

autofile

Wide range of factors improve fleet's safety

The government is taking into account a broad spectrum of issues in addition to age when considering the safety of New Zealand's fleet.

The Ministry of Transport (MoT) says vehicles have become safer and emit less pollution thanks to standards improving.

It adds crash data from Monash University in Melbourne also shows that injury risk by year of manufacture illustrates this.

"In general, new vehicles will be safer and less polluting than older ones," says Leo Mortimer, land

transport manager at the MoT.

"However, age is a very basic single measure and a wide range of other variables are important in determining the safety, or any other factor, of an individual vehicle.

"These can include the quality of it when it was first built, as well as how it is driven and maintained."

Autofile has opened a debate about the national fleet in recent issues, with the Imported Motor Vehicle Industry Association (IMVIA) saying mechanisms other than age should be utilised to ascertain how safe it is.

It says that in the past, age has been used a proxy to determine how safe, clean and efficient cars are.

The Motor Industry Association (MIA) says the fleet improves over time as each new model is launched, and describes age as a "useful surrogate" for predicting less safe and clean vehicles.

The MIA adds other factors also apply – such as how well a car is maintained, how it's used and how many kilometres it clocks up – so it prefers standards and age being applied to improve the fleet.

And the Motor Trade

[continued on page 4]

Emissions rule's effect on imports

The Ministry of Transport (MoT) says it has never proposed using age – in itself – "to control the entry of vehicles or their operation on our roads". It says this was made clear in a cabinet paper in 2012, which was presented by Simon Bridges, Minister of Transport at the time.

The report, edited parts of which follow to put government policy

into context, covered the vehicle exhaust emissions amendment rule and previous suggestions about a rolling age ban.

Bridges said the rule's aim was to achieve better air quality by cutting emissions from vehicles harmful to human health with different standards applying to new and used imports.

It also aimed to update

minimum standards to ensure New Zealand continued to import new vehicles built to the highest emissions standards available.

The emissions rule in 2003 was the first to set minimum standards for imports from Europe, Australia, Japan and the US made after 2004.

It was updated in 2007 and, for the first time, imposed minimum requirements for all new and used

[continued on page 7]

In this issue

p8 Essentials of Fair Trading Act

p12 Tribute to ex-VINZ chairman

p15 What makes car buyers tick

p16 Regional report on Auckland

p19 Vehicle ship cuts emissions

p23 Trader submits no defence



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p10

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Safe motoring key to saving lives

As the debate about the safety and age of New Zealand's light-vehicle fleet continues, the standard of driving on our roads also needs close investigation.

The government's Safer Journeys initiative covers four main aspects – road users, speed, vehicles, and roads and roadsides.

Various measures have been introduced to tackle motorists breaking the law, such as those who persist in drink-driving.

There have been licensing changes, so young people enter the system slightly older and with more skills when they get on our roads.

The government says existing work to strengthen the system will include research, advertising and education. For example, data will be used to identify groups at risk of alcohol-related deaths and serious injuries, while drug-driving enforcement will be toughened.

This should be applauded, but does the package of these and other measures go far enough?

For example, on a trip to the supermarket – roughly a 10-minute drive – I was almost taken out by other motorists about a dozen times.

Someone went into the right-hand lane at an intersection next to me before turning left at the same time and across my path.

Another driver failed to indicate before someone opened a car door into the path of a cyclist – and obviously without checking because it was very close to being very messy.

One motorist ignored a no right-hand-turn sign, while another went around the supermarket car park the wrong way causing mayhem.

There was also my biggest bug-bear – someone decelerating out

of a bend so much they virtually came to a standstill.

What is safe driving may sometimes come down one's perceptions, while I'm not one to preach. I sometimes creep over the speed limit due to a lack of concentration, and my reversing leaves much to be desired having taken out trees, lamp-posts, the odd letterbox and a concrete car-park post in the past. The latter was an expensive faux-pas.

Some truck drivers also have a lot to answer for. The amount of times idiotic and reckless behaviour is witnessed on SH1 in and around Auckland is beyond a joke.

Examples include tail-gating cars in front, changing lanes without indicating, insecure loads and speeding. Then some trucks belch out carcinogenic fumes like a post-apocalyptic science-fiction film.

With the city's congestion only set to increase – if anyone out there has any faith in the authorities to deal with this, I would like to hear from them – driving standards need to be tackled.

Having a safe, clean fleet is essential. In the past few issues of *Autofile*, we have heard from industry associations and the Ministry of Transport about how they see this being achieved.

Equally as important is the standard of driving around the country – and it's more than whether people are impaired by alcohol or drugs.

All motorists need to realise they are in control of what can potentially be lethal weapons and raise their games.

If they can't, then the government should take action to remove the worst offenders from our roads.

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Age no barrier to fleet entry

Association is now consulting with its stakeholders before establishing its policy position on the matter.

Mortimer stresses that while vehicle age can be a helpful proxy for a number of variables, the MoT has never proposed using age – in itself – “to control either the entry of vehicles or their operation on our roads”.

He says this was made clear in a cabinet paper in 2012 relating to an amendment to the vehicle exhaust emissions rule.

In that, the-then Minister of Transport stated: “I consider the use of an age-related control, in addition to existing safety and environmental standards in place, would be unnecessary regulation.”

Mortimer says that, rather than age, the MoT expects to continue to use internationally recognised standards as the basis for any future regulations affecting what

enters the New Zealand fleet.

In 2014, the MoT published its vehicle standards map as part of Safer Journeys, the government’s road-safety strategy to 2020.

This document describes vehicle technologies and performance standards that transport officials believe have the greatest potential to improve the safety and resource efficiency of vehicles in this country.

“Many of these features are based on new technology or research, and are only just beginning to appear in the market,” says Mortimer. “Some are already mandatory in other countries.”

The MoT will use its standards map to help decide which vehicle

features should be promoted or mandated.

The map will also keep stakeholders, such the vehicle industry and road users, up to date with policy developments in this area.

Mortimer told Autofile: “The MoT, along with other organisations such as the IMVIA and MIA, have been part of projects that have looked at whether it may be possible to target less-safe and more polluting vehicles so these leave the fleet.

“Because these projects showed the costs of removing the less-safe vehicles vastly outweigh the benefits, the ministry is not looking at any type

of scrappage programmes. These programmes considered were based on using incentives to exit older vehicles from the fleet and not any form of compulsion.”

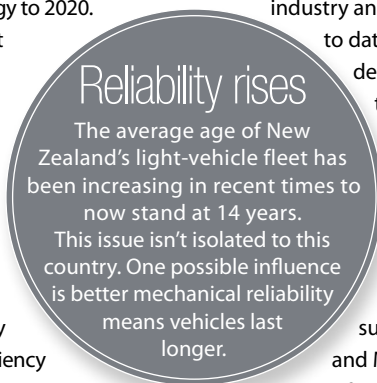
FLEET’S PROFILE CHANGING

A report about the ageing of the fleet based on work by Iain McGlinchy, a principal adviser at the MoT, was published in 2011.

It made a number of predictions about the fleet’s make-up and likely changes to its age.

The report describes age as a “reasonable proxy” for a number of variables, such as a vehicle’s level of safety and harmful emissions and that – in both areas – there is some deterioration of features with age as components wear or are damaged.

“It follows an older fleet will usually be more polluting and less safe than a younger fleet, especially ▶



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◀ if more travel is being done by the oldest part of the fleet," it states.

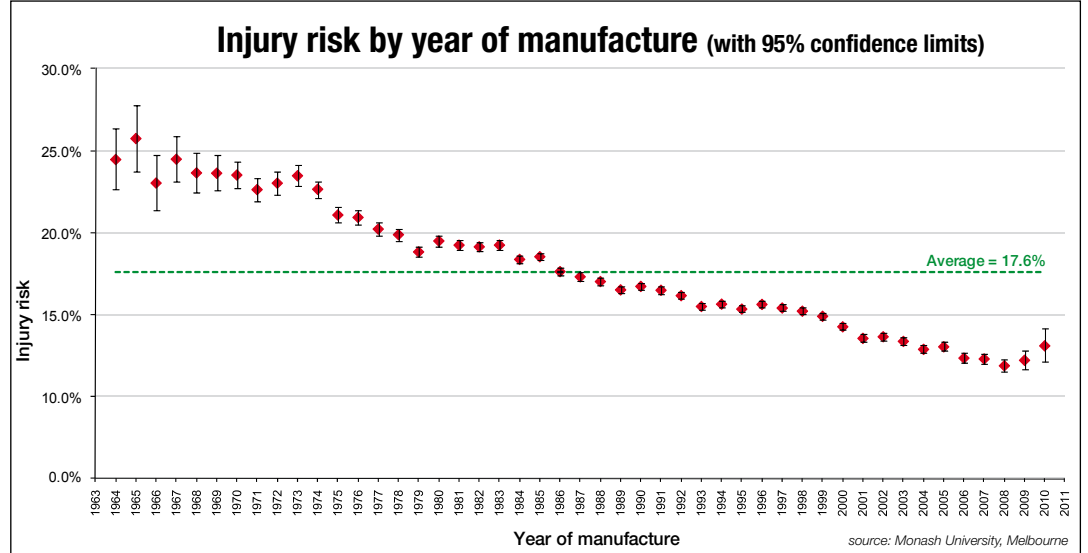
Possible issues for New Zealand associated with an ageing light-vehicle fleet were highlighted in the report. They include:

- ▶ New technologies, especially safety and environmental technologies, will not be taken up as quickly as they could be.
- ▶ There will be delayed benefits to society from technologies that require a critical mass of vehicles to be using them before they become viable.

The most obvious example is intelligent transportation systems (ITS), which use two-way communication between vehicles and roadside transmitters.

"They have great potential to reduce congestion and aid revenue collection, but require a pool of vehicles using the technology to justify development."

There may also be welfare issues arising from decreased mobility if there is reduced



access to vehicles for travel to employment or for social reasons.

"Any quantification of costs associated with an ageing fleet would require predictions of the benefits foregone from not introducing technology changes over the next 10 years.

"It's not clear that we have sufficient information to allow us to do this and further work would be

required to address these questions."

The report adds the length of time vehicles stay in the fleet has changed.

"One of the effects of increasing average age, along with improved reliability, is that vehicles are travelling further before they are scrapped.

"Since 2000, this average distance has increased by almost

40 per cent for New Zealand-new vehicles and 22 per cent for Japanese-used vehicles.

"A key question that arises is if the fleet gets older, and the size of the fleet also gets smaller, will vehicle kilometres travelled [VKT] decline?

"There is no straightforward way to answer this question as it will be affected by other variables including fuel price and employment levels.

[continued on page 6]

Mapping out the future

A vehicle standards map has been published by the Ministry of Transport as part of the government's Safer Journeys initiative.

It outlines technologies and performance standards transport officials believe have the most potential to improve the safety and resource efficiency of New Zealand's fleet.

Many features are based on new technology or research and are only just beginning to appear in the market, while others are already mandatory in other countries.

The government will use the map to help it decide what features should be promoted or mandated, and will also keep stakeholders – such as the automotive industry – up to date with policy changes.

The map includes systems that can be given definitions along with more general functions for performance standards.

For example, electronic

stability control is a specific technology that uses sensors, information processing and automatic mechanisms to make it less likely for drivers to lose control of cars.

More general performance standards may not specify technologies, but stipulate minimum performances. For example, one proposal requires cars to be crash-tested against a pole and must provide specified levels of protection to standard test dummies.

Inclusion on the map doesn't mean features will become mandatory for vehicles entering the fleet.

However, decisions to make them obligatory will only be made after analysis of research, the market and overseas legislation to estimate costs and benefits.

Current requirements for vehicles that can be legally used on Kiwi roads are contained in land transport rules. Visit www.nzta.govt.nz to view them. ☺

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"However, we know total annual VKT per vehicle declined through the 2000s as vehicle numbers increased, while travel remained reasonably constant.

"If we assume national VKT remains constant, this implies travel per vehicle will increase [and] an increasing percentage of travel will be being carried out by old vehicles."

The report says, for many policy issues, it's more useful to look at the travel-weighted age instead of the age of all vehicles in the fleet.

In 2009, this measure of age of New Zealand's light vehicles was 11 years although the average age was 12-and-a-half.

Travel-weighted age is usually lower than the actual average because newer vehicles travel further.

For the model, the report assumes total annual travel varies by vehicle age and travel by one of a specified age remains the same as in 2008.

Therefore, if the fleet remains reasonably constant in size and gets older, the total distance covered by it should drop.

"Accordingly, the travel-weighted age is expected to become slightly younger relative to the mean fleet age as newer vehicles do proportionately more travel.

"Because the average age of the fleet doesn't change significantly in either scenario, the total VKT of the light fleet remains reasonably constant under both scenarios.

"In reality, if imports of vehicles decreased and the number of vehicles per capita fell, we would assume people would drive their older vehicles further than they do at present."

VEHICLES LASTING LONGER

Leo Mortimer, the MoT's land transport manager, says while McGlinchy's work has yet to be



"We want to continue to work constructively with different stakeholders in the vehicle industry."

– Leo Mortimer

updated, it is interesting to see how much older New Zealand's fleet has become compared to the predictions.

"The report noted the rate of scrappage as being more important than the rate of imports in influencing the age of the fleet," he told Autofile.

"Although the report was written while the global financial crisis was still affecting imports, it significantly underestimated the record vehicle import volumes we are currently experiencing.

"It also significantly underpredicted the number of vehicles scrapped. The fleet's age is now more than 14 years and not 13 years as predicted in 2012.

"We want to continue to work constructively with different stakeholders in the vehicle industry to ensure New Zealanders have access to a variety of safe and efficient vehicles." ☺

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Standards in spotlight

Mandatory electronic stability control (ESC) is one example of the government adopting a standards-based approach to limit what can be imported into this country.

