsen, chief

fitted with faulty alpha-type Takata airbags.

Vinsen describes the call-back as being "big to handle" with many aspects having to be gradually dealt with by VIA.

"We are trying to work through it," he says. "We've got a new government that's trying to understand what's in front of it. It issued this recall with little understanding of the magnitude of the problem and, it's fair to say, nor did most of us.

"We discussed the ramifications with the minister, but he needed to make a decision.

We're working in good faith, but are restrained by the lack of accurate information, lack of parts and no definitive rulings.

"If we didn't take the lead on this, we would have been left with all sorts of problems."

In regards to stink bugs, VIA established a technical research group under the auspices of the

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Specialised training that's proven to increase profits

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Recall work challenging

Risk profiles to tackle stink bugs



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Vision of an electric future

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Finding fresh racing talent



executive, told VIA's annual general meeting in Christchurch on May 30.

The association and its members have so far faced three major issues this year – the stink-bug crisis, the second phase of electronic stability control (ESC) and, most recently, the mandatory recall of vehicles

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GUEST EDITORIAL

Significant issues faced by industry

Nick Owens hasn't seen as many issues facing the sector in 15 years in the trade

Running a compliance shop in Christchurch, we are still seeing major workflow disruptions due to logistics issues at Lyttelton Port, which is mainly related to redevelopment limiting space for large volume arrivals.



NICK OWENS
Managing director,
Auto Inspection Services

aren't subject to this restriction. Private sellers – the majority of used-vehicle sales – are free to on-sell them, whereas dealers must leave funds tied up in stock until parts are available.

The Minister for Commerce and Consumer Affairs has confirmed this

restriction will not be amended. Dealers will need to check the status of stock because penalties are significant.

The Right Car website is the starting point to check this and follow up with the marque's representative. Dealers should keep any checks – screenshots or records of phone calls – as there are variations between sources if vehicles have been reworked.

Forthcoming issues include the final implementation of ESC, which will likely create the largest shift in the composition of imported used vehicles since the initial exhaust emission rule, the stink-bug season returning in September, and ramifications of new directions for the Ministry of Transport and NZTA under this Labour government.

I've been involved in the compliance industry for 15 years and have never seen so many significant issues affecting it at the same time.

The government is likely to focus on carbon emissions from vehicles, which directly relates to fuel consumption. Discussion at the moment is around "feebates" and possibly average fuel-consumption requirements for importers.

How this will work is unknown, but will hopefully involve input from the trade. ☺

This inconsistent level of work has flowed onto related industries – part suppliers, paint and panel, grooming and yards. Business is, however, much improved compared to February and March.

The latest phase of electronic stability control (ESC) regulations appear to have been implemented with minimal issues at this end of the supply chain – the exception being stock delayed by border inspections due to the stink-bug crisis and going through exemption approval.

The airbag recalls have brought the issue of call-back work on used imports front and centre. This has been simmering for a while, and we may finally get some certainty on support new-car distributors are prepared to give used imports.

This will significantly affect vehicle and logistics suppliers overseas. Locally, effects will mainly be related to workflow interruption while stock remains offshore for rework.

The restriction on dealers selling vehicles without recall work completed is causing headaches and, in certain cases, will be a financial liability to traders as some parts may be unavailable until 2019.

This will create a distorted market as vehicles not sold in trade

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Plenty of issues on agenda

VIA is continuing to work with the powers-that-be on uptake targets for electric vehicles (EVs).

Chief executive David Vinsen, who sits on the government's EV leadership group, says: "About three to four years ago, we first got involved in EVs to support our members taking the initiative to explore this offering."

"At that time, we saw it as a niche market. We now realise EVs are inevitable, so it's even more important we're involved in plans surrounding regulations and infrastructure."

Other issues on the agenda include a "feebate" scheme most likely implemented at initial registration, which is designed to influence consumer choice, and a tradeable credits scheme at the time of import entry or compliance designed to influence importers' decisions. Over the past 12 months,

VIA has also been involved in intelligent transportation and connected vehicles, anti-money laundering legislation and ACC levies.

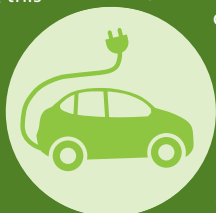
In regards to the Motor Vehicle Register, it's working with members so they understand compliance obligations when accessing it via approved online portals.

Looking ahead, educational seminars are planned for Auckland and Christchurch starting in the second half of this year.

"VIA continues to

be the only effective voice for the used-import vehicle trade," says Vinsen.

"We need the continued assistance and support – financially and in numbers of all businesses with a vested interest in this industry – so we can continue to provide an excellent service to members and the wider used-import industry."



Ministry for Primary Industries (MPI) to investigate treatment methods. It's now awaiting release of a revised import health standard.

The association negotiated exemptions with the NZTA for used imports that were delayed entering the country because of the biosecurity clampdown and increased vessel inspections.

VIA is also actively involved in the consultation process with government proposals that may affect the industry in the future, but all of this work needs financing.

"We have been having a debate, in the office and on the national executive, about our relevance to the industry – does it still need us and if we should be doing this stuff," says Vinsen.

"But this is the members' association, so what do they want us to do. We think we need to be across all of the issues and do all of these things. However, who is going to pay for it?"

VIA's membership has, in many ways, been cannibalised by business models changing over the years.

Vinsen recalls: "We started with a membership that was thin and broad. Every importer had to be a member. They basically paid \$5,000 to join up and then levies of \$15 a car. We also had the same commercial activities."

"When the law around motor-vehicle traders changed in 2003, we expected to lose members, which we did, but decided to move further up the chain and get sponsors – the shipping, inspection and compliance companies."

"We now have everyone doing their own thing. They have needed our help and have had technical advice. There have been all sorts of demands on our staff."

"We've also had some fantastic support from our sponsors and some have paid big money over the years."

The association also

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◀ developed a good source of income by issuing technical certificates under accreditation by the NZTA, and by investing in subscriptions to overseas websites, as its procedures were approved by the agency.

At its peak, VIA generated good income by issuing certificates, but last year this only came in at \$180,000. The reduction was partially because vehicles requiring certificates have reduced in volume.

Looking forward in the technical area, with the government considering fuel-consumption targets, importers would need to verify vehicles' performances and VIA might be in a position to provide information from source.

"We have done a complete review of our operations, including the association's services, costs and potential sources," says Vinsen.

"We're looking at everything and are doing various things, but it's still not enough. Sponsors – almost without exception – have increased their contributions, but we cannot keep doing the same thing."

The association had anticipated some falling off in revenue from technical services. But as the past financial year developed, it was greater than anticipated.

It was reported at the AGM that the association is trying to develop extra sources of revenue and, while it did well to hold membership revenues similar to 2017, it needed a substantial increase in overall revenue to break even.

Vinsen stresses VIA needs to be across all issues – members value what it does and want this to continue.

Its work starts at source with Malcolm Yorston on the technical side in regards to what cars can be bought from overseas and complied, dealing with issues as they arise, and Kit Wilkerson's work on what's coming up over the horizon.

"With the severity of the issues we've been facing, there

"With the severity of issues we've been facing, there has never been a greater need for the association. It's a case of how we fund it"
– David Vinsen



has never been a greater need for the association," he told Autofile. "It's just a case of how we fund it."

ARE WE STILL RELEVANT?

Frank Willett, vice-chairman of VIA's North Island branch, told the AGM he wondered if the membership believed the association still had a relevance and place for the future.

This was on the back of the national executive tabling a negative result, forecasting something similar for the coming financial year and wanting feedback from members if they thought it was time to wind up or commit to greater funding to ensure VIA continued based on it being a valuable organisation for the industry.

Willett said when an issue was growing, the executive team and association were well-briefed, and had good knowledge around implications.

"But communicating that to people in the wider industry, they don't tend to care. An insulation has somehow developed. They don't see a problem even though there's a problem the association can be involved in sorting out, stopping it happening and easing the pain.

"It's a question for the executive to ask this membership and that's 'are we still relevant' – is this organisation still relevant given the evolution of the supply chain and industry.

"It has moved away from dealers flying to Japan, doing everything themselves, knowing everything about the supply chain, how their business operated, and where to save money.

"Nowadays, it boils down to a broad mass of traders who send an email and a car arrives. Then

the compliance centre rings, sends an MR2A and here's your bill."

As for VIA's financial situation, Willett said: "We want to address the deficit, but a reduced service and ability to work means some members will say that's going too far."

Comments from the floor included "the minority is paying for the majority" and "the free riders are getting bigger".

There was a suggestion members could be charged more, "hopefully a levy will make it dawn on people to keep it going" and "if VIA disappears the industry will be in a shambles". Another stated: "With all the issues going on in the industry at the moment, there's a greater need than ever for the association."

Willett stressed: "We need to come up with ways the membership supports us to increase income.

"Do we start to look at a massive restructure or closing

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down? The executive wants guidance because VIA is here to provide services, and support its membership and industry."

Willett noted the association had expanded and shrunk over the times, but its core services hadn't really changed.

"One idea is rationalising services to match how the industry has evolved and what it now sees as core services required from VIA. For example, do we look at a model where we have less staff supplying a reduced amount of services.

"The cold, hard truth is the majority



Frank Willett believes a declining number of importers are saying they have got problems – for example, with vehicle compliance – they are prepared to pay VIA to sort out

of car importers ferret around in the supply chain to find someone to solve issues or provide compliance information for free for vehicles they import.

"It certainly appears that more importers in New Zealand are now saying, 'if you want my business, you will solve any issues, cover the costs of vehicle faults – that's the supplier's responsibility and these are my terms.' These days, more suppliers are saying, 'okay, if that's what we must do to get your business, that's what we'll do'.

"All the questions are answered and issues solved, so the importer doesn't deal with them. Subsequently, you have a declining number of importers saying, 'I've got a problem I'm

prepared to pay VIA to sort out."

Willett noted government departments were becoming more inclined to engage with industry associations to discuss and resolve issues and changes to legislation, while VIA was now one of the officially recognised communication pathways to engage with the used-vehicle import industry.

"The association is becoming a more valuable tool for government and subsequently industry, but it doesn't contribute to the association's funding – it would be fair and beneficial to get some funding from the government.

"If we build on that relationship, some members may scratch their heads and ask who we are representing – is VIA an extension of government or is it working to look after our best interests.

"It's a fine line the association has to tread sometimes to get the best outcomes for the industry." ☺

Budget motion

VIA has put its budget under review until the end of September.

"We're of the opinion of setting a budget for six months is drawing a line in the sand," Lloyd Wilson, joint chairman, told the association's AGM.

He added VIA will then have talked about the future based on the outcome of a possible levy on each used import entering New Zealand. "This is where we are at with it."

The meeting passed the notion that "the membership instructs the national executive to pursue the idea of a levy to be collected at the border".

Wilson added: "Where we are situated at the moment is the best position we've been in that we can handle most issues that come forward and present ourselves as a professional body.

"The credibility from dealing with airbags and stink bugs is a valuable piece in our toolbox, but how do we pay for it."

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Complex issues in Japan

Recalls issued in Japan for faulty Takata airbags have now become part of the shaken regime.

It means that in time all vehicles will have call-backs remedied although it will take a few years for them to work through the inspection system, which ensures cars on Japanese roads are properly maintained and safe.

Basically, if an airbag recall hasn't been closed out, from May 1 vehicles were unable to obtain shaken with it being illegal for them to be driven in Japan.

"These changes will take time to work through," says Malcolm Yorston, VIA's technical manager. "All new cars in Japan come with shaken for three years and these will not have recalls outstanding before delivery to dealers.

"But a recall could be issued two days later, so it may be up to 36 months before it's remedied. After three years, the next shaken is at five

years, so it will take time to sort out.

"People should be getting vehicles checked before they are deregistered in Japan.

"Dealerships here must check for recalls and that remedial work has been closed out, then we would not have any problems."

When cars are deregistered in Japan, some manufacturers keep them in their systems. Others remove all records – in other words, they simply cease to exist.

And other situations can arise, such as with Nissan's Fuga, a popular used import from Japan. It was recalled over there to have new ignitor devices installed only for the actual replacements to later be called back.

"It's imperative anyone getting cars in Japan to check out the recall status before they are deregistered there," stresses Yorston. "Outstanding recalls need to be closed out by dealerships there before delivery to terminal receiving stations." ☺

Loan company used coercion

A judge has described the offending of two finance companies as “cynical and deliberate”.

Budget Loans Ltd and Evolution Finance Ltd – together referred to as Budget Loans – have been fined \$720,000 in Auckland District Court on 125 charges under the Fair Trading Act (FTA).

They were also ordered to pay \$53,000 in emotional-harm reparations to nine victims, and about \$38,000 in refunds and credits to borrowers.

The court heard Budget Loans, which purchased the distressed loan books of Western Bay Finance and National Finance in 2004, misrepresented its right to repossess goods, and recover interest and costs from borrowers, between 2009 and 2014.

It also misrepresented amounts consumers were required to pay under attachment orders and the benefits of refinancing existing loans.

In sentencing, Judge David Sharp described the company's repossession methods as “reprehensible” and were “used as a direct means of coercion”.

“The court acknowledged Budget Loans attempted to create cashflow by getting Western Bay and National Finance borrowers to pay as much as possible for as long as possible,” says Mary-Anne Borrowdale, the Commerce Commission's general counsel – competition and consumer.

“It continually added costs and interests to loans and then repossessed essential goods from borrowers without notice when they couldn't pay, regardless of whether it was legally entitled to do so.”

Most repossession costs were higher than the value of the goods. Sometimes Budget Loans threw repossessed goods away rather than selling them. It also obtained judgements against some borrowers, but continued to add interest and costs.

When lending was unsecured, it tried to convince clients to sign new, secured loans by telling them they would get discounts on balances. However, the discounted loan was higher than the amount the borrower was required to pay, the court heard.

Eighty-three charges were for misrepresentations around repossession, including where there was no valid right to repossess a secured item of property, such as a car, or when there was no balance outstanding.

There were 29 charges for adding interest and costs to a balance after repossession, which is banned under the Credit Repossession Act.

Ten charges were for misrepresentations about adding interest to loans beyond amounts in attachment orders. One \$8,600 balance was “recalculated” to nearly \$56,000. There were three charges for misrepresenting the benefits of refinancing with Budget Loans.

“These were particularly serious breaches of the FTA,” says Borrowdale. “Lenders must not misrepresent their rights under loan contracts. They cannot require borrowers to pay amounts and extra costs they don't owe.”

During the relevant period, the directors of Budget Loans were Allan Robert Hawkins and his son Wayne Robert Hawkins.

The commission is seeking banning orders against them following this sentencing and the earlier conviction of Budget Loans on 34 charges under the FTA in 2010 when it was fined \$30,750 and undertook to return \$500,000 in overcharged interest and fees to borrowers.

“As our application is before the courts, the commission will make no further comment on it at this time,” adds Borrowdale.

Budget Loans was also convicted on 106 charges in July 2016. Nineteen charges were dismissed and the commission successfully appealed that decision. ☎



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Progress with recalls database

The automotive industry is working with the NZTA to set up a process that will speed up identifying vehicles affected by the mandatory recall of alpha-type airbags made by Japanese company Takata.

The Motor Industry Association (MIA) is aiming for the information to go into a single searchable database, which should be up and running by the end of June.

David Crawford, chief executive officer, says it's complicated work establishing which used models at an individual vehicle level are caught up in the mandatory recall for alpha-type Takata systems as well as the currently voluntary call-back for non-alpha-type airbags.

"New Zealand distributors have a good line of sight with new vehicles they have imported and on-sold, whereas establishing a thorough database of used imports is more problematic," he told Autofile.

"The only way we know we can categorically decide at an individual level is for the New Zealand distributor to access this information on its head office's database.

"Used importers can try their best to find out this information in Japan, but for vehicles here they have to work with the distributor.

"Then it's a matter of how to get

that information onto the motor-vehicle register [MVR] database and identify vehicles that have been cleared.

"Some may have been already cleared by Customs, but haven't been cleared by the NZTA until first registered and the vehicle identification number [VIN] is entered."

Crawford has surveyed MIA members because only distributors in this country can access their parent-company databases to verify which vehicles are affected – and if recalls have been closed out or not.

"The current process to establish this takes time because it's not fully automated.

"Due to this, we don't precisely know progress made. It's also a slow way to provide updates. Each MIA member needs to do this internally.

"The new-vehicle distributors don't know which used imports are in this country until they are listed on the MVR after first registration. Arguably, they shouldn't be registered. If vehicles are caught, they shouldn't be imported without

proof of recall completion.

"We are working on a process with some distributors before rolling it out. The MIA's view is to only have vehicles on the list that are still subject to the mandatory recall. It will take a complex set of steps to make this happen."

Crawford says the whole frame range of affected vehicles needs

to be examined to establish those subject to call-backs.

VINs of stock that has been complied have gone to distributors here or frame ranges sent to the Ministry of Land, Information, Transport and Tourism (MLITT) in Japan to establish what models in vehicle ranges are caught.

"Recalls may have been closed out in Japan for 500 vehicles within a VIN range, but on the production line this may not have got all Takata airbags because some have a minimum of two systems – one to 500 in a frame range may not all be Takata systems.

"The MLITT lists are for the entire frame range, but not all vehicles are caught by that. This means the distributor must

contact its head office."

Basic steps in the process are:

- ▶ If a vehicle hasn't been fitted with an alpha-type airbag, then it's okay.
- ▶ If it has, the first thing that has to be done is to check the recall has been completed.
- ▶ If it hasn't, it cannot be complied until remedial work has been done.

"By the end of this month, the aim is to have all mandatory alpha-type Takata airbag recalls on the NZTA database still subject to this call-back as a list of individual vehicles by registration, VIN and or frame range," stresses Crawford.

"We're working with the agency to drive this through. It needs to be a definitive list. It's important vehicle owners, the industry and government understand the big picture.

"It will also help streamline the reporting process to show the government what has been done overall and what's outstanding."

He stresses New Zealand brand owners aren't liable for vehicles they haven't supplied to the market. This responsibility rests with the actual supplier in the supply chain – the importer, distributor, wholesaler or car dealer. ☺

"If vehicles are caught, they shouldn't be imported without proof of recall completion"
– David Crawford

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Recall poses 'difficult' issues

Border-inspection companies are playing an important role in preventing cars with faulty alpha-type Takata airbags from entering the country.