The first phase of the roll-out comes into force on July 1 when all new class MA, MB, MC and NA light passenger and goods vehicles must have ESC fitted.

The deadlines for used imports when inspected at the border are:

- ▶ March 1, 2016: Used class MC vehicles – four-wheel-drive SUVs and off-road vehicles.
- ▶ March 1, 2018: Used class MA vehicles – passenger cars with engine capacities of more than two litres.
- ▶ March 1, 2020: All other used class MA, MB and NA light passenger and goods vehicles.

"I'm confident this will ensure consumers receive maximum safety benefits from the new technology without choking supply from the

imported used car market," said Michael Woodhouse, Associate Minister of Transport at the time.

Another decision based on standards is the Accident Compensation Corporation (ACC) overhauling the motor-vehicle levies system.

Last month, Autofile revealed ACC aims to publish risk-rating categories by the end of March.

In future, risk ratings for vehicles made after December 2011 will be based on new car assessment programme results.

The ratings for those made up to December 2011 will be established through a specialised safety index developed by Monash University.

This uses real-world data from crashes in New Zealand and Australia to determine how well cars protect occupants and other road users when accidents happen.

ACC wants to introduce the risk ratings in July after ironing out any issues with categories vehicles fall in. ☺

[continued from page 1]

Rolling age ban off agenda

vehicles entering the Kiwi fleet.

When the rule was updated eight years ago, standards for used imports didn't include minimums for after December 31, 2012.

This was to signal the cabinet's intent for the timing of future standards to be reconsidered.

"If the rule isn't amended to include minimum standards after January 1, 2013, it would allow the import of vehicles built to any emissions standards – contrary to the intent of the rule," said Bridges.

"In 2007, the cabinet also agreed New Zealand would adopt new emissions standards two years after Europe or Japan, or on the same day as Australia.

"This amendment, therefore, seeks to implement emissions standards adopted internationally since 2007."

Bridges was advised that in the mid-2000s, "ministers in the previous administration became concerned the age of used vehicles being imported from Japan was increasing each year".

They also thought New Zealand "wasn't getting the safety or environmental benefits of newer vehicles".

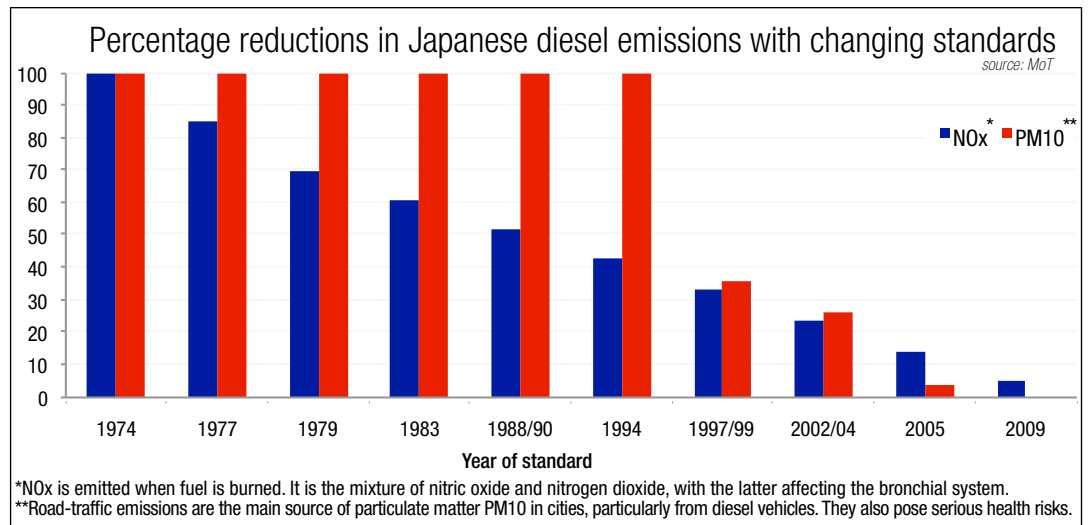
In 2006, the cabinet requested officials to further investigate using a rolling age ban to reduce the average age of vehicles entering the fleet in addition to emissions standards.

The MoT reported there were legal and practical issues with such a ban. It said that as well as providing air-quality benefits, minimum emissions requirements were preferable to reducing the age of vehicles crossing the border.

The cabinet's business committee noted emissions standards were likely to be as effective as a rolling age ban at regulating imports, but invited reconsideration of such a ban "once emissions standards have been in force for three years".

POSITION MOVING FORWARD

The MoT looked into the need for further emissions standards in



2014, but concluded no changes were required until 2016.

A review of the need to adopt more such standards for new and used vehicles announced in 2012 has been deferred until 2016.

Changing the review's timing should allow alignment with a review in Australia, but the government there has yet to indicate when this will happen.

The key policy issue for emissions remains the timing of Euro 6/VI for new vehicles. The MoT expects to follow current policy to implement these standards when Australia does.

For used vehicles, it has established there are no further emissions standards for light petrol vehicles from Japan after the Japan 05 standard – the current minimum.

Although there is a Japan 09 standard, this only applies to direct-injection petrol engines, which are used in a few per cent of light vehicles sold there.

"Therefore, there are no further emission standards to consider for the vast majority of used vehicles that enter New Zealand," says Mortimer.

"We have reasonable evidence emissions from petrol vehicles are falling and there are no immediate plans to look at any other emissions-related requirements for used petrol vehicles entering the fleet.

"There is, however, evidence pollutants from diesel vehicles

remain a problem, especially in Auckland.

"There are further standards for light and heavy-diesel vehicles from Japan, and for all types built to US and European standards, which could be added to the 2007 emissions rule.

"The ministry will consider in 2016 whether it's necessary to amend minimum emissions standards for these other standards.

"No consideration has been given as to whether there would be any departure from the current practice of using standards." ⊕

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Fair trading laws enforced

The automotive and some associated industries are being urged to follow changes to the Fair Trading Act (FTA).

Revised legislation came into force on March 17 as part of consumer law reforms passed by the government last year.

The Commerce Commission has already used extra powers it has been granted to clamp down on car dealers breaking the law.

It can now issue infringement notices with \$1,000 fines to businesses for certain FTA breaches.

They can apply for failing to clearly display consumer information notices (CINs) on used vehicles on yards and in adverts for online auctions.

The notices can also be issued for failing to provide information about laybys, uninvited direct sales and extended warranties, while registered motor vehicle dealers must declare their status when selling via auction sites such as Trade Me.

The commission has already issued eight notices to three car dealers in Auckland and Christchurch for failing to display CINs and not disclosing their status online after complaints were made by members of the public.

CINs document important information about used vehicles, such as year of manufacture, make and model, price and the odometer reading, and if imported into New Zealand as damaged.

"The requirement to provide CINs for used cars is crucial for consumers," says Mark Berry, commission chairman. "Without it, they cannot make informed



The Commerce Commission, chaired by Mark Berry, is clamping down on car dealers flouting the Fair Trading Act

choices about their purchases."

If people buy cars from traders, they have legal protections for a reasonable time under the Consumer Guarantees Act (CGA) if they are faulty.

"Being able to issue infringement notices for relatively minor and straightforward breaches of the FTA is an efficient way of getting businesses to change their behaviour and comply," adds Berry.

"They are an important part of our enforcement toolkit and we expect to be using them more in the future.

"We have been given the mandate to issue notices without the need to go through all usual steps of our enforcement process,

including possible court action.

"This means we are able to achieve appropriate results, such as deterring traders from bad behaviour, in a cost-effective way."

WHAT THE RULES ARE

The Consumer Information Standards (Used Motor Vehicles) Regulations 2008

require a properly completed CIN to be attached to second-hand stock offered or displayed for sale by car dealers, including importers, wholesalers, auctioneers and vehicle consultants.

The regulations that comprise the consumer information standards are issued under section 27 of the FTA.

Section 14(2) of the Motor Vehicle Sales Act requires market operators to take reasonable steps to ensure traders, who offer or display used cars for sale through operators, complete and attach CINs.

This may include providing a blank CIN with instructions on how to complete and display it.

Private sales and new motor vehicles, however, are not covered by CIN regulations.

Information on the CIN should include the price, including GST and any extra or on-road costs.

"For sale by auction" or "for sale by competitive tender" must be stated in the cash-price section if applicable.

All other parts must be completed. They cover any interest against the vehicle held on the Personal Properties Security Register, its make, model, year, engine capacity, actual mileage, radio-receiver capability, and vehicle identification number (VIN).

If the VIN is recorded on the Motor Vehicle Register, it must be stated. If not, the chassis number should be noted on the CIN.

Dealers must tick boxes to indicate if the vehicle has a current warrant or certificate of fitness, and registration licence, and include their expiry dates.

Other information on CINs must include the registration plate number, year first registered, if re-registered, fuel type, and if the vehicle is subject to road-user charges and if any are outstanding.

Extra details are needed for used imports. These include: ▶

At a glance

Consumer information standards require the disclosure, to specified standards, of certain information about goods and services. These standards, which include used motor vehicles, are enforced by the Commerce Commission under section 28 of the Fair Trading Act. Visit www.comcom.govt.nz/fair-trading for more information about the legislative changes that have recently come into force.



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- ▶ The year the vehicle was first registered overseas as stated on the Motor Vehicle Register.
- ▶ The country where it was last registered before imported.
- ▶ Whether it was recorded as damaged on the register when imported.

The CIN must be firmly attached to the vehicle in a prominent place and be clearly visible from its outside.

For those sold online, the notice – or a link to it – must be displayed on the same page as the offer for sale and on the same page as the contract that may be entered into.

The buyer must be given a copy of the CIN and the dealer needs to obtain a written acknowledgement that he or she received this before the sale or as soon as practical after an online transaction.

The trader should also sign the CIN to record that a copy has been supplied to the purchaser.

Dealers must keep a copy of the CIN and the buyer's acknowledgement for at least six years after the sale. It needs to be made available for inspection by the authorities.

The Commerce Commission can prosecute dealers who sell vehicles without CINs or with notices that have incorrect information.

Companies can be fined up to \$600,000 for each breach of the FTA and individuals up to \$200,000.

UNFAIR CONTRACT TERMS

The FTA's unfair contract terms provisions, which relate to clauses in standard-form consumer contracts, are also now being enforced.

Their main hallmarks are terms that are offered to consumers on a "take it or leave it" basis, and relate to goods and services usually for personal use.

The Commerce Commission has warned it will target contracts in industries that have proven problematic overseas or in which complaints have been received in the past, including rental cars.

"We are also concerned about loan contracts, particularly those

provided by lower-tier finance lenders that can be harsh on vulnerable consumers," says Berry.

The commission will pay attention to competition-limiting contracts, such as those with automatic roll-over or renewal terms, and terms that lock in borrowers to try to prevent them from exiting

the upfront price payable to the extent the terms are transparent and or are required or permitted by law.

OBLIGATIONS UNDER ACT
New provisions make it clear that a business cannot enforce any agreement – or part of an agreement – that attempts to

Even if consumers sign or agree to something that waives their rights, businesses will not be able to hold them to it.

If a company is later found to have misled a member of the public, it will have breached the FTA.

However, there is a limited exception that allows a business to contract out of certain sections of the act.

This is when both parties to the agreement to contract out are in trade and this agreement is confirmed in writing, and it is fair and reasonable for them to do so.

The consumer law reforms cover other issues that affect how franchised dealerships and used car traders carry out business.

These include uninvited direct sales, extended warranties, product-safety monitoring, buying and selling at auction and unsubstantiated representations.

Autofile will have advice on what to do to comply in its next issue – as well as more about investigation and enforcement. ☎



“We are concerned about loan contracts, particularly those provided by lower-tier finance lenders.” – Mark Berry

contracts or or switching to a different credit supplier.

Unfair contract terms are banned in all standard-form consumer contracts entered into on or after March 17 and also those – except insurance contracts – renewed or varied on or after that date.

The new laws are of limited application to insurance contracts with many of their key terms being exempt.

The FTA's provisions allow the commission to seek a declaration from a court that a term in such a contract is unfair. Only the commission can apply for a declaration, but anyone may lodge a complaint.

The court may declare a term unfair if satisfied:

- ▶ The term may cause a significant imbalance in the parties' rights and obligations arising from the contract.
- ▶ It is not reasonably necessary to protect the legitimate interests of the party who would be advantaged by the term.
- ▶ The contract term would cause some detriment to the other party if applied, enforced or relied on.

Some terms cannot be declared unfair, such as those that define the contract's main subject matter, set

release it from its obligations under the FTA.

Basically, this means a car dealer is bound by the legislation despite any agreement to the contrary.



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Challenger to prestige marques



Volkswagen's Sport Coupé Concept GTE

Volkswagen unveiled a coupé-styled sedan at the Geneva International Motor Show, which may become a production model to boost the marque's image and attract buyers from high-end brands.

Klaus Bischoff, head of design, says the Sport Coupé Concept GTE is intended to be positioned above the four-door CC sedan.

"With this concept, Volkswagen is not only showing a new model's design, but also glimpses of a new design era."

The concept is based on the marque's modular transverse matrix

platform. Its exterior dimensions are similar in size to the Mercedes-Benz CLS and BMW's 6-Series Gran Coupé.

Its plug-in hybrid powertrain combines a three-litre turbo-charged V6 with a 40kW electric motor driving the front wheels and an 85kW electric motor at the rear for 279kW across the system.

The powertrain can switch between default hybrid mode to sporty GTE drive mode that makes the 0-100kph dash in five seconds, while its all-electric mode has "at least" 51.5km of emissions-free range on a full charge and a range

of 1,200km on a single tank of fuel.

It trials a three-dimensional digital instrument cluster with a 12.3-inch display and gauges that appear to hover. The centre stack has a 10.1-inch infotainment touchscreen with slide controls for climate control.