Vehicles with these systems installed that haven't been reworked are now treated as banned imports by Customs and liable to seizure.

From May 31, it was also illegal for dealers to sell such stock as part of the government's mandatory recall although public-to-public transactions are still permitted.

Automotive Technologies Ltd (ATL), Autoterminal Japan and JEVIC are following NZTA processes to help ensure no used vehicles come into New Zealand with illegal airbags fitted.

VIA (the Imported Motor Vehicle Industry Association) suggested in April for these border-inspection organisations to check stock against the agency's list of call-backs and – by comparing details and identifiers with open alpha-type airbag recalls – they could be noted in the damage-flag process.

Mike Tyler, director of Autoterminal NZ, describes the situation around the mandatory recall as "difficult for everybody".

"As an importer, we don't have access to manufacturers' information and need to rely on third parties to provide information and then the parts, which is the most frustrating," he told Autofile.

"While the government has been consulting widely with industry on the mandatory Takata safety campaign, the practicalities around implementing the new rules and getting all remedial work completed is proving to be challenging."

His company has been going back to Japan, but there are waiting lists to get recalls done there and some of its vehicles have been waiting for more than 10 months for remedial work to be completed.

"There appears to be significant uncertainty around the used imports that have arrived in New Zealand without the recall being done," Tyler told Autofile.

While some of the manufacturers

are co-operating, others seem to be pushing used imports away.

Tyler says: "The feedback we've been getting from manufacturers is that recall work on used imports may not get done. For example, Nissan NZ has told us it will not be able to do the imports – it doesn't have the parts available.

"We had some Nissans recently arrive. They were shipped before the government made its recalls announcement and we cannot get the work completed, so they cannot be sold.

"Many other vehicles are in a similar situation. They are simply being parked up because nothing can be done".

Advice for car dealers

As of May 31, no vehicle – including trade-ins – fitted with an alpha-type Takata airbag inflator may be sold in trade without having been reworked and the call-back closed out.

From the same date, newly imported vehicles with such inflators that haven't been reworked were classed as prohibited imports and can be seized by NZ Customs.

Dealers holding stock affected by the mandatory recall should check their vehicles against information on the NZTA's RightCar website. It aims to be the definitive

recalls list, and uses call-back information from Japanese sites and manufacturers.

This link is also available on our website <https://autofile.co.nz/categories/airbag-recall/list>.

Traders who have vehicles that haven't been reworked should contact the marque's representative in New Zealand to start the airbag inflator replacement process.

"We have had a bit of confusion because the RightCar database includes some vehicles that have airbag recalls, but not the alpha type," he explains. "In these cases, we have allowed the vehicles through the system unflagged.

"We've had to add additional steps into our processing of vehicles whereby we check every one against the RightCar list and then, if need be, against the OEM's website.

"If a vehicle is found to be on that list, we then need to inform the shipper, which then has to remove the vehicle from our yard and have the recall completed before we will allow it to be shipped.

"But everyone seems to

and government have agreed on.

"But the current outcome is going to work. It will be a good solution considering the tight timeframes we've had to work to."

Border checks proposed by VIA – as reported in the May issue of Autofile – aim to cover the short and long-term effects of the mandatory recall.

Its proposal stated there needed to be an NZTA-approved public list of recalls, vehicles issued with standardised New Zealand-based identifiers and a report with details of vehicles the agency felt was appropriate for Customs to identify those subject to call-backs.

VIA proposed an initial process for border-inspection organisations to check vehicles against the NZTA list of call-backs and affected units by comparing details and identifiers.

Vehicles with open alpha-type recalls can be noted using the damage-flag process in the inspection organisation's system and reasonable efforts made to advise customers of this.

A long-term process proposed by VIA allows for more detail and an ability to respond to any safety recall. It's designed to simplify Customs' access to information needed to identify units with open mandatory safety recalls and for all vehicles to have declarations.

Once available, using "subject to recall" in the border-inspection system will supersede the damaged flag to denote an open safety recall with an extra field allowing applicable call-backs to be noted.

The Takata issue was firmly on the agenda at VIA's annual general meetings held at the end of last month.

Chief executive David Vinsen emphasised how the association has been working with the government and its agencies on legal requirements surrounding the call-back of alpha-type airbags, which was announced on April 3 by Kris Faafoi, Minister for Commerce and Consumer Affairs.

Vinsen says VIA continues to

There's also a growing number of vehicles that have had initial recall work completed in Japan, but are now subject to a second call-back.

"We have found two vehicles that had the work completed in Japan prior to shipment that have arrived in New Zealand and are now subject to a second recall to replace the part originally replaced in the first recall. This makes it difficult for importers".

Nigel Grindall, chief executive officer of ATL and Moana Blue, says implementing the alpha-type airbag call-backs with the NZTA's Landata system for notifications has gone pretty smoothly.

be working together with us and – to date – there have not been major issues, albeit more work for us at ATL to do for every vehicle."

Grindall notes that on the requirement for call-backs to be closed out before the deregistration of vehicles, "this is simply a process we will have to work through".

"We have informed exporters in Japan to be sure they check the recall is done prior to deregistration. It seems most are following this advice.

"Generally, it has been a challenge to implement a robust and workable system that all the border-inspection organisations

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have discussions with the minister and his officials on the way forward, and has outlined issues raised by the recall's legal requirements.

He says the industry recognises the need for remedial work to be completed on affected vehicles already in the fleet, and the government wanting to deter any more from entering it.

"We understand and support the minister's aims, but believe a mandatory recall was unnecessary and, by definition, its requirements cannot easily be met," Vinsen told Autofile.

"The compliance rule means vehicles not reworked cannot be complied and that would have stopped vehicles entering the fleet.

"We could have done away with the draconian measure of seizure and forfeiture by Customs using existing legislation to achieve the minister's aims."

The safety campaign means it's illegal for people in trade to sell stock that hasn't been remedied.

Vinsen describes this as "self-defeating" because it prevents vehicles being exited from the fleet, and those in trade selling them to each other or at auctions.

If this could be done, this would help them take some out of the consumer fleet and dispose cars back into the dealer network where there's no risk of them getting back to the public until call-back work has been closed out.

"Although technically illegal, these are deals that are pragmatic and would enable the industry to continue to operate," says Vinsen. "The mandatory recall basically means these trades cannot take place at the present time and dealers will be stuck with them until next year."

VIA has put a request along these lines into the Ministry of Business, Innovation and Employment (MBIE), but its position may not change.

"MBIE is in a difficult position in that it's a super-ministry dealing with all sorts of things and has very

few people dealing with recalls," notes Vinsen.

"It's not experienced in recalls of this magnitude and complexity. Examples of simple call-backs include faulty hairdryers when retailers have to put up photos and encourage customers to bring them back for refunds.

"Our situation is an entirely different scenario in that the Takata recalls affect about 300 million vehicles worldwide. This is an issue of which the magnitude has never been seen before.

"We're doing the best we can in good faith, but are constrained by the facts. It's a moving feast as far as information goes and we don't have access to parts in a timely fashion."

Vinsen notes that if the automotive industry did have all of the parts it needs, it would take every technician in the country a total of about 17 months to do all of the reworking that's required to close out the call-back.

"We support the recall's

intentions and are working as best as we can to achieve its legal requirements, but have concerns about practical inconsistencies the legislation is throwing up," he adds.

"We feel its aims could have been achieved to the same ends using existing legislation around compliance and warrants of fitness. We're having to work the best we can with what we have got."

Identifying what cars are affected is another issue. For example, some replacement airbags fitted in Japan are also faulty and it's unknown which models they are in.

"It's a moving feast that can change day by day based on fresh information from manufacturers and websites," says Vinsen.

On the bigger picture, Vinsen says Faafoi has been approachable and is prepared to discuss industry concerns.

"He understands the issues, but has already made his decision so we have to work through the implementation of that." ☺

Taking advantage of those hot leads

Making the most of quality enquiries and converting them into sales is every dealership's desired outcome.

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Saturday: **12%** of all calls
Sunday: **10%** of all calls

Think about yourself. If there are multiple similar options available for a product, will you persist with your first choice if you can't make contact?

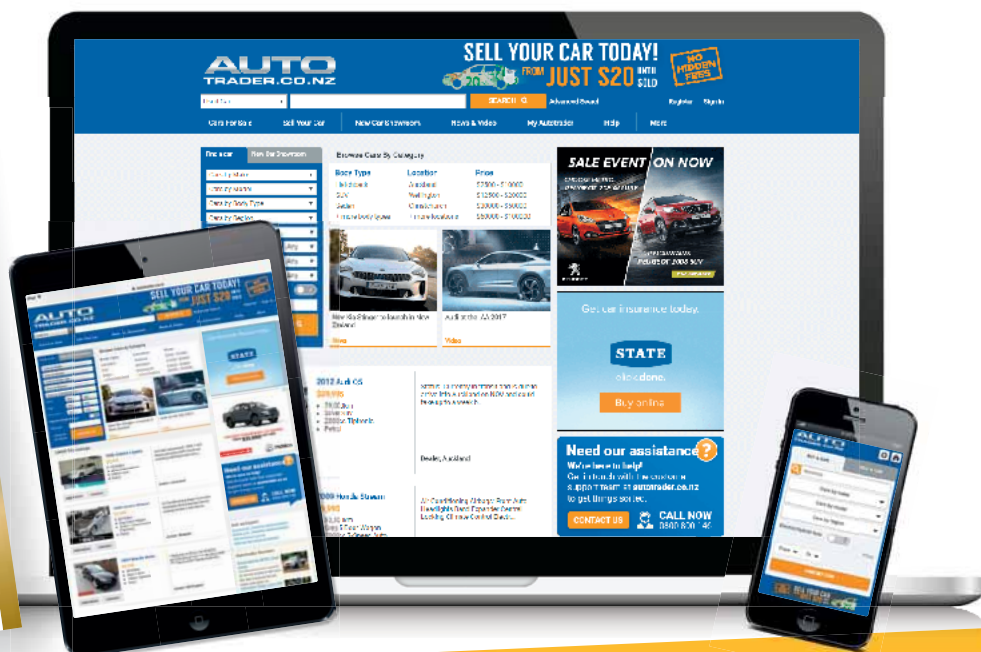
Or will you move down your list? It's also worthwhile investigating what times of the day are most popular at your dealership.

On Autotrader.co.nz, we see a trend of pre-weekend research and post-weekend follow-up. Is your team sharp and ready on Monday morning for the influx of enquiry?

Finally, remember, although it's another sale in a successful month for you, it may be your customer's dream car or one they've waited a long time for.

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Bid to boost vehicle volumes

Ports of Tauranga is aiming to build on its motor-vehicle business as part of its continued expansion.

Cars and other imported vehicles are a booming category for Tauranga with "volumes increasing significantly" compared with the first half of the 2017 financial year.

The port, which is planning to maximise capacity within its current footprint to handle up to three million 20-foot equivalent units (TEUs), is also "exploring new and emerging cargo categories, such as cars".

Autofile can reveal that in the six months to December 31, 2017, the number of passenger and other vehicles imported through Tauranga increased by nearly 400 per cent compared to the first half of the financial year.

However, this was off a low



Port of Tauranga is looking to boost its motor-vehicle volumes

base of about 22,000 cubic metres versus 4,400 cubic metres in the previous period.

"At the moment, we host monthly calls from a dedicated car carrier," says a spokesman.

"Port of Tauranga is in discussions with other importers to see if it can accommodate

their needs. It already has on-site vehicle inspection and cleaning facilities, and extensive security.

"We are New Zealand's largest port and handle more than 22 million tonnes of cargo a year. We handle more than 1,650 ship visits annually."

The port sees an advantage in having a footprint of more than 190 hectares on both sides of Tauranga Harbour, which gives it flexibility and room to grow.

"There are up to five hectares of on-port storage space available for cars and other storage options nearby. There are 11 berths capable of accommodating car carriers with two kilometres of continuous quay."

Port of Tauranga has always revelled in its rivalry with Ports of Auckland and its expansion plans are aimed at taking a shot at its more northern competitor.

It recently announced half-year net profits after tax of \$47.1 million – a 12.6 per cent increase on the same period last year. Trade volumes grew 13.4 per cent to 12.5m tonnes contributing to a 12.8 per cent increase in revenue. Transshipment volumes were up by 47.6 per cent when measured by TEUs.

Chief executive Mark Cairns says transshipment figures show just how much shippers have come to utilise Tauranga as an international hub.

"We can handle up to three million TEUs annually without

further reclamation," he adds. "We consider all evidence points to the trend to larger vessels continuing and even acceleration."

AROUND THE COUNTRY Centreport in Wellington has achieved half-yearly net profits after tax of \$4.9m. It says the result is in line with budget and establishes a platform for growth. Gross revenue of \$34m was ahead of plan.

The port achieved strong growth in all key trades, including break-bulk revenues of four per cent ahead of budget.

Centreport is in the process of undertaking works to facilitate two break-bulk and log berths with Aotea Quay 1 coming back into operational service.

Lyttelton Port Company say it's well-positioned to meet the region's forecast freight volume, despite industrial action.

It achieved a record 224,000 TEUs in the past half-year. MidlandPort, its inland port in Rolleston, achieved a 201 per cent volume increase.

Resource consents have been granted to deepen Lyttelton's shipping channel to allow safe access for the largest container vessels envisaged in Kiwi ports in the future and extend reclamation by 24 hectares to triple its land space.

Meanwhile, the completion of the second stage of the Patterson Logistics Centre at Port Nelson has added 9,700m² of storage capability.

"We recognise the importance of ensuring we are adequately resourced for future demand while working within the physical constraints of port reclamation," says Martin Byrne, chief executive officer.

PrimePort Timaru had a strong first half on the back of bulk cargo growth, seeing a 36.1 per cent increase in net profit, while Northport's trade volumes also continue to expand. ☺

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When the computer says 'no'

Australia's Labor party has recently announced that, if elected, it will force manufacturers to share repair and maintenance information for their vehicles.

Its aim is to give the 23,000 independent mechanics in Australia access to information enabling them to repair vehicles. The goal is to enable competition and ensure consumers get the best price and service.

The rationale for this promise is the fact that, today, new vehicles are mobile computer networks. Identifying and understanding faults requires access to that network and appropriate diagnostic tools.

Most critical functions, including steering, acceleration and braking, are all controlled by software. In fact, many vehicles have more than 30 independent control units, or ECUs. Without legal access to these ECUs and their operating software, mechanics and others who enjoy working on their vehicles will be unable to do so.

Manufacturers are hesitant to provide access to independent repairers, with some now even making the claim that vehicles owners do not really own their vehicles. As dubious as this sounds, they are trying to get this claim solidified in law.

Their argument goes like this:

- 1 Vehicles work because the software within the vehicle tells the parts how to function.
- 2 This software is proprietary, customised code.

- 3 Computer code is subject to copyright.
- 4 The manufacturer owns the copyright on the software.
- 5 Vehicles cannot work without their software.
- 6 Therefore, the purchase of a car is a licence agreement.

Since the vehicle is subject to a licence agreement, the manufacturer is the owner and can mandate who has access and why. Vehicle buyers are simply signing such as agreement to use it over its lifetime. Second-hand sales would amount to a transfer of the vehicle and the licence to operate the software.

Efforts are also under way in other jurisdictions to ensure independent repairers always have access to what they need to repair vehicles. For instance, right-to-repair guarantees are already enshrined in EU emission standards.

It is possible, however, that this debate is redundant and a moot point. What does it mean to promise continued access to these ports – and the tools needed to interface with the software – if manufacturers may not even bother providing ports in the future?

It's estimated that there will be more than 250 million connected cars on the road by 2020. These connected vehicles will have more complex



computer systems, software and communications.

Enhanced systems will allow manufacturers to monitor a vehicle's health and diagnose problems remotely, while machine-learning systems could make the entire system predictive.

One manufacturer, for instance, says it can already spot 90 per cent of service-repair issues remotely. They expect to be able to order parts and have them waiting for customer before the remedial work is even scheduled. When vehicles are remotely accessible, they will no longer have any need to fit a physical diagnostic access port.

While this may sound unfair or anticompetitive, as with previous debates there are two sides to the issue. Manufacturers are already arguing that access to independent operators, or even vehicle owners, is a safety issue.

Admittedly, they have a valid concern. It has been shown that people can still gain control of a vehicle via its wireless connection capability. Legitimate users, such as mechanics and car enthusiasts, may make software modifications while non-legitimate users could access it for more nefarious purposes.

This is both a short-term and long-term risk. Buyers of used cars could be at risk if left unaware of changes made to their vehicle's

settings. Few will agree that it is reasonable to put the burden of having that software evaluated on buyers of used cars.

Different manufacturers have taken different stances on how much data they should be expected to share with independent operators. All, however, have expressed concerns about the availability of proper training and parts to repair their vehicles within independent networks.

Of course, even this debate might already be redundant. The shared-ownership model is leading to cases where customers might own not a vehicle, but a share of a vehicle. These cars will be community owned and will simply drive themselves into the repair shop when they self-diagnose the need for a repair.

While this future is likely, if not inevitable, the threat already exists to the independent repair network in New Zealand – restricting access to vehicle data will raise costs, hurt competition and stifle innovation. Restricting access also prevents third-party researchers from conducting critical independent safety and security research.

We aren't convinced it must be one way or the other. VIA is arguing for New Zealand's participation in developing international standards that all these systems must conform to.

A solution that secures our independent repair and parts industry would be a benefit shared with all these industries worldwide. ☺



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Aiming to sell, or not to sell?

I'm more perplexed than ever at the moment, but more disappointed than anything with how many dealerships clearly don't want to sell cars.

Yes, you read it right. There are a heap of dealerships in this market that clearly don't want to sell vehicles. Actually, I'm sure they do want to sell vehicles. However, they may not realise how many more they could sell if they were aware and proactive with prospective customers.

This isn't about price, or not really being in the market to buy. This is about all the reasons you present to your customer to not do business with you.

- ▶ Remember buyers have made contact with your dealership for a reason. They have spent however long searching for which cars they're interested in, and then which traders they are going to progress to the next stage of enquiry on. Whether that be online or a visit, these days they are more ready to buy and further along their journey than many give would-be purchasers credit for.
- ▶ Remember once a customer has engaged with you, treat them as if it's yours to lose, as quite often it is.
- ▶ Remember buyers want to be sold to.
- ▶ Remember a buyer is at some stage always going to be a buyer, despite what you think. I know it's hard to think about sales in the future when you want to sell cars today, but they can and will come back if you

provide them with enough reason to.

Our team hears plenty of commentary around how quiet it is and that people are just not purchasing at the moment. On the flipside, there's plenty of commentary from dealers who are crazy busy and selling plenty.

The key is that when prospective buyers are presented, you and or your sales people have to make the most of the opportunity.

Recently, I have personally enquired on specific vehicles online with different dealerships across the country. From these enquires, I've had only 40 per cent respond and engage with me as a prospective buyer. From the other dealerships, I've had nothing – do they not want to sell me a car?

This is frustrating because, as a buyer, I've put in time and effort to narrow my search down. Obviously, therefore, I continue



MARK GREENFIELD
Motorcentral

my process with the ones that have been proactive enough to show they want my business and ultimately sell to me.

There are even some who I didn't end up buying from, but still gave memorable service

and an experience that represents what it should be for a customer. Referring a friend or relative to them in the future will be easy as I know they'll get looked after and the service they deserve.

Can I, or should I, follow up with the ones that haven't got back to me from my enquiry? Maybe if the vehicle they had was of greater value to me than the others, but they aren't too different so the best use of my time is with those interested in my business.

Maybe they are in the mindset of not bothering with online enquiry and just wait for customers to turn up at the

dealership to look at cars. The reality is there are other options and other dealerships that do seem to want the business, so the ones that don't respond have literally told me to look somewhere else.


A recent Harvard Business Review on the importance of timely responses when it comes to following up with online leads found companies that contact potential customers within an hour of receiving queries are nearly seven times more likely to have meaningful conversations and convert to a sale.

Engage with prospective customers as they are potentially your clients for life from the moment they begin to experience your dealership. Help them on their buying journey. Make the process enjoyable, informed and respected.

When they get to the dealership, ensure every single aspect in the process is perfect, and centric to their needs and eyes. It's not hard, but often overlooked.

Don't spoon-feed them potential objections for them to regurgitate back at you as to why they need to leave. Present them with every reason to choose you and the car you have that they want to buy.

As a business owner or dealer principal, it's important you know what your staff are doing with regards to handling enquiry.

Opportunity management and the visibility of this is of great importance to ensure you aren't giving customers reasons not to do business with you. 



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Car plants in Japan to be assessed

Risk profiles for every manufacturer of new vehicles exported from Japan to New Zealand are to be completed by the Ministry for Primary Industries (MPI) in advance of the new stink-bug season starting in September.

David Crawford, chief executive officer of the Motor Industry Association (MIA), says the work is being completed because pathways for new vehicles to this country are different to used stock coming here.

"The MPI needs to look at this for new vehicles ex-Japan because used vehicles and equipment have been in that country for more years and are more at risk of contamination by brown marmorated stink bugs [BMSBs].

"The risk profile for new vehicles is very different. Some coming off production lines may

be there or dockside for 10 days before loading onto ships and may not be exposed to the bug.

"The MPI is amending the import health standard [IHS] to reflect manufacturers having approved systems in place before the start of the next high-risk BMSB season."

Crawford says all manufacturers in Japan will need to have systems or their vehicles will need to be treated before going onto vessels bound for New Zealand.

"The approved systems will look at logistics pathways based on vehicles coming out of factories, what then happens to them, dwell times at ports and the risk of exposure to the bug," he told Autofile.

"Every plant will have to be

assessed and some manufacturers have multiple plants in Japan. Some vehicles may need no treatment.

The aim will be to avoid loading infested vehicles onto ships."

For each manufacturing plant, the MPI will approve systems based on a template for the new-vehicle

sector. This is expected to be released by the end of the month.

The IHS will be changed with pathway risks based on templates and, after consultation, the requirements will

become mandatory.

"The MPI is being thorough in its work," says Crawford. "The new-vehicle sector faces a lot of extra costs, but you expect that with a system like this.

"The aim is to avoid everything being treated at ports in Japan.

Europe has some of the new vehicles and they will need to be treated too."

Crawford stresses the whole of the automotive industry is agreed that it doesn't want stink bugs inadvertently imported into New Zealand from vehicles and understands the rationale for closer regulation.

"The system needs to be fair and equitable," he adds. "The MPI is doing a good job. Sometimes government agencies can be conspicuous by their absence, but it is being conspicuous by its presence and mostly constructive.

"Staff at the ministry have made themselves available, been responsive to our needs, have answered our questions and turnaround times have been reasonable. The MPI has fronted up at meetings with the MIA and has done the same with VIA."



David Crawford

Awards for finance

The Financial Services Federation (FSF) has launched the Crediting Excellence Awards.

Nominations are now open for the awards, which will take place following the FSF's conference on October 10.

The criteria for all five gongs focus on members showing how companies have gone the extra mile in responsible lending and have worked towards favourable outcomes for consumers.

"It's often the way in the financial-services sector that the bad eggs get all the attention," says Lyn McMorran, executive director of the FSF.

"But many people in this sector are doing a fantastic job providing suitable products to Kiwis. It's about time the stars in responsible lending got recognised."

The full-day conference at the Rydges, Auckland, has been designed to ensure delegates stay ahead in the sector.

The line-up includes Kris Faafoi, the Minister for Commerce and Consumer Affairs, representatives from the Commerce Commission and anti-money laundering specialists.

Industry leaders will tackle fraud and automotive industry disruptions. Keynote big names include Sir Gordon Tietjens, whose experiences building successful teams can be transferred to corporate environments.

A "road bumps" discussion panel will have three key players giving their perspectives on the confronting future of the sharing economy – vehicle-sharing, driverless cars and electric vehicles – and how they will affect other sectors, such as financial services.

Journalist Bernard Hickey will talk about "where business, economics and politics collide". This will be an insight into the current business, economic, and political landscape tailored for FSF members.

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Japan car sales dip

Total demand for all passenger cars and commercial vehicles in Japan during the 2017 financial year is expected to finish on 5.19 million units, which represents a jump of 2.2 per cent from the previous fiscal year.

That said, registrations of cars and commercials, excluding mini-vehicles, are expected to come in at 3.34m – down by 0.7 per cent on 2016 – with sales of mini-vehicles reaching 1.86m for a rise of 7.9 per cent.

The projected decline in sales of passenger cars and commercials, excluding those in the kei class, “is attributable to the waning impact of new models introduced to the market”, according to the Japan Automobile Manufacturers’ Association (JAMA).

It adds the drop is also down “to the revelation of flawed vehicle-inspection procedures”, while the projected boom in mini-vehicle sales can be put down to

introducing new models.

For the 2018 financial year, demand for passenger cars and commercials is forecast at 5.18m units – a decline of 0.3 per cent on the previous 12 months – with sales excluding kei-class vehicles, totalling 3.34m. That’s on a par with the level projected for 2017 with registrations of mini-vehicles finishing at 1.84m – down by 0.9 per cent.

Splitting the statistics further, sales of standard and small-sized cars in the 2017 fiscal year are expected to top 2.9m, which is down by three per cent on the previous 12 months.

Conversely, JAMA reports demand in this category during 2018 is predicted at 2.91m units, up by 0.4 per cent on 2017, “owing to the projected gradual expansion of Japan’s economy”. There will also be the continued impact of stricter emissions rules and enforcement, especially with trucks, to be factored in. ☺

NEWS in brief

Marque unveils powerplants to cut pollution levels

Kia Motors will introduce its first 48-volt diesel mild-hybrid engine in the second half of this year.

Its EcoDynamics+ powertrain reduces CO2 emissions by supplementing acceleration with electric power from a 48-volt battery and extending combustion engine “off time” by a mild-hybrid starter-generator unit.

The marque says the technology will offer a compelling cost-to-performance ratio compared to full hybrids. The component’s compact nature means it can be integrated into existing architectures with no plug-in recharging required.

The Sportage will be the first model to boast new technology. Kia plans to launch 16 advanced powertrain vehicles by 2025, including five hybrids, five plug-in hybrids, five battery-electric vehicles and – in 2020 – a new fuel-cell electric car.

Vehicle inspection specialist opens bigger facility

The biggest VINZ testing station in the country has been officially opened in Palmerston North at a ceremony attended by staff past and present, NZTA officials, supporters and partners.

The facility at 37 Armstrong Street in the city’s Roslyn area has replaced the one in Taonui Street, which was for light vehicles only.

Brian Stone, national manager – commercial, told Autofile: “We had been looking at new sites for some time. This one took about 12 months from start to finish and was very much a team effort. The building itself covers 2,300 square metres.”

It boasts two truck pits long enough to scrutinise the whole vehicle and trailer without moving it, while latest brake-testing and battery-powered hydraulic lifting jacks are used to minimise inspection times and ensure customers are back on the road safely with reduced waiting times.

There are also two car hoists for warrants of fitness, three compliance bays and a large enclosed secure yard for storing customers’ vehicles overnight.

Gordon Shaw, chief executive officer of VINZ, officially opened the station on May 29 with the first customers being welcomed on June 1.

Visit www.autofile.co.nz to find out more.



Brian Stone, left, and Gordon Shaw

Companies expand presence north of country’s capital

Turners has opened a \$4 million regional facility in Porirua capable of holding 550 vehicles. It boasts an environmentally friendly car wash with swales to retain and treat rain, which recycles water used in the next cycle on wheels.

The hub is the company’s centralised operations and sales centre for the region with smaller satellite retail yards opening soon.

Meanwhile, Johnston Ebbett Holden is relocating to Heriot Drive – about one kilometre from its current site at Porirua Megacentre.

The 6,00sq m site, which will display more than 100 cars, should open in December. A workshop double in size will have nine bays instead of five.

High-performance manufacturer pulled up on software

Porsche has been ordered to recall about 60,000 diesel-powered Macans and Cayennes in Europe to correct illegal defeat devices.

Germany’s KBA automotive industry authority, which made the order, says the software can manipulate emissions controls for nitrogen oxide.

The SUVs concerned are 6,755 Cayenne 4.2-litre V8 TDIs and 52,831 three-litre Macan V6 TDIs. Both have been certified under Euro-6 emission standards. ☺

Wraps off all-electric vision

The BMW Group has unveiled an electric version of its X3 SUV with a driving range in excess of 400km.

The Concept iX3 is likely to be revealed in production form in 2019 and it marks the first time BMW has produced a fully electric version of one of its core models – the i3 and i8 fall under the “i” sub-brand.

The marque says the iX3 will share a technological base with the iNext model, which is being slated for 2021.

The electric SUV comes under BMW’s plans for flexible architectures allowing front, rear and all-wheel drive, as well as internal combustion, plug-in hybrid and pure battery power, on all future models.

The iX3 will go head to head with other battery models such as the new Mercedes-Benz EQ,



The Concept iX3



Audi’s e-tron Quattro, Jaguar i-Pace and Tesla Model X.

BMW is yet to reveal much detail about the concept, but it boasts the fifth generation of its eDrive system with a motor producing power of more than 200kW.

The electric-drive technology groups the electric motor, transmission and power electronics in a separate drive

component, and is claimed to improve performance characteristics, weight, packaging space and flexibility.

The high-voltage battery has a net capacity of more than 70kWh for a range of more than 400km. By comparison, BMW’s i3 has a range of 235-255km.

The energy-storage system has a charging control unit

that can be connected to fast-charging stations to generate up to 150kW – allowing for a 30-minute charge.

The design of the iX3 is undoubtedly similar to the X3, while traits that identify it as one of the marque’s electric vehicles are the closed double-kidney grille with blue accents on the grille, BMW badge, side skirts and rear apron. Ⓜ

Terrier in its class

The new Fiesta ST will go on sale in New Zealand during the second quarter of next year in the Ford Performance line-up alongside the new 2018 Mustang and first-ever Ranger Raptor.

Built in Germany and based on the seventh-generation Fiesta – the current World Rally Championship car – the 2019 ST will be powered by a 147kW three-cylinder turbocharged engine from the blue oval’s EcoBoost line-up and matched to a six-speed manual transmission.

Chassis dynamics, driver involvement and point-to-point real-world performance will be developed even further.

“It’s the jack russell of cars with boundless energy and fun in a small package,” says David Herbert, marketing manager of Ford NZ.

“The new Fiesta ST will be hotly anticipated by enthusiasts – those who enjoy driving and see it as something more than getting from A to B.”

It has been created by the Ford Performance global organisation, which serves as an innovation laboratory and test-bed “to create unique vehicles, parts, accessories and experiences”.

Its work includes developing technologies in aerodynamics, light-weighting, electronics, and powertrain performance and fuel efficiency, which can then be applied more broadly to the marque’s product portfolio.

More details on the Fiesta ST will be announced closer to

its release. Ⓜ



The 2019 Ford Fiesta ST

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Downing tools for adventure

A workplace accident led to a dramatic change in Craig Brown's life – when he was 22, he severed a thumb.

The founder of AutoPlay, which supplies “smart digital tools” to the automotive and real-estate sectors, completed a diesel mechanic apprenticeship when he left school and did his time on Kubota tractors.

“I still have the scar where my left thumb was cut off. It doesn't bend. The mark two doesn't work as well as the mark one,” he laughs. “After the accident, I had a pin in it for nine months.

“ACC said to me ‘you don't want to do nothing for nine months, so we'll retrain you as a sales person’. I gave real estate a crack and joined Harcourts and, 27 years ago, there weren't many 22-year-olds selling houses.”

He took to his new profession “like a duck to water” after hard work retraining. “I made the top 20 for sales in New Zealand within four months of getting my sales ticket and believe I still hold that record. I shone in real estate. It was a good industry.”

During his 20s, Brown only had two goals – “making a few dollars and travelling the world”. So, after 12 years at Harcourts, he headed overseas with the goal of hitch-hiking around the world and getting to the Arctic Circle.

“I tried to not take planes. It's a long way to go when you don't take a plane, but travel was a big thing for me.”

First up was a container ship to Australia. He hitch-hiked across the lucky country before sailing out of Darwin, which was followed by Indonesia, Malaysia, Thailand, Laos, Vietnam and China.

“I couldn't cross Tibet overland at the time, so I flew to Kathmandu. I had nine months in India. I bought a motorbike and rode down one coast, up the other and across the centre. That was awesome. I travelled into Pakistan, but headed back to India because there was a war in Iraq and Iran.”

The threat of scud-missile



“The global financial crisis came along and that changed our business model. There was a bit of blood on the floor” - Craig Brown

attacks forced the change, so he flew to Turkey before taking 14 months to hitch-hike to Cape Town and back again.

Travel highlights included sitting in a Zambezi waterhole drinking beer as African wildlife strolled past, South America for the people and India to “blow your mind”.

He returned to New Zealand four years later. He met a friend of a friend, who was running Auto TV. It screened on C4 until 2012. The show was broadcast from 6-9am, six days a week and was on-air for 12 years.

Brown was employed by Auto TV to learn how to use its format to run a 24/7 channel advertising real estate in the UK.

“Those dreams never came to fruition, but I enjoyed being back

in automotive. The fundamental difference between real estate and automotive is that real-estate sales people are really nice to you because – if they get a result – they get four per cent of your house's price.

“Car dealers are real businessmen. They have real skin in the game, and lease land or have paid a significant price for it. Every car on yards they've either bought or it's on a floorplan. They understand business better and I find that refreshing. I enjoyed dealing with car guys and was enjoying the media stuff.”

Brown jumped at the opportunity to buy Auto TV, which he owned for about six years. “When I originally started there, it was a slideshow of vehicles for sale.”

Voiceover specialists Simon Franks and Freda Wylie phoned dealers to chat about their stock on their yards. “There were continuous and fresh conversations about cars” and, because of the banter, the show attracted a large female audience.

“Women listened to a conversation between a dealer and Simon. If they decided the trader was a good guy, they would then make contact with the dealer.”

Many people also watched to see how much their cars were worth.

“It was a great job. I started doing video footage and car reviews with dealers like Graeme Macdonald from Croydon Wholesalers in West Auckland. We were having a blast. We had Rod Milner moving wheelchairs in and out of disability vehicles.

“There was fun with Grant and Monty, of 4Guys Autobarn. They had a couple of boys down there who put on great shows, and themed their yard and cars. George Bunce took everyone through his involvement with General Motors – different vehicles and right-hand-drive conversions.”

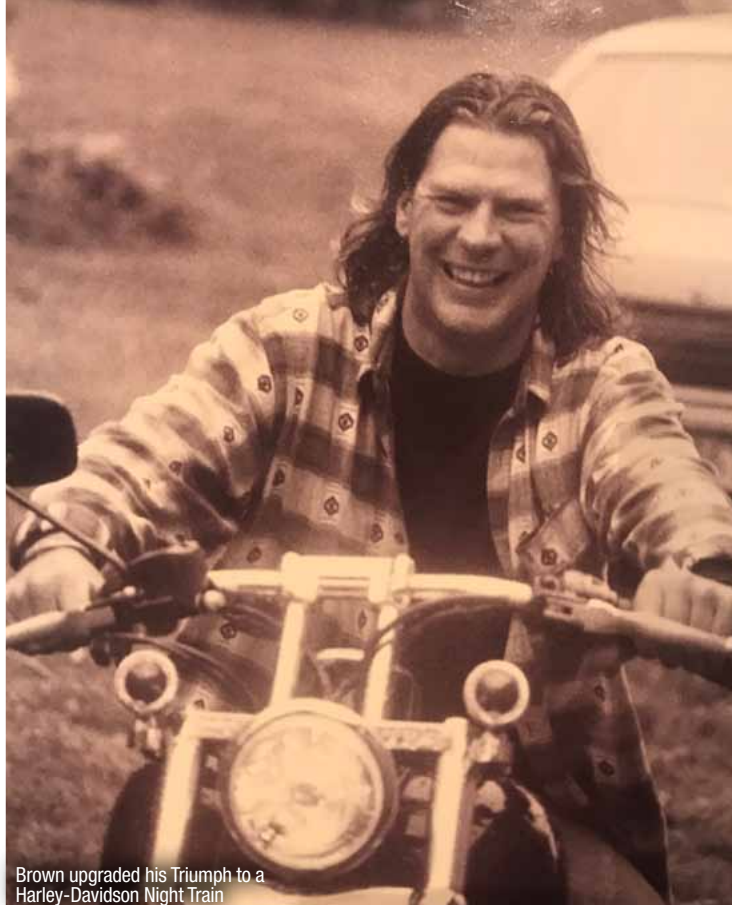
Then, however, came the inevitable shift to online.