The vehicle can select navigation routes to fit the driver's mood by "reading biometric data" of human vital functions taken from a smart watch or similar device.

Volkswagen says the car will fill a gap in its line-up between the Passat midsize sedan and its Phaeton flagship.

A production model based on the concept would start at around 50,000 euros or about NZ\$73,000.

PLUGGED IN FOR RANGE

Audi showed seven new models in Geneva, with the Q7 e-tron quattro marking the arrival of the first plug-in hybrid in its Q series.

The large SUV has a six-cylinder diesel engine and permanent all-wheel-drive (AWD).

Powered by a lithium-ion battery, it can cover up to 56km on electricity alone with zero local emissions. Together with the diesel engine, the car can clock up 1,410km.

According to the ECE standard for plug-in hybrids, the SUV has a fuel consumption rate of 1.7l/100km with CO₂ emissions of less than 50g/km.

Meanwhile, Audi's five-door prologue Avant combines dynamics,

form and function. Coming in at 5.11m long and 1.97m wide, its body positions itself in the luxury class.

It's equipped with the e-tron Quattro's plug-in hybrid drive, which achieves higher performance in the show car.

The Avant's 335kW of output from its three-litre TDI engine and electric motor in combination can make the 0-100kph dash in 5.1 seconds.

The new RS 3 Sportback – the world's most powerful car in the premium compact class – serves up 270kW.

A 2.5-litre TFSI engine gets the five-door model from 0-100kph in 4.3 seconds and onto an optional top speed of 280kph.

Its seven-speed S tronic, which shifts faster than the previous model, directs power to the quattro permanent AWD system.

ADVANCES IN ENGINE

The 4C Spider, making its European debut, headlined Alfa Romeo's stand in Switzerland.

The two-seater, rear-wheel-drive and mid-engined model features "cladding"

enclosing a carbon-fibre monocoque inspired by Formula One cars.

Advanced technology, which includes a 1,750cc all-aluminium turbo-charged and

direct-injection engine with intercooler and dual CVVT, provides supercar performance.

The 4C Spider has a top speed of 257kph and accelerates from 0-100kph in 4.5 seconds.



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Visit www.autofile.co.nz for more news from Geneva Motor Show, including McLaren's 675LT, pictured, and Audi's R8.



Other featured vehicles include Infiniti's QX30 concept, Renault's Kadjar, which is an SUV crossover, and Honda's HR-V.



Hyundai's Tucson, pictured, will replace the ix35



Lexus' LF-SA



Audi's Q7 e-tron 3.0 TDI quattro



The Jeep Renegade Hard Steel with its trailer

◀ Also on display with a Rosso Competizione red tri-coat colour scheme was the 4C Coupé.

Equipment in the improved version includes a carbon-fibre headlamps body with bi-LED headlamps, and the marque's car cover and car kit. Free optional systems now include parking sensors and cruise control.

PIMPING UP YOUR RIDE

The Jeep Renegade Hard Steel has been created in collaboration with Mopar and Fiat Chrysler Automobiles' style centre to explore the potential of a model with countless customisation options.

Based on the Trailhawk, the show car's "technological" aspect is brushed-steel livery with a matte-black contrast on many features, such as the grille, roof bars, mirror covers, 16-inch alloys, side rubbing strips, bonnet air vents, fenders and bumpers.

Interior customisation includes brushed-steel treatment for the frames of the air-conditioning vents, gearbox, glove compartment and audio speakers.

Its trailer has a touchscreen display with the new Uconnect Live system for access to online music with Deezer, Tuneln internet radio, news from Reuters and real-time traffic updates via Tom Tom Live. Check out Autofile Online to find out more.

BRAND'S DESIGN CHANGES

Hyundai's Tucson will replace the ix35 – New Zealand's number-one small SUV in 2014 – later this year.

"This a big step forward for the brand globally," president Peter Schreyer told media in Geneva.

"The all-new Tucson has a bold and athletic presence, and a proud stance. Its design is characterised

by flowing surfaces, bold proportions, sharp lines and our signature hexagonal grille."

The strong, sporty SUV appearance is enhanced by an upright silhouette and sleek character line. At the front, Hyundai's distinctive grille is connected to the headlamp clusters.

STYLING FROM THE PAST

Fiat says its 500 Vintage '57 honours the made-in-Italy icon of the same year through a contemporary interpretation of styling that made it famous in the 1960s and 70s.

The pastel-blue exterior bodywork combines with the white of the roof, spoiler, antenna, mirror covers and 16-inch alloys.

A retro appearance can be found inside with the white dashboard and leather upholstery with half-moon inserts in ivory leather with tobacco-coloured 500 stitching.

Its vintage look is also underlined by historical Fiat logos on the outside and steering wheel.

The 500's standard equipment includes manual climate control, ABS with electronic brakeforce distribution, start and stop, and an electronic stability programme.

THE FUTURE IS COMPACT

Lexus has revealed its LF-SA sub-compact concept. A production version may go on sale in 2018 and it could be offered with a hybrid powertrain.

It would compete against Mini's hatchback and Audi's A1, although it's smaller than both at 340cm long, 170cm wide and 143cm high.

Despite the compact dimensions,

the LF-SA can carry four passengers in a two-plus-two seating layout.

The passenger seat slides back and forth. The driving wheel and pedals can be adjusted instead of that seat moving.

The cabin has a hologram-style infotainment system in the instrument display and also comes with a wide-angle head-up display, while the spindle grille design may become a future design cue for the brand.

"The LF-SA has been conceived as a driver-focused vehicle, designed to address a future world that's more influenced by technology and virtual experiences," says the marque.

A production model is expected to be based on the Toyota Yaris platform with a range of engine options.

Its name is an abbreviation for Lexus Future Small Adventurer, "expressing its aim of delivering the joy of driving even as automated driving technologies become more prevalent". ☺

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Fond memories of chairman

Tributes have been paid to Peter Gray, a previous chairman of Vehicle Inspection New Zealand (VINZ).

About 150 people attended the 86-year-old's funeral on March 12 at Wanaka Presbyterian Church after he passed away five days earlier.

Many travelled from Dunedin, while others came from Christchurch, Wellington and Auckland to pay their respects – as well as many locals.

Gray was the second of VINZ's three chairmen. He took over the reins from John Nicholls in its early days and held the position until 2004 when Ken Worsley was appointed.

Neil Cottle, of Auto Court in Dunedin, has fond memories of the man he describes as a "wonderful person".

"Peter and I first met up 40 or 50

years ago through mutual friends, and we both had places in Wanaka," he says. "I was a director of VINZ when Peter was its chairman.

"He did an excellent job in his 10 years at the helm. In those days, VINZ operated as a co-operative and rebated about \$20 million to its members during his time.

"That must have been 10 to 15 years ago. It was certainly a lot more money back then than what it is today."

Cottle recalls Gray being asked to become VINZ's chairman after the Imported Motor Vehicle Dealers Association was approached by Maurice Williamson, who was a government minister at the time.

"It was suggested that the government would be comfortable if someone unassociated with the motor trade was company chairman," Cottle told Autofile.

"To put it diplomatically,



Peter Gray, as many people will remember him

they wanted someone who was independent."

Cottle adds Gray, who served two terms on Queenstown Lakes District Council during his retirement, did "a magnificent job" in his time with VINZ.

Gray was born in Invercargill and read law at university before

changing over to accountancy.

In 1954, he headed to the UK where he met his future wife Pat before returning four years later. They made Dunedin home and spent the next 30 years there.

During that time, Gray was a partner at what is now KPMG. He went on to become president of the New Zealand Society of Accountants (NZSE) in 1983 and he was elected KPMG's national chairman three years later.

He retired from KPMG in 1989, but later established the NZSE's practice review unit. He is survived by his wife and son Michael.

"Peter was a wonderful person to be associated with for such a long time," says Cottle. "He was highly respected in the accountancy profession and motor vehicle industry."

Visit www.autofile.co.nz to find out more about Gray's life. ☺

Top official at opening

Volvo's senior vice-president, Alain Visser, has visited Auckland for the opening of a new showroom.

Archibald and Shorter Roverland's facility in Greenlane is part of a global push by the marque to get re-established in the premium market.

Visser, pictured, who was also in the country for the Volvo Ocean Race, says the manufacturer has started to gain a

foothold in this market, and will focus on producing sedans, SUVs and station wagons.

He adds it is targeting production of 800,000 units in the next five to six years after a record of 465,000 worldwide sales in 2014.

Richard Holden, chief

executive officer of Archibald and Shorter Roverland, says the decision was made two years ago to open a purpose-built facility for Volvo.

The 840 square-metre showroom has two main features

– cars are displayed in the so-called "street", while customers can go online while having refreshments in the "living room".

Steve Kenchington, general manager of Volvo NZ,

believes the facility shows newfound confidence in the marque, which is aiming to sell 500 units in this country in 2015 – up by about 20 per cent compared to 2014.

Visit www.autofile.co.nz to find out about the marque's model replacement programme. ☺



Lending code released

The government has published its responsible lending code to tackle loan sharks and unscrupulous pay-day lenders.

Paul Goldsmith, the Minister for Commerce and Consumer Affairs, recognises most lenders already follow good practices.

"This code provides guidance on lender responsibility principles set out in the Credit Contracts and Consumer Finance Act," says Goldsmith, pictured.

Last year, the government amended legislation to provide greater protection for borrowers.

The code and principles come into force on June 6, and aim to provide consumers with better access to information and more protection from lenders engaging in "predatory practices".

Goldsmith insists the measures will also keep down compliance costs for finance providers with good systems in place.

The code will not be binding, but evidence of compliance with it will be viewed as evidence of

adhering to all of the binding lender responsibility principles set out in the act.

"I would like to thank lenders, consumer groups and interested parties that have taken the time to give us feedback on

the code," adds Goldsmith.

"With their input, officials have developed a document that provides good principles-based guidance for lenders while maintaining robust protections for consumers.

"I will be closely monitoring the code's effects and how well it is achieving its objectives." ☺



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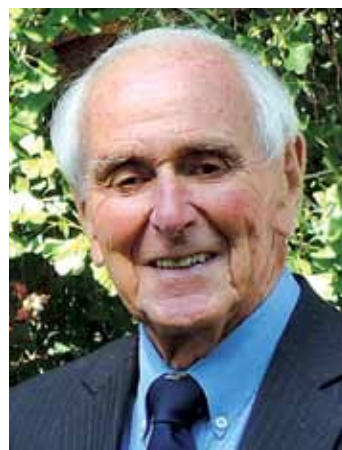
Industry legend's birthday tribute

Family, friends and former work colleagues of John Nicholls joined him for a celebratory lunch to mark his 90th birthday.

Nicholls, a pioneer from the early days of the used imports sector, marked his milestone at Tatapouri Fishing Club in Gisborne where he lives.

People from the industry who attended included Fred Lewis, of the Enterprise Motor Group, and Malcolm Yorston, technical services and membership manager of the Imported Motor Vehicle Industry Association (IMVIA).

They were joined by employees of the former General Motors dealership that used to be owned by the Nicholls family.



John Nicholls

Carnie Nelson is one of four Nicholls' daughters, one of whom has passed away. She says: "It was a wonderful occasion." He also has nine grandchildren and 17 great grandchildren.

Yorston says: "The IMVIA would like to congratulate John for everything he has done for the motor-vehicle industry from his early days at the Motor Trade Association to being inaugural chairman for the Motor Vehicle Dealers Institute [MVDI] and, in later years, working for the IMVIA.

"What he achieved was enormous. Many people in the industry have gone on to make millions of dollars on the back of what John did and have really prospered because of him.

"As for New Zealand's motoring public, what was achieved in the early days of the used imports industry means many more Kiwis

have been able to afford to buy better quality cars.

"He has helped to clean up the old shitters we used to see in this country's lower socio-economic areas. The days of seeing them on people's lawns because they had given up the ghost are largely over.

"I feel honoured to have been able to celebrate John's milestone with him."

Vehicle Inspection NZ (VINZ), of which Nicholls was former

director and chairman, was among those to extend its best wishes by presenting him with a crystal trophy.

"Happy birthday and congratulations on your milestone," its inscription reads. "With thanks from

the board, management and staff of VINZ for your valued contribution."

Tributes were paid not only to Nicholls' achievements in the automotive industry at his birthday celebrations on March 8, but also his long involvement with Rotary.

Nicholls became the MVDI's inaugural president in 1975. It became the Licensed Motor Vehicle Dealers Importers Association in 1988 and then the Imported Motor Vehicle Dealers Association (IMVDA) four years later.

In 1993, he helped to form Vehicle Identification NZ. It was later renamed Vehicle Inspection NZ.

He retired from the IMVDA in 1998 after more than 50 years in the industry, although he collated and analysed statistics for its successor – the IMVIA – until 2014. ☺

Find out what makes buyers tick

Technology is revolutionising the way we behave, react and purchase. It's becoming increasingly easy to buy something and all too often we are left scratching our heads about how we just committed to doing so.

This is basically the art of psychographics at play – the study of people's personalities, values, opinions, attitudes, interests and lifestyles by marketers so they can work out what makes them tick.

It centres on analysing massive amounts of data and using that information to increase the likelihood of being able to lead you in a certain direction.

Banks are great at it. They sell the dream and individually target different demographics of buyers to ensure all levels are captured.

They start when you are at primary school and look to keep you through your entire life – and target marketing at every

step to retirement.

When it comes to car dealerships, the formula doesn't have to be too different.

You may not realise it, but data-mining probably already takes place in most business aspects as you make decisions about which cars to buy and who to try to sell them to.

In the old days, car dealers stored most of this information in their heads. When that got too much, they had work books or "black books" for careful note-taking and secrets – and I do smile when I still see these methods being used.

Fortunately, technology and its related processes have made our lives easier and more practical. While some people may resist, it's an inevitable evolution.

Collation, interaction and



DARREN MARMONT
Motorcentral

analysis of data about customers, vehicles, and finance and insurance is becoming an increasingly important tool to any successful dealership as margins are squeezed and we look to extract maximum benefits from various areas of our businesses.

It doesn't surprise me that I've been hearing more dealers asking about customer relationship management lately and wanting to learn how they can start to harness the benefits of information-packed databases.

Just as an aside, there are two ways to go about this. One way is likely to result in efforts ending up in most people's rubbish bins.

You know the ones, where your email inbox and letterbox get loaded with mass-market sales pitches that are poorly timed and

often irrelevant to your business.

The other way is to use data-mining to consider the audience, and reward different segments with personalised and beneficial marketing.

For example, you can achieve this by identifying makes and models that attract types of customers.

Extracting buyer data about their location, profession, age and gender will yield different answers and a different approach to marketing to them.

Here are some more ideas to consider. Do older people keep their cars longer? Do younger people finance more and, if so, at what age does that change? Could purchases be based on make, model or certain times of the year?

By pushing the boundaries and applying data-mining technology to vehicle-buying patterns, can you determine which cars you should buy for the best rates for finance penetration?

Which have the highest penetration levels for insurance? Which have the least reconditioning costs, best gross profits or to sell the fastest?

Data-mining will help you specifically and accurately address questions such as these – and allow you to buy and sell with intelligence.

Dealers who learn to harness this will do the best in the art of psychographics by accurately addressing customers' needs and, in the end, gaining better returns on time and investment. ☺

If you would like to know more about mining your own data, call the friendly-data wizards at Motorcentral or email darren@motorcentral.co.nz.

“Use data-mining to consider the audience, and reward different segments with personalised and beneficial marketing.”



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City sails above its weight

Auckland is New Zealand's economic powerhouse and the centre of vehicle purchases for some of the country's largest fleets.

Indicators are pointing to growth in most sectors and the automotive market is seeing a boom on the back of it.

With 33.37 per cent of the country's population, the City of Sails accounted for 44.39 per cent of total new passenger vehicle sales by notching up 41,462 units in the 12 months between March 2014 and February this year.

In doing so, it outperformed its share of the total population by 11 per cent.

David Crawford, of the Motor

Industry Association, says Auckland's sales figures for new vehicles are skewed because of the number of head offices located there.

Its statistics show business transactions account for 73.8 per cent of the new vehicle market in the city.

"Many companies' head offices are in Auckland and, even though the vehicles might not be

physically located in the city, they are still registered there."

BUSINESS CONFIDENCE UP

Confidence is high in Auckland, which has received more than half of the country's direct investment from overseas over the past 10 years.

Overall building work during

2014 was up by 17 per cent on the previous year, which was this industry's strongest annual pace of growth for nearly 15 years.

Construction activity is set to continue with demand for more homes and as large infrastructure projects, such as the City Rail Link, get off the ground.

With these major projects starting up, businesses are renewing their fleets.

"Infrastructure and construction remain strong across the board, and everyone seems to be coming into the market requesting quotes," says Paul Brown, dealer principal of John Andrew Ford in Grey Lynn.

Andrew Mackenzie, of Albany Toyota on the North Shore, says despite the increase in demand, a lot of competition exists between dealers for fleet business.



"The housing boom seems to translate into people feeling wealthier." – Ian Gibson

	PUBLIC TO DEALER	PUBLIC TO PUBLIC	DEALER TO PUBLIC	TOTAL	PUBLIC TO DEALER %	PUBLIC TO PUBLIC %	DEALER TO PUBLIC %
Feb '14	4,049	12,780	5,053	21,882	18.5%	58.4%	23.1%
Mar '14	4,512	14,271	5,643	24,426	18.5%	58.4%	23.1%
Apr '14	4,372	12,808	5,092	22,272	19.6%	57.5%	22.9%
May '14	4,776	13,785	5,840	24,401	19.6%	56.5%	23.9%
Jun '14	4,146	12,497	5,104	21,747	19.1%	57.5%	23.5%
Jul '14	4,589	13,734	5,720	24,043	19.1%	57.1%	23.8%
Aug '14	4,263	13,561	5,542	23,366	18.2%	58.0%	23.7%
Sept '14	4,405	13,558	5,849	23,812	18.5%	56.9%	24.6%
Oct '14	4,745	14,181	5,891	24,817	19.1%	57.1%	23.7%
Nov '14	4,363	13,901	5,623	23,887	18.3%	58.2%	23.5%
Dec '14	4,800	13,634	5,944	24,378	19.7%	55.9%	24.4%
Jan '15	4,203	13,582	5,254	23,039	18.2%	59.0%	22.8%
Feb '15	4,275	13,322	5,449	23,046	18.5%	57.8%	25.2%
Annual total	53,449	162,834	66,951	283,234	18.9%	57.5%	23.6%
Change on Feb 2014	5.6%	4.2%	7.8%				
National YTD average							
	18.4%	57.2%	24.4%				

	USED CARS	NEW CARS	USED COMMERCIALS	NEW COMMERCIALS
Feb '14	4,445	2,924	245	938
Mar '14	5,034	3,461	257	1,078
Apr '14	4,739	2,856	228	920
May '14	5,539	2,841	320	1,148
Jun '14	5,191	3,474	248	1,189
Jul '14	5,955	3,270	272	1,115
Aug '14	5,483	3,187	266	1,061
Sept '14	5,458	3,507	343	1,376
Oct '14	5,460	4,299	317	1,241
Nov '14	5,943	3,483	357	1,196
Dec '14	6,327	3,156	351	1,003
Jan '15	5,727	4,828	310	976
Feb '15	5,204	3,100	297	1,050
12-month total	66,060	41,462	3,566	13,353
NZ sales - past 12 months	133,661	91,817	8,033	37,288
% of national sales	49.4%	45.2%	44.4%	35.8%
Change on Feb 2014	17.1%	6.0%	21.2%	11.9%
POPULATION				
	NEW ZEALAND	AUCKLAND	%	
	4,242,051	1,415,550	33.4	

RETAIL MARKET EXPANDS

Not only is activity from businesses strong, the automotive retail sector has also been booming.

Helping to drive that growth is the city's surging population. It has seen an average annual increase of two per cent over the past 10 years.

Last year, Auckland attracted the country's biggest gain in net migration at 12,300 people.

Spending was pushed up by employment growth of 1.5 per cent in the December quarter for a three per cent increase compared to a year ago.

And since 2006, the average household income in the city grew from \$64,400 to \$76,500, while property values have risen by 13 per cent year on year.



One of Advantage Cars' dealerships



Genuine Vehicle Imports in Penrose

◀ With extra equity in their homes, Aucklanders appear to be more confident about making big-ticket purchases, such as vehicles.

"Month-to-month, migration has helped to drive up sales and, surprisingly, the housing boom seems to be translating into people feeling wealthier," says Ian Gibson, managing director of Team McMillan BMW in Newmarket.

"Many are putting cars on their mortgages with the official cash rate on hold. This is challenging our finance and insurance department."

VOLUMES DRIVE NEW MARKET

Gibson says BMW's market share has been growing in Auckland, although his dealership's sales strategies have changed.

"We call it hyper-competition and what we're all coming to terms with is selling a lot more cars for a lot less. We are selling more smaller vehicles, which are less lucrative, and 70 per cent of the market is now smaller platform."

Additionally, a number of lower profile marques are looking to double their market shares.

"The environment is difficult," adds Gibson. "It changes every year and continues to do so, but we did have a record year in 2014."

Brown says: "There are definitely more players out there and we need to retain our relative share, but we're just getting better and better."

Michael Giltrap, joint managing director of the Giltrap Group, says new vehicle pricing is being driven by manufacturers. "This affects the dealer a wee bit, but it's well and truly substituted by volume."

USED CARS PRICE WAR

Sales of used imported cars in Auckland performed better than new cars in terms of its increased share compared to population.

The city's section of this market registered 49.42 per cent of New Zealand's total for the 12 months to the end of this February – or 16.05 per cent more than its population share.

To put this in perspective, if Auckland registered an equivalent share as its population indicates – 33.37 per cent – then 44,602 used cars would have been registered for the first time.

Dealerships there sold 21,458 units more than that, which was the equivalent of total sales of used imports for the past 12 months in Wellington, Hamilton and the Hawke's Bay combined.

There were 66,060 used imported cars sold in Auckland during this 12-month period.

Hayden Johnston, of Genuine Vehicle Imports in Penrose, told Autofile: "There is a price war happening between certain dealers."

"When we have a high New Zealand dollar, we see a lot more players and there are currently about 3,300 registered traders in our market."

"A lot of the new entrants are in it for a quick buck, not paying tax and selling cars for small margins. It's hard for legitimate dealers to compete with these practices."

"This cycle happens in the city every time our dollar gets strong. When the kiwi gets weak again, these people go away."

Auckland differs to other centres in that more yards appear there overnight and then pack up shop relatively quickly. They are known, colloquially, as "fly by nighters".

Ian Charlton, of Advantage Cars, which has branches in Penrose and Manukau, had found the import market to be competitive.

"This is mostly due to bigger players in Auckland discounting, while the public seems to be more concerned about price than quality."

His focus is on New Zealand-new stock and he reports growing demand in this part of the market.

Rod Milner, of Rod Milner Cars in Greenlane, says about 50 per

cent of his vehicles are bought by people outside Auckland.

Another factor boosting demand is the amount of vehicles reaching the end of their lives.

Recent figures show that the average age of New Zealand's fleet is about 14 years and economists predict future sales to rise because of this.

"The amount of cars traded in for less than \$2,000 is astonishing," says Charlton. "People

can't keep their cars forever and there has to be a time to upgrade. It seems to be now."

In addition to this boost in registrations, dealers say the used vehicle market has become more competitive.

With Auckland's population

and income growth set to outpace the rest of New Zealand, new challenges are emerging.

Johnston says traffic woes are causing headaches for logistics providers and business owners trying to get around town.

A report released by the New Zealand Institute of Economic Research released last May states: "Without change, Auckland cannot reap the benefits of a growing population. Expect lower living standards from longer commute times and rising housing costs."

It concludes Auckland needs "co-ordinated adjustments across a number of policies to deliver a world-class city in which to live and work".

Nevertheless, with incomes growing, a booming population and the fleet's age rising, dealers are well-positioned for further increases in car sales. ☺



Paul Brown, dealer principal of John Andrew Ford



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Credit providers sold

The New Zealand and Australian consumer finance businesses of GE Capital – the finance company owned by US firm General Electric – have been sold for about \$8.6 billion.

Businesses including GE Money, GE CreditLine and GEM Visa card have been bought by an investor group, which includes multi-national private equity firm KKR & Co, Deutsche Bank and investment firm Värde Partners.

GE Capital will retain its commercial finance business, providing loans and leasing to medium-sized businesses.

In New Zealand, GE Money has assets worth \$1.4b, employs 800

staff and has 530,000 customers. Its credit cards fall under GE Finance and Insurance, which amalgamated with GE Capital NZ Funding in 2011.

GE Capital confirmed its New Zealand consumer finance businesses were up for sale in September.

"The decision to explore options to sell fits with our strategy to be the world's premier infrastructure technology company and leading speciality finance provider to the mid-market," a company spokesman said.

In the 2013 calendar year, GE Finance and Insurance returned to profit with reported earnings of \$69.9 million. It turned around a \$20.4m loss a year earlier. ☺

NEWS in brief

Manheim secures business buying group's contract

The country's leading business buying group has confirmed Manheim New Zealand as its preferred supplier of vehicle and fixed-asset disposal services.

The deal means it will provide n3's members with access to its vehicle and equipment disposal sales channels, and preparation services.

Craig Ross, pictured, managing director of Manheim NZ, says: "The great news for our trade and private buyers is that with vehicles, trucks and machinery from n3's members being offered for sale at Manheim, they can purchase an even wider range of quality items."

Visit www.autofile.co.nz for more on this story.



Prices revealed for pony range on these shores

Ford has announced pricing for its Mustang, which arrives in New Zealand later this year.

The Fastback variant with a 2.3-litre EcoBoost engine and automatic transmission will have a recommended retail price of \$56,990.

The 2.3-litre convertible with automatic transmission will start from \$61,990, while the V8 GT five-litre fastback, pictured, will be available with a six-speed manual or six-speed automatic transmission for \$71,990.

The most expensive version will be the six-speed automatic V8 5-litre GT convertible at \$76,990.



Company boosts share in high-end dealerships

The Giltrap Group has acquired a further stake in Archibald and Shorter in Auckland, which holds franchises for Jaguar, Land Rover and Volvo.

Michael Giltrap, joint managing director of Giltrap Group Holdings, says the company is excited about the growth of the marques it represents.

"We see them gaining further market share," he told Autofile. "We are selective on the brands we invest in – we are not buying dealerships just because the car market is growing."

"Land Rover is the main reason for the investment, but we see further growth from Jaguar and Volvo as well."

Giltrap says Jaguar and Land Rover combined would be one of this country's fastest-growing marques, while both may collectively match BMW's or Mercedes-Benz's sales figures in the future.

The deal is set to take effect on April 1 with Richard Holden remaining as chief executive officer of the dealerships.

American authorities consider action over airbags

Safety regulators in the US are considering an order to speed up the recall of vehicles with Takata airbags, but have to consider capacity issues.

The company is producing 450,000 replacement inflators per month and plans to expand output to 900,000 a month by September.

The National Highway Traffic Safety Administration says about two million out of 17m vehicles recalled in the US have been repaired.

But the risk of more incidents has prompted it to consider ordering carmakers and suppliers to increase the availability of new parts.

Meanwhile, rival airbag companies Autoliv and TRW Automotive may start making them later this year.