Brown recalls: “People started going onto the internet rather than TV to find a car. Business started to slow down.

“We started to see a bit of pressure by 2005, but the market was good. To be fair, it was the first business I owned, so I was a bit naïve to the changes and didn't think there was going to be a rainy day.

“The global financial crisis then came along and I can tell you that changed our business model. There was a bit of blood on the floor.

“I conducted a few focus groups and our clients had reduced their above-the-line advertising spend by a minimum of 50 per cent and some more. However, they hadn't reduced their online spend, so it was clear we needed to go online. ▶



Brown upgraded his Triumph to a Harley-Davidson Night Train



Craig Brown bought a 1967 Dodge Polara to drive across the US, Canada and Mexico



Getting to know the locals at a road-side stall in Bolivia's mountains



Tracking down Billy the Kid's grave in Bolivia



Brown's first Cortina with his mate Kev



Brown's first motorbike – a Triumph Tiger 500

Making the most of life

Craig Brown's first car was a Humber 80, followed by a British racing green Vanguard, and a white and blue Mark I Cortina.

He currently drives a Kia Sorento, which is "good for the farm and family". His last Harley-Davidson Night Train remains a favourite, while his dream vehicle is a snow mobile.

When Brown isn't working and travelling, he enjoys wood-fired cooking, hunting, and socialising with friends with great wine and food.

◀ "I approached my business partner Chris Nottingham with this idea of producing cool adverts on dealers' websites. That was our first morphing of the business from TV to traders' sites. It was interesting because once we got in there, we needed good, clean data to create the video ads.

"At the time, Trade Me was having a battle with Autotrader and there was another player called GoAuto. They were fighting it out and no-one wanted to share inventory, so dealers had to load it into three places.

"Then I said, 'hey, let's put these videos in', so I gave them a fourth place to load, which was problematic."

Brown then created a solution. "I said to Chris, 'why don't we build a loading tool and once dealers load into AutoPlay, we will build the video for them and push the data out to help them'.

"Business took off. Dealers weren't that interested in videos,

they just wanted the data application. We were getting a lot of accuracy and efficiency in dealerships, which we pride ourselves on.

"We had a group of traders. Some were Toyota dealers who had been with us for more than 12 years. We were handling their data and they recommended we talk to Toyota NZ. We were led by our dealers into our first OEM."

They met with Toyota NZ, which saw the value AutoPlay could bring to the way it handled its used cars.

"We rolled out the network and got them on the platform. We knew things must have been going well because within four months we were awarded Lexus without having to pitch.

"Then we came up building a video-response tool to customers' email inquiries because sales people are better at talking than typing. That was swallowed up quickly and we again did some cool things with

Toyota. We got Kia on-board and that took it to another level."

Brown says AutoPlay's business has "morphed organically" from dealers' needs to the point it now works with 83 per cent of the market.

"The franchises use our tools and that's our sweet spot. We also work with used car dealers – guys that understand process, like Mark Lewis at City Motor

Group or 4Guys in Hamilton. We'll work with anyone, but they have to understand there are benefits from following our processes.

"We had to make the tools simple or sales people wouldn't use them, we're constantly refining things and making it easier to enter data, such as scanning a customer's driver's licence and adding a couple of details for test-drives."

Brown knows every car sold has had eight inquiries on it. Back in the old days, leads were worked so when a new vehicle came in, it could be matched to a black book of possible buyers with phone calls then made. Now sales people put photos online and wait for leads.

"Our goal is to take customer and vehicle details so when a trader gets a similar car or the price is adjusted, that opens it up to another pool of buyers in the dealership's AutoPlay suite." ☺

The month that was.... June

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June 8, 1998

Industry ponders fall-out of law

Traders were divided over whether they would support the Motor Vehicle Dealers' Institute (MVDI) when the new Motor Vehicle Dealers' Act (MVDA) became law in 1999.

Under the new legislation, the institute would no longer have statutory functions and membership wouldn't be compulsory. Dealers would have to be licensed, but sales people not.

There were mixed feelings among dealers about the changes. Gisborne used-vehicle dealer Fred Lewis said deregulation would be the worst thing that had ever happened to the industry.

"Every Tom, Dick and Harry will be able to get a licence," he said. "When things go wrong, they'll duck for cover and pop up again using someone else's licence."

Alan Kirby, a franchise dealer in Kapiti, said consumers saw the changes as giving them less protection. He said dealers would have to demonstrate to the public that "we are looking after them".

Kirby added that, in the long term, customers would go to the big dealerships in order to gain the reassurance of buying from a perceived reputable dealer because of the ease with which anyone would be able to obtain a licence under the proposed new law.

He said the MVDI hadn't been the most effective body, while Auckland dealer Steve Ward said he wouldn't continue his membership.



June 21, 1999

Dealers and marques clash over bill

The Motor Vehicle Dealers' Institute (MVDI) told the commerce select committee hearing on the Motor Vehicle Dealers' Amendment Bill that the government should abandon the proposed legislation and concentrate instead on reviewing the entire act.

In its June submission to the committee, the MVDI said the bill, which it referred to as the Daewoo Bill, represented a major shift in policy direction without the benefit of analysis or consultation.

The MVDI said the proposals would largely deregulate the new-vehicle market with international manufacturers and importers able to operate unlicensed new-car dealerships across the country.

However, the Motor Industry Association (MIA) and its members were 100 per cent behind the amendment.

In its submission, the association said: "Our support is not only because of the effects the current act is having on Daewoo Automotive, but because this amendment will also allow MIA members and franchise dealers to likewise trade direct with customers wherever they may be located."



June 1, 2007

Draft emissions rule released

The highly anticipated draft rule on vehicle-exhaust emission standards was published and the industry responded with counter proposals.

The new stringent system designed to improve air quality and public health was being proposed by the government. The tougher standards would apply to vehicles when they were first registered for use on New Zealand roads with used imports to be tested to ensure they met requirements.

A Ministry of Transport report published in 2002 showed about 400 people died prematurely each year from vehicle-exhaust emissions.

David Vinsen, of the Independent Motor Vehicle Dealers' Association, said the proposed restrictions on used imports would increase the cost of basic cars by up to 50 per cent with no environmental benefit.

It suggested the government adopt the Japanese GF standard in 2008 as an intermediary step.



June 27, 2008

Direct vehicle buying is here

After several trials over 18 months, meetings in Japan and investment in an online system, www.autobasewholesale.com was relaunched with the "Be First, Be Fast, Be Sure" campaign.

It promoted a unique stock-sourcing service that was expected to save vehicle traders in New Zealand between \$500 and \$1,500 per unit imported.

Registered traders gained access to view and purchase stock from major Japanese suppliers before they were sent to auction. This eliminated agent and auction-related fees and combatted inflating prices due to competition from deep-pocketed UK, South American and Russian buyers.

The "buy now" functionality of the new system allowed dealers to secure purchases immediately.

"Over the past few years, we've seen retailers squeezed by difficult buying conditions in Japan and a competitive environment locally," said David Paviour, director of AutoBase.

"A simple, full service system offering quality vehicles with a trusted shipping and logistics provider is what clients have been asking for."



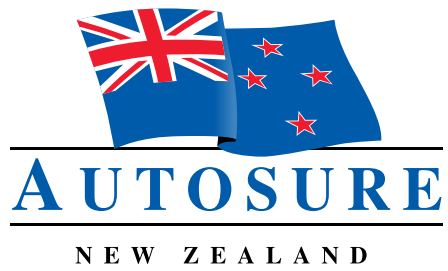
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Industry movers

STEVE FRASER is the new dealer principal at North Harbour Ford. It follows Michael Critchley's appointment earlier this year as Automotive Holdings Group (AHG) NZ's country general manager.

Fraser, pictured, has more than 40 years' industry experience, including seven with Albany Ford as fixed-operations manager and general manager, plus a decade with Ford NZ. He started at North Harbour in 2007 as Ford's sales manager.

He has been instrumental in North Harbour Ford's success over the past 11 years and has driven sales to achieve manufacturer objectives every year since taking up the role.

Fraser was heading up the development project for the Ford Experience Store at Wairau Park on Auckland's North Shore.



BLAINE BARRATT has joined Schofield Holden in Auckland as general manager. His career has spanned a variety of roles during two decades in the industry from used-car sales cadet to the "dream job" he has now.

He says he's excited to return to the Giltrap Group and Schofield's "enviable prestige and history". Its location in Newmarket offers new and used-vehicle sales, service and parts facilities, and service and parts operations in Penrose and Panmure.

Barratt says: "Now is a positive time to be part of the Holden NZ network with new product on-board and incoming. Schofield's is well-positioned to take advantage of fleet and retail opportunities. I'm looking forward to taking the dealership forward."



MICHAEL DOEG has been promoted to general manager of retail at Sime Darby Motors NZ. The position includes responsibility for Continental Cars and City Nissan.

Doeg was formerly general manager at Hino Distributors, and before that sales and marketing manager for Isuzu Trucks NZ.

He has more than 20 years' experience in the automotive sector, such as being national sales and operations manager at GM Holden NZ, and holding vehicle retail sales roles with Mazda, Nissan and Subaru.

Darren Salt, formerly southern regional sales manager for Hino, has been promoted into Doeg's old role.



Michael Doeg



Darren Salt

SEAN PARREY has been appointed dealer principal at North Harbour Mazda.

He joins AHG from Continental Cars BMW. He has a long history in automotive sales having been a dealer principal for the past 13 years.

Parrey has previously worked with leading automotive brands, such as Ferrari, Lexus and Nissan.



CHLOE WEBSTER has been appointed Provident Insurance's sales executive for Christchurch.

For the past two-and-a-half years, she was with QBE Insurance as an assistant underwriter. Prior to the insurance industry, she worked for Spark in its business sales team for three years.



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

NZ labour market report

THE SEASONALLY ADJUSTED unemployment rate fell to 4.4 per cent during the March quarter of this year, which was down from 4.5 per cent in the previous quarter.

This is the fifth consecutive quarter it has dropped, according to Stats NZ, and is the lowest rate since the December 2008 quarter when it was also 4.4 per cent.

"The underutilisation rate is equally as important," says Jason Attewell, senior manager of labour market and household statistics. "It provides a broader picture of untapped capacity."

The seasonally adjusted underutilisation rate fell to 11.9 per cent during the March quarter, down from 12.2 per cent in the December 2017 quarter with almost 340,000 people with the desire and potential to work more – although this was 5,000 fewer than in the previous quarter.

"Underutilisation includes people who have a job but want more hours, are available but aren't looking, or are looking for work but cannot start within the next month," explains Attewell.

During the March 2018 quarter, the male unemployment rate fell to 3.9 per cent and to 4.9 per cent for women. This compares with four and five per cent respectively in the December quarter.

Annually, employment increased by 3.1 per cent. Filled jobs were up by 22,400 for the year. Most were in professional, scientific, technical, admin and support services, and retail-trade industries.

The BNZ believes labour reports for the first quarter of 2018 will attract attention and "perhaps even more so than usual because an employment objective is now part of the reserve bank's policy targets agreement".

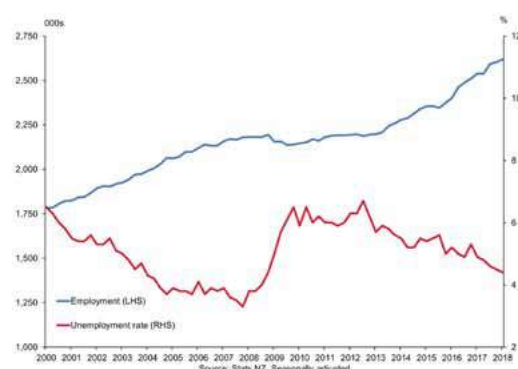
It adds: "This raises the risk of market over-reaction to minor deviations in often volatile data. A broad set of indicators say the labour market was healthy in

quarter one, but ebbing confidence raises questions around the degree of strength ahead."

Meanwhile, the Ministry of Business, Innovation and Employment predicts net migration will fall to about 65,000 people by June 2019 under current settings compared with the June 2017 figure of 72,300.

Residence approvals fell by eight per cent to 47,684 in the past financial year to June 30, 2017. This followed a 21 per cent increase in the previous year.

Skilled-migrant approvals fell by six per cent after points needed for automatic selection rose from 140 to 160, while pay thresholds are now an extra way of defining skilled employment.



Alterations to the essential-skills visa have been implemented. They include pay thresholds to assess skill levels of jobs offers to create high, mid and low bands, and a maximum of three years for lower-skilled visas before another can be granted.

The changes are intended to enable employers to hire temporary workers when there are genuine shortages.

More than 800 occupations were recorded for essential-skills approvals in 2016/17. About 64 per cent were at skill levels one to three on the standard classification.

In December, motor mechanic (general), panel-beater and vehicle painter were added to the immediate skills-shortage list, while the long-term list includes finance and business accountant, automotive electrician and diesel motor mechanic. Visit www.autofile.co.nz for more on the Migration Trends report.

Commitment to plan takes courage

Over the past couple of years, the New Zealand economy has been doing well and we've all been experiencing buyers with more confidence to spend.

Lately, there have been some serious challenges for the industry and there are more to come.

Challenges such as these can show your business isn't necessarily prepared or resourced to efficiently cope with increased legislative or consumer demand.

However, it's critical to maintain profitability, customer service and satisfaction as you want these clients to return in the future.

It's at times like these that we all need to focus on implementing systems and processes in our businesses that will make overcoming these challenges so much easier.

At Protecta Insurance, we've been going through the same challenges over the past three to four years. In

our case, we had a target of where we wanted the business to be in the future and then set about building achievable plans to get us to those goals.

Plans need to be measurable and monitored regularly with changes being made when necessary.

But be honest with your assessment and don't make excuses if your performance isn't meeting the plan.

Most of all, these plans need to be supported by significant commitment and sometimes investment. The challenge is whether you have the commitment to invest in your business and its future.

We realised Protecta needed to ensure it had enough human resource to meet our goals. We have been growing rapidly over the past three to four years. This has accelerated



TONY HEADLAND
General manager
Protecta Insurance

even more over the past four months, especially through our motor-trader channel.

The changes made are proving to have a positive effect and delivering better service to our customers.

Ray Meharg, Protecta's national and

key accounts manager, is working closely with these accounts and developing plans to increase finance and insurance (F&I) sales and profitability, and then visiting dealers to help execute the plan.

He's being supported by Dass Pillay, who has been recruited to help with increased business and demand, and enhance our experienced offering to our clients.

Erin Mills, national training manager, is busier than ever delivering targeted F&I training.

Dealerships across the country are benefiting from the results of this through increased skills and, in turn, profitability.

Protecta organises many group training courses, in-dealership training and breakfast meetings. We're happy to provide specific and tailored training to help dealers achieve their goals.

Planning is continual and evolving. Through this process we've ensured Protecta is well-positioned to take advantage of our growth and provide exceptional service to our valued clients and business partners.

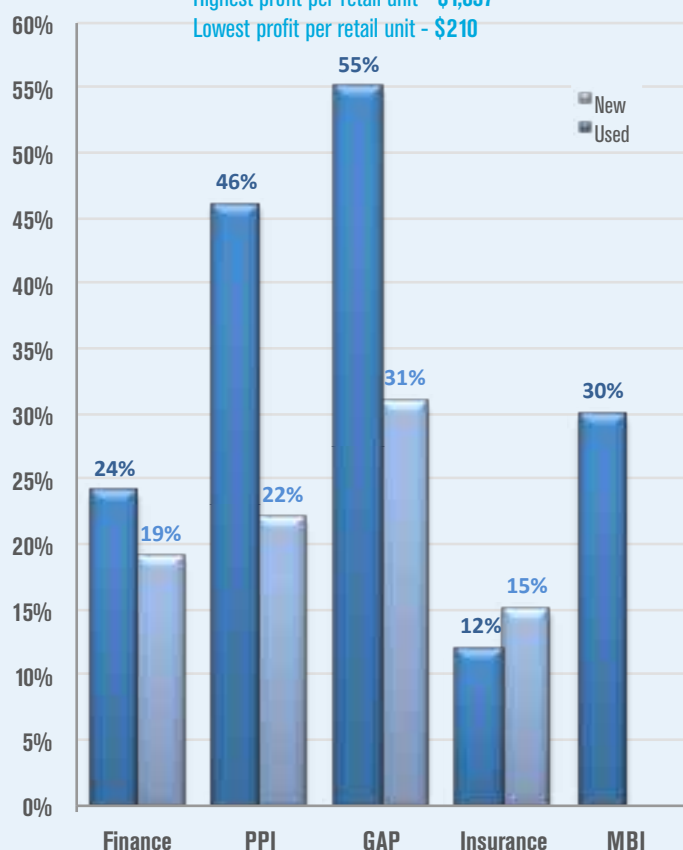
We'll have more positive news for our customers and the industry in the coming weeks and months, so watch this space.

Goal-setting, planning, resourcing and commitment take courage. But if they are well-thought through and executed, it's worth the time, effort and investment. ☺

PROTECTA nationwide F&I results

May 2018

Highest profit per retail unit - \$1,837
Lowest profit per retail unit - \$210



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SPEED DIARY

7 - 10 Jun	WRC - Rally Italy, Sardinia
8 Jun	F1 Practice - Montreal, Canada
9 Jun	F1 Qualifying - Montreal, Canada
9 - 10 Jun	Superbikes - Czech Republic World Rallycross Championship - Hell, Norway RX2 International Rallycross Series - Hell, Norway
10 Jun	F1 - Montreal, Canada NASCAR Cup Series - Michigan, USA ABB Formula E Championship - Zurich, Switzerland BTCC - Oulton Park
15 - 17 Jun	Australian Supercars - Darwin
16 - 17 Jun	Le Mans 24 Hours - France
17 Jun	MotoGP - Circuit de Catalunya, Spain
17 - 19 Jun	European Rally Championship - Cyprus Rally
17 - 21 Jun	Pikes Peak Hillclimb - Colorado Springs, USA
22 Jun	F1 Practice - Paul Ricard, France
22 - 23 Jun	British Rally Championship - Ypres Rally
23 Jun	F1 Qualifying - Paul Ricard, France DTM - Norisring, Germany
23 - 24 Jun	Formula 2 Championship - Paul Ricard, France World Touring Car Cup - Vila Real, Portugal Superbikes - Laguna Seca, USA F3 European Championship - Norisring, Germany GP3 - Paul Ricard, France
24 Jun	F1 - Paul Ricard, France NASCAR Cup Series - Sonoma, USA BTCC - Croft Circuit, UK DTM - Norisring, Germany
30 Jun - 1 Jul	F2 Championship - Spielberg, Austria GP3 Series - Spielberg, Austria World Rallycross Championship - Holjes, Sweden RX2 International Rallycross Series - Holjes, Sweden

Tough outcomes for Kiwi duo

The World Rally Championship (WRC) continues to be an uncompromising contest, with Hayden Paddon and David Holder crashing out of this year's Rally Portugal.