The Autofile issue of March 6 reported how the recalls have affected the Kiwi market. Visit www.autofile.co.nz for back issues. ☺

Greener car carriers launched

Wallenius Wilhelmsen Logistics (WWL) has brought the M/V Thermopylae into service – the first of its new generation of high-efficiency roll-on, roll-off vessels.

The pure car and truck carrier (PCTC) is 36.5 metres wide and 199.99m long, provides extra capacity and the company says it fulfils its commitment to the environment.

The Thermopylae has five car decks, which can be lifted to allow for more configurations for cargo of various sizes – and increased capacity for cars, trucks, equipment and break-bulk.

Its draft allows it to call at ports with shallower depths to increase scope of service geographically.

Taking steps towards a vision of zero-emission shipping, the design includes emissions-reducing features, such as a streamlined



Wallenius Wilhelmsen Logistics' M/V Thermopylae

bow, new Promas rudder and an engine configured to allow the vessel to operate more efficiently in a wider range of speeds and drafts.

The Thermopylae is also fitted with an exhaust-gas cleaning system to cut sulphur fumes to below 0.1 per cent in compliance with emission control-area regulations.

This system also removes 70 per cent of particulate matter to

significantly reduce NOx emissions.

The Thermopylae, which is visiting Australian ports in late April and early May, was built in South Korea. It is the first of eight similar vessels to enter service with WWL between 2015 and 2017.

Meanwhile, Nippon Yusen Kaisha (NYK) and Monohakobi Technology Institute have made energy-saving adjustments to a container ship for

a 23 per cent drop in carbon-dioxide emissions over half a year.

To reduce energy consumption, its vessels often sail slower than average speeds anticipated.

To make existing ships more efficient at slower speeds, the companies – part of the NYK Group – have been studying remodelling bows and installing fuel-saving devices fitted to the submerged part of hulls to maximise propulsive efficiency since 2013.

Modifying bulbous bows changes the way water flows around hulls to reduce drag, and increase speed, range and efficiency.

Analysis of voyage data gathered over six months after improvements were made in June 2014 shows a 23 per cent drop in CO₂ emissions.

"The NYK Group will aim for further energy savings by proceeding based on this approach," it says. ☺

Powering into future

Kia has unveiled a turbocharged three-cylinder 1,000cc petrol engine that outperforms a 1.6-litre unit.

The powertrain and new seven-speed dual-clutch transmission will make their debut in the cee'd GT Line, which goes on sale this year in Europe.

The marque says the technology will be introduced to other models, including those destined for New Zealand.

The T-GDI engine, pictured, delivers more torque over a greater range than Kia's 1.6-litre GDI, while also lowering CO₂ emissions and fuel consumption.

It has a laser-



drilled injector with six holes. Instead of consistently injecting the fuel-air mixture onto certain points in the combustion chamber, these holes provide a more even spread through the cylinder.

The T-GDI's single-scroll turbocharger is paired with an electric waste-gate motor to improve its performance via an air-scavenging strategy.

This system also allows for greater low-end torque, more immediate engine response and improving fuel economy under higher engine loads.

The engine is the first of a new line of small, lightweight and efficient powertrains being developed by Kia. ☺

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Industry movers

DEBORAH TAYLOR has been appointed as an independent director of Heartland New Zealand.

The professional director's career spans 30 years in law, accountancy and finance.

Her current governance appointments include Silver Fern Farms, where she chairs the audit risk and mitigation committee, and deputy chairperson of Landcare Research NZ and Hirepool Group.



JEFF WILSON, a former international rugby player and cricketer, has signed up as a brand ambassador for BMW NZ.

"I jumped at the opportunity because it's a brand I've long admired and have been drawn to because of what it represents," he says. "BMW is also involved in sporting fields I have a strong interest in, including golf."

Nina Englert, managing director, adds: "It's fantastic to have a world-recognised sportsman such as Jeff as part of our family and we look forward to involving him in events."

Wilson joins shoe designer Kathryn Wilson and chef Josh Emmett as fellow BMW ambassadors.



MIKE PEREZ has joined Auto-IT as its national sales manager. His past positions include being Ford NZ's national sales manager and national service manager of Nissan NZ.

Perez has also represented the Motor Industry Association (MIA) on the Motor Industry Training Organisation's board of directors, and has served on the MIA's product and safety committee.

He has been involved in the dealer management system sector for the past three-and-a-half years.

"Mike has a reputation as being a straight shooter who has built industry relationships based on honest, open interactions," says Auto IT's managing director Roger Peffers.



MORGAN DILKS has been appointed assistant manager of digital marketing and communications at Toyota New Zealand.

Having recently returned to this country after a two-year secondment with Toyota Motor Asia Pacific in Singapore, his career with the vehicle manufacturer now spans 15 years.



TAKAHRIO HACHIGO has replaced Takanobu Ito as Honda Motor Company's president.

The 55-year-old joined the marque in 1982, and has worked across research and development, procurement and manufacturing with spells in the US, UK and China.

Ito resigned after six years in the post that saw Honda get through the global financial crisis and damaging recalls, such as those for potentially explosive Takata airbag inflators.

MIKE STANLEY has become Audi service manager at Continental Car Services in Auckland.

He previously held an after-sales role at Mahindra NZ and worked in Australia before that.

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

NZ labour market report

BUSINESSWOMEN IN NEW

Zealand need be more assertive if they want to reverse the decrease in their numbers in senior management roles, according to Grant Thornton.

Figures in its international business report show Kiwi women are going backwards on several fronts when it comes to top management and board-room positions.

Stacey Davies, a partner at Grant Thornton NZ, says the country has dropped to 28th place out of 35 surveyed compared with 15th out of 45 in 2014.

"New Zealand was ranked third in the world of the countries surveyed in 2004," she says.

"In a little more than a decade, we've gone from being world leaders to near the bottom."

Nineteen per cent of senior management positions in Kiwi businesses are held by women.

This is an all-time low since the survey started in 2004 and nine per cent below

the long-run average of 28 per cent.

"Thirty-seven per cent of businesses surveyed say they have no women in senior management," says Davies.

"This number has increased over the years from 26 per cent in 2012 and is higher than the global average of 32 per cent.

"It has got nothing to do with education because survey data shows women have no problems holding their own when it comes to qualifications.

"The results from last year showed a downward trend and perhaps we are now seeing that come to fruition.

"There's also potentially a perception among women that if they work hard they will be recognised and rewarded. This isn't eventuating."

Davies says women can't afford to just sit back and wait to be asked

to join the top table – they need to invite themselves or push for this to happen.

"You have to put your hand up for stretch assignments, step outside your comfort zone and be your best advocate because you cannot rely on someone else to do it."

The study also looked at what are regarded as obstacles to women achieving positions in senior management.

Sixty-nine per cent of New Zealand women perceive no barriers to advancing into senior roles.

However, this drops to 55 per cent when the male portion of the sample is added, so there are some

roadblocks women aren't aware of.

"Thirty-three per cent of our Australian female counterparts feel there are barriers to women entering senior roles," says Davies.

"No New Zealand women surveyed perceived a gender bias, but seven per cent of the male sample saw one. The global average of

women who feel there is gender bias is 19 per cent."

Davies believes the issue of gender bias is interesting because a lot of it probably goes unnoticed.

"Research has shown women's leadership styles and mistakes are judged more harshly than men's, and men are promoted based on potential while women gain promotion based on past accomplishments.

"Twenty-three per cent of women see the lack of female role models as a barrier. Given the relatively small number of women in senior management, this isn't surprising.

"It is well-proven greater diversity in decision-making processes lead to better outcomes. If an economy is only using half of its most talented people, growth potential is cut.

"Businesses need to think about how they access different skillsets." ☺

“Thirty-seven per cent of businesses surveyed say they have no women in senior management.”

Dealer training key to success

What a great start it has been to the year. It doesn't matter who you talk to, there has been much activity in the market with strong sales across the board.

There appears to be a lot of cars being sold but with the competitive nature of the automotive industry, the margins are continually being squeezed.

That is why it's important for car dealers to offer all of the products that they can to every customer who comes onto their yards.

Protecta Insurance has been conducting training for many years now and has a reputation for providing top-quality training for registered motor-vehicle traders.

It is great that dealers are once again investing in their staff and sending them on these training courses.

We believe it's an investment

that pays off in many different ways, from maximising sales and profit opportunities through to customer satisfaction and staff retention.

Erin Mills, our business coach who runs comprehensive business manager training for car dealers, has the rest of the year ahead planned and has had a great response.



RAY MEHARG
National sales manager
Protecta Insurance

training course on May 21 and 22 had just a handful of spaces left by the time Autofile went to print.

Bookings are now being taken for the two courses that are running from September 16-17 and November 18-19.

Training is very important and motor-vehicle dealers are investing time in allowing their business

On the courses, participants watch a video, learn about products and how to sell them, get to grips with finance and legislation, make posters, and learn how to present all the products in a nice and easy manner that they can adapt to their own words.

Our courses are proven and they really do work.

Employees from dealerships who sell Protecta Insurance policies can attend the two-day business manager training courses for free, but all traders' managers and salespeople are welcome to attend.

We can also run courses at your business premises and after hours with these arrangements proving to be popular.

If you would like to attend one of our courses, or know someone who would like to, please contact your Protecta consultant or email Erin at erin.mills@protecta.co.nz.

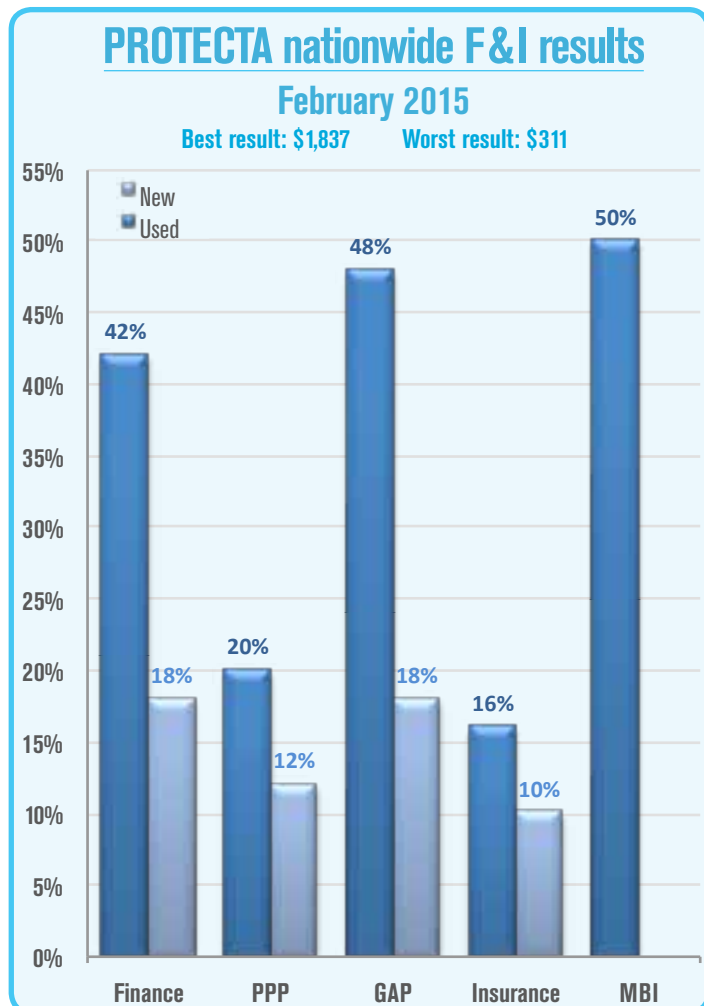
“It's great dealers are once again investing in their staff and sending them on training courses.”

The course that was run in January was fully booked, while the next one – from March 18-19 – also had no places left.

The next business manager

managers and salespeople go on Protecta's courses.

As a result, they are generally seeing huge improvements in strike rates and. This means more profits.



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Tribunal rules car buyer failed to prove vehicle's timing chains were stretched

Background

Robert Tovishati bought a 2003 Volkswagen Passat from Inch Quality European for \$5,999. He rejected it because he believed its timing chains were stretched.

Tovishati claimed the \$3,966 quoted to replace them made the car uneconomical to repair, but the trader said he wasn't entitled to reject it because he hadn't established the chains were faulty.

The case

Tovishati purchased the car on April 12, 2014. Within two days, the engine started to misfire so the trader sent it to Vantage Auto Diagnostics.

An engine control unit (ECU) scan found a faulty coil, which was replaced with the dealer charged \$179.

Mr J Rouse, Vantage's director, said an ex-employee called Jason did the scan and would have drawn his attention to any other fault codes. He didn't.

Tovishati didn't have a problem with the car, but thought it lacked power. He added his wife and daughter, the main drivers, told him it was slow to pick up.

On September 26, Volkspower scanned the vehicle. It found three fault codes. Two were related to the camshaft position and engine-speed sensor, and the other to the brake boost's pressure sensor.

It diagnosed the camshaft and speed-sensor faults as indicating the camshaft's timing chains were stretched, and quoted \$3,966 to replace them. However, after

doing the scan it gave Tovishati an oral estimate of \$2,500.

Without disclosing the car had been scanned and being advised the chains were likely to be stretched, Tovishati asked Mr D Inch, the dealer's director, what sum he would allow him for the vehicle as a trade-in if he bought one from him for about \$10,000.

Inch told him \$5,000, so Tovishati looked around the yard, but couldn't see anything suitable. He went to another trader, which was unwilling to buy the Passat.

Shortly afterwards, Tovishati disclosed Volkspower's scan results to Inch. The dealer's mechanic described its engine performance as "flat".

Tovishati and Inch took the car to Vantage where Rouse, after looking at the scan results, advised him to trade the car in rather than repair it.