They were in good company – Citroen's Kris Meeke also swatted a half-dozen trees in the process of wrecking his C3 WRC.

For Paddon, the DNF is a further blow as he fights to stay with the factory Hyundai team.

He dodged a big rock at an apex and dropped into a drain on the opposite side. Then, before he could claw the vehicle back onto the road, it hit a driveway culvert.

Paddon was taken to hospital for checks, but the car itself was too badly damaged to have carried on.

Holder rolled his Ford Fiesta at slow speed and was able to



Hayden Paddon's wrecked Hyundai WRC



David Holder managed third in the J-WRC

continue. A driveshaft in the car later broke, but Holder managed to stay the pace and finished third in the junior championship.

Even in the days of Possum Bourne, the WRC had no special friendliness towards Kiwis.

Bourne could win Asia-Pacific Rally Championship rounds, even the marathon Rally China. However, the tiniest error is punished at WRC speeds and the Subaru team at the time didn't offer many chances at redemption. ☹

Teen thwarted in Euro F3 opener

Christchurch-born Marcus Armstrong started strongly – but with some frustration – in FIA's 2018 Formula 3 European Championship's opening round in Pau, France.

Racing for the respected Prema team, Armstrong was fifth overall in the season's opener and improved to a podium in the second race.

But he was unable to finish the third after being nudged into the wall before getting caught up in a midfield crash.

Armstrong was "partially



Marcus Armstrong in action buried" for the weekend's rainy third and final race, and in the danger zone where most opening-lap incidents occur.

There was chaos at the start when Alex Palou bogged and partially stalled. Then, having avoided the almost stationary car

of Palou, Armstrong was held off the racing line by Dan Ticktum.

"It was a low-grip piece of track and I had no way to slot back onto the racing line," says the 17-year-old.

Ticktum then bumped tyres with the Kiwi, sending him over a pedestrian kerb and into the Armco.

"It wasn't a big hit, but big enough," adds Armstrong. "I hung on but was dropping back. Then Ferdinand Habsburg and I came together in low visibility on the front straight and I hit the wall. That was it – race over on lap seven." ☹



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SPECIALISTS IN PRE-SHIPMENT VEHICLE INSPECTIONS



Finding stars of the future

Award-winning Kiwi sports television director David Turner says the current crop of inductees to the Motorsport New Zealand Elite Academy are among the most promising yet and again prove the sport has more stars in its future.

He's on his way back from an annual pilgrimage to the Indy 500, which is all about "better work stories" and looking at options the US provides for our next crop of racing stars. It also gives him a chance to catch up with Scott Dixon and other Kiwis behind the scenes there.

Turner says the academy has been influential in shaping the careers of almost every successful circuit racer since Dixon.

"Scott has kindly donated to the trust fund to help meet the costs of running the academy each year and for that we're grateful. If it wasn't for many kind people who believe in the academy and donate funds, it would be much harder to keep it running."

The academy was launched more than a decade ago when everyone in motorsport saw the need for a mentoring and development programme to help racers fulfil their potential.

"But there had been nothing like this in New Zealand until it began," says Turner.

Back to the present day and, together with his fellow directors, he has reviewed the applications and career information of the successful eight and says they are of a higher standard than in previous years.

"These young racers keep making our job more difficult and for those who haven't made the camp this year, we encourage them to apply again.

"This year's group leans strongly toward circuit racing and there are some promising talents there. Arguably there's another Dixon, Brendon Hartley, Earl Bamber or Marcus Armstrong among them."

The academy takes inductees in-house for a one-week "boot camp" of physical and educational training at Otago Academy of Sport, Dunedin.

It's the same place some of New Zealand's recent Commonwealth Games medal winners trained at and boasts the best tutors in areas to assist the academy's programme.

"Otago plays an important part of the programme's success and the team there is supportive of the aims of what we desire," adds Turner.



David Turner on the pitlane wall of the Indianapolis 500 circuit

Each year, the academy is open to up to eight racers, although quality is more important than numbers.

"To be successful, you should already have shown the ability to excel in your chosen motorsport discipline. We then look to help each candidate become a whole racer."

Group members are assessed on strength, endurance, flexibility, heat-stress tolerance, reaction time, visual abilities, and muscle balance and posture.

"It's not all about the gym," says Turner. "However, non-physical activities make up half of boot-camp time. These range from understanding dietary needs, mental-skills training, sponsorship, public-relations skills, media training and public speaking.

"There's a strong emphasis on personal development. But nobody gets to the top on their own, so we throw team activities into the mix. Everybody is assessed on their ability and performance in every area we cover."

The idea with the team exercises is to look at how well they integrate, but also how they communicate with others and cope with a team relationship at a rally or circuit.

Through his company Perspective Group, Turner covers a number of race categories each

summer for television and often sees academy graduates take their next steps to glory.

"It's fantastic to see the successful candidates go on to carve out a career and to know MotorSport NZ has had an important input into their journeys. For us, this is the reward."

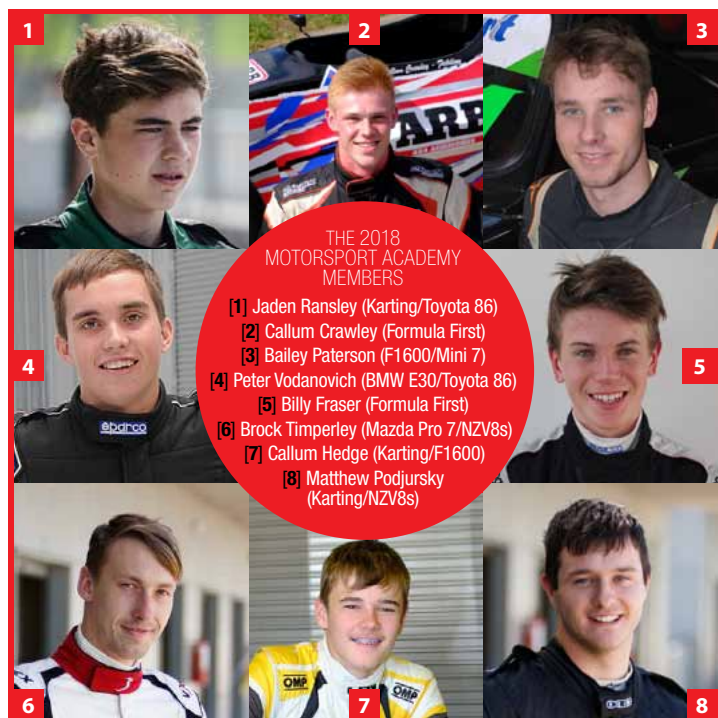
Turner has just launched Race Control, an international e-magazine focusing on Indycars. He would be "very proud" to see academy graduates popping up on its pages. Race Control can be found at www.zinio.com by searching for its title.

"I've wanted to create a fan-based magazine for some time now. The focus on this is to aid today's new fans into understanding the sport and the pieces of the puzzle that make it up."

In a recent conversation at Indianapolis, the academy came up with a team of journalists from Germany.

"The July issue of Race Control will include a feature on the 2018 camp as people have been asking me how New Zealand creates these guys, so I thought why not add it," says Turner.

"With the magazine being global, hopefully this again aids the vision of what we want as academy trustees." ☺



THE 2018
MOTORSPORT ACADEMY
MEMBERS

- [1] Jaden Ransley (Karting/Toyota 86)
- [2] Callum Crawley (Formula First)
- [3] Bailey Paterson (F1600/Mini 7)
- [4] Peter Vodanovich (BMW E30/Toyota 86)
- [5] Billy Fraser (Formula First)
- [6] Brock Timperley (Mazda Pro 7/NZV8s)
- [7] Callum Hedge (Karting/F1600)
- [8] Matthew Podjursky (Karting/NZV8s)

Trader cites 'communication breakdown' over failure to remedy fuel-injector fault

Background

Anirudh Kathnaur purchased a 2011 Skoda Octavia with 170,469km on the clock for \$6,800 from Auto Biz Ltd on September 13, 2017.

He experienced problems with the car within 10 days of its supply – in particular, it would intermittently lose power.

Kathnaur discovered the vehicle had a fault with its number-two fuel injector. He asked Auto Biz to remedy it, but it refused to do so.

He applied to the tribunal seeking to reject the Skoda and obtain a refund of all amounts paid in respect of the car.

Auto Biz claimed Kathnaur wasn't entitled to reject the vehicle and it should be given an opportunity to repair the fault.

The case

Ten days following purchase, Kathnaur had difficulty reversing the car out of his driveway. He said it took two hours to do so with it jerking as it went backwards.

The car lost power on several other occasions, including while he was driving on the motorway.

Kathnaur had it assessed by GMB Automotive Services and Giltrap Skoda. Both found the vehicle had a fault with its number-two fuel injector. Giltrap Skoda estimated the repairs would cost \$1,900.

The tribunal's assessor said the problem identified was consistent with the symptoms described by Kathnaur.

The faulty injector caused the

engine to only use three cylinders. This made the engine become unbalanced, and the vehicle jerk, vibrate and cut out.

Under the CGA, Kathnaur was entitled to reject the car if – having been asked to remedy the problem – Auto Biz refused to do so.

Section 18 of the act provides options against suppliers when goods don't comply with the legislation.

Where the failure can be fixed, the consumer may require the seller to do so within a reasonable time.

When a supplier refuses or neglects to do so, or doesn't succeed within a reasonable time, the consumer may have the failure remedied elsewhere and obtain from the supplier all reasonable costs incurred, or the buyer can reject the goods.

Where the failure cannot be remedied or is substantial, the buyer may reject the goods or obtain damages for any reduction in value below the price paid.

Kathnaur claimed he was entitled to reject the Skoda because the trader had refused to deal with the injector fault.

He advised Auto Biz on several occasions that the car was losing power and also advised the trader that GMB Automotive Services had diagnosed the number-two fuel injector fault.

Auto Biz claimed Kathnaur wasn't entitled to reject the Skoda. The trader said there had been a communication breakdown between the company and

Kathnaur, but it was still prepared to repair the vehicle.

However, the tribunal said the evidence showed Kathnaur approached the dealer on several occasions with concerns about the Skoda and at no time did it fix the fault.

Also, the tribunal was satisfied that when Kathnaur advised Auto Biz that GMB Automotive Services had diagnosed the problem, Cirilo Drummond, the trader's Papatoetoe branch manager, told him it wouldn't remedy it because Kathnaur had been rude and offensive dealing with company director Peter Collins. The latter denied this.

The adjudicator decided Collins wasn't involved in the discussion with Kathnaur and Drummond didn't give evidence.

The tribunal preferred the evidence of the buyer, who it found to be a reliable and credible witness with a clear recollection of events and discussions.

It was satisfied Kathnaur was told the dealer wouldn't repair the car. The fact Auto Biz might have thought he was rude failed to provide a defence to the buyer's claim.

The finding

The tribunal found a reasonable consumer – fully acquainted with the age, mileage and condition of the Skoda – would not find it to be of acceptable quality with a faulty number-two fuel injector so soon after delivery.

It also was satisfied that the

The case: Ten days following purchase, the buyer's Skoda began to occasionally lose power. He learned the car had a fault with its number-two fuel injector, which breached the guarantee of acceptable quality in the Consumer Guarantees Act (CGA). The trader declined to repair the problem despite being given opportunities to do so and claimed the buyer wasn't entitled to reject the vehicle.

The decision: The application to reject the car was upheld and the dealer was ordered to pay \$7,610.

At: The Motor Vehicle Disputes Tribunal, Auckland.

problem breached the CGA's acceptable quality guarantee.

Auto Biz had an obligation to remedy the injector fault, but it refused to do so. Therefore, Kathnaur was entitled to reject the Skoda under the legislation.

After rejecting the vehicle, the purchaser was entitled to recover all amounts paid in respect of the car and any losses suffered as a result of the injector fault under section 23 of the CGA.

Kathnaur paid \$310 to have the fault assessed by Giltrap Skoda and the tribunal ruled he was entitled to recover that amount.

However, the tribunal ruled he wasn't entitled to recover the \$230 for GMB Automotive Services to service the Skoda and \$83 to register the car because neither of these costs related to the injector fault.

Orders

The purchaser was entitled to reject the car and obtain a refund of all amounts paid in respect of the vehicle. He was also permitted to recover all costs and losses arising from the fault.

The tribunal ordered the dealer to pay \$7,610 to the buyer. ☺



Owner of vehicle continued to add oil despite being told engine was overfull

Background

Arthur Barnett Properties Ltd, acting through its director Timothy Barnett, purchased a new Jeep Grand Cherokee Overland in 2015 from Armstrong Prestige.

Although he had driven more than 41,000km in it, Barnett wanted to reject the car 17 months after purchase.

Barnett claimed the Jeep had a number of defects – the most serious being excessive usage of engine oil, but the trader denied there was anything wrong with it.

The case

Barnett said the Jeep had 10 issues, including incorrect wheel alignment, the motor stalling to idle while cold and its proximity sensors didn't work properly. But he was mostly concerned about its excessive consumption of oil.

In April 2017, he told the dealer the Jeep was using too much lubricant and asked for it to be checked. Unsatisfied with the trader's initial checks, Barnett continued to check the vehicle's oil level.

In May, he noted its level appeared to be below minimum on the dipstick. He went to Wellington Jeep dealer Gazley Motors, which found it was overfull and declined to add any lubricant.

Barnett drove to Auckland, where he checked the level again. He took the vehicle to a Jeep dealer in Newmarket, which gave him the same advice.

Despite being told by two dealers the engine had too much

oil in it, Barnett added one litre because he doubted the advice he had been given was correct. A few days later, he purchased another litre, which he added to the Jeep.

He drove back to Wellington and checked the level again after travelling by ferry to Picton. Barnett added another litre in Blenheim and even more oil in June after returning to Christchurch.

About mid-June, Jeremy Duffy, service manager at Armstrong Prestige, confirmed there was too much lubricant in the engine after checking its level. About three litres were removed and an oil-consumption test was carried out.

The dealer ascertained that 21ml of lubricant was used by the vehicle over 1,066km, which was less than 10 per cent of the acceptable rate of consumption, according to factory guidelines.

Barnett disputed the test results, saying the Jeep was consuming about a litre of engine lubricant for every 879km travelled. He recorded adding 7.3l of oil during a period in which the car travelled about 18,000km.

He had the consumption tested by the AA's vehicle inspections manager in Christchurch, Grant Waters, who checked the oil level after the Jeep was driven 175km.

When Waters first pulled the dipstick out, he noted the oil was on the low mark. However, when he rechecked the level, it showed it was on the full mark.

He considered his second check was correct and the oil level was "within specification".

He recommended Barnett allowed Armstrong Prestige to complete its checks as "it appears that oil consumption/burn has reduced dramatically".

Steve Welford Automotive also carried out a consumption test and found checking the oil level on the Jeep was "extremely confusing", but didn't record any conclusion that it was consuming excessive engine lubricant.

After considering the evidence, the tribunal's assessor advised there was no evidence of oil consumption in the excessive quantities suggested by Barnett and there was also a lack of any other evidence of too much consumption.

Another major concern for Barnett was the car's park-assist system. He said the front of the vehicle, for a substantial part of its width, didn't trigger the front proximity sensors to work and the rear sensors only worked sometimes.

Barnett said an Armstrong Prestige staff member agreed with him during tests on a site inspection that the Jeep's front sensors weren't working adequately.

Duffy sent Barnett an email referring to the tests and acknowledged the system was less sensitive in the front-bumper section, but he didn't agree it was defective.

He added the system was operating as designed by providing a warning to the user that was sufficient to avoid an impact.

The owner's manual emphasised the park-assist system wasn't a substitute for driver responsibility.

The case: The buyer said his Jeep Overland, which he bought new in 2015, had a number of defects – the most serious being excessive oil consumption. After travelling more than 41,000km in the car over 17 months, he wanted to reject it under the Consumer Guarantees Act (CGA). The trader denied there was anything wrong with the vehicle.

The decision: The buyer's rejection of the Jeep wasn't upheld and his application was thrown out.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

The tribunal's assessor found Barnett's claim in respect of the sensors was difficult to evaluate because there was insufficient evidence to establish if the system was unfit for purpose or dangerous.

The finding

Barnett's complaint relating to excessive engine oil consumption was rejected by the tribunal due to a lack of evidence. It ruled there was no breach of the CGA's guarantee of acceptable quality.

The tribunal also concluded the Jeep didn't fail to comply with the same guarantee due to any defect in its proximity sensors.

Even if the tribunal had accepted the park-assist system was defective, Barnett had left it too long – 17 months – after purchasing the Jeep to reject it.

None of Barnett's other complaints about the vehicle were upheld either because there was inadequate evidence to conclude anything was objectively wrong with the vehicle.

Order

The application was dismissed. ☹

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LATEST SCHEDULE

Port Calls		Lake Taupo v1810	Dream Jasmine v1855	Dream Orchid v1811	Carrera v1812
JAPAN	Moji	19 May	–	–	14 Jun
	Osaka	20 May	23 May	6 Jun	15 Jun
	Nagoya	22 May	22 May	7 Jun	16 Jun
	Yokohama	23 May	21 May	8 Jun	18 Jun
NZ	Auckland	10 Jun	12 Jun	23 Jun	7 Jul
	Wellington	14 Jun	14 Jun	30 Jun	11 Jul
	Lyttelton	13 Jun	29 Jun	7 Jul	10 Jul
	Nelson	16 Jun	1 Jul	9 Jul	12 Jul

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Total new cars
9,275
2017: 8,386 ▲ 10.6%



Total imported used cars
13,420
2017: 14,439 ▼ 7.1%

Whangarei
NEW: 228 2017: 194 ▲ 17.5%
USED: 307 2017: 351 ▼ 12.5%

Auckland
NEW: 4,128 2017: 3,586 ▲ 15.1%
USED: 6,153 2017: 6,850 ▼ 10.2%

Hamilton
NEW: 613 2017: 550 ▲ 11.5%
USED: 870 2017: 1,025 ▼ 15.1%

New Plymouth
NEW: 124 2017: 149 ▼ 16.8%
USED: 211 2017: 229 ▼ 7.9%

Wanganui
NEW: 96 2017: 83 ▲ 15.7%
USED: 111 2017: 98 ▲ 13.3%

Palmerston North
NEW: 241 2017: 249 ▼ 3.2%
USED: 392 2017: 391 ▲ 0.3%

Nelson
NEW: 126 2017: 105 ▲ 20.0%
USED: 290 2017: 281 ▲ 3.2%

Westport
NEW: 4 2017: 0 ▲ 400.0%
USED: 5 2017: 7 ▼ 28.6%

Greymouth
NEW: 25 2017: 17 ▲ 47.1%
USED: 34 2017: 43 ▼ 20.9%

Thames
NEW: 129 2017: 62 ▲ 108.1%
USED: 106 2017: 116 ▼ 8.6%

Tauranga
NEW: 389 2017: 394 ▼ 1.3%
USED: 596 2017: 676 ▲ 11.8%

Rotorua
NEW: 179 2017: 89 ▲ 101.1%
USED: 208 2017: 193 ▲ 7.8%

Gisborne
NEW: 41 2017: 38 ▲ 7.9%
USED: 64 2017: 82 ▼ 22.0%

Napier
NEW: 234 2017: 216 ▲ 8.3%
USED: 311 2017: 290 ▲ 7.2%

Masterton
NEW: 87 2017: 77 ▲ 13.0%
USED: 87 2017: 89 ▼ 2.2%

Wellington
NEW: 863 2017: 818 ▲ 5.5%
USED: 1,098 2017: 1,048 ▲ 4.8%

Blenheim
NEW: 57 2017: 56 ▲ 1.8%
USED: 66 2017: 64 ▲ 3.1%

Christchurch
NEW: 1,212 2017: 1,196 ▲ 1.3%
USED: 1,702 2017: 1,862 ▼ 8.6%

Timaru
NEW: 73 2017: 70 ▲ 4.3%
USED: 124 2017: 115 ▲ 7.8%

Oamaru
NEW: 9 2017: 23 ▼ 60.9%
USED: 11 2017: 28 ▼ 60.7%

Dunedin
NEW: 277 2017: 268 ▲ 3.4%
USED: 452 2017: 433 ▲ 4.4%

Invercargill
NEW: 140 2017: 146 ▼ 4.1%
USED: 222 2017: 168 ▲ 32.1%

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Imported Passenger Vehicle Sales by Make - May 2018

MAKE	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	3,102	3,604	-13.9	23.1%	14,728	23.8%
Nissan	2,630	2,750	-4.4	19.6%	11,581	18.7%
Mazda	2,063	2,153	-4.2	15.4%	10,107	16.3%
Honda	1,374	1,409	-2.5	10.2%	6,203	10.0%
Subaru	770	669	15.1	5.7%	3,602	5.8%
Suzuki	682	692	-1.4	5.1%	3,296	5.3%
BMW	621	660	-5.9	4.6%	2,596	4.2%
Mitsubishi	463	559	-17.2	3.5%	1,914	3.1%
Volkswagen	402	446	-9.9	3.0%	1,941	3.1%
Audi	276	287	-3.8	2.1%	1,181	1.9%
Mercedes-Benz	257	368	-30.2	1.9%	1,166	1.9%
Ford	102	98	4.1	0.8%	531	0.9%
Lexus	99	103	-3.9	0.7%	432	0.7%
Volvo	81	88	-8.0	0.6%	309	0.5%
Jaguar	53	44	20.5	0.4%	243	0.4%
Holden	44	60	-26.7	0.3%	194	0.3%
Chevrolet	41	58	-29.3	0.3%	256	0.4%
Land Rover	40	32	25.0	0.3%	202	0.3%
Dodge	39	39	0.0	0.3%	160	0.3%
Mini	37	48	-22.9	0.3%	164	0.3%
Jeep	32	26	23.1	0.2%	134	0.2%
Hyundai	30	36	-16.7	0.2%	143	0.2%
Porsche	24	45	-46.7	0.2%	106	0.2%
Chrysler	17	25	-32.0	0.1%	86	0.1%
Peugeot	17	14	21.4	0.1%	95	0.2%
Daihatsu	12	11	9.1	0.1%	45	0.1%
Kia	10	13	-23.1	0.1%	50	0.1%
Alfa Romeo	8	5	60.0	0.1%	19	0.0%
Cadillac	8	3	166.7	0.1%	28	0.0%
Maserati	7	21	-66.7	0.1%	19	0.0%
Pontiac	7	3	133.3	0.1%	24	0.0%
Renault	6	15	-60.0	0.0%	46	0.1%
Fiat	5	2	150.0	0.0%	17	0.0%
Smart	5	1	400.0	0.0%	28	0.0%
Citroen	4	1	300.0	0.0%	30	0.0%
Others	52	51	2.0	0.4%	245	0.4%
Total	13,420	14,439	-7.1	100.0%	61,921	100.0%

Imported Passenger Vehicle Sales by Model - May 2018

MAKE	MODEL	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Mazda	Axela	617	625	-1.3	4.6%	2,954	4.8%
Nissan	Tiida	572	652	-12.3	4.3%	2,525	4.1%
Suzuki	Swift	559	597	-6.4	4.2%	2,783	4.5%
Honda	Fit	509	467	9.0	3.8%	2,317	3.7%
Mazda	Demio	480	475	1.1	3.6%	2,417	3.9%
Toyota	Prius	359	352	2.0	2.7%	1,383	2.2%
Subaru	Legacy	354	352	0.6	2.6%	1,748	2.8%
Nissan	Leaf	338	135	150.4	2.5%	1,089	1.8%
Toyota	Vitz	299	279	7.2	2.2%	1,360	2.2%
Mazda	Atenza	293	321	-8.7	2.2%	1,346	2.2%
Toyota	Wish	292	334	-12.6	2.2%	1,371	2.2%
Mitsubishi	Outlander	259	325	-20.3	1.9%	1,079	1.7%
Volkswagen	Golf	253	294	-13.9	1.9%	1,228	2.0%
Mazda	Premacy	218	225	-3.1	1.6%	1,072	1.7%
Nissan	Note	217	198	9.6	1.6%	887	1.4%
Subaru	Impreza	215	147	46.3	1.6%	880	1.4%
Toyota	MarkX	214	285	-24.9	1.6%	1,144	1.8%
Nissan	Dualis	194	225	-13.8	1.4%	873	1.4%
Toyota	Corolla	191	218	-12.4	1.4%	851	1.4%
Nissan	Skyline	187	158	18.4	1.4%	714	1.2%
Toyota	Blade	182	136	33.8	1.4%	809	1.3%
Mazda	MPV	167	223	-25.1	1.2%	919	1.5%
Honda	Stream	162	128	26.6	1.2%	715	1.2%
Toyota	Auris	151	202	-25.2	1.1%	822	1.3%
Nissan	Murano	145	153	-5.2	1.1%	751	1.2%
BMW	320i	134	104	28.8	1.0%	516	0.8%
Honda	CRV	125	111	12.6	0.9%	594	1.0%
Honda	Odyssey	125	194	-35.6	0.9%	672	1.1%
Nissan	Bluebird	123	174	-29.3	0.9%	560	0.9%
Toyota	Estima	122	214	-43.0	0.9%	709	1.1%
Nissan	X-Trail	122	143	-14.7	0.9%	585	0.9%
Nissan	March	116	108	7.4	0.9%	499	0.8%
Honda	Accord	115	116	-0.9	0.9%	459	0.7%
Mazda	Verisa	115	100	15.0	0.9%	539	0.9%
Honda	Civic	104	120	-13.3	0.8%	395	0.6%
Others		4,792	5,549	-13.6	35.7%	22,356	36.1%
Total		13,420	14,439	-7.1	100.0%	61,921	100.0%



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Tough first quarter of year

The chairmen of VIA (the Imported Motor Vehicle Industry Association) say the sector has experienced a problematic start to 2018 with the outcomes of crises still being felt and managed.

Graeme Macdonald and Lloyd Wilson, who head up the North and South Island branches respectively, believe no-one can dispute the first quarter of this year has proven to be one of the most difficult in the association's recent history when it comes to sourcing, importing, complying and on-selling used imports.

VIA members have faced "the perfect storm" of challenges – from the brown marmorated stink-bug (BMSB) crisis and revisions to the import health standard, to difficulties over ensuring electronic stability control (ESC) compliance.

In addition, there have been logistics bottlenecks, mass arrivals of stock to an already overheated on-shore preparation network, indications of further and potentially restrictive fuel-efficiency targets, and "the elephant in the room" – the looming mandatory Takata alpha-type airbag call-back crisis.

"New Zealand has long prided itself on a relatively open-market economy," Wilson and Macdonald say in their annual report.

"Fundamental checks and balances are in place to ensure environmental and safety standards are met while delivering to New Zealanders an affordable, quality choice of vehicles and allowing regular upgrades and uptakes of newer technology.

"The days of the public viewing used imports as some sort of

inferior product are long gone, particularly given that it's nearly two decades since a brand-new vehicle was assembled – and in completely knocked-down form too – for sale in this country.

"Today, every vehicle we buy is imported and sourced from the same factories with similar if not almost identical specifications – the only measurable difference being the time spent in service in New Zealand or another jurisdiction.

"Against this backdrop, it's difficult to contemplate why such an efficient and streamlined resource feels like it's under siege at this time."

They hope and assume the days of any ideological bias are in the distant past given some used-imported car dealers have become agents for new-vehicle franchises, while mainstream new stores stock a selection of used imports to complement their franchise offering.

"Both the BMSB and alpha-type Takata airbag crises have proven to be a nightmare for both the new and

used industry," they say. "The financial pain being felt across almost every sector in the industry is significant at a time when cash-flow is tight and the need for consistency is paramount."

VIA's board understands the pain being felt and, of more concern, the consequences should issues being faced increase in magnitude or continue without being resolved effectively.

Wilson and Macdonald stress the association's mandate remains unchanged – to protect and advance the interests of the wider imported vehicle industry.

"Conflict has largely been replaced with effective representation and co-operation to achieve consensus and a level playing field," they add.

"The need to research raw data and explore concepts of the future have become necessary tools to assist the association's team in representing the membership by understanding potential pathways forward that may impact, influence

or open opportunities. We're aware we will have another year of unforeseen issues."

So far in 2018, sales of used imported passenger vehicles are down by seven per cent on the same period of last year – 61,921 units compared to 66,613 by this time in 2017, which is a drop of 4,692 units.

During May, 13,420 used imports were registered for the first time in New Zealand. This was up from 10,893 in April, but down compared to May 2017's total of 14,439.

Only two areas secured double-digit percentage rises last month. Invercargill's total jumped to 222 from 168 in May 2017 – or by 32.1 per cent – and there was a 13.3 per cent increase in Wanganui from 98 registrations to 111.

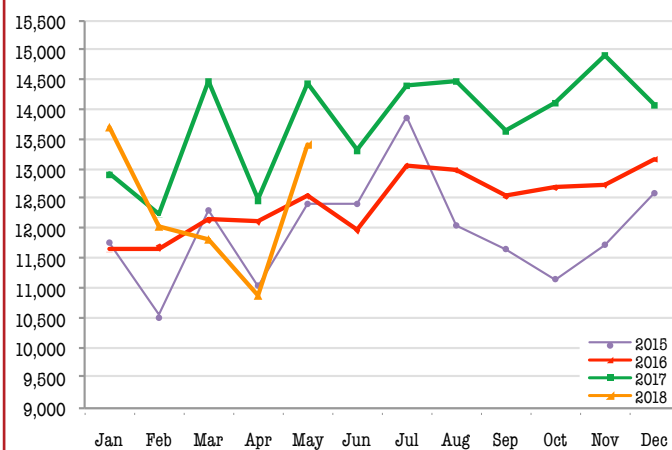
Toyota was the country's best-selling marque with 3,102 registrations for a market share of 23.1 per cent in May albeit on the back of a drop of 13.9 per cent on the same month of last year.

It was followed by Nissan on 2,630 sales and a 19.6 per cent – down by 4.4 per cent. Mazda completed the top three thanks to 2,063 sales, which secured it a market share of 15.4 per cent for the month.

The Mazda Axela again topped the passenger market on 617 units with the Nissan Tiida holding onto second on 572 vehicles. Suzuki's Swift was third on 559, followed by the Toyota Corolla on 554 and Honda's Fit on 509.

Nissan's Leaf broke into the top 10 after notching up its best month with 338 registrations to secure ninth spot on the ladder with a market share of 2.5 per cent, while Toyota's Prius was the top hybrid with 359 sales. ☺

Used Imported Passenger Registrations - 2015-2018



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Massive cost to automotive industry

The stink-bug crisis has cost companies in the automotive supply chain millions of dollars.

David Vinsen, chief executive of VIA (the Imported Motor Vehicle Industry Association), describes the issue's impact as "huge".

While there's no estimate of actual losses suffered by shipping and logistics companies, "they are uninsurable and an absolute hit to those involved".

Vinsen adds: "We have come to the end of it for now. No-one knows if the bugs were on used or new vehicles, or machinery. If there has been cross-contamination, no-

one knows. The whole process is being reviewed to see how it could be made better."

He outlined at VIA's AGM how the stink-bug crisis unfolded with four vessels being sent offshore and a meeting of the main players called within a few days.

"There was some blaming going on. We wanted to be more positive, so we set up a group to take some of the pressure off the Ministry for Primary Industries to try to find solutions."

The review of import health standard rules should be known soon, and it is believed vehicles will have to be treated in one of

three ways – with the gas sulphur fluoride, methyl bromide, "which means vehicles are then unsaleable", or heat treatment.

"Our research group is waiting for what it needs to do," says Vinsen. "The controlled discharge procedures pushed unloading times of vessels out from 12-24 hours to two to three weeks.

"It all meant that for seven weeks there was no supply with more than 6,000 new and used cars piling up in Japan. Then April and May were the two biggest months ever [for imports].

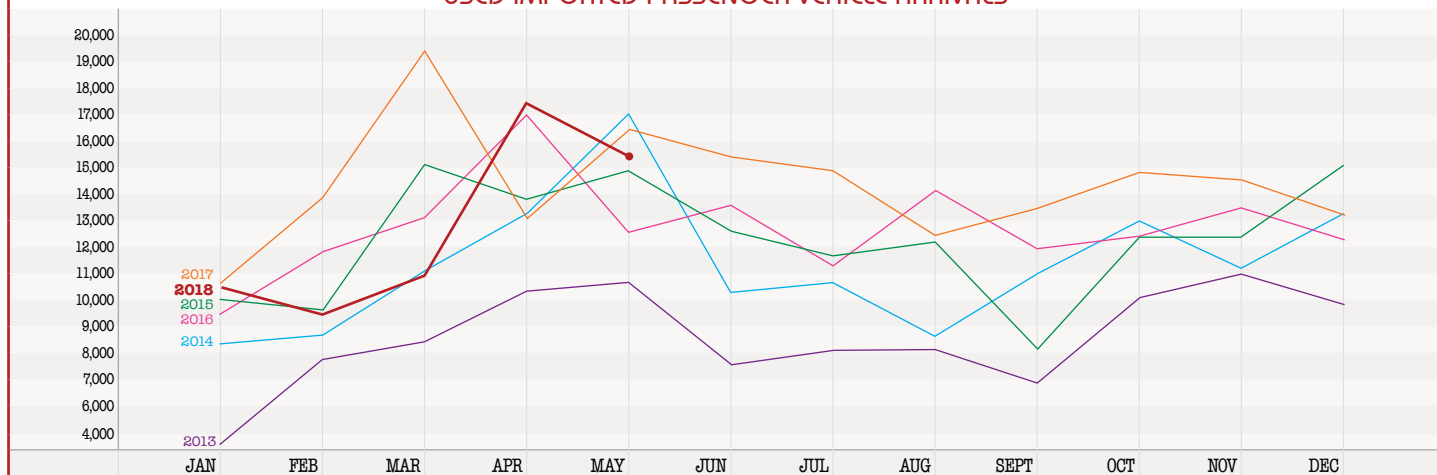
"We are working closely with members, sponsors and

the new-vehicle guys on this. Regular meetings with all of the parties concerned meant better communications on issues resulted so it just wasn't a finger-pointing exercise.

"We also had the second phase of electronic stability control coinciding with this and worked with the NZTA on issuing exemptions."

Vinsen notes record numbers of vehicles, new and used, were imported over the past year. During 2017, the total cars and commercials registered were 177,545 used and 156,218, while 176,790 vehicles exited from fleet. ☺

USED IMPORTED PASSENGER VEHICLE ARRIVALS



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2018							2017						2016	
	JAN '18	FEB '18	MAR '18	APR '18	MAY '18	MAY MRKT SHARE %	2018 TOTAL	Q1	Q2	Q3	Q4	TOTAL	% SHARE	2016 TOTAL	MRKT SHARE
Australia	435	359	383	340	392	2.5%	1,909	1,529	1,414	1,339	1,258	5,540	3.2%	5,151	3.4%
Great Britain	123	66	95	87	80	0.5%	451	687	485	478	523	2,173	1.3%	1,537	1.0%
Japan	9,681	8,852	10,154	16,801	14,755	95.3%	60,243	41,047	42,489	37,311	39,975	160,822	93.8%	143,080	93.7%
Singapore	132	111	101	126	129	0.8%	599	225	324	296	357	1,202	0.7%	1,231	0.8%
USA	80	101	102	102	98	0.6%	483	391	309	337	382	1,419	0.8%	1,275	0.8%
Other countries	28	36	89	17	30	0.2%	200	79	110	88	110	387	0.2%	438	0.3%
Total	10,479	9,525	10,924	17,473	15,484	100.0%	63,885	43,958	45,131	39,849	42,605	171,543	100.0%	152,712	100.0%



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Dealers wary of trade-ins

The number of trade-ins increased slightly last month despite the May 31 ban on dealers from selling vehicles fitted with alpha-type Takata airbags subject to a mandatory recall.