On October 17, Tovishati wrote to the trader requiring it to replace the chains or refund him \$6,000. The dealer refused, but offered to obtain replacement parts at trade rates.

Over seven months from the date of purchase to when Tovishati filed his tribunal application on November 6, the vehicle was driven about 6,000km.

Tovishati said a warning light never lit up, but he noticed a lack of power when driving up Porter's Pass.

Inch said he drove the vehicle for about 20km before selling it and it performed faultlessly.

He said it wasn't common knowledge, but a crankshaft timing chain can and does stretch, and he believed that could have happened after Tovishati bought the vehicle.

He said there were several reasons why he didn't think the chain was faulty when supplied.

A fault code would have appeared when the vehicle was scanned in April 2014, a warning lamp would have lit up and a rattling noise would have come from the engine.

Inch produced a Dubworld report dated December 19, which stated it did a scan and test drive.

"Our opinion is there was no noise from the chains and the level of wear was low, notwithstanding that there are fault codes logged in the ECU."

Inch was of the opinion that if there was a chain issue, it was at the low end of wear because there was no noise, the vehicle drove okay and the codes might have been caused by other faults, such as a sticky or dirty camshaft sensor.

The finding

The tribunal considered the vehicle was an 11-year-old Passat that had 151,000km on the clock when it was sold to Tovishati for \$5,999.

It was significant Vantage did a diagnostic scan on April 14. The tribunal didn't have the results, but Rouse said this was common because he seldom supplied them to customers unless they showed serious faults.

The case: The buyer of a Volkswagen Passat rejected it under the Consumer Guarantees Act (CGA) after claiming its timing chains were stretched and the amount quoted for repairs made it uneconomical to fix.

The decision: The tribunal agreed with the dealer that the purchaser failed to prove – on a balance of probabilities – his car failed to comply with the act's guarantee of acceptable quality.

At: The Motor Vehicle Disputes Tribunal, Christchurch.

The scan was done by someone called Jason, who was no longer employed by Vantage.

However, Rouse said Jason was experienced and would have drawn his attention to the scan if it had shown a camshaft position or engine-speed sensor fault.

Because of this, the trader claimed there was nothing wrong with the chains at the time the vehicle was supplied.

Tovishati didn't return the car or have it checked until five months after buying and after it had been driven for more than 6,000km.

He added no engine warning light had ever come on and there was no unusual noise indicating that the chains had stretched.

The car's timing hadn't been checked by removing the rocker cover, which the tribunal considered should have been done by the buyer's mechanic.

Order

The application was dismissed because the buyer failed to prove that, to the required civil standard of proof, the car failed to comply with the CGA's guarantee of acceptable quality. ☺

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Trader fails to submit defence and copy of consumer information notice

Background

James Logan bought a 2010 BMW X5 from Euro Vehicles on June 6, 2014, for \$68,000.

The car failed to start a month later so he had it towed to the dealer's repairer, which took 19 working days to try to fix it.

But when it failed to do so, Logan took it to Team McMillan, which did the work for \$14,805.

He wanted the dealer to reimburse that amount and \$100 for towing.

The trader was sent the hearing's time, date and place, and was asked to provide the consumer information notice (CIN) and its defence statement. It failed to do so.

The case manager phoned the dealer on October 13 to remind it about the hearing and Mr Meno, its sales manager, confirmed it would attend.

The tribunal's clerk tried to contact the trader on October 15 when the hearing was about to start, but couldn't make contact.

It decided to hear the application in the dealer's absence because it had been given adequate notice.

The case

Logan bought the vehicle after a mechanical inspection. He understood it had originally been imported from the UK and had 81,000km on its odometer when sold without its service history.

He said the trader failed to display a CIN with it. The vehicle

offer and sales agreement recorded the dealer as supplying a copy of the CIN, but Logan said that wasn't the case.

On July 10, the vehicle wouldn't start. Logan phoned Meno, who asked him to have it towed to NZ Fast Cars & Euros in East Tamaki, Auckland, to be repaired and that his contact was called Moe.

Logan said he made numerous calls to Moe and Meno to try to find out the nature of any faults and when they would be fixed.

Initially, Logan said Moe told him there was a problem with the battery, but later said there was a fault with the vehicle's computer and then said its injectors needed to be replaced.

Meno and Moe told Logan on July 17 that a new computer had been ordered, which was expected by July 28.

By late July, the story the buyer was told by Moe was different to what Meno said. On August 4, Logan was told the parts hadn't been ordered.

The next day, Logan discovered the car had been shifted to Great South Road in Penrose to Nippon Cars run by a man named Boris.

He found his car parked outside. The internal console from the boot to the engine had been dismantled. The engine bay had water inside and cables were dangling in it.

Logan produced photos of the vehicle's condition at that

time. He called a tow truck to remove it, but claimed Boris refused to tell him how to disengage the parking brake unless he paid \$100.

The buyer contacted Team McMillan, which "talked him through" the procedure, and he had it towed there where a faulty engine control unit (ECU) and rusty injectors were diagnosed.

Logan understood a technician informed the dealer of this and the cost of repairs. The buyer said Meno told him the trader would cover the bill. The vehicle was repaired by August 27.

Shortly before its completion, Team McMillan invoiced the trader, which didn't pay it.

Logan paid Team McMillan \$14,805 for its work, but this included \$483 for a duplicate remote control and key, which he wanted.

Team McMillan supplied him with a letter from Mr Gilroy, workshop foreman, describing the problems.

These were a short circuit and an internal ECU fault relating to the fuel injectors' electrics, which had also been contaminated by water and was likely to have caused a short circuit.

Water was entering the engine compartment's partition wall by going through the wiring loom to the electronics box.

The report stated Team McMillan replaced the control unit, six injectors, the wall and box cover. It also rewrapped the loom.

The case: The owner of a BMW X5 was unable to start the car one month after buying it. He later had the vehicle uplifted so it could be repaired somewhere else.

The decision: The tribunal ruled the dealer was given a reasonable amount of time to remedy the faults. The seller, who failed to attend the hearing, was ordered to foot the bill for the work.

At: The Motor Vehicle Disputes Tribunal, Auckland.

The finding

The vehicle wouldn't start the month after it was sold and after travelling only 2,328km since being supplied, so the tribunal didn't consider the car was as durable as a reasonable consumer would expect.

It ruled the vehicle didn't comply with the CGA's guarantee of acceptable quality.

Logan said he required the trader to fix the faults on July 10, 2014. The dealer and its repairers had the car for 19 working days, but failed to do so.

The tribunal ruled Logan, after receiving conflicting stories as to the faults and steps being taken to fix the car, reasonably retrieved it on August 5.

Team McMillan repaired the vehicle in 16 days. It charged \$14,322 – excluding the duplicate key – which appeared to be reasonable. In addition, Logan incurred towage fees of \$100.

Orders

The trader had to pay the buyer \$14,422 and hearing costs of \$600. The tribunal considered the dealer was given a reasonable time to remedy the faults. ☺

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AROUND THE COUNTRY

February 2015

BIGGEST INCREASES/DECREASES BY TOWN YEAR-ON-YEAR

(FEBRUARY 2015 vs FEBRUARY 2014)

BIGGEST INCREASES

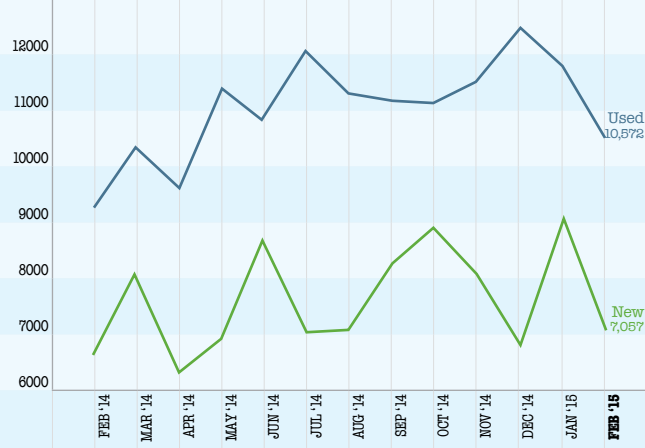
NEW		USED	
Rotorua	▲47.4%	Westport	▲69.2%
Oamaru	▲47.1%	Oamaru	▲62.5%
Christchurch	▲40.3%	Greymouth	▲41.9%

BIGGEST DECREASES

NEW		USED	
Invercargill	▼33.8%	Gisborne	▼52.2%
Wanganui	▼15.7%	Palmerston North	▼10.9%
Westport	▼12.5%		

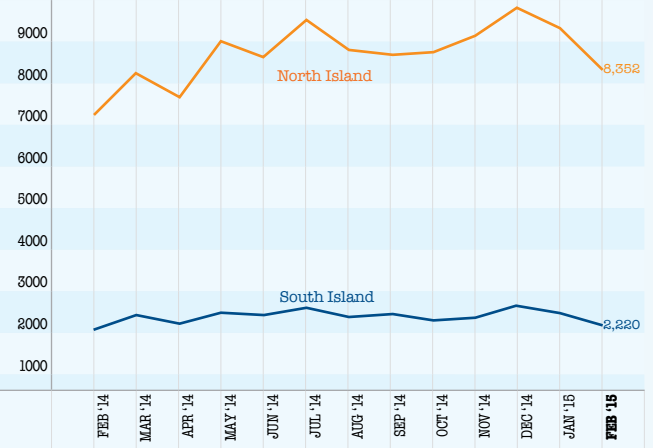
PASSENGER VEHICLE REGISTRATIONS

NEW versus USED



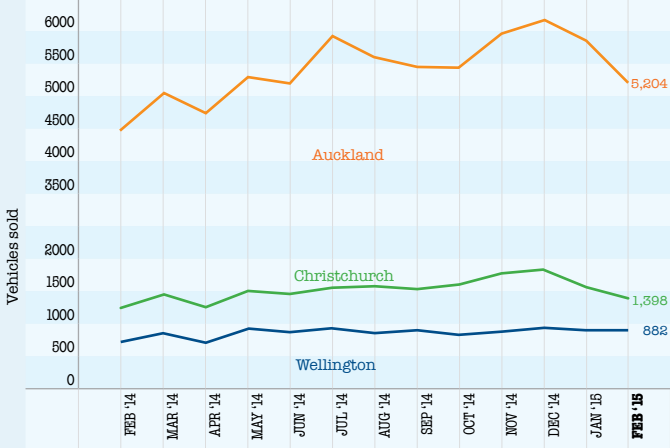
USED VEHICLE REGISTRATIONS

NORTH ISLAND versus SOUTH ISLAND

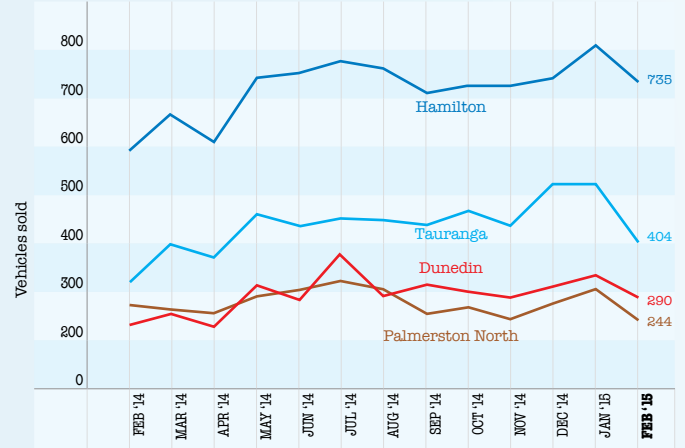


USED IMPORT PASSENGER VEHICLE REGISTRATIONS BY CITY

AUCKLAND, WELLINGTON, CHRISTCHURCH



HAMILTON, TAURANGA, DUNEDIN, PALMERSTON NORTH



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LATEST SCHEDULE

Port Calls	Morning Midas V1	Morning Miracle V16	Liberty V12	Morning Midas V2
Osaka	17 Mar	3 Apr	16 Apr	3 May
Nagoya	18 Mar	4 Apr	17 Apr	4 May
Yokohama	19 Mar	5 Apr	18 Apr	5 May
Auckland	6 Apr	21 Apr	6 May	20 May
Wellington	13 Apr	28Apr	13 May	27 May
Lyttelton	8 Apr	1 May	8 May	29 May

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Year-to-date imports setting pace

The number of used passenger vehicles imported into New Zealand during February totalled 9,995.

This was down by 160 units compared to January when 10,155 crossed the border and was up by two units compared to the same month in 2014.

Last month's total included 9,372 from Japan, which was down by 278 units compared to 9,650 in the first month of 2014.

There were 418 used cars imported from Australia during February, which was more than the average monthly total for 2014 of 264 units, although 362 crossed the border in December.

Used passenger vehicles from the UK dropped to 88 from 114 in January while 60 came in from the US, which amounted to 20 fewer than in the previous month.

There were also 31 used imports from Singapore – up by one.

February's figures brought the year-to-date number to 20,150 units. This was an increase of 12.5 per cent – or 2,241 units – compared with the same time in 2014 when the total was 17,909.

Stella Stocks, the AA's general manager of motoring services, says: "Nearly 10,000 units in February is still a good number and I would not read anything into the total being a bit down."

As for last month's high numbers from Australia, she says the AA isn't seeing any volume of vehicles that may have been involved in the hail storm that hit Brisbane before Christmas, which resulted in many insurance write-offs.

"However, we are getting a lot of inquiry from Kiwis returning home or Australians coming to New Zealand for work and bringing their vehicles with them, while volume from the UK has never been great," Stocks told Autofile.