There was a 2.3 per cent increase in public-to-trader transactions during May with 15,933 units sold – 15,574 were registered in the same month of last year.

Matthew Foot, of Brendan Foot Supersite in Wellington, describes the Takata safety campaign as a “tricky” situation for traders.

“I’m appalled by the lack of information available about

affected vehicles,” he told Autofile. “It has created a lot more work to find out if a car is affected. There’s no common place to find that information, so it’s very difficult.

“We are saying to people that we will not stamp down a trade-in price until we know what’s happening. The onus is on the dealers. Private sales aren’t affected, so that’s a double standard.”

Foot says the public is either unaware of the airbag call-back or confused by it, but believes the recall will “wash itself out [of the industry] eventually”.

Back to May’s statistics and there were 18,908 second-hand cars sold

by dealers to members of the public – a 1.1 per cent increase with 18,697 units changing hands during the same month of last year.

At the same time, the public-to-public category remained steady with 44,168 units sold – up by 1.6 per cent on May 2017.

Thames saw a massive 84.5 per cent jump in public-to-trader sales with 214 units and this stacked up against 116 in the same month of last year.

Palmerston North was close behind with a 51 per cent jump in trade-ins with 1,660 units compared to 1,099 during May 2017, and Rotorua was third with a 33 per cent

increase to 141 trade-ins against 106.

Wanganui had a 47.1 per cent increase in dealer-to-public sales with 281 units last month compared to 191 in May 2017.

Rotorua was second with a 37.2 per cent increase with 409 units compared to 298 during May 2017, while Thames came close behind in third with a 31.5 per cent jump with 317 sales.

Auckland, which holds 34.01 per cent of the market share, saw a modest 3.1 per cent increase in dealer-to-public sales in May with 6,430 units. This stacked up against 6,236 during the same month of last year. ☺

SECONDHAND CAR SALES - May 2018

	DEALER TO PUBLIC					PUBLIC TO PUBLIC					PUBLIC TO DEALER			
	MAY'18	MAY'17	+/- %	MARKET SHARE		MAY'18	MAY'17	+/- %	MAY'18		MAY'17	+/- %		
Whangarei	653	656	-0.5	3.45		2,081	1,985	4.8			303	297	2.0	
Auckland	6,430	6,236	3.1	34.01		14,562	14,892	-2.2			6,254	5,693	9.9	
Hamilton	1,506	1,655	-9.0	7.96		3,409	3,564	-4.3			1,129	1,738	-35.0	
Thames	317	241	31.5	1.68		716	604	18.5			214	116	84.5	
Tauranga	956	1,047	-8.7	5.06		2,192	2,336	-6.2			633	633	0.0	
Rotorua	409	298	37.2	2.16		1,075	824	30.5			141	106	33.0	
Gisborne	170	168	1.2	0.90		454	367	23.7			65	69	-5.8	
Napier	699	602	16.1	3.70		1,608	1,561	3.0			496	429	15.6	
New Plymouth	390	433	-9.9	2.06		998	1,051	-5.0			219	253	-13.4	
Wanganui	281	191	47.1	1.49		625	506	23.5			163	153	6.5	
Palmerston North	776	857	-9.5	4.10		1,670	1,661	0.5			1,660	1,099	51.0	
Masterton	239	216	10.6	1.26		502	440	14.1			103	134	-23.1	
Wellington	1,581	1,636	-3.4	8.36		3,157	3,046	3.6			1,165	1,263	-7.8	
Nelson	353	364	-3.0	1.87		1,064	1,080	-1.5			275	207	32.9	
Blenheim	177	182	-2.7	0.94		529	439	20.5			114	110	3.6	
Greymouth	65	91	-28.6	0.34		220	204	7.8			37	42	-11.9	
Westport	2	18	-88.9	0.01		37	86	-57.0			0	0	0.0	
Christchurch	2,377	2,292	3.7	12.57		5,314	5,015	6.0			1,999	2,188	-8.6	
Timaru	250	250	0.0	1.32		580	597	-2.8			163	174	-6.3	
Oamaru	47	68	-30.9	0.25		118	208	-43.3			3	18	-83.3	
Dunedin	770	777	-0.9	4.07		2,132	2,016	5.8			504	529	-4.7	
Invercargill	460	419	9.8	2.43		1,125	995	13.1			293	323	-9.3	
NZ total	18,908	18,697	1.1	100.00		44,168	43,477	1.6			15,933	15,574	2.3	

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New Passenger Vehicle Sales by Make - May 2018

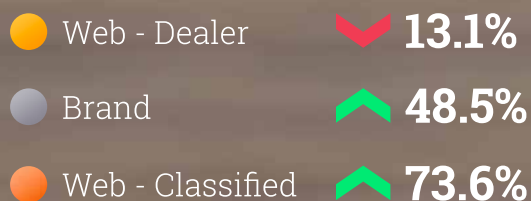
MAKE	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	1,779	1,245	42.9	19.2%	7,190	16.6%
Mazda	879	886	-0.8	9.5%	4,295	9.9%
Hyundai	831	561	48.1	9.0%	2,822	6.5%
Holden	660	681	-3.1	7.1%	3,252	7.5%
Kia	618	549	12.6	6.7%	3,020	7.0%
Mitsubishi	600	527	13.9	6.5%	2,923	6.7%
Suzuki	543	544	-0.2	5.9%	2,855	6.6%
Ford	487	524	-7.1	5.3%	2,544	5.9%
Honda	399	318	25.5	4.3%	2,288	5.3%
Subaru	342	304	12.5	3.7%	1,505	3.5%
Volkswagen	336	423	-20.6	3.6%	1,577	3.6%
Nissan	268	382	-29.8	2.9%	1,685	3.9%
Mercedes-Benz	187	202	-7.4	2.0%	924	2.1%
Audi	176	231	-23.8	1.9%	856	2.0%
BMW	161	144	11.8	1.7%	850	2.0%
Jeep	153	120	27.5	1.6%	608	1.4%
Land Rover	135	105	28.6	1.5%	427	1.0%
Skoda	130	118	10.2	1.4%	654	1.5%
Peugeot	84	32	162.5	0.9%	442	1.0%
Lexus	66	58	13.8	0.7%	329	0.8%
Mini	65	52	25.0	0.7%	324	0.7%
SsangYong	52	73	-28.8	0.6%	299	0.7%
Volvo	50	45	11.1	0.5%	258	0.6%
Haval	47	0	4700.0	0.5%	202	0.5%
Porsche	30	36	-16.7	0.3%	176	0.4%
Jaguar	29	28	3.6	0.3%	143	0.3%
Citroen	24	9	166.7	0.3%	110	0.3%
Renault	21	14	50.0	0.2%	104	0.2%
Isuzu	20	37	-45.9	0.2%	121	0.3%
Maserati	16	10	60.0	0.2%	59	0.1%
Seat	15	0	1500.0	0.2%	52	0.1%
Mahindra	8	4	100.0	0.1%	46	0.1%
Ferrari	7	0	700.0	0.1%	31	0.1%
Alfa Romeo	6	20	-70.0	0.1%	37	0.1%
Bentley	6	6	0.0	0.1%	26	0.1%
Others	45	98	-54.1	0.5%	352	0.8%
Total	9,275	8,386	10.6	100.0%	43,386	100.0%

New Passenger Vehicle Sales by Model - May 2018

MAKE	MODEL	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Highlander	467	197	137.1	5.0%	1,266	2.9%
Toyota	RAV4	391	391	0.0	4.2%	1,391	3.2%
Mazda	CX-5	375	330	13.6	4.0%	1,576	3.6%
Kia	Sportage	323	302	7.0	3.5%	1,339	3.1%
Toyota	Corolla	295	281	5.0	3.2%	1,968	4.5%
Holden	Captiva	259	146	77.4	2.8%	871	2.0%
Suzuki	Swift	253	149	69.8	2.7%	1,323	3.0%
Hyundai	Santa Fe	213	181	17.7	2.3%	641	1.5%
Toyota	Yaris	191	110	73.6	2.1%	697	1.6%
Mitsubishi	Outlander	184	251	-26.7	2.0%	955	2.2%
Honda	Jazz	177	168	5.4	1.9%	772	1.8%
Hyundai	Kona	173	0	17300.0	1.9%	775	1.8%
Volkswagen	Tiguan	171	225	-24.0	1.8%	710	1.6%
Mazda	Mazda3	169	123	37.4	1.8%	876	2.0%
Toyota	Landcruiser Prado	167	44	279.5	1.8%	473	1.1%
Subaru	XV	146	38	284.2	1.6%	488	1.1%
Mitsubishi	Eclipse Cross	144	0	14400.0	1.6%	699	1.6%
Ford	Focus	136	139	-2.2	1.5%	757	1.7%
Hyundai	Tucson	136	162	-16.0	1.5%	660	1.5%
Mitsubishi	ASX	134	155	-13.5	1.4%	627	1.4%
Holden	Commodore	122	166	-26.5	1.3%	841	1.9%
Nissan	X-Trail	118	245	-51.8	1.3%	608	1.4%
Subaru	Outback	108	119	-9.2	1.2%	602	1.4%
Honda	CRV	107	0	10700.0	1.2%	712	1.6%
Nissan	Qashqai	107	95	12.6	1.2%	828	1.9%
Hyundai	Accent	106	50	112.0	1.1%	197	0.5%
Mazda	CX-3	106	107	-0.9	1.1%	605	1.4%
Kia	Rio	105	95	10.5	1.1%	452	1.0%
Mazda	CX-9	102	156	-34.6	1.1%	495	1.1%
Ford	Escape	92	105	-12.4	1.0%	569	1.3%
Mazda	Mazda2	92	111	-17.1	1.0%	545	1.3%
Hyundai	Ioniq	89	16	456.3	1.0%	151	0.3%
Suzuki	Vitara	86	123	-30.1	0.9%	495	1.1%
Toyota	Camry	85	61	39.3	0.9%	333	0.8%
Toyota	C-HR	78	45	73.3	0.8%	384	0.9%
Others		3,268	3,500	-6.6	35.2%	16,705	38.5%
Total		9,275	8,386	10.6	100.0%	43,386	100.0%

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Fieldays boost for registrations

There were 9,275 new passenger cars and SUVs registered in New Zealand last month, which was up sharply on May 2017 for an increase of 10.5 per cent – or 889 units.

David Crawford, chief executive officer of the Motor Industry Association, says plenty of business was done on the back of pre-Fieldays specials.

“The market for new vehicles continues to operate at historically high levels with registrations underpinned by positive economic factors and a wide choice of models at competitive prices,” he adds.

Toyota regained the market lead for passenger vehicle sales with a 19.2 per cent market share last month thanks to 1,779 registrations. It was followed by Mazda with 9.5 per cent and 879 units. Hyundai was third with nine per cent and 831 units.

Toyota secured a one-two on the models ladder. It sold 467 Highlanders and 391 RAV4s, while Mazda’s CX-5 claimed third.

Mazda NZ says the marque holds a strong market position with demand for its CX-5 being “outstanding”. The model notched up 375 sales last month. This stacks up against 330 in May 2017 – a difference of 13.6 per cent.

That was enough for the CX-5 to claim a monthly market share of four per cent. Its year-to-date total is 1,576 for a 3.6 per cent share of the market.

David Hodge, managing director, says the results highlight the strength of Mazda NZ’s SUV and passenger vehicle line-up.

“The CX-5 continues to deliver outstanding results six years after the first model was launched in New Zealand,” he says. “It has become a firm favourite with the motoring public.”

The result comes at the start of a busy few months for the marque, which will see the launch of the first-ever CX-8 as well as upgrades across other nameplates.

“We’re already experiencing high levels of interest in the all-new CX-8 and believe it will be a great addition to our SUV range that’s already dominating this sector of the market,” says Hodge.

Another marque benefitting from the growth in the market is Subaru, which suffered supply issues during the stink-bug crisis.

It sold 342 new vehicles during May. This was up from 304 in the same month of last year for a jump of 12.5 per cent. It has sold 1,505 units so far this year for a 3.5 per cent share of the passenger market.

All of this follows an all-time

monthly sales record in April that more than doubled its April 2017 result with a 103 per cent year-on-year increase.

The XV had a bumper month by notching up a year-on-year jump of 284.2 per cent with registrations coming in at 146 last month. In May 2017, the compact SUV sold 38 units. The model’s total for this year now stands at 699.

Wallis Dumper, managing director of Subaru of NZ, describes the XV as a “rising star” following the second-generation model’s launch last year.

“It is a true all-rounder,” he adds. “We believe it’s one of the most versatile vehicles on the market.”

The Outback sold 108 units last year to bring its total so far this year to 602 for a market share of 1.4 per cent.

Dumper says: “It’s still right at home in New Zealand, which is proven by the number of Kiwis buying our largest SUV. They have catapulted it to be our top-seller.

“Our results show the strength

and relevance of our brand to Kiwis and their lifestyles. It’s a result of the momentum we’ve been building on over the past five years, which has been achieved through focus and planning – both by my team and the dealer network.”

As for which marque will top this year’s ladder, Toyota NZ has no doubt it will take out the title. It has sold 7,190 so far this year for a market share of 16.6 per cent.

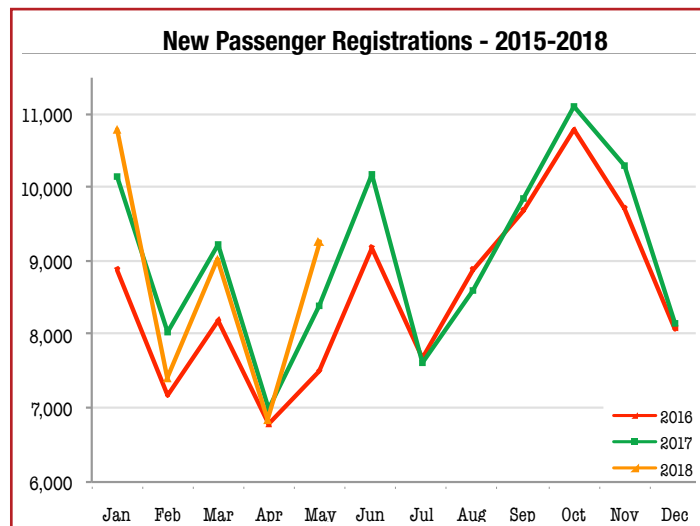
Neeraj Lala, general manager for new-vehicle sales, says: “We have a number of significant new model launches, including a new updated Hilux with more models to appeal to our urban customers.

“We expect market growth to continue, particularly in the SUV segment where we have six models, and the Hilux and Hiace light commercials, to meet people’s needs.”

Meanwhile, across the overall new-vehicle market there were 14,169 registrations last month, which was an increase of 7.9 per cent – or 1,037 units – compared to May 2017. This made last month the strongest May on record.

The SUV medium segment was May’s top segment with a 16 per cent market share. It was closely followed by pick-ups and chassis four-by-four cabs on 15 per cent, and large SUVs with the same market share.

SUVs accounted for 43 per cent of the total market share and light commercials 30 per cent reflecting the continuing shift in purchasing patterns. ☺



May 2018 (▲ ▼ vs April 2018)

SALES

● Web - Dealer

▼ 9.1%

● Repeat

▲ 6.9%

● Direct

▲ 18.1%

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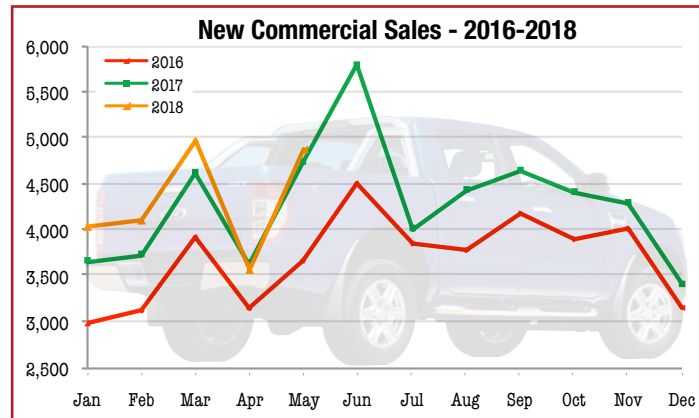
Utilities help buck the trend

The registration of 4,892 new commercial vehicles during May represented an increase of 3.1 per cent – or by 147 units – when compared to the same month of 2017.

Ford retained its lead with a 23.1 per cent market share and 1,132 units. It was followed by Toyota with 16.1 per cent and 789 units, with Nissan third on 9.5 per cent and 466 units.

The blue oval's Ranger was back at the top of the best-selling vehicle model table with 1,017 units. This was an increase of 14.4 per cent on its May 2017 total of 889 for a market share of 20.8 per cent.

On the flipside, sales of Toyota's Hilux plummeted by 29.1 per cent



to 582 units from 819 in the same month of last year for a market share for May of 11.9 per cent. Year to date, 4,122 Rangers have been sold compared to 3,292 Hiluxes.

Warren Willmot, national

sales and marketing for LDV New Zealand and SsangYong, says LDV is having great success selling large electric vans.

"Our first big shipment of about 15 EV80s will arrive next month,"

he told Autofile. "The vehicles are pre-sold and have been bought by large corporates."

He adds meeting demand isn't an issue because the vans are in New Zealand three months after an order is placed with the manufacturer, and notes LDV's vans were the number-two selling vehicles of their type behind Toyota in 2017.

LDV currently holds 3.5 per cent of the year-to-date light commercial market with 749 units. Its May sales increased by 109.2 per cent on the same month of last year – from 76 to 159.

"The future is bright and 2018 will be better than last year," says Willmot. ☺

New Commercial Sales by Make - May 2018

MAKE	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	1,132	971	16.6	23.1%	4,578	21.2%
Toyota	789	1,125	-29.9	16.1%	4,338	20.1%
Nissan	466	244	91.0	9.5%	1,717	7.9%
Mitsubishi	437	501	-12.8	8.9%	1,763	8.2%
Holden	412	348	18.4	8.4%	1,902	8.8%
Isuzu	319	351	-9.1	6.5%	1,484	6.9%
Volkswagen	205	118	73.7	4.2%	762	3.5%
Mazda	197	186	5.9	4.0%	830	3.8%
LDV	159	76	109.2	3.3%	749	3.5%
Mercedes-Benz	94	62	51.6	1.9%	373	1.7%
Fiat	80	75	6.7	1.6%	369	1.7%
Hyundai	80	96	-16.7	1.6%	332	1.5%
Foton	64	72	-11.1	1.3%	267	1.2%
Fuso	64	95	-32.6	1.3%	325	1.5%
Hino	55	61	-9.8	1.1%	278	1.3%
MAN	35	10	250.0	0.7%	87	0.4%
Volvo	35	29	20.7	0.7%	143	0.7%
Factory Built	31	24	29.2	0.6%	75	0.3%
Iveco	31	28	10.7	0.6%	126	0.6%
Scania	29	59	-50.8	0.6%	88	0.4%
Others	178	214	-16.8	3.6%	1,012	4.7%
Total	4,892	4,745	3.1	100.0%	21,598	100.0%

New Commercial Sales by Model - May 2018

MAKE	MODEL	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Ford	Ranger	1,017	889	14.4	20.8%	4,122	19.1%
Toyota	Hilux	581	819	-29.1	11.9%	3,292	15.2%
Nissan	Navara	466	244	91.0	9.5%	1,717	7.9%
Mitsubishi	Triton	437	501	-12.8	8.9%	1,763	8.2%
Holden	Colorado	410	335	22.4	8.4%	1,881	8.7%
Isuzu	D-Max	206	252	-18.3	4.2%	1,013	4.7%
Mazda	BT-50	197	186	5.9	4.0%	830	3.8%
Toyota	Hiace	189	274	-31.0	3.9%	905	4.2%
Ford	Transit	115	81	42.0	2.4%	456	2.1%
Volkswagen	Amarok	83	69	20.3	1.7%	400	1.9%
Fiat	Ducato	80	75	6.7	1.6%	369	1.7%
Hyundai	iLoad	79	94	-16.0	1.6%	322	1.5%
LDV	T60	77	0	7700.0	1.6%	355	1.6%
Volkswagen	Crafter	53	0	5300.0	1.1%	141	0.7%
Foton	Tunland	53	51	3.9	1.1%	233	1.1%
Mercedes-Benz	Sprinter	49	37	32.4	1.0%	208	1.0%
Isuzu	F Series	45	44	2.3	0.9%	182	0.8%
Volkswagen	T6	45	28	60.7	0.9%	145	0.7%
LDV	V80	45	52	-13.5	0.9%	222	1.0%
Isuzu	N Series	42	31	35.5	0.9%	164	0.8%
Others		623	683	-8.8	12.7%	2,878	13.3%
Total		4,892	4,745	3.1	100.0%	21,598	100.0%



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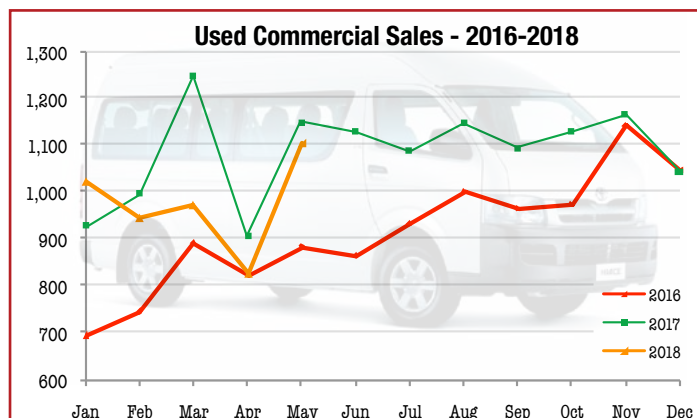
Checking systems across stock

The co-director of a business that operates three yards in South Auckland is taking great care to ensure vehicles imported from Japan have had remedial work on non-compliant airbags completed.

Auto Biz is making sure all light commercial stock from overseas has had Takata alpha-type systems that have been subject to call-backs closed out prior to purchase.

"You have to do the checks on a case-by-case basis," co-director Gareth Karrasch told Autofile.

"We use the chassis numbers to check if vehicles are part of the recall and then check the repairs have been done. It's all extra work, but you have to do it. However, we



haven't brought in a lot of stock from Japan lately."

Karrasch says the business is also checking all trade-ins prior to purchase for airbag recall notifications.

"Business has been fair this year," he adds. "It seems to have been a bit slower to get going after Christmas and there appears to have been a general market slowdown."

There was some good news, however, in registration figures for May, which was this year's best month for used commercials.

There were 1,106 units registered last month. This total was up from 828 in April and the biggest since November when 1,165 units were sold. There were 1,150 transactions in May 2017.

Toyota topped the marques ladder with 494 sales, which was down by 4.1 per cent compared to May 2017. Nissan was second with 223 sales and Isuzu came third with 58.

Toyota's Hiace was May's top model with 377 registrations. Nissan's Caravan was second with 66 with Isuzu's Elf third on 52. ☺

Used Commercial Sales by Make - May 2018

MAKE	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	494	515	-4.1	44.7%	2,130	43.6%
Nissan	223	269	-17.1	20.2%	1,039	21.3%
Isuzu	79	58	36.2	7.1%	285	5.8%
Mazda	65	70	-7.1	5.9%	294	6.0%
Hino	46	39	17.9	4.2%	181	3.7%
Ford	41	39	5.1	3.7%	211	4.3%
Mitsubishi	41	37	10.8	3.7%	179	3.7%
Holden	29	23	26.1	2.6%	98	2.0%
Chevrolet	24	26	-7.7	2.2%	90	1.8%
Dodge	11	5	120.0	1.0%	31	0.6%
Daihatsu	7	1	600.0	0.6%	23	0.5%
Volkswagen	7	9	-22.2	0.6%	26	0.5%
Fiat	5	9	-44.4	0.5%	66	1.4%
Mitsubishi Fuso	4	5	-20.0	0.4%	16	0.3%
DAF	3	0	300.0	0.3%	10	0.2%
Suzuki	3	4	-25.0	0.3%	18	0.4%
UD Trucks	3	0	300.0	0.3%	4	0.1%
Citroen	2	1	100.0	0.2%	6	0.1%
Mercedes-Benz	2	7	-71.4	0.2%	29	0.6%
Peugeot	2	0	200.0	0.2%	10	0.2%
Others	15	33	-54.5	1.4%	135	2.8%
Total	1,106	1,150	-3.8	100.0%	4,881	100.0%

Used Commercial Sales by Model - May 2018

MAKE	MODEL	MAY'18	MAY'17	+/- %	MAY'18 MKT SHARE	2018 YEAR TO DATE	2018 MKT SHARE
Toyota	Hiace	377	370	1.9	34.1%	1,618	33.1%
Nissan	Caravan	66	113	-41.6	6.0%	324	6.6%
Isuzu	Elf	52	35	48.6	4.7%	164	3.4%
Mazda	Bongo	49	57	-14.0	4.4%	241	4.9%
Nissan	NV200	45	41	9.8	4.1%	216	4.4%
Toyota	Dyna	44	37	18.9	4.0%	170	3.5%
Nissan	NV350	41	12	241.7	3.7%	154	3.2%
Toyota	Regius	35	54	-35.2	3.2%	150	3.1%
Nissan	Vanette	24	34	-29.4	2.2%	121	2.5%
Nissan	Atlas	23	26	-11.5	2.1%	103	2.1%
Mitsubishi	Canter	22	19	15.8	2.0%	82	1.7%
Hino	Ranger	20	11	81.8	1.8%	81	1.7%
Hino	Dutro	19	26	-26.9	1.7%	76	1.6%
Ford	Ranger	18	17	5.9	1.6%	81	1.7%
Toyota	Toyoace	16	19	-15.8	1.4%	75	1.5%
Holden	Commodore	13	6	116.7	1.2%	39	0.8%
Holden	Colorado	11	9	22.2	1.0%	36	0.7%
Isuzu	Forward	10	14	-28.6	0.9%	66	1.4%
Toyota	Hilux	9	13	-30.8	0.8%	64	1.3%
Mazda	BT-50	8	8	0.0	0.7%	18	0.4%
Others		204	229	-10.9	18.4%	1,002	20.5%
Total		1,106	1,150	-3.8	100.0%	4,881	100.0%

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New car stock hits high

Dealers' stock of new passenger vehicles reached an all-time high in May despite high average daily sales.

A total of 12,273 new cars were brought into the country last month as many dealers stocked up on popular models before heading to June's Fieldays in Hamilton.

May's total imports were up by 2005 units – or 20 per cent – on April's 10,268 and up by 29 per cent on the same month of last year when 9,539 new cars were imported.

The registration of 9,275 new cars last month was a significant increase of 35.4 per cent against the previous month when 6,848 units were registered and the total was up by 10.6 per cent against May 2017.

As a result, there were 2,998 units added to the tally of new cars sitting in storage or on dealers' yards yet to be registered.

Year to date, 48,669 new cars have entered the country and 43,389 have been registered, increasing the stock level by 5,283 units.

Total stock on-hand in New Zealand now sits at 76,484 units – the largest amount of unregistered stock ever recorded and that's up by 14.7 per cent on May of last year's 66,670.

Unregistered stock has sat in the early 70,000 range for nine of the past 12 months.

Daily sales of new cars during May increased by two units on April to 299 and was up by six units on May 2017's 293.

Therefore, at the current rate of average daily sales there is enough stock to last well over eight months before it runs out.

Matthew Wales, general manager of Andrew Simms, says the company's new Mitsubishi dealership in Botany, which opened

at the start of April, has made a strong start when it comes to sales. The company retails eight brands including Kia, Haval and Great Wall.

"East Auckland has been such a significant area with huge growth and huge opportunities."

Wales says utilities have essentially become passenger cars as far as buyers are concerned.

"Any ute is as good as a decent car for a great price. They are such refined vehicles. It's not like driving a truck."

"We concentrate on private buyers with Great Wall, but Haval has the most sales with SUVs across the whole range. Buyers want high-spec SUVs."

"Mid-sized SUVs and utes are our best-sellers. Sedans have dropped off. The Lancer is going well for \$25,000."

Matthew Foot, of Brendan Foot Supersite in Wellington, says the business is selling more electric vehicles and hybrids.

However, the move away from petrol-powered engines is more to do with buyers changing their lifestyles and behaviour rather than the recent petrol price hike.

Foot says there is strong sales movement towards fuel-efficient small cars, SUVs and four-by-two utilities rather than four-by-four utes.

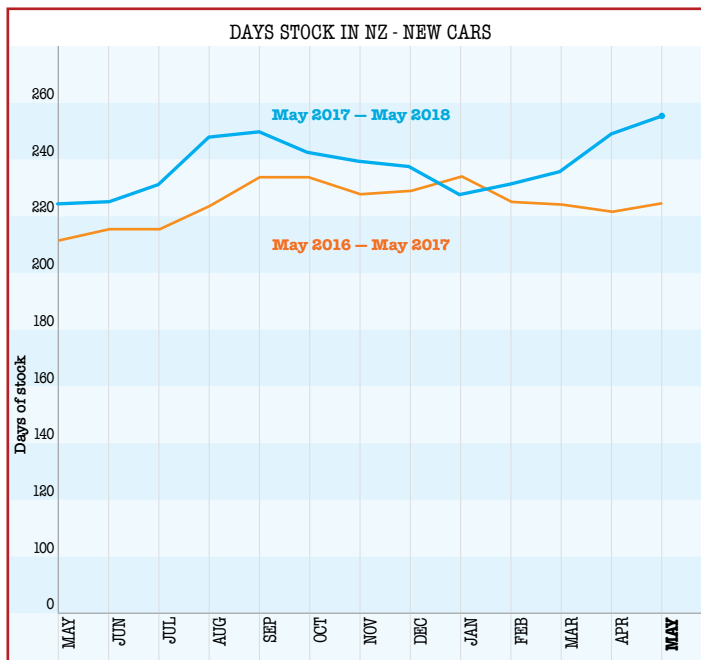
"Business is steady in both new and used," he adds. "Wellington is always assisted by a Labour government. There are plenty of consultants in town and that moves sales along."

Warren Willmot, national sales and marketing for LDV New Zealand and SsangYong, says: "Our utes are selling well and only had one shipment hit by stink bugs."

"They were all pre-sold from September up to April. We've had all sorts of vehicles offered as trade-ins, including a Chrysler SRT8." ☺

Dealer stock of new cars in New Zealand

	CAR SALES					
	IMPORTED	REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
May '17	9,539	8,386	1,153	66,670	293	228
Jun '17	10,483	10,181	302	66,972	296	227
Jul '17	12,591	7,605	4,986	71,958	295	244
Aug '17	10,599	8,606	1,993	73,951	295	251
Sep '17	7,620	9,855	-2,235	71,716	295	243
Oct '17	10,473	11,109	-636	71,080	296	240
Nov '17	9,825	10,289	-464	70,616	297	237
Dec '17	8,736	8,151	585	71,201	298	239
Jan '18	8,086	10,798	-2,712	68,489	299	229
Feb '18	8,043	7,415	628	69,117	298	232
Mar '18	9,999	9,050	949	70,066	297	236
Apr '18	10,268	6,848	3,420	73,486	297	248
May '18	12,273	9,275	2,998	76,484	299	256
Year to date	48,669	43,386	5,283			
Change on last month	20%	35.4%		4.1%		
Change on May 2017	29%	10.6%		14.7%		
	MORE IMPORTED	MORE SOLD		MORE STOCK		



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Sales lagging behind imports

There were 1,989 fewer used cars imported by dealers last month compared to April, but sales still couldn't keep pace as stink-bug affected ships finally dropped their cargo.

Traders are also exercising caution over what they import due the alpha-type Takata airbag ban now in in place.

All up, 15,484 used passenger vehicles entered the country last month – down by 11.4 per cent on April and 6.6 per cent lower than May 2017's 16,584 units.

As for sales, there were 13,420 used passenger vehicles registered in May. This was an increase of 23.2 per cent on April, but down by 7.1 per cent on the same month of last year.

Although there was a decrease in imports and solid sales, there was still an increase in stock on-hand of 2,064 units.

This took the overall stock of unregistered used cars to 36,566 units – up by six per cent on May 2017, but below the past year's high of 37,850 units recorded in July 2017.

Year to date, 63,885 used cars have come into New Zealand while 61,921 units have been sold.

Stock on-hand now sits at 83 days – up by five days on April. This is still below June 2017's high of 88 days. Average daily sales hit 441 last month, up by 14 units on May 2017, but down by three on April this year.

Greg Hedgepeth, chief executive officer of Turners Group NZ, doesn't believe all the elements involved in the mandatory Takata recall were properly thought through before the government issued its May 31 deadline, which banned registered motor-vehicle traders from selling vehicles fitted with alpha-

type airbag inflators to the public – unless they have been reworked and the call-back closed out.

He says many dealers will still be unable to find out which cars need to be reworked, while vehicles that have been identified could still be waiting for airbag repairs well after last month's deadline.

Therefore, some traders could have a number of cars on their yards they can't sell until repairs are done.

"I feel for some of the smaller players," Hedgepeth told Autofile. "Firstly, they had to wait for stock caught up in the stink-bug crisis and now they may have stock they can't sell."

However, he says Turners has been working towards the May 31 deadline for some time and is "comfortable with our stock".

Hedgepeth says Mazda NZ and Toyota NZ are standing by their

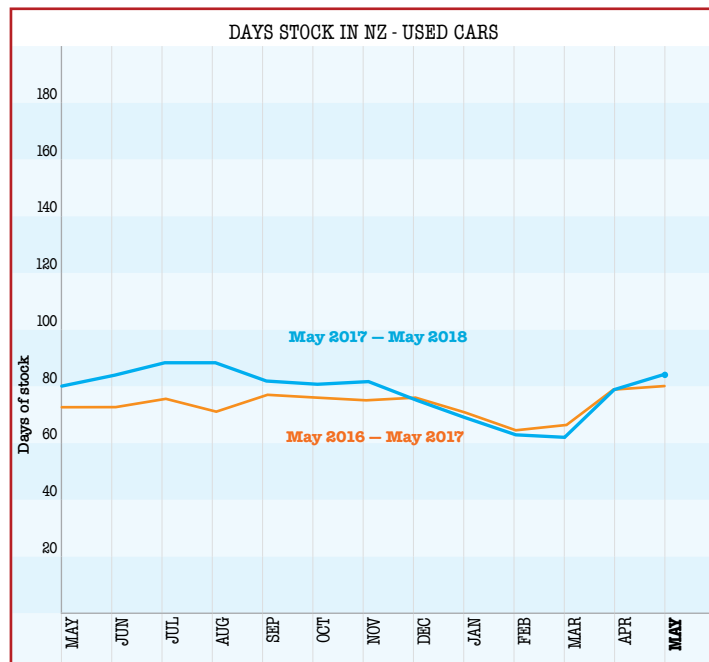
products, and will repair airbags in recalled New Zealand-new vehicles and used imports.

"But distributors are struggling to get parts. That's the big challenge for the industry. There are 50,000 cars in the fleet that need repairs.

"April was challenging with the school holidays and stink-bug issue, but I think sales were back to normal during May."

Grant Herrick, of Rotorua Toyota, says: "We've had a lot of late-model, former short-term rentals about 18 months old, RAV4s with low mileages and we've converted some buyers into a new RAV4. Second-hand RAV4s sell quickly.

"The only problem we've had is there hasn't been enough transporters to get cars moved on time. There's a shortage of drivers and rigs – and there's been a shortage for some time." ☺



Dealer stock of used cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
May '17	16,584	14,439	2,145	35,659	427	84
Jun '17	15,530	13,339	2,191	37,850	431	88
Jul '17	14,055	14,430	-375	37,475	434	86
Aug '17	12,416	14,483	-2,067	35,408	439	81
Sep '17	13,378	13,645	-267	35,141	442	80
Oct '17	14,866	14,118	748	35,889	445	81
Nov '17	14,642	14,924	-282	35,607	451	79
Dec '17	13,097	14,102	-1,005	34,602	454	76
Jan '18	10,479	13,719	-3,240	31,362	456	69
Feb '18	9,525	12,048	-2,523	28,839	455	63
Mar '18	10,924	11,841	-917	27,922	448	62
Apr '18	17,473	10,893	6,580	34,502	444	78
May '18	15,484	13,420	2,064	36,566	441	83
Year to date	63,885	61,921	1,964			
Change on last month	-11.4%	23.2%		6.0%		
Change on May 2017	-6.6%	-7.1%		2.5%		
	LESS IMPORTED	LESS SOLD		MORE STOCK		

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