When the cross-rate between the New Zealand dollar and Japanese yen favours the kiwi, she says used car importers buy stock to take advantage of the

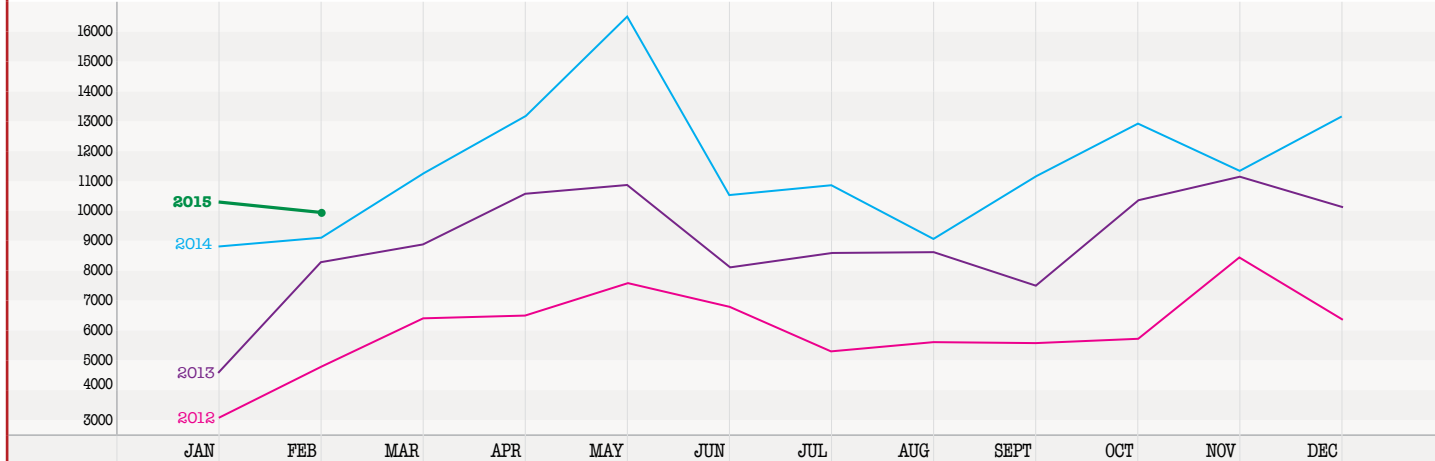
favourable exchange rate.

As for any trends and issues developing in the Japanese used imports market, she says: "There is some activity with the likes of Gulliver, which are setting up business models that provide vehicles directly to the public."

Stocks describes compliance as always being a business of peaks and troughs, and one that's reliant on shipping schedules.

Meanwhile, the number of used commercial vehicles coming into the country totalled 431 last month. The total was ahead of 333 in February 2014 by 98 units with the year-to-date figure now standing at 874. ☺

USED IMPORT PASSENGER VEHICLE ARRIVALS



Used Import Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2015				2014						2013	
	JAN'15	FEB'15	FEB MARKET SHARE %	2015 TOTAL	Q1	Q2	Q3	Q4	2014 TOTAL	MRKT SHARE	2013 TOTAL	MRKT SHARE
Australia	258	418	4.2%	676	710	811	729	917	3,167	2.3%	1,990	1.9%
Great Britain	114	88	0.9%	202	483	441	450	511	1,885	1.4%	2,908	2.7%
Japan	9,650	9,372	93.8%	19,022	27,562	38,446	29,306	35,456	130,770	95.0%	100,784	93.9%
Singapore	30	31	0.3%	61	53	64	62	73	252	0.2%	146	0.1%
USA	80	60	0.6%	140	289	298	368	323	1,278	0.9%	1,205	1.1%
Other countries	23	26	0.3%	49	57	50	49	130	286	0.2%	251	0.2%
Total	10,155	9,995	100.0%	20,150	29,154	40,110	30,964	37,410	137,638	100.0%	107,284	100.0%



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Rises across used car sales

There were increases in three categories of second-hand cars sales last month.

The number of dealer-to-public registrations increased by 3.4 per cent in February when compared to the same month of 2014. They went up from 15,846 units to 16,378.

Trade-ins saw a slight rise of 0.8 per cent from 11,875 to 11,967 units, while public-to-public transactions increased from 37,557 to 39,565 – or by 5.3 per cent.

Jared Morris, director at Wadsco Motor World in Blenheim, told Autofile: “We did find that later-model and lower-mileage vehicles were starting to get slower to move, but used cars are still pretty strong for us.

“We had a good year for the used vehicle trade in 2014 and the signs are there that this market is going to remain steady.”

Paul Brown, dealer principal of John Andrew Ford in Grey Lynn, Auckland, says: “There has probably been a little bit of a tightening in the used vehicles space for us.

“In relative terms, we are finding that new vehicles are cheaper than what they have been, and this has affected sales of late-model and low-mileage vehicle sales.”

“Everyone wants a second-hand Mazda3 for less than \$15,000 and they have such good resale values,” says Grant Wilks, of Wilksbrooke Motors in Te Awamutu.

“We have got some bloody good trades coming in at the moment.”

The centre with the highest jump in trader-to-public sales was Nelson where they went up by 19.2 per cent from 266 to 317 units when comparing February to the same month of last year. It was followed by an 18.9 per cent increase in Thames from 175 to 208.

The West Coast, however, suffered a double-whammy in dealer sales. They fell back by 28 per cent from 25 to 18 in Westport, while the market in Greymouth dropped from 104 to 79 – a 24 per cent decrease.

Oamaru topped the ladder for trade-ins with a 27.8 per cent jump and 23 transactions, five

more than in February last year.

A 12.8 per cent increase – from 86 to 97 – saw Masterton come in second place.

DATA FOR STATISTICS

Registration reports in the March 6 issue were sourced using alternative NZTA statistics due to staff training delaying the data Autofile normally receives.

Its provisional figures had 10,573 sales of used imported cars, while the revised figure was 10,572, and 659 used commercials, which was increased to 681.

Tables in the next issue will be revised to reflect these slight differences. ⊕

SECONDHAND CAR SALES - February 2015

	DEALER-TO-PUBLIC			MARKET SHARE	PUBLIC-TO-PUBLIC			PUBLIC-TO-DEALER		
	FEB '15	FEB '14	+/- %		FEB '15	FEB '14	+/- %	FEB '15	FEB '14	+/- %
Whangarei	481	445	8.1	2.94	1,710	1,554	10.0	209	225	-7.1
Auckland	5,449	5,053	7.8	33.27	13,322	12,780	4.2	4,275	4,049	5.6
Hamilton	1,351	1,340	0.8	8.25	3,080	3,034	1.5	1,155	1,089	6.1
Thames	208	175	18.9	1.27	469	490	-4.3	74	92	-19.6
Tauranga	936	816	14.7	5.71	2,049	1,800	13.8	608	556	9.4
Rotorua	255	250	2.0	1.56	715	726	-1.5	108	130	-16.9
Gisborne	164	193	-15.0	1.00	367	338	8.6	74	86	-14.0
Napier	585	566	3.4	3.57	1,341	1,338	0.2	382	426	-10.3
New Plymouth	366	447	-18.1	2.23	948	981	-3.4	233	253	-7.9
Wanganui	156	197	-20.8	0.95	445	376	18.4	149	131	13.7
Palmerston North	785	747	5.1	4.79	1,559	1,483	5.1	638	652	-2.1
Masterton	156	151	3.3	0.95	349	333	4.8	97	86	12.8
Wellington	1,421	1,346	5.6	8.68	2,831	2,749	3.0	1,079	1,082	-0.3
Nelson	317	266	19.2	1.94	949	877	8.2	212	209	1.4
Blenheim	174	182	-4.4	1.06	356	340	4.7	110	115	-4.3
Greymouth	79	104	-24.0	0.48	209	198	5.6	47	47	0.0
Westport	18	25	-28.0	0.11	98	86	14.0	0	0	0.0
Christchurch	2,091	2,156	-3.0	12.77	5,273	4,877	8.1	1,659	1,727	-3.9
Timaru	209	227	-7.9	1.28	564	503	12.1	142	145	-2.1
Oamaru	59	70	-15.7	0.36	174	171	1.8	23	18	27.8
Dunedin	716	664	7.8	4.37	1,771	1,604	10.4	435	444	-2.0
Invercargill	402	426	-5.6	2.45	986	919	7.3	258	313	-17.6
NZ total	16,378	15,846	3.4	100.00	39,565	37,557	5.3	11,967	11,875	0.8

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Private car sales reflect spending

The proportion of new cars and SUVs sold to members of the public during February increased compared to January.

According to Motor Industry Association (MIA) statistics, there were 7,013 units registered last month compared to 8,974 in the first month of the year.

However, 41.1 per cent of all car sales in February were to private buyers compared to 33.3 per cent in January.

"The sales momentum from January has flowed into February," says David Crawford, chief executive officer. "They continue to reflect a strong economy."

He adds the outlook for 2015 remains "very positive" with businesses and consumers continuing to loosen their purse strings.

Overall retail spending using electronic cards was up by \$160 million – or 3.8 per cent – to \$4.4 billion in February 2015 compared with the same month last year, according to government figures.

In actual terms, card expenditure rose in all retail industries, except for fuel. Spending on motor vehicles dipped by \$8m to \$131m last month compared to January, but jumped by \$20m against February 2014.

When adjusted for seasonal effects, overall spending rose by one per cent in February 2015 compared to January.

As for registrations of passenger cars and SUVs last month, Toyota topped the ladder with 903, of which 32.1 per cent – or 290 units – were

bought by members of the public.

Next up was Holden on 765. Of its sales, 228 – or 29.8 per cent – were to private buyers.

Hyundai, which came third, sold 694 units to the public, which amounted to 29.3 per cent of its 694-unit total.

Mazda, in fourth place, had the highest proportion of private sales at 43.2 per cent in the top five.

Its total of 674 included 291 private registrations while Ford came fifth on 507, of which 32.3 per cent were bought by the public.

Andrew Clearwater, managing director of Mazda New Zealand, says the marque is now utilising different mediums to reach its market.

"We are using social and digital media more and more to reach our target group, and we're finding that's more cost-effective," he told Autofile.

"Our line-up has undergone huge change. The Mazda3 is fresh from winning NZ Car of the Year and, when we get to the spring, there's the new MX-5 and a refreshing of the BT-50.

"The first couple of months of this year have seen the market go up by six per cent, excluding rentals. The economy is robust and we will just take advantage of that while it continues.

"We are forecasting modest growth up by only a couple of per cent on last year."

Meanwhile, BMW topped February's sales chart for prestige brands on 193 units, with 78.8 per cent of its registrations being to businesses. ☺

Passenger Car Sales by Private/Business split

MAKE	PRIVATE	% PRIVATE	BUSINESS	% BUSINESS	TOTAL
Alfa Romeo	1	33.3	2	66.7	3
Aston Martin	1	50.0	1	50.0	2
Audi	60	39.7	91	60.3	151
Bentley	1	100.0	0	0.0	1
BMW	41	21.2	152	78.8	193
Chery	13	81.3	3	18.8	16
Chrysler	1	50.0	1	50.0	2
Citroen	11	47.8	12	52.2	23
Dodge	26	59.1	18	40.9	44
Ferrari	2	100.0	0	0.0	2
Fiat	43	70.5	18	29.5	61
Ford	164	32.3	343	67.7	507
Holden	228	29.8	537	70.2	765
Honda	202	80.5	49	19.5	251
Hyundai	203	29.3	491	70.7	694
Isuzu	8	53.3	7	46.7	15
Jaguar	5	50.0	5	50.0	10
Jeep	56	45.5	67	54.5	123
Kia	108	43.7	139	56.3	247
Lamborghini	1	100.0	0	0.0	1
Land Rover	27	57.4	20	42.6	47
Lexus	31	55.4	25	44.6	56
Maserati	2	40.0	3	60.0	5
Mazda	291	43.2	383	56.8	674
Mercedes-Benz	53	34.4	101	65.6	154
Mini	20	37.0	34	63.0	54
Mitsubishi	250	53.0	222	47.0	472
Nissan	207	55.8	164	44.2	371
Peugeot	52	73.2	19	26.8	71
Porsche	18	64.3	10	35.7	28
Renault	8	53.3	7	46.7	15
Skoda	25	33.3	50	66.7	75
SsangYong	38	35.8	68	64.2	106
Subaru	49	28.5	123	71.5	172
Suzuki	166	57.4	123	42.6	289
Toyota	290	32.1	613	67.9	903
Volkswagen	165	45.5	198	54.5	363
Volvo	13	28.3	33	71.7	46
Other	0	0.0	1	100.0	1
Total	2,880	41.1	4,133	58.9	7,013

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

New vehicle boom continues

Year-to-date sales of new passenger and commercial vehicles are up by 9.6 per cent compared to this time in 2014.

Overall registrations during February rose by 8.3 per cent compared to the same month of last year for the strongest February since 1984.

It was also the biggest February on record for new commercial sales and the strongest second month of any year since 1989 for the registration of new cars.

Sales of SUVs remained dominant last month with a 32 per cent share of the market. They were

followed by pick-ups and chassis-cabs with 20 per cent, and small passenger cars on 15 per cent.

The rental market performed well in February by recording high increases compared to the same month of last year.

Registrations by this buyer type of cars rose from 26 to 197 units, from 51 to 221 for SUVs and from 26 to 47 for light commercial vehicles.

Grant Wilks, of Wilksbrooke Motors in Te Awamutu, says: "Dairy prices are certainly causes for concern, but most farmers are looking at the pay-out as one-year-in-three event and that you

just have to leverage it out.

"Commodity prices are fluctuating around so much that most of the older farmers are saying that they have been here before.

"Plenty are established farmers and, particularly in our region, they are well-off.

"The sheep and beef guys are doing really well at the moment, and builders are upgrading their utes because they aren't only reliant on the dairy industry.

"Interest rates and fuel costs are as low as they have been for years, and these have been offsetting the dairy pay-out."

SOURCE FOR STATISTICS

Figures used in compiling the statistics for new vehicle sales for the business-private split on page 28 and new segments on this page are supplied by the MIA.

Its figures have been adjusted to remove vehicles registered twice as new, such as those registered then deregistered to fix a registration error and reregistered as new.

The figures Autofile uses to compile other new passenger vehicle reports are supplied by the NZTA and do not include these adjustments. Some differences may occur. ☺

NEW VEHICLE SALES BY BUYER TYPE - February 2015						
	FEB '15	FEB '14	MTH%	2015 YTD	2014 YTD	% YTD
Passenger	3,897	3,681	5.9	9,136	8,958	2.0
Private	1,628	1,570	3.7	3,286	3,413	-3.7
Business	1,954	1,932	1.1	3,984	4,032	-1.2
Gov't	197	153	28.8	327	342	-4.4
Rental	118	26	353.8	1,539	1,171	31.4
SUV	3,116	2,849	9.4	6,839	5,838	17.1
Private	1,252	1,094	14.4	2,570	2,318	10.9
Business	1,595	1,633	-2.3	3,268	3,110	5.1
Gov't	48	71	-32.4	117	111	5.4
Rental	221	51	333.3	884	299	195.7
Light Commercial	2,466	2,229	10.6	4,724	4,130	14.4
Private	605	521	16.1	1,206	978	23.3
Business	1,719	1,603	7.2	3,289	2,978	10.4
Gov't	95	79	20.3	168	134	25.4
Rental	47	26	80.8	61	40	52.5
Sub Total	9,479	8,759	8.2	20,699	18,926	9.4
Private	3,485	3,185	9.4	7,062	6,709	5.3
Business	5,268	5,168	1.9	10,541	10,120	4.2
Gov't	340	303	12.2	612	587	4.3
Rental	386	103	274.8	2,484	1,510	64.5
Heavy Commercial	343	318	7.9	694	628	10.5
Other	55	42	31.0	137	87	57.5
Total	9,877	9,119	8.3	21,530	19,641	9.6

NEW VEHICLE MARKET SEGMENTATION - February 2015						
	FEB '15	FEB '14	MTH% DIFF	2015 YTD	2014 YTD	% YTD
Passenger	3,897	3,681	5.9	9,136	8,958	2.0
SUV	3,116	2,849	9.4	6,839	5,838	17.1
Light Commercial	2,466	2,229	10.6	4,724	4,130	14.4
Heavy Commercial	343	318	7.9	694	628	10.5
Other	55	42	31.0	137	87	57.5
TOTAL MARKET	9,877	9,119	8.3	21,530	19,641	9.6
Micro	143	129	10.9	290	289	0.3
Light	1,236	910	35.8	2,700	2,151	25.5
Small	1,455	1,634	-11.0	3,637	4,162	-12.6
Medium	528	498	6.0	1,155	1,169	-1.2
Large	327	327	0.0	916	744	23.1
Upper Large	19	27	-29.6	46	63	-27.0
People Movers	74	74	0.0	146	152	-3.9
Sports	115	82	40.2	246	228	7.9
SUV Small	918	777	18.1	2,085	1,629	28.0
SUV Medium	1,168	977	19.5	2,678	2,024	32.3
SUV Large	1,000	1,050	-4.8	1,998	2,089	-4.4
SUV Upper Large	30	45	-33.3	78	96	-18.8
Light Buses	42	37	13.5	80	61	31.1
Vans	430	476	-9.7	802	833	-3.7
Pick Up/Chassis Cab 4x2	813	717	13.4	1,523	1,301	17.1
Pick Up/Chassis Cab 4x4	1,181	999	18.2	2,319	1,935	19.8
Heavy Commercial	343	318	7.9	694	628	10.5
Other	55	42	31.0	137	87	57.5
TOTAL MARKET	9,877	9,119	8.3	21,530	19,641	9.6

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Registrations match import levels

A total of 7,057 new cars were registered in New Zealand during February compared to 7,173 being imported, increasing stock at hand by 116 units during the second month of 2014.

The statistics were turned on their head when compared to January when the variance came in at 2,271 units in favour of 9,010 registrations over 6,739 imports.

By comparison, the figures for last month stacked up against 6,572 sales and 6,724 imports in February 2014 for 157 more units compared to registrations.

Daily sales – based on a 12-month rolling average – increased by one to 259 last month, while the number of days' stock at hand decreased by one unit to 177 when compared to January.

In the past 12 months, imports have risen by 6.7 per cent while registrations have climbed by 7.4 per cent, with the stock level for

new passenger vehicles increasing by 19.2 per cent.

There have been 101,124 imports of new passengers during the past year and 94,614 have been sold – a difference of 7,414 units.

Meanwhile, Mazda is expecting to sell 150,000 CX-3s a year globally and is planning to launch the all-new compact crossover in New Zealand next month.

The company is anticipating the US will be one of its biggest worldwide markets and it's aiming for about 36,000 registrations annually in Japan.

Mazda is looking at the new model to make inroads into emerging markets, which will see capacity at its assembly plant in Hiroshima – the only site where the CX-3 is manufactured – increase.

That facility has the capacity to produce 515,000 units a year. It is also where the CX-5, CX-9, MPV minivan and MX-5 Miata are assembled.

As a result – and to ensure surety of stock supply to its markets – the company has shifted production of the Mazda2 from Hiroshima to its plant in Hofu to cater for the CX-3.

"We have pretty good stock flow at the moment," says Andrew Clearwater, managing director of Mazda New Zealand.

"It is about us trying to keep up with demand and that's not such a bad position to be in.

"It's good for us and good for our dealers, and consumers are used to waiting to get the cars they want."

Clearwater, who is also president of the Motor Industry Association, hopes the marque will sell 150 CX-3s here per month depending on stock availability.

"The CX-3 is in a new segment and one that we don't have any experience in, but demand continues to grow," he told Autofile.

"It's on allocation because the expectation is demand will

be strong around the world, particularly in Europe where there has been a move to smaller and lower-emission vehicles."

Overall demand for smaller SUVs is increasing. For example, Mitsubishi's ASX notched up 168 registrations in January to outsell Toyota's larger Highlander by three units.

Clearwater says the ASX is the CX-3's closest competitor and he's excited about having a model in this segment.

"If you don't have a product in your range, the chances are that you will lose customers to other marques offering it," he explains.

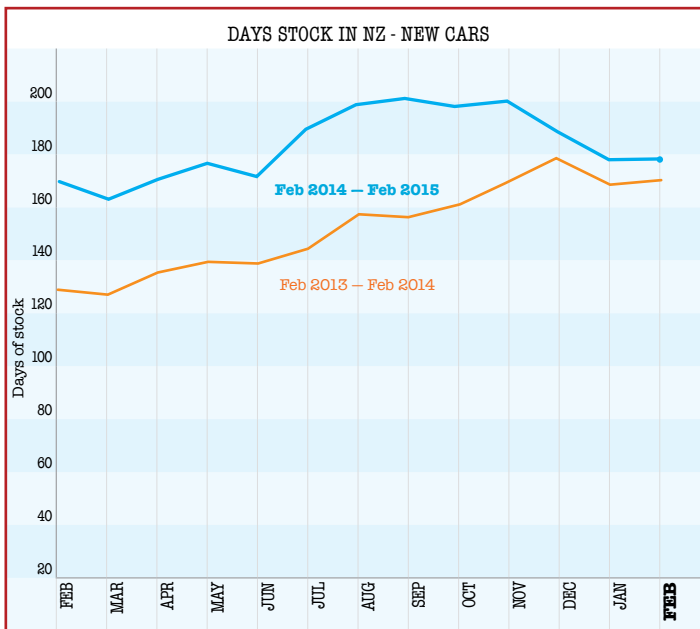
"What's revealing is the strong swing towards petrol, perhaps another indicator on the effect of road-user charges on that engine size.

"Regardless of that, the CX-3's diesel engine is one of the best in the business."

Visit www.autofile.co.nz for more on Clearwater's views. ☺

Dealer stock of new cars in New Zealand

	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Feb '14	6,724	6,572	157	38,538	230	167
Mar '14	7,174	7,992	-764	37,774	234	162
Apr '14	7,994	6,150	2,101	39,875	234	170
May '14	8,447	6,802	1,696	41,571	236	176
Jun '14	7,620	8,517	-569	41,002	238	172
Jul '14	11,106	7,071	4,035	45,037	239	188
Aug '14	9,649	7,066	2,599	47,636	240	199
Sep '14	9,602	8,382	1,220	48,856	243	201
Oct '14	8,297	8,910	-613	48,243	245	197
Nov '14	9,075	8,063	1,210	49,453	247	200
Dec '14	8,248	9,594	-1,346	48,107	256	188
Jan '15	6,739	9,010	-2,271	45,836	258	178
Feb '15	7,173	7,057	116	45,952	259	177
Total for past 12 months	101,124	94,614	7,414			
Change on Feb 2014	6.7%	7.4%	19.2%			



Dealer responds to changes

A company trading in prestige vehicles is looking to source and stock a wider range of pre-owned cars.

Ian Gibson, managing director of Team McMillan BMW, says the business in Newmarket, Auckland, is "having to learn all over again how to deal with used vehicles" because of the way the market has been changing.

"The franchise model has generally been based on vehicles that are up to one year old, so the used industry is now effectively competing with our new cars," he told Autofile.

"We are now trying to change that by offering stock that's between two and five years old.

"Our premium selection only involves keeping BMWs, so you may sell four cars and only get one trade-in that you can then retail.

"It used to be 50 per cent that we would be able to retail, but that's

now down to as low as 25 per cent."

He adds the dealership also has to compete with used imports.

"However, it looks like the Japanese currency is turning the other way, so hopefully we will get some respite."

Paul Brown, dealer principal of John Andrew Ford, says: "We have got a strong loyal customer base, which trades in vehicles every three or four years.

"We are also trading more opposition product than we have with Ford across all passenger segments.

"For most dealers, there is probably a shortage of good-quality used vehicles."

Dave Elley, of Suncoast Autos in Motueka, says: "We are reasonably comfortable with where our stock levels are at the moment and would have to take on an extra person if we wanted to do any more."

The dealership has also been

selling classics, such as Holden's Kingswood.

"It's a specialised market and I do the restorations through a business called Wrecks To Relics," says Elley.

"It's easy to sell, but it is hard to source, so the hardest part is finding the right stuff."

He sources this kind of stock from a wide range of outlets, including vehicles found in sheds and on estates.

"You do shop the whole country for it, but it does sell via the internet and by word of mouth."

Hayden Johnston, of Genuine Vehicle Imports in Penrose, Auckland, says: "If you run a good ship, you will sell cars.

"We are still getting offered good stock from Japan and see no problems in the near future sourcing this."

In the past 12 months, 139,543 used cars have crossed our

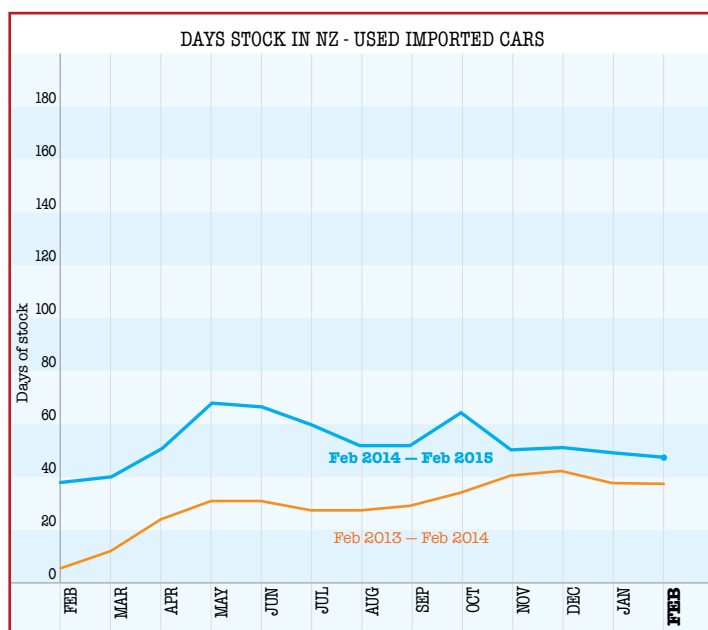
wharves and 133,663 have been sold – increasing stock levels by 5,880 units over that time.

A total of 9,995 used passenger vehicles were imported into New Zealand during February compared to 10,572 being registered here for the first time.

That meant there was a difference of 577 sales over imports, which resulted in the stock level dropping to 16,579 units from 17,156 in January.

Continuing stock would last for 45 days, a decrease of two days compared to January, if no extra used cars are imported. Over a 12-month average, there were 366 units sold daily.

Compared to February 2014, last month's number of used imported cars was up by 9.9 per cent and sales rose by 15.5 per cent with the stock level increasing by 55 per cent compared to the same time a year ago. ☺



	CAR SALES		VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
	IMPORTED	REGISTERED				
Feb '14	9,093	9,155	-62	10,699	283	38
Mar '14	11,254	10,247	1,007	11,706	290	40
Apr '14	13,102	9,501	3,601	15,307	296	52
May '14	16,450	11,223	5,227	20,534	304	68
Jun '14	10,558	10,760	-202	20,332	311	66
Jul '14	10,745	12,052	-1,307	19,025	318	60
Aug '14	9,016	11,290	-2,274	16,751	325	52
Sep '14	11,203	11,142	61	16,812	335	51
Oct '14	12,650	11,105	1,545	18,357	239	77
Nov '14	11,284	11,532	-248	18,109	296	61
Dec '14	13,131	12,448	683	18,792	305	62
Jan '15	10,155	11,791	-1,636	17,156	362	47
Feb '15	9,995	10,572	-577	16,579	366	45
Total for past 12 months	139,543	133,663	5,880			
Change on Feb 2014	9.9%	15.5%		55.0%		

